YPF ENERGÍA ELÉCTRICA S.A.

DIRECTORS' ANNUAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS AS OF
DECEMBER 31, 2023 AND 2022

YPF LUZ

YPF ENERGÍA ELÉCTRICA S.A.

ANNUAL REPORT

AS OF DECEMBER 31, 2023

Address: Macacha Güemes 515, 3rd Floor, Ciudad Autónoma de Buenos Aires
Fiscal Year No. 11 beginning on January 1, 2023

Information prepared based on the Consolidated Financial Statements of
YPF Energía Eléctrica S.A. and its controlled companies

(Unaudited)

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ANNUAL REPORT 2023

In compliance with current legal and statutory provisions, we are pleased to submit for your consideration the Annual Report and the Consolidated Financial Statements of YPF Energía Eléctrica S.A. (hereinafter “YPF Luz” or “the Company”) as of December 31, 2023.

The information contained in this Annual Report includes Management’s analysis and explanations regarding the financial position and the results of operations and should be read together with the Consolidated Financial Statements of YPF Luz and its accompanying notes. Such Consolidated Financial Statements and its notes have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and the interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

1. OUR ACTIVITIES DURING 2023 AND OUTLOOKS

In 2023 we celebrated our first ten years in business. It has been a decade producing profitable, efficient and sustainable electric energy; with the clear purpose of Driving the evolution of energy from Argentina for the wellbeing of people.

We have positioned ourselves as the second largest generator of renewable energy in Argentina and rank third among electricity producers in the general electricity market. This was possible thanks to the high level of efficiency of our wind farms and the availability of our thermal power plants.

With load factors that exceeded 60% on a sustained basis, YPF Luz's Manantiales Behr wind farm, located in the province of Chubut, marked a historic record for load factor nationwide, 81%, as a result of which it ranked first in November 2023.

We strengthened our portfolio in a sustainable manner, with a focus on renewable energy and natural gas as the fuel for the energy transition. We reached 3.2 GW of installed capacity. In April, we inaugurated our first solar farm, El Zonda, located in the province of San Juan. It has an installed capacity of 100 MW, equivalent to the energy consumption of 88,000 households. In the same month, we started operating Central Dock Sud, one of the most efficient power plants in the Metropolitan Area of Buenos Aires, which supplies electricity to the area with the highest energy demand in the country.

Also, in 2023 we started constructing our fourth wind farm, General Levalle, located in the southern area of the province of Córdoba. The farm will have 25 wind turbines and an installed capacity of 155 MW, equivalent to the consumption of over 190,000 households, and will reduce 350,000 tons of CO_2 per year.

On the other hand, remote operation of renewable assets was set in motion. This is an important step towards innovation and efficiency of our operations. The Remote Operation Center monitors and controls all the Company's renewable assets from Torre Puerto Madero.

Financially speaking, in 2023, we managed to increase our revenues by 4%, measured in US dollars, with a material increase in EBITDA. We also issued new Negotiable Obligations for US$ 150 million.

The company supplies 8.2% of the country's electricity and leads the Renewable Energy Term Market (MATER) with a 34.1% share.

In 2023, we published our fifth Sustainability Report, which brings together the environmental, social and governance results of the 2022 management. The report was prepared under the international guidelines of the Global Reporting Initiative (GRI) and the standards for the Electric Utilities & Power Generators Sector issued by the Sustainability Accounting Standard Board (SASB), the Sustainable Development Goals (SDG) and the Ten Principles of the United Nations Global Compact.

In the reported period, the Company continued strengthening its relationship with stakeholders, focusing on closeness to its communities, customer satisfaction, development of its people and support to its value chain.

YPF Luz's vision is to become one of the leading electric energy generation companies and a leader in renewable energy, operating with world-class safety, environmental, innovation, efficiency and quality standards. In parallel, we continue working on new technology for the continuous improvement of all processes in our operations. We seek to lead the energy transformation, to continue developing all potential of natural resources in line with the world trend towards a clean energy transition.

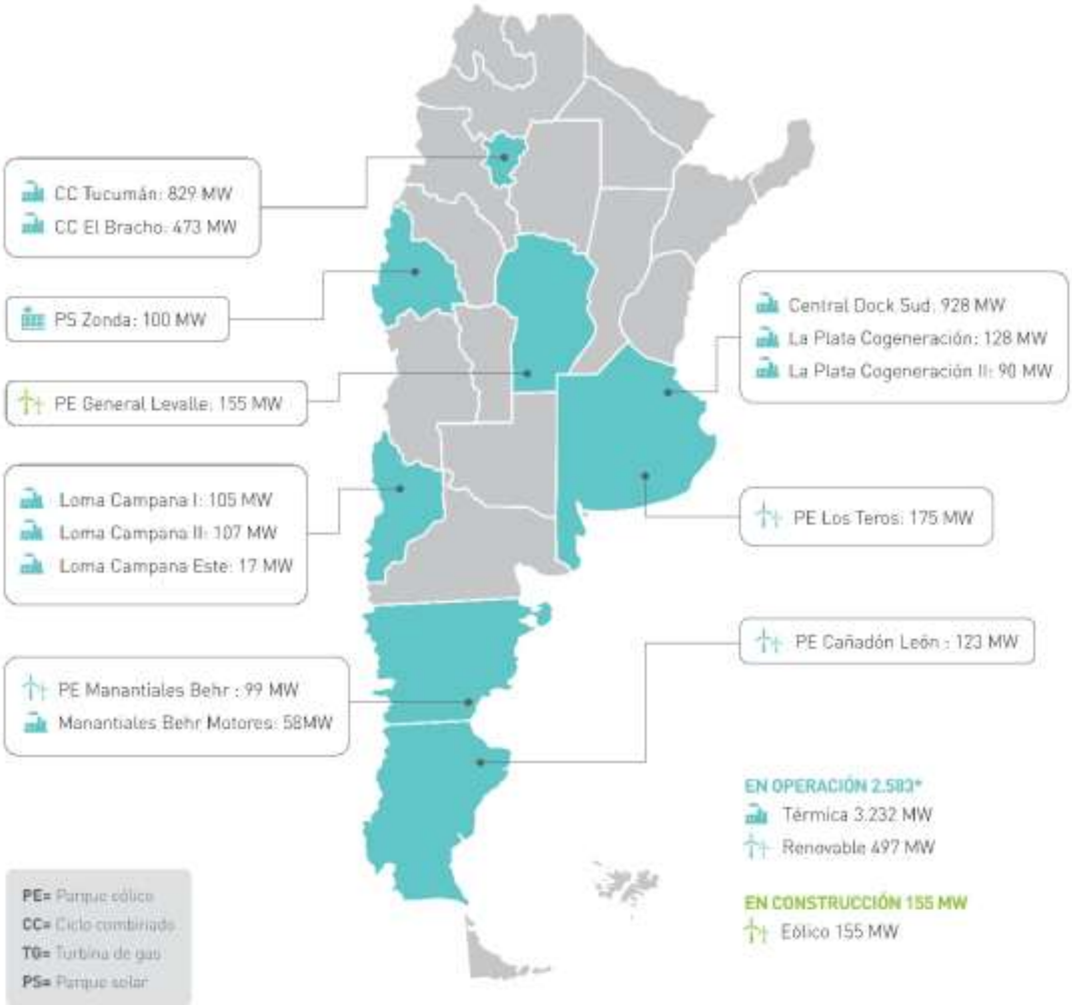
2. GENERAL

2.1. Characteristics of the Company

YPF Luz is a corporation organized under the laws of Argentina. Its registered domicile is Macacha Güemes 515, 3rd Floor, Autonomous City of Buenos Aires.

YPF Luz was born in 2013 and today it is one of the leading companies in electricity generation. We provide profitable, efficient and sustainable electric power, we optimize the use of natural resources, and we contribute to the country's energy development, guaranteeing competitive solutions for our clients. Currently, we are the second largest generator of renewable energy in Argentina and the main supplier of renewable energy to the country's industries.

The main activity of the Company and its subsidiaries (hereinafter, collectively, the “Group”) is the generation and selling of electric power through the following assets:



The generation capacity of the Group is 3,237 MW, including the participation in Central Dock Sud.

As of December 31, 2023, the Group generated 8.2% of the energy demanded in Argentina, according to the latest information issued by CAMMESA. Likewise, the generation capacity of the Group as of that date accounts for approximately, 7.3% of the country’s total installed capacity.

The Group's assets generate conventional and renewable energy, and its supply is directed to supply the Argentine electricity market through CAMMESA, YPF operations and other industries.

Projects

The Company is constructing its fourth wind farm in General Levalle, in the southern area of the province of Córdoba, with up to 155 MW that will be commercialised within the MATER. During this year, works in internal roads, construction of access roads to the farm, main equipment supporting platforms and the foundations for the wind turbines were underway. The buildings were constructed in the transformer substation and cabling channelling works were performed and the farm's medium-voltage transmission line poles were installed.

2.2. Shareholding History

As of December 31, 2017, the Company's capital stock amounted to ARS 2,506.6 million represented by 2,506,555,895 book entry ordinary shares, with a par value of 1, with the right to one vote per share, with the right to one vote per share, which is subscribed, paid in, issued and registered.

On January 12, 2018, the Extraordinary General Shareholders' Meeting decided to approve a debt capitalization and capital increase in the amount of ARS 303.7million, represented by 303,747,096 book entry ordinary shares, with a par value 1 and with the right to one vote per share, fully subscribed by the shareholder YPF S.A.

On March 20, 2018, the Ordinary and Extraordinary General Shareholders' Meeting resolved to increase the capital stock by ARS 936.8 million from ARS 2,810.3 million to ARS 3,747.1million, setting a share premium of US$ 0.243934955 per share. This increase was represented by 936,767,364 Class B book entry ordinary shares, with a par value 1 with the right to one vote per share. The total subscription price of the new shares amounted to US$ 275,000,000 comprised as follows: a) US$ 135,000,000 paid by GE EFS Power Investments B.V. on March 20, 2018; and b) US$ 140,000,000 on March 20, 2019.

In this way, the shareholders of YPF EE after the issuance of shares is as follows:

Shareholder	Number of Shares	Participation in the capital stock	Class of Share
YPF S.A.	2,723,826,879	72.69218%	A
OPERADORA DE ESTACIONES DE SERVICIOS S.A.	86,476,112	2.30783%	A
GE EFS POWER INVESTMENTS B.V.	936,767,364	24.99999%	B
Total	**3,747,070,355**	**100.00000%**	

On February 12, 2021, YPF S.A. had imposed 1,873,535,178 Class A common shares of the Company with a real right of pledge in first grade privilege in favor of the Citibank N.A. Branch, established in the Republic of Argentina, as a warranty agent and in benefit of certain beneficiaries, in virtue of the Contract of Pledge and fiduciary transfer with the purpose of the Warranty executed by YPF S.A. on February 12, 2021. The mentioned quantity of shares is representative of 50% of the subscribed capital and 50% of the Company's votes. This Shares' Pledge is subject to what is established by the Bylaws and the Company's Shareholders' Agreement.

3. MACROECONOMIC SITUATION AND CONTEXT

All our revenues are derived from our operations in Argentina and, as such, are subject to the macroeconomic conditions prevailing locally. Therefore, changes in the economic, political and regulatory conditions prevailing in Argentina have had, and are expected to continue to have, a substantial impact on us.

In recent years, the Argentine economy has experienced significant volatility with periods of low or negative growth, macroeconomic instability, currency devaluation, and high inflation levels.

According to the last monthly economic activity indicator, known as EMAE, published by the Argentine Institute of Statistics and Census ("INDEC") in December 2023, economic activity in Argentina dropped by 4.5% relative to December 2022. In cumulative terms, economic activity declined 1.6% compared to 2022.

Concerning inflation, Argentina has faced and continues to experience rising inflation levels, which significantly exacerbated as from the fourth quarter of 2023. During 2023, the Consumer Price Index ("IPC") compiled by INDEC increased 211.4% in cumulative terms, while the Wholesale Domestic Price Index (locally known as "IPIM"), also compiled by INDEC, rose 276.4%

in cumulative terms. In 2022, both the IPC and the IPIM experienced a 94.8% increase in cumulative terms. Concerning the balance of trade, based on the latest data published by INDEC in its Argentine Trade Exchange report, the trade deficit amounted to US$ 6,926 million in 2023, compared to a surplus of US$ 6,923 million in 2022, as a result of a 24.5% decrease in exports, partially offset by a 9.6% decrease in imports, compared to the same period in 2022.

Regarding the local FX market, in December 2023 the local currency underwent significant devaluation, with the ARS/USD exchange rate reaching 806.95 pesos per dollar on December 31, 2023, up by 355.7% from 177,06 pesos per dollar recorded as of December 31, 2022. The average ARS/USD exchange rate in 2023 was 294.95 pesos per dollar—125.7% higher than the average of 130.71 pesos per dollar recorded during the same period of 2022.

On January 28, 2022, the National Government reached an agreement with the International Monetary Fund (“IMF"), which was approved by Law No. 27,668. The deal was intended to refinance debt in the amount of US$ 44.00 billion borrowed during 2018-2019 under a Stand-By Agreement, originally scheduled to be settled in 2021, 2022 and 2023. On March 25, 2022, the IMF approved a 30-month agreement (Extended Fund Facility or "EFF") in favour of Argentina for up to US$ 44.00 billion. This agreement includes 10 quarterly reviews over a span of two and a half years to ensure that the National Government meets the targets agreed upon for each review period, authorizing disbursements after each review. The repayment term for each disbursement is 10 years, with a grace period of four and a half years, from 2026 to 2034. Regarding the National Government’s compliance with the targets established under the EFF for each period, in March 2023, the IMF completed the fourth quarterly review, while in August 2023 it concluded the fifth and sixth reviews (combined), authorizing disbursements for US$ 5.40 billion and US$ 7.50 billion after each review, respectively. In January 2024, the IMF concluded the seventh quarterly review, determining that the key targets set for the end of December 2023 were not achieved due to deviations in economic policy, which is why it was necessary to approve waivers for non-compliance. However, the IMF authorized a of US$ 4.70 billion disbursement. In addition, the IMF modified the goals of the agreement based on the stabilization plans of the new administration of the National Government and approved extending the agreement until December 31, 2024 and recalibrating the planned disbursements.

On October 22, 2023, the presidential and legislative elections were held, culminating on November 19, 2023 with the presidential ballotage, resulting in Javier Milei being elected President of Argentina. On the local macroeconomic front, there are significant challenges to be addressed related to the macroeconomic imbalances existing in the Argentine economy, including reducing the inflation rate, achieving trade and fiscal surpluses, accumulating reserves, refinancing debt with private creditors, and improving the local industry competitiveness.

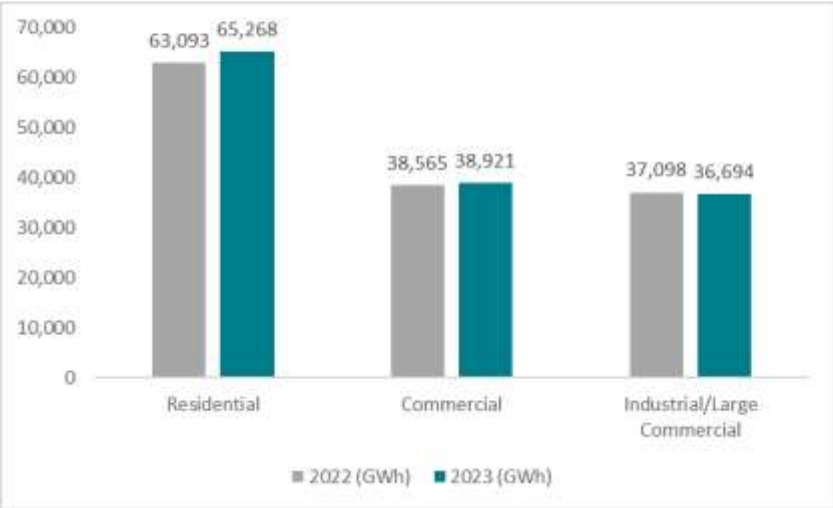
In this regard, the first measures adopted by the new administration are focused on deregulating the Argentine economy and reducing public spending and monetary issuance. Such measures are expected to be implemented through Decree No. 70/2023 (see Note 30.2 to the consolidated financial statements) and a bill known as "Law on the Fundamentals and Starting Points for the Freedom of Argentinians." Through the decree and the bill, the National Government seeks to declare a state of public emergency in economic, financial, fiscal, social security, defence, tariff, energy, health, and social matters until December 31, 2025, which may be extended for two additional years. Besides, a number of legislative powers are delegated to the Executive Branch for as long as the public emergency remains effective, including a series of legal, institutional, tax, and criminal liability reforms affecting several sectors of the economy. As of the date of this Annual Report, both the decree and the bill are at the initial stage of consideration by the lower and the upper houses of the Argentine Congress. The impact that these measures may have on our financial position and the results of our operations remains uncertain.

4. ELECTRICITY GENERATION MARKET

Demand

During the fiscal year ended December 31, 2023, the country's electricity demand increased 1.5% compared to the same period of the previous fiscal year. This is mainly explained by a 3.4% increase in residential demand compared to 2022, especially in the summer months. Commercial demand, in turn, increased by 1% and industrial demand fell by 1.1% compared to the previous fiscal year.

The consumption of electric energy in the Wholesale Electricity Market (MEM) during the fiscal year ended December 31, 2023, and 2022 is as follows:

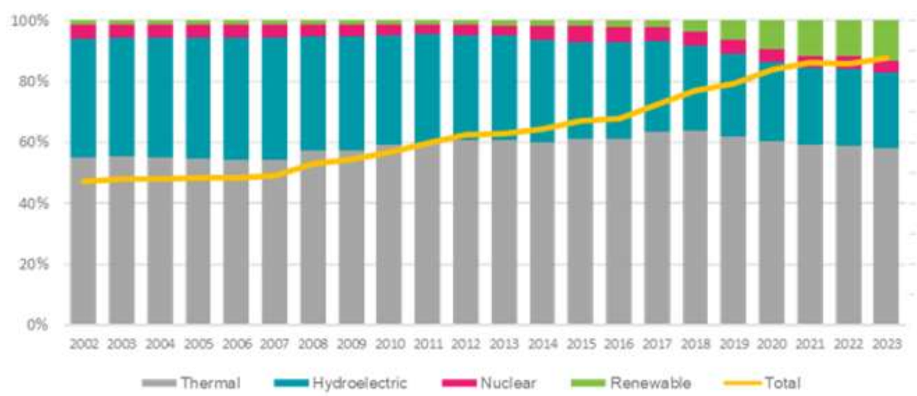


Installed Capacity

As of December 31, 2023, and 2022, Argentina has an installed capacity of 43,774 MW, according to the following detail:

	December 2023 (MW)	December 2022 (MW)
Thermal	25,437	25,275
Hydro	10,834	10,834
Nuclear	1,755	1,755
Wind	3,705	3,309
Solar	1,366	1,086
Hydro renewable	524	524
Others renewable	153	144
	43,774	**42,927**

The evolution of installed capacity by source from 2003 is detailed on the following chart:



During the fiscal year ended December 31, 2023, the installed capacity has shown the following evolution:

TYPE	2023 (MW)
Thermal	162
Wind	396
Solar	280
Other renewables	9
	847

Regarding 2023, the following plants were added: photovoltaic solar farms Cañada Honda IV (+0.7 MW) and Sierras de Ullum (+78 MW), Pampa Energía III wind farm (+77.3 MW), Zonda I photovoltaic solar farm (+100 MW), Cura Brochero photovoltaic solar farm (+25 MW), La Calera photovoltaic solar farm (+22 MW), Mataco III Wind Farm (+36 MW), De La Buena Ventura wind farm (+103.2 MW), Vivoratá wind farm (+18 MW), San Luis Norte wind farm (+112.5 MW), Arauco II wind farm (+32.4 MW), Tocota II solar farm (+22 MW) and Las Lomas solar farm (+32.4 MW). Regarding incorporation of thermal power output, we should note the closure of the combined cycle at the Ensenada Barragán thermal power plant in February 2023, which adds +258 MW of thermal installed capacity to the system and the closure of the combined cycle at Ezeiza thermal power plant adding +52.2 MW of thermal installed capacity. The other installed capacity of the year results from small renewable projects and biogas plants. In 2023, 148 MW from thermal sources went out of service, mainly diesel engines and gas turbine machines.

Generation

The generation by source of the fiscal year ended December 31, 2023, is as follows:

	2023 (GWh)	2022 (GWh)	Variation 2023 vs. 2022
Thermal	73,018	81,746	-10.7%
Hydro	39,332	30,186	30.3%
Nuclear	8,963	7,469	20.0%
Renewable	20,085	19,340	3.9%
Total	**141,398**	**138,741**	**1.9%**

Thermal and hydroelectric generation continue to be the main sources of energy used to meet demand. This year had a considerable improvement in hydroelectric generation compared to the previous year, especially during the third and fourth quarters of the year. On an annual basis, during 2023, hydroelectric generation was 30.3% higher than in 2022, highlighting an improvement mainly in Yacyretá (+27.6% vs 2022), Futaleufú (+19.8% vs 2022) and the Comahue plants (+66.4% vs 2022).

Nuclear generation was 20.0% higher than in the previous year. This is mainly due to better availability from the three nuclear plants.

As for renewable energies, although their participation continues to increase, the 18% generation established in Law No. 27,191 for 2023 is not being reached. During 2023, renewable energies generated 14.3% of the system's demand, and in the month of December it reached approximately 15.6% of the total demand.

Like recent years, natural gas remains the main fuel used for generation. The consumption by source of fuel is as follows:

	2023		2022		Variation
	Volume	[%]	Volume	[%]	
Natural gas [Mm3/day]	38.0	85.0%	38.9	76.8%	-2.3%
Fuel Oil [MM3/d gas eq.]	2.2	4.8%	3.6	7.0%	-38.9%
Gas Oil [MM3/d gas eq.]	3.6	8.1%	6.8	13.5%	-47.1%
Coal [MM3/d gas eq.]	0.9	2.1%	1.4	2.7%	-35.7%
Total	**44.7**	**100.0%**	**50.7**	**100.0%**	**-11.8%**

During 2023, the drop in thermal generation, and the increase in water availability, resulted in lower fuel consumption compared to the previous year. Despite the lower consumption of fuels, during 2023 a total of 6.7 MMm3/d gas eq. of liquid fuels were consumed, 42.8% less than than the volume of the previous year. This is due to the higher availability of natural gas for plants due to warmer temperatures and the contribution of the first section of the new Néstor Kirchner gas pipeline.

Imports and Exports

During 2023, 6,241 GWh were imported (1.1% lower than in 2022) mainly from Brazil, according to thermal opportunity offers and hydraulic or renewable surpluses, substituting marginal thermal generation at a higher cost due to the high prices of liquid fuels. As far as Paraguay is concerned, it is due to local needs in the Province of Misiones. The imports from Chile correspond to an agreement made between the two countries to receive surplus renewable energy from Chile at a lower price than the marginal price and with the possibility of selling energy to Chile in low periods of renewable generation. Since 2022, a new interconnection with Bolivia has been set up to be able to import energy, mainly for local reasons in the north, with the aim of regulating voltage for system security.

Import (GWh)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023
Brazil	21.57	1,718.73	1,936.46	1,181.09	**4,857.85**	2,540.08	2,182.38	1050.82	2.90	**5,776.18**
Paraguay	35.73	28.80	25.57	16.65	**106.75**	29.71	30.20	32.45	20.65	**113.01**
Uruguay	206.33	260.01	858.26	12.86	**1,337.46**	86.81	11.79	121.20	9.38	**229.18**
Chile	-	-	-	5.95	**5.95**	26.81	11.30	9.69	-	**47.80**
Bolivia	-	-	1.67	0.33	**2.00**	26.28	39.09	9.00	0.05	**74.42**
	263.63	**2,007.54**	**2,821.96**	**1,216.88**	**6,310.01**	**2,709.69**	**2,274.76**	**1,223.16**	**32.98**	**6,240.59**

Regarding exports, during 2023 there were virtually no energy exports. Only 98 GWh were exported, with the main destination being Brazil during the last months of the year.

Export (GWh)	1°Q 2022	2°Q 2022	3°Q 2022	4°Q 2022	2022	1°Q 2023	2°Q 2023	3°Q 2023	4°Q 2023	2023
Brazil	27.95	-	-	-	**27.95**	-	-	15.99	61.76	**77.75**
Uruguay	1.99	-	-	1.24	**3.23**	9.06	8.20	0.17	2.23	**19.66**
Bolivia	-	-	0.07	0.02	**0.09**	0.03	0.05	0.15	0.02	**0.25**
	29.94	**-**	**0.07**	**1.26**	**31.27**	**9.09**	**8.25**	**16.31**	**64.01**	**97.66**

Costs and Prices

The rates of residential, non-residential and large users (within distributors) with demands of more than 300 kW received different adjustments during the year 2023, through SE resolutions 54/2023, 323/2023, 612/2023 and 884/2023. The average price for the year 2023 for residential demand was US$24.4/MWh (+5.8% compared to 2022) and for commercial demand US$41.3/MWh (+22.7% compared to 2022). In the case of the GUDIs, they reached an annual average price of US$ 66.9/MWh (21.9% lower than in 2022), with rate subsidies equal to 6.7%.

In December 2022, the average cost of generation reached US$43.3/MWh, being US$34.8/MWh lower than the same month of the previous year (US$78.1/MWh). This is mostly due to lower fuel consumption and the impact of the devaluation in December 2023. On an annual basis, the monomic cost of the system was around US$71.7/MWh, 16.2% below the average cost in 2022.

The marginal cost operated and the prices per end user for the months of December 2023 and December 2022 are detailed below:

	US$ / MWh		
	December 2023	**December 2022**	**Var. %**
Marginal Cost Operated	31.5	184.9	-83.0%
GUMA / GUME	43.3	78.1	-44.6%
GUDI	25.4	64.4	-60.6%
Seasonal	13.2	31.1	-57.6%
PLUS	47.7	58.0	-17.8%
MATER	58.9	60.3	-2.3%
RENOVAR	71.4	70.2	1.7%

The total subsidy for electrical energy (not including transportation) represented 40.0% of the cost of the system in the year ended December 31, 2023, being approximately US$ 4,190 million (without considering the margin for energy exports or payment value chain problems).

4.1. Main regulatory aspects

Main regulatory aspects of the electric industry were described in Note 29 to the Consolidated Financial Statements.

5. COMPANY'S MANAGEMENT AND INTERNAL CONTROL SYSTEM

5.1. Company's Management

On May 10, 2021, the Company's Board of Directors appointed Mr. Santiago Martínez Tanoira as Chairman of the Board of Directors of YPF Energía Eléctrica S.A., to hold office until December 31, 2023.

The Company's management model is based on the division of functions between the Chairman of the Board and the Chief Executive Officer (CEO). Therefore, on April 26, 2018, the Company's Board of Directors appointed Mr. Héctor Martín Mandarano as Chief Executive Officer of YPF Energía Eléctrica S.A., who took office on the date of his appointment and still serves in such capacity as of the date of this Annual Report.

As of December 31, 2023, the Company's Board of Directors was composed as follows:

Name	Position	Representing	Term of Office Start Date	Term of Office End Date
Santiago Martínez Tanoira	Chairman	Class A	April 28, 2021	December 31, 2023 (1)
Patrick Leahy	Vice Chairman	Class B	May 28, 2021	December 31, 2023 (1)
Patricio Da Re	Regular Director	Class A	April 28, 2021	December 31, 2023 (1)
Santiago Julio Fidalgo	Regular Director	Class A	April 28, 2021	December 31, 2023 (1)
Ignacio Pablo Millán	Regular Director	Class A	April 27, 2023	December 31, 2023 (1)
Paula Dutto	Regular Director	Class A	June 14, 2022	December 31, 2023 (1)
Jonathan Zipp	Regular Director	Class B	April 27, 2023	December 31, 2023 (1)
Pedro Luis Kearney	Regular Director	Class A	April 28, 2021	December 31, 2023 (1)
Santiago Sacerdote	Alternate Director	Class A	April 27, 2023	December 31, 2023 (1)
María Eugenia Bianchi Pintos	Alternate Director	Class A	April 28, 2021	December 31, 2023 (1)
Carlos Alberto San Juan	Alternate Director	Class A	April 28, 2021	December 31, 2023 (1)
Fernando Gómez Zanou	Alternate Director	Class A	April 28, 2021	December 31, 2023 (1)
Gastón Marcelo Laville Bisio	Alternate Director	Class A	April 28, 2021	December 31, 2023 (1)
Roberto Javier Arana	Alternate Director	Class A	April 28, 2021	December 31, 2023 (1)
John Dewar	Alternate Director	Class B	April 27, 2023	December 31, 2023 (1)
Gabriela Dietrich	Alternate Director	Class B	August 19, 2021	December 31, 2023 (1)

(1) The Directors will remain in office until the annual ordinary shareholders' meeting to be held in April 2024.

5.2. Internal Control System

Our Compliance Program and Internal Control System have control mechanisms to ensure compliance with current laws and regulations, the reliability of financial information, and the efficiency and effectiveness of our operations.

In 2023, we continued maintaining the Matrix of Risks and Associated Controls of YPF Luz. This contains the inherent risks of the Company, divided into Strategic, Financial, Operational and Compliance risks. In terms of risk management, we established a series of processes that allow us to identify, analyse and evaluate the relevant risks that may affect the achievement of the Company's objectives, diagnosing all the actions that allow them to be mitigated in order to fulfil our purpose. Through these actions, we enable visibility, management and mitigation of the Company's critical risks and processes. In addition, during this period, audits have been conducted on certain processes to assess the internal control efficiency and, if applicable, to detect opportunities for improvement.

Within the framework of the Comprehensive Compliance Program of YPF Luz in 2023, maintenance of the ISO 37001:2016 International Certification (Anti-Bribery Management System) was carried out for 100% of the operations with non-conformities, which shows the high standards with which YPF Luz manages its management system.

6. QUALITY, ENVIRONMENT, HEALTH AND SAFETY MANAGEMENT

Quality, Environment, Health and Safety Management (QEHS) helps streamline resources and deliver better results, to become one of the leading companies in the electric power generation sector, leader in renewable energy, embracing internationally recognized safety, technology, efficiency, and quality standards. It is based on three principles that guide our commitment and our corporate culture. They are:

- Ensure safe working conditions by embracing local and internationally renowned best practices.
- Minimize our environmental impact.
- Maintain a healthy workplace for all workers and the communities where we develop our activities.

6.1. Quality management

Quality management aims to continually improve the suitability, adequacy and effectiveness of the quality of the management system. Processes and goods and services must be improved taking into account:

- Correct change management.
- The promotion of continuous improvement and innovation to maintain customer satisfaction.
- The management of deviations produced in the development of the service, to avoid diminishing the quality of the service or an error in the execution of the works that may affect customer satisfaction.

The commitment to the policies of "Continuous Improvement" binds the Company to review the adequacy of the QEHS Policy, strategies and the objectives for its permanent adaptation to the changes required by the market and current legislation.

In order to comply with these policies, the Company periodically obtains certifications of its management systems. A series of audits for the certification of ISO standards are listed below, after which the Company obtained the following certificates:

ISO 9001			
Asset	**Certificate No.**	**Granted on**	**Valid until**
El Bracho Thermal Power Plant San Miguel de Tucumán Thermal Power Plant Tucumán Thermal Power Plant	01 10006 1529715	November 7, 2023	October 12, 2024
La Plata Cogeneración I La Plata Cogeneración II	01 10006 1629671	July 12, 2022	July 13, 2025
Loma Campana I Thermal Power Plant Loma Campana II Thermal Power Plant Loma Campana Este Thermal Power Plant	01 10006 2329574	March 1, 2023	January 20, 2025
Manantiales Behr Thermal Power Plant Manantiales Behr Wind Farm Cañadón León Wind Farm	01 10006 2329618	June 9, 2023	September 2, 2024
Los Teros Wind Farm	01 10006 2029964	January 30, 2024	January 29, 2027
Zonda Solar Farm	01 10006 2329662	October 22, 2023	October 21, 2026

ISO 55001			
Asset	**Certificate No.**	**Granted on**	**Valid until**
Loma Campana I Thermal Power Plant Loma Campana II Thermal Power Plant Loma Campana Este Thermal Power Plant	1 679 2329574	July 6, 2023	July 5, 2026

6.2. Environment management

The Integrated Management of CMASS (Quality, Environment, Security and Occupational Health, for its acronym in Spanish) favours the optimization of resources and obtaining the best results to become one of the main companies in the electricity generation sector, leader in renewable energies, with world-class safety, technology, efficiency and quality standards.

CMASS Management starts from the early stages of the life cycle of each project. This allows an early identification of risks, for a correct planning of prevention, control, mitigation and/or compensation measures. Each change or new project is analyzed within the framework of the integrated management system.

In addition, the identification of applicable legal requirements (national, provincial and municipal) is carried out, including best practices and international standards.

The Company has developed an extensive environmental management and compliance program that is subject to periodic internal and external audits by TÜV Rheinland, Bureau Veritas and IRAM.

In order to comply with these policies, the Company periodically obtains certifications of its environmental management systems. A series of audits for the certification of ISO standards in this matter are listed below, after which the Company obtained the following certificates:

ISO 14001			
Asset	**Certificate No.**	**Granted on**	**Valid until**
El Bracho Thermal Power Plant San Miguel de Tucumán Thermal Power Plant Tucumán Thermal Power Plant	01 10406 105437	November 7, 2023	November 28, 2024
La Plata Cogeneración I La Plata Cogeneración II	01 10406 1629671	July 12, 2022	July 13, 2025
Loma Campana I Thermal Power Plant Loma Campana II Thermal Power Plant Loma Campana Este Thermal Power Plant	01 10406 2329574	March 1, 2023	March 12, 2024
Manantiales Behr Thermal Power Plant Manantiales Behr Wind Farm	01 10406 2329618	June 9, 2023	September 2, 2024
Los Teros Wind Farm	01 10406 2029964	January 31, 2024	January 30, 2027
Zonda Solar Farm	01 10406 2329662	October 22, 2023	October 21, 2026

In addition, in relation to the Energy Management System, the Company obtained the following certificates:

ISO 50001			
Asset	**Certificate No.**	**Granted on**	**Valid until**
El Bracho Thermal Power Plant San Miguel de Tucumán Thermal Power Plant Tucumán Thermal Power Plant	01 407 1829923	November 7, , 2023	January 23, 2025
La Plata Cogeneración I La Plata Cogeneración II	01 407 1929900	December 16, 2022	December 15, 2025
Loma Campana I Thermal Power Plant Loma Campana II Thermal Power Plant Loma Campana Este Thermal Power Plant	01 407 2329574	February 27, 2023	March 7, 2026
Manantiales Behr Thermal Power Plant Manantiales Behr Wind Farm	01 407 2329618	October 22, 2023	October 21, 2026

6.3. Security and health management

The management of occupational safety, hygiene and health is intended to preserve the integrity of people, own and third parties' property, assuming that:

- all occupational accidents and diseases can be avoided;

- compliance with the established occupational health, safety and hygiene standards is the responsibility of all the people in the Company; and
- the awareness of individuals contributes to achieving well-being at work and a better personal and collective development of those who are part of the work community.

The commitment to the Continuous Improvement policies binds the Company to review the adequacy of the CMASS Policy, strategies and objectives for its permanent adaptation to the changes required by the market and current legislation.

In order to comply with these policies, the Company periodically obtains certifications of its management systems. A series of audits for the certification of ISO standards are listed below, after which the Company obtained the following certificates:

ISO 45001			
Asset	**Certificate No.**	**Granted on**	**Valid until**
El Bracho Thermal Power Plant San Miguel de Tucumán Thermal Power Plant Tucumán Thermal Power Plant	01 213 2029907	November 7, 2023	January 6, 2027
La Plata Cogeneración I La Plata Cogeneración II	01 113 1929842	September 7, 2022	September 8, 2025
Loma Campana I Thermal Power Plant Loma Campana II Thermal Power Plant Loma Campana Este Thermal Power Plant	01 21306 2329574	June 5, 2023	March 23, 2026
Manantiales Behr Thermal Power Plant Manantiales Behr Wind Farm	01 21306 2329618	October 22, 2023	October 21, 2026
Los Teros Wind Farm	01 113 2029964	January 31, 2024	January 30, 2027
Zonda Solar Farm	01 21306 2329662	October 22, 2023	October 21, 2026

7. SUSTAINABILITY REPORT AND MANAGEMENT

As part of its mission, YPF Luz seeks to be a "profitable, efficient and sustainable" company. Sustainability is part of its strategic axes, is considered within its management policies and processes and is also one of the five values of the Company.

In 2023, the fifth Sustainability Report of YPF Luz (available at http://ypfluz.com/sostenibilidad) was presented, reflecting the 2022 management in economic, social, environmental and governance matters of the Company. The report was prepared under the guidelines of the international standard Global Reporting Initiative (GRI) and the standards for the Electric Companies and Electric Generators Sector of the Sustainability Accounting Standard Board (SASB). In addition, we communicate our contribution to the Sustainable Development Goals (SDG) of the 2030 Agenda and the 10 Principles of the United Nations Global Compact.

Regarding sustainability initiatives and their results, the following stand out:

- In 2023, YPF Luz led the generation of renewable energy for industrial customers, with a 34.1% market share in MATER, and it consolidated itself as the main provider of efficient energy for the Argentine industry.
- In terms of installed capacity, YPF Luz positioned itself as the second largest renewable energy generator in the country, and the third largest generator of the total electricity market.
- We reached 3.2GW of installed capacity and generated 8.2% of the country's electric energy.
- We set in motion the remote operation of renewable assets, an important step towards innovation and efficiency of our operations, which required the combined work of multiple teams.
- We started to construct the General Levalle wind farm, with an installed capacity of 155MW. We started operating Central Dock Sud, one of the most efficient power plants in AMBA, which supplies electricity to the area with the highest energy demand in the country. We inaugurated Zonda, our first solar farm, with an installed capacity of 100 MW. We have been driven to develop new projects that make up the pipeline for our future growth.
- The Manantiales Behr Wind Farm was among the wind farms with the highest generation levels in the country, reaching capacity factors and very high efficiency levels worldwide.
- We implemented a pilot for the generation of energy from flare gas for the mining of cryptocurrencies on the "Bajo del Toro" site, an innovative project for the industry and for the country.
- In economic-financial terms, YPF Luz was consolidated with a very good operating result that positions it as one of the main companies in the electricity sector, with financial strength that allows us to think about great plans and projects for the future.
- On the path to excellence, all YPF Luz operations have implemented an Integrated Management System. All our generation assets are certified under the ISO 14001, Environment, ISO 9001, Quality standards; and ISO 45001, Occupational Health and Safety.
- Our commitment to the communities continued to grow. Over 176 volunteers (44% over the total) contributed 463 hours of volunteering work to help build a different reality in the communities we are present.
- The Company has a suggestions and complaints management system, which ensures the traceability, follow-up and response of each communication received, both internally and from third parties. In 2023, 98 inquiries and claims were received and answered within a maximum period of 10 days.
- In 2023, the Company's Sustainability Policy was approved and released. In 2023, together with Pacto Global Argentina, we trained our suppliers in Value Chain Sustainability.
- We made progress in our commitment to operational excellence and continuous improvement, applying the Toyota Production Systems program to the Company's operation and different processes.
- In 2023 we received a recognition (National Quality Award) in the category "people management".
- We passed the external maintenance audit of the ISO 37001 certification (Anti-Bribery Management System), for 100% of our operations.

- We made progress with the 2023 Internal Audit Plan and with the follow-up on the agreed mitigation plans to achieve their implementation.

8. FINANCIAL AND OPERATING INFORMATION

The release of the Company's Consolidated Financial Statements for the fiscal year ended on December 31, 2023, was approved by the Board of Directors on March 5, 2024.

8.1. Main changes in assets and liabilities

At the closing of fiscal year ended December 31, 2023, the Company's Assets amounted to ARS 1,910,946.2 million.

Non-current assets, which totalled ARS 1,695,838.0 million, show an increase with respect to the previous fiscal year. This is mainly due to an increase of ARS 1,320,777.9 million in Property, Plant and Equipment, as a consequence of the acquisitions of the present fiscal year amounting ARS 125,643.0 million, the addition of Central Dock Sud S.A. ("CDS") assets for a total amount of ARS 113,697 million, their appreciation by ARS 1,788,141.5 million taking into account US dollars translation to pesos, according to the Company's functional currency, which was partially set off by the corresponding depreciations and conversion of ARS 642,768.5 million, an increase in the impairment of Property, Plant and Equipment of ARS 59,890.6 million, an increase in the depreciation of materials and spare parts of ARS 1,503.7 million and by write-offs and transfers of ARS 2,541.0 million. Major investments made during 2023 were focused on the completion of the Zonda Solar Farm, construction of the General Levalle Wind Farm and on major maintenance carried out at Tucumán Thermal Power Plant and Manantiales Behr Thermal Power Plant, as well as the stocking of spare parts and materials for future major maintenance.

Current assets, which totalled ARS 215,108.2 million, show an increase with respect to the previous fiscal year. This is mainly due to the increase in "Trade receivables" for a total amount of ARS 66,779.6 million mainly as a consequence of the increase in prices stated in pesos of our revenues denominated in dollars, as a result of the 355.7% devaluation registered between fiscal years, and the increases established by the Resolutions of the Secretariat of Energy No. 59/2023, 621/2023, 750/2023 and 869/2023 that impact our Base Energy revenues, and the addition of the Zonda Solar Farm and consolidation of CDS, and an increase in "Cash and cash equivalents" for a total amount of ARS 68,086.2 million, due to greater holding of mutual funds, mainly due to the consolidation of CDS.

The Company's Liabilities at the end of 2023 totalled ARS 1,012,705.0 million.

Non-current liabilities, which totalled ARS 745,364.8 million, increased with respect to the previous fiscal year, due to an increase in long-term loans of ARS 450,168.5 million, mainly because of the conversion into Argentine Pesos of Dollar-denominated amounts, as a result of the Argentine peso depreciation, and the issuance of negotiable obligations in the local market.

Current liabilities amounted to ARS 267,340.2 million, which represented an increase compared to the previous year, as a consequence of an increase in short-term loans for ARS 121,832.2 million mainly due to the effect of the conversion to Argentine pesos of the Dollar-denominated amounts and an increase in accounts payable for ARS 82,392.5 million, mainly related to the progress of works in our Levalle project and major maintenance at El Bracho Thermal Power Plant.

8.2. Main changes in results, generation and application of cash flows and ratios

Variations in results and in the generation and application of cash flows and ratios for the fiscal year ended December 31, 2023, compared to the fiscal year ended December 31, 2022, were described in the Summary of events to the Consolidated Financial Statements.

8.3. Transactions with related parties

During 2023, purchases and/or sales and financing transactions were carried out with related parties, within general market conditions, which were described in Note 32 to the Consolidated Financial Statements and in Note 28 to Individual Financial Statements.

9. POLICY FOR COMPENSATION OF DIRECTORS AND BONUS AND INCENTIVE PLANS

9.1. Board of Directors' Compensation

Current legal rules establish that the annual compensation paid to members of the Board of Directors (including Board members holding executive offices in the Company) and the Supervisory Committee, as applicable, may not exceed 5% of the net result of the fiscal year should the Company not distribute dividends for such period, and may be increased up to 25% of the net result should dividends be distributed. Where special assignments or technical and administrative functions are performed by one or more directors, in a context of reduced or inexistent income, those compensations may only be paid in excess of the aforementioned limits if expressly approved at the shareholders' meeting, in which case the matter should be included as an item of the agenda. The compensation of the Chairman of the Board and the other Directors requires the approval at General Ordinary Shareholders' Meeting.

None of the members of the Board of Directors serves as an executive of the Group. On the other hand, on April 27, 2023, the Company's Shareholders Meeting approved by unanimity vote the motion of the Company's Directors of waiving their fees as Directors for fiscal year 2023.

Likewise, as of December 31, 2023, the Company has not recorded Managements' and Statutory Auditor's fees.

9.2. Bonus and Incentive Plans

The Group has a variable short-term payment program for payment in cash to those employees covered by such program, which is based on the achievement of the Company's and business units' outcome objectives, the accomplishment of individual objectives or the performance assessment obtained by the employee, depending on the applicable union conditions. The inclusion in one program or the other will depend on the personnel area and the professional category of each employee.

Additionally, the Group has long-term benefits to employees, that reach certain Group executive employees, managers, and key personnel, and consists in giving each employee certain benefits on the condition that they stay as part of the Company during the period previously defined in this plan.

10. AUDIT FEES AND OTHER RELATED SERVICES

The invoiced fees for audit services and other non-audit services for the 2023 fiscal year to the YPF LUZ Group provided by the auditing firm are presented below, expressed in pesos:

Fiscal year	Audit Services	Other audit-related services	Fiscal Services	Other services	Total
2023	178,714,098	23,884,710	-	2,287,618	204,886,426

Audit services: Corresponds to the fees for the performance of the audit of the consolidated financial statements at the end of the period and the corresponding quarterly reviews, in order to obtain an opinion on the reasonableness of the financial statements.

Other audit-related services: These correspond to other assurance services that are reasonably related to the performance of the audit.

Tax services: Corresponds to fees for tax preparation services, advice on tax strategies, etc.

Other services: Corresponds to fees for services that are not included in any of the above categories.

Audit and other services are monitored and approved by YPFLUZ's Board of Directors, directly or indirectly, through the corresponding delegations.

11. DIVIDEND POLICY

All class A and B shares have the same right to dividend distribution. There are no provisions in our Bylaws, the Shareholders' Agreement or the Argentine General Corporations Law granting rights to special future dividends only to certain shareholders.

The amount and payment of dividends is decided by a majority vote of the shareholders voting as a single class, in general, though not necessarily, in compliance with the Board of Directors' recommendations.

Our Bylaws and the Shareholders' Agreement also establish that, subject to the aforementioned restrictions, the Company will maximize dividend distribution, taking into account that: (i) such dividends are appropriate according to the Company's prudent financial policy; and (ii) the Company keeps sufficient funds, or intends to have sufficient funds during the fiscal year in which dividend distribution is approved, in order to implement the projects approved by the Board of Directors prior to the distribution of dividends.

12. PROPOSAL FOR THE ALLOCATION OF EARNINGS

The current legal rules require that at least 5% of the net profit for each fiscal year should be allocated to the Legal reserve until such reserve reaches an amount equal to 20% of the capital stock (section 70, Argentine General Coporations Law No. 19,550 (as restated in 1984)). Such amount has been reached upon the creation of the latest reserve at the General Shareholders Meeting held on April 28, 2021.

In consideration of the above, the Board of Directors deems it convenient to propose to the General Shareholders' Meeting the following distribution of profits:

(i) ratify the appropriation of the accumulated translation as of December 31, 2023, to reserves and retained earnings as follows:

	Amount before appropriation	Appropriated translation	Total
Legal Reserve	7,819,444,000	27,819,655,000	**35,639,099,000**
Reserve for future dividends	-	16,867,285,000	**16,867,285,000**
Special reserve RG No. 609	188,290,000	669,891,000	**858,181,000**
Reserve for future investments	78,797,243,000	280,341,251,000	**359,138,494,000**
Retained earnings	(7,253,075,000)	21,206,965,000	**13,953,890,000**

(ii) release completely the reserve for future investments for the sum of ARS 359,138,494,000;

(iii) release completely the reserve for future dividends for the sum of ARS 16,867,285,000;

(iv) allocate the sum of ARS 302.959.669.000 to create a facultative reserve for future investments pursuant to section 70, third paragraph of Argentine General Corporations Law No. 19,550 (as restated in 1984), as amended; and

(v) allocate the sum of ARS 87,000,000,000 to create a facultative reserve for future dividend distribution, delegating to the Board of Directors up until the Ordinary General Shareholders' Meeting at which the financial statements for the fiscal year ended December 31, 2024 are considered the decision to determine, if it is convenient and according to the needs of the Company, the opportunity and amount to proceed to the distribution, considering financial and fund availability aspects, operating results, investments and every other aspect that is consider relevant to the development of the activities of the Company.

The purpose of this Annual Report, the analysis, and explanations of the Board of Directors, among others, is to comply with the information required in Section 66 of the Argentine General Corporations Law No. 19,550.

THE BOARD OF DIRECTORS
Buenos Aires, March 5, 2024.

CORPORATE GOVERNANCE CODE OF YPF ENERGÍA ELÉCTRICA S.A. (“YPF Luz”)

A) BOARD OF DIRECTORS’ ROLE

Principles

I The Company shall be governed by a professional and trained Board of Directors, which shall be in charge of setting the necessary bases to ensure sustainable success of the Company. The Board of Directors protects the Company and protects the rights of the Company's Shareholders.

II The Board of Directors shall be in charge of deciding and encouraging corporate culture and values. Through its actions, the Board of Directors shall ensure compliance with the highest ethical and integrity standards based on the Company's best interests.

III. The Board of Directors shall be in charge of ensuring a strategy inspired in the Company's vision and mission, in line with the Company's values and culture. The Board of Directors shall be constructively involved with management to ensure proper development, execution, monitoring and changes of the Company's strategy.

IV The Board of Directors shall continuously control and supervise the Company's administration, ensuring that management takes actions to implement the strategy and business plan approved by the Board of Directors.

V The Board of Directors shall have the necessary mechanisms and policies in place to exercise its duties and the duties of each one of its members in an efficient and effective manner.

1. *The Board of Directors establishes the company's vision, mission, and values.*

The Board of Directors of YPF ENERGÍA ELÉCTRICA S.A. (hereinafter, "YPF Luz" or the "Company", indistinctly) has defined the purpose, mission, vision, and corporate values. In addition, it annually establishes the strategic guidelines of the Company through the purpose, mission, vision, and corporate values.

The purpose of YPF Luz is "to promote from Argentina the evolution of energy for the welfare of people".

Its mission is to be a profitable, efficient, and sustainable energy company that optimizes the use of natural resources and contributes to the energy development of the country and the markets in which it participates. Its vision is to be one of the main electric power companies, a leader in the supply of integral and sustainable energy solutions, with world-class standards of safety, technology, efficiency, and quality.

The purpose, mission and values are based on corporate values that were defined by the Board of Directors and were defined with the input of all our employees, and are jointly reviewed periodically within the framework of the company's strategic review.
YPF Luz’s values are:

- Teamwork: Together, we are better

- Commitment: We achieve results
- Passion: We transmit positive energy
- Sustainability: We care for the future
- Integrity: We are what we do

The strategic guidelines set forth by the Board of Directors are:

- Sustainable growth with financial profitability and discipline,
- Leadership in the generation business, with emphasis on renewable energies,
- Offering integrated, sustainable and competitive energy solutions for our clients,
- Efficient, upright and safe operations and processes, under worldwide excellence standards,
- Collaborative relationships with all stakeholders,
- Excellence in ESG,
- Cultural transformation towards more agile and dynamic organizational models,
- Developing and strengthening our people as a differentiator.

2. The Board of Directors defines the company's general strategy and approves the strategic plan developed by management. By doing so, the Board of Directors takes into consideration environmental, social and corporate governance factors. The Board of Directors supervises its implementation through key performance indicators and taking into consideration the company's best interests and the best interests of all its shareholders.

To develop the Company's general strategy, management reviews the internal and external contexts, and analyzes relations with stakeholders, and the organization's strengths, weaknesses, opportunities and threats. Following this analysis, strategic goals, strategic initiatives, and key performance indicators ("KPIs") are defined, which are jointly submitted to the Steering Committee and then to the Board of Directors.

Implementation is monitored through KPIs, which are also submitted to the Board of Directors for consideration.

The Company's 2023-2027 Strategic Plan is oriented towards significantly increasing the installed capacity of efficient and renewable thermal generation through new developments and acquisitions.

To perform the strategic plan, the Board of Directors annually defines strategic targets aligned to the guidelines described in paragraph 1 above, grouped into four perspectives:

Financial:

- optimizing the profitability of existing assets;
- ensuring sustainable growth, with profitability and creation of value;
- ensuring financial solvency to leverage growth opportunities.

Market and environment:

- strengthening our market share with leadership in renewables;
- developing integrated and sustainable energy solutions with high added value to our clients, that enable our development and ensure our sustainability;
- being a reliable and efficient supplier of power supply solutions for YPF SA;

- being a benchmark in the Argentine energy market and a change agent in the energy transition process.

Internal processes:
- ensuring excellence in operations, with high standards, and continued process improvements;
- managing the relationship with our stakeholders in an effective manner;
- ensuring efficient development of energy solutions to our clients;
- reaching excellence in social, environmental and corporate governance sustainability.

Our people:
- equal opportunities, embracing diversity;
- talent and knowledge management, aimed at keeping a high level of technical expertise and professionalism;
- strengthening empowerment and joint accountability;
- feeling proud of belonging.

Each strategic goal is in line with initiatives associated to an action plan. Strategic actions are reviewed every six months together with the strategy, to then submit the progress and review to the steering committee.

Follow-up of the strategy is carried out through the strategic KPIs submitted to Management.

For each calendar year, the company's and the business units' goals, as well as individual goals shall be in line with the global strategic plan, contributing to the achievement of strategic goals, the purpose, the mission and vision.

In turn, the Company's quality, environment, health and safety (QEHS) management is based on three principles:

- Minimizing our environmental impact,
- Ensuring safe working conditions by embracing locally and internationally renowned best practices,
- Maintaining a healthy workplace for all workers and the communities at which we develop our activities.

Based on these principles, we defined 11 guiding strategic vectors for our Goal and Action Plan (GAP):

1) Leadership,
2) Integrated Management System,
3) Incident Management,
4) Audits,
5) Risk and Change Management,
6) Regulatory Compliance,
7) Emergency Management,
8) Contractor Management,
9) Health Management,
10) Prevention of Negative Environmental & Social Impact
11) Training.

The Company has a sustained program of social and environmental investment that includes the development of initiatives and an open and constant dialogue with stakeholders in the places where we operate. The objective is to identify impacts resulting from the company's activities, address queries and complaints, and contribute with relevant actions for each community. The Social and Environmental Investment Plan focuses on education, the environment, the efficient use of energy, and improving the quality of life and infrastructure of the communities where the company operates.

The Social Investment and Donations Procedure includes any donation, volunteer action, commitment and/or action of relationship with the community and any other investment associated with social, community or institutional projects.
The annual social and environmental investment plan is approved annually by the Management Committee and donations require different levels of approval depending on their characteristics. All social investment actions and donations require a third party control of the beneficiaries and an analysis by the Chief Compliance Officer.
Our social investment strategy is aligned with the following Sustainable Development Goals of the United Nations:

- Goal 4: Quality education.
- Goal 7: Affordable and non-contaminating energy.
- Goal 11: Sustainable cities and communities.
- Goal 17: Alliances to achieve common goals.

3. The Board of Directors supervises management and ensures that management develops, implements and maintains a proper internal control system, with clear reporting lines.

Our Internal Control System has several roles and responsibilities which, by means of designed and implemented control mechanisms, help ensure compliance with applicable laws and regulations, financial reporting reliability, and the efficiency and effectiveness of our operations.

As stated in the previous section, annual goals are set for the company, its business units and individuals. This way, the Board of Directors supervises the level of compliance with those goals, which must be in line with the company's strategy.

Likewise, and to supervise compliance with strategy, we follow up on the attainment of stated goals on a monthly basis in order to allow management to make timely decisions to ensure delivery against the Company's strategic plan.

Moreover, each month the Management submits a management report to the Board of Directors, which contains information on the status of the Company’s projects, operations, human resources, and results, among other matters.

4. The Board of Directors designs corporate governance structures and practices, appoints the head of implementation, monitors effectiveness thereof and suggests changes when necessary.

The Company has issued notes and, therefore, it is subject to the Capital Markets Law and the CNV Rules as regards its corporate organization and corporate governance. In addition, taking into account that YPF Luz’s shareholders have reached an agreement whereby they carry out the company’s management, below is a description of the corporate governance practices set forth in such agreement.

As regards the Board of Directors, the Company is directed and managed by a board of directors consisting of 8 regular directors and up to 8 alternate directors, as set forth by the General Shareholders’ Meeting upon each election of board of directors’ members.

The directors are elected as follows:

- Class A shares have the right to appoint 6 regular directors and up to 6 alternate directors; and

- Class B shares have the right to appoint 2 regular directors and up to 2 alternate directors.

Furthermore, directors appointed by a Class of shares may be removed at any time by decision of the same Class of shares which has appointed such directors. Alternate directors may only replace regular directors appointed by the same Class of shares who have appointed the alternate director to be replaced.

If Class A Shares represent at least 24.5% of the Company's common shares, that Class has the right to appoint the Chairman of the board of directors, and if Class B Shareholders represent at least 24.5% of common shares, then that Class has the right to appoint the Vice-chairman of the board of directors.

Regarding executives, if Class A Shares represent at least 24.5% of the Company's common shares, that Class has the right to propose the Chief Executive Officer (CEO) and the Chief Operations Officer (COO) of the Company and its subsidiaries, and Class B shall approve which of the proposed candidates shall take such offices.

If Class B Shares represent at least 24.5% of the Company's common shares, that Class has the right to propose the Chief Financial Officer (CFO) and the Chief Compliance Officer (CCO) of the Company and its subsidiaries, and Class A shall approve which of the proposed candidates shall take such offices.

In turn, the Audit Committee consists of 3 regular statutory auditors and 3 alternate statutory auditors. Statutory auditors hold office for a term of one year and may be indefinitely reelected.

Members of the Audit Committee are appointed as follows:

- Class A Shareholders have the right to appoint 2 regular members and 2 alternate members, and appoint the Chairman of the Audit Committee; and
- Class B Shares have the right to appoint 1 regular member and 1 alternate member and appoint the Vice-chairman of the Audit Committee.

If Classes A and B each represent 50% of the Company’s common shares, then

- Class A has the right to appoint 1 regular statutory auditor and 1 alternate statutory auditor;
- Class B has the right to appoint 1 regular statutory auditor and 1 alternate statutory auditor; and
- both classes jointly appoint 1 regular statutory auditor and 1 alternate statutory auditor. In this last case, the Chairman and the Vice-chairman of the Audit Committee are appointed for a term of one year, and alternatively by Class A and Class B.

Furthermore, if Class A shares represent more than 87.5% of the common shares of the Company with the right to vote, that Class has the right to appoint 3 regular statutory auditors and 3 alternate statutory auditors, in addition to the right to appoint the Chairman and the Vice-chairman of the Audit Committee.

The Company also has a Management Committee, which meets as often as necessary, comprised of the Chief Executive Officer (CEO), the Chief Operating Officer (COO), the Chief Compliance Officer (CCO), the Chief Financial Officer (CFO), the Manager of Transversal Services, the Manager of Institutional Relations, the Manager of Electricity Business, the Manager of People and Culture, and the Manager of Legal Services. The meetings of this Committee are communicated to its members sufficiently in advance so that they can present the matters they deem relevant for consideration. The members of the Committee deliberate in relation to each matter presented, and if appropriate, in accordance with the Company's bylaws or the Shareholders' Agreement, coordinate for the matter to be submitted to the Board of Directors for consideration.

YPF LUZ also has a Corporate Secretary, in charge of assisting the Chairman to coordinate meetings and prepare the information relating to the Agenda, and its delivery sufficiently in advance to each Director or Shareholder, as the case may be.

Likewise, the Company has worked during 2018 and 2019 on its internal delegation and authorization policies, establishing parameters for systems. The delegations and authorization limits policy (called “Letter of Integral Authorization”) has been approved by the Board of Directors of YPF Luz.

5. Members of the Board of Directors have sufficient time to exercise their duties in a professional and efficient manner. The Board of Directors and its committees have clear and formal operating and organization rules, which are disclosed through the Company's Web site.

The Company’s Board of Directors is composed of directors with vast professional experience in the market and the industry. All Board of Directors’ members have the required knowledge, experience and availability to adequately discharge their duties at the Company’s Board of Directors. Pursuant to the Shareholders’ Agreement, the Board of Directors meets on a monthly basis.

The Company also has a Remunerations Committee composed of Directors appointed by the two Classes of Shareholders of the Company.

The Board of Directors’ operation is governed by the Company’s bylaws and the Shareholders' Agreement of the Company. To ensure the smoother functioning of Board of Directors’ meetings, senior management members hold meetings with all directors at least five days in advance of scheduled meetings to review in detail the meeting agenda and answer any previous questions.

The Steering Committee, the People and Cultures Committee and the Remunerations Committee have a formal set of rules. The Company does not disclose its Committees’ proceedings.

B) CHAIRMAN OF THE BOARD OF DIRECTORS AND CORPORATE SECRETARY

Principles

VI. The Chairman of the Board of Directors is in charge of ensuring effective compliance of the Board of Directors' duties and leading its members. The Chairman of the Board of Directors shall create a positive work dynamic and encourage constructive participation of its members and shall ensure that members have the necessary elements and information to make decisions. The same applies to the Chairmen of each committee of the Board of Directors regarding their duties.

VII. The Chairman of the Board of Directors shall lead processes and establish structures to ensure commitment, objectivity and competence of the members of the Board of Directors, and shall ensure the best operation of the body as a whole and its progress, based on the Company's needs.

VIII. The Chairman of the Board of Directors shall ensure that the Board of Directors as a whole is involved and in charge of the succession of the general manager.

6. The Chairman of the Board of Directors is responsible for proper organization of Board of Directors' meetings, prepares the agenda, ensuring collaboration from the other members and ensures that they receive the necessary materials sufficiently in advance to participate in an efficient and informed manner at meetings. Committees' Chairmen shall have the same responsibilities as regards their meetings.

The Chairman, with the assistance of the Corporate Secretary, prepares de agenda of Board meetings, and ensures all members of the Board of Directors receive all relevant information at least five (5) business days prior to the date of the Board of Directors' meeting. Likewise, before sharing the information package, the Chairman reviews presentations to ensure they have clear and sufficient information.

The Chairman is in charge of leading Board of Directors' meetings, ensuring they are carried out in an orderly manner, and that all Directors have a chance to participate in the discussion and that they vote making an informed and unconditional decision.

After holding the Board of Directors' meeting, the Corporate Secretary drafts the respective minutes, which are submitted to directors and members of the Supervisory Committee for review and comments. Once the final versions of the minutes are ready, they are transcribed to the respective record for subsequent execution.

7. The Chairman of the Board of Directors ensures proper internal operation of the Board of Directors by implementing formal annual assessment processes.

The Board of Directors has not implemented evaluation processes, and there are no plans to implement them in the near future.

However, the shareholders shall evaluate Directors' performance at the Annual Shareholders' Meeting, in compliance with legal requirements.

8. The Chairman creates a positive and constructive workspace for all members of the Board of Directors and ensures they receive continuous training to keep up to date and properly carry out their duties.

The Company does not have a Directors' training program. However, all members of the Board of Directors of YPF Luz are trained professionals with wide experience in energy, finance and management issues. Directors are senior executives of the Company's controlling shareholders, i.e., YPF S.A. and General Electric.

9. The Corporate Secretary supports the Chairman of the Board of Directors in the effective management of the Board of Directors and collaborates in communications between the shareholders, the Board of Directors and management.

The Corporate Secretary is in charge of coordinating Board of Directors' meetings and sending each Director, at least five (5) business days in advance, the applicable presentations and information for each meeting. Likewise, the Corporate Secretary is in charge of preparing the information and documentation packages for directors to be well-informed before assessing and making decisions upon each item of the meeting agenda. The Corporate Secretary is also in charge of drafting Board of Directors' minutes, and to secure the comments and consents from all directors and statutory auditors who participated in the meeting.

In addition, the Corporate Secretary coordinates with Shareholders the holding of shareholders' meetings, which, to this date, have always been unanimous, and sends the proposed agenda and information package for the Shareholders' Meeting.

10. The Chairman of the Board of Directors ensures participation of all members in the development and approval of a plan of succession for the company's general manager.

The Board Chairman shares with the remaining members the policy of succession for the Company's Chief Executive Officer and other key positions in the Company.

It should be noted that, pursuant to the Shareholders' Agreement, Class A Shares are entitled to propose the Chief Executive Officer (CEO) and the Chief Operations Officer (COO) of the Company and its subsidiaries, whereas Class B Shares elect the individuals who will hold such offices from among the proposed candidates.

C) COMPOSITION, NOMINATION AND SUCCESSION OF THE BOARD OF DIRECTORS

Principles

IX. The Board of Directors shall have proper independence and diversity levels to make decisions that are in the Company's best interests, avoiding group thinking and the making of decisions by dominating individuals or groups within the Board of Directors.

X. The Board of Directors shall ensure that the company has formal procedures in place to propose and nominate candidates for Board of Directors' positions in the framework of a succession plan.

11. The Board of Directors has at least two independent members, in accordance with the criteria in force set forth by the Argentine Securities and Exchange Commission ("CNV").

Since for the time being the company is a closed company with only 3 shareholders, the Board of Directors has no independent members, in accordance with the CNV Rules.

The appointment of Board members is governed by the Argentine Companies Law No. 19,550, the Company's bylaws and its Shareholders' Agreement. For the time being, the Company does not plan to appoint independent Directors, as it is not required to do so under applicable laws.

12. The company has a Nominations Committee, composed of at least three (3) members and presided by an independent director. If the Chairman of the Board of Directors presides the Nominations Committee, the Chairman shall abstain from participating in discussions regarding the appointment of his own successor.

The Board of Directors has no Nominations Committee, and there are no plans to create such committee in the short term. The Shareholders' Agreement shall set forth the guidelines for the appointment of members of the Board of Directors and senior executives of YPF Luz.

13. The Board of Directors, through the Nominations Committee, shall develop a succession plan for its members to guide the preselection process for candidates to fill vacancies and takes into consideration non-binding recommendations made by its members, the General Manager and Shareholders.

As set forth in the previous section, YPF LUZ has no Nominations Committee, and vacancies in the Board of Directors are filled by the Shareholders' Meeting pursuant to the provisions in the Shareholders' Agreement and the Argentine Companies Law.

14. The Board of Directors shall implement an orientation program for its newly elected members.

D) When a new member joins the Board of Directors, he/she is introduced to his/her peers and the senior management makes a presentation both of the Company and of the business, economic and regulatory environment in Argentina. Likewise, the Company provides them with all the main and significant documents related to its operation, such as the Company's Bylaws, the Shareholders' Agreement, the main Policies, Procedures, and Internal Regulations. All the members of the Board of Directors are professionals with vast experience in the market and the industry and hold relevant positions in their Shareholders YPF S.A. and General Electric Company, which have their own training programs.

REMUNERATION

Principles

XI. The Board of Directors shall create incentives through remuneration to align the management -led by the general manager- and the Board of Directors itself, with the company's long term interests, so that all directors fulfill their duties as regards all shareholders in an equitable manner.

15. The company has a Remunerations Committee composed of at least three (3) members. Its members are all independent or non-executive.

The Company's Board of Directors has approved, at its meeting held on November 11, 2019, the creation of a Remunerations Committee which, pursuant to its rules, shall be composed of one acting director appointed by Class A Shares and one acting director appointed by Class B Shares, who shall not be executives of the Company.

16. The Board of Directors, through the Remunerations Committee, sets forth a remunerations policy for the general managers and members of the Board of Directors.

The Board of Directors, through the Compensation Committee, establishes the compensation policy for the Chief Executive Officer. Likewise, the Compensation Committee determines the variable compensation, bonuses and incentive plan for the Company's senior executives.
In turn, remuneration of the members of the Board of Directors is set forth by the Shareholders' Meeting.

E) CONTROL ENVIRONMENT

Principles

XII. The Board of Directors shall ensure the existence of a control environment, composed of internal controls developed by management, internal audit, risks management, regulatory compliance and external audit, setting forth the necessary defense lines to ensure integrity of our transactions and financial reports.

XIII. The Board of Directors shall ensure the existence of a comprehensive risk management system allowing management and the Board of Directors to efficiently achieve our strategic goals.

XIV. The Board of Directors shall ensure the existence of an individual or department (based on the size and complexity of the business, the nature of its transactions and the risks faced) in charge of our internal audit. This audit, to assess and audit internal controls, corporate governance processes and our risk management, shall be independent and objective, and shall have clearly established reporting lines.

XV. The Board of Directors' Audit Committee shall be composed of qualified and experienced members and shall fulfill its duties in a transparent and independent manner.

XVI. The Board of Directors shall set forth proper procedures to ensure independent and effective performance of External Auditors.

17. The Board of Directors shall determine the company's risk appetite and supervise and ensure the existence of a comprehensive risks management system identifying, assessing and deciding the course of action and monitoring the risks the company faces, such as -among others- environmental, social risks, and risks inherent to the business in the short and long term.

Risk and control management is under the stringent supervision and coordination of Compliance and Internal Audit. These areas watch for the Company's comprehensive risk management and for the prevention, detection and response mechanisms, ensuring compliance with applicable corporate, regulatory and legal requirements. The Company's risk and control matrix was developed considering a broad variety of elements, such as the market in which it operates, the regulatory risks inherent to the sector, and the best practices on corruption risk prevention and mitigation, among others.

In 2023, the Compliance and Internal Audit Management conducted a review of the evaluation methodology of the Corporate Risk Matrix and testing of associated controls. In terms of risk management, the Company's Comprehensive Risk Matrix was reviewed and updated, identifying critical processes and their inherent risks, and new controls and mitigating actions were identified, while the supporting documentation was adapted to ensure traceability, support, and integrity of each process. This significant milestone allows the constant evolution of the Matrix and greater visibility, management and mitigation of the Company's critical risks and processes.

In addition, progress was made with the internal audit plan and 100% of the agreed mitigation plans were implemented. This allowed us to validate the processes of critical areas and identify opportunities for improvement, in order to strengthen the control mechanisms and processes that are executed on a daily basis.

18. The Board of Directors monitors and reviews the effectiveness of the independent internal audit and secures the resources for implementation of an annual audit plan based on risks and a direct reporting line to the Audit Committee.

The Internal Audit area is in charge of the organization's comprehensive audit process. Given the limited size of the Company, the reasonable complexity of the business, the nature of our operations and associated risks, and that it is not required to do so under applicable laws, the Board of Directors has not yet deemed it necessary to adopt an independent Audit Committee, in compliance with the CNV Rules. Notwithstanding the foregoing, the results of the audit plan and its follow-up are regularly presented to the Steering Committee and the CEO, and submitted to the Company's Board chairman and the Board of Directors, if deemed necessary.

19. The internal auditor or the members of the internal audit department are independent and highly trained.

The Company has a Head of Internal Audit, with wide experience in the Internal Audit area, acquired at renowned local and international companies. The Head of Internal Audit is in charge of designing and executing the Company's Comprehensive Internal Audit Program, including implementation and follow up of the annual audit plan, the design of mitigating controls in key processes and support to the development of risks matrixes, among others. The Head of Internal Audit directly reports to the Company's Chief Compliance Officer, appointed by the Company's Board of Directors.

20. The Board of Directors has an Audit Committee acting in accordance with a set of rules. The committee is mostly composed of and presided by independent directors and does not include the general manager. Most of its members have professional experience in the financial and accounting areas.

Given the limited size, the complexity of the business, the nature of our operations and the associated risks, and that it is not required to do so under applicable laws, we have not yet adopted an independent Audit Committee, in compliance with the CNV Rules. However, the results of the audit plan and its follow-up are regularly submitted to the Steering Committee, including the chairman of the Board of Directors of the Company.

21. The Board of Directors, with feedback from the Audit Committee, approves a policy to select and monitor external auditors, setting forth the indicators to be considered upon making recommendations to the Shareholders' Meeting regarding keeping or replacing the external auditor.

The appointment, replacement and/or removal of external auditors, as well as the determination of their remuneration, is carried out and approved by the Company's Board of Directors, as provided for in the Shareholders' Agreement, and ratified by the Shareholders' Meeting.

F) ETHICS, INTEGRITY AND COMPLIANCE

Principles

XVII. The Board of Directors shall design and establish proper structures and practices to promote a culture of ethics, integrity and compliance with all standards to prevent, detect and deal with serious corporate or personal breaches.

XVIII. The Board of Directors shall ensure there are formal mechanisms in place to prevent and potentially deal with conflicts of interest which may arise in the administration and direction of the company. There shall be formal procedures in place to ensure that transactions between related parties are carried out in our best interest and to ensure equitable treatment of all shareholders.

22. The Board of Directors approves a Code of Ethics and Conduct guiding the values and ethical principles of integrity, as well as the company's culture. The Code of Ethics and Conduct is notified and applies to all directors, managers and employees of the company.

We have a Code of Ethics and Conduct (the "Code"), which applies and is mandatory for all operations, directors and employees of YPF Luz, as well as related third parties doing businesses with us, which is available at the Company's website; https://ypfluz.com/Compliance.

The Code is a guiding tool as regards the guidelines and values we promote and therefore each related party, including employees, directors and third parties shall formally adhere to compliance.

We have arbitrated several mechanisms to communicate the Code and its policies, which include publication on the external Web site, the intranet, the Compliance Portal, e-mails to employees, training, digital billboards, among others.

(ii) The Board of Directors sets forth and regularly reviews, based on the risks, size and economic capacity, an Ethics and Integrity Program. The plan is visibly and unequivocally supported by management, which appoints an internal head to develop, coordinate, supervise and regularly assesses the efficacy of the program. The program provides for: (i) regular training for directors, managers and employees on ethics, integrity and compliance issues; internal channels to report irregularities, open to third parties and properly communicated; a policy to protect reporting parties against retaliation; and an internal investigation system protecting the rights of those under investigation and imposing effective sanctions to infringements of the Code of Ethics and Conduct; (ii) policies of integrity in bidding procedures; (iii) mechanisms for regular analysis of risks, monitoring and evaluation of the Program; and (iv) procedures to prove the integrity and trajectory of third parties or business partners (including due diligence to verify irregularities, unlawful acts or the existence of vulnerabilities during corporate transformation processes and acquisitions), including suppliers, distributors, service providers, agents and intermediaries.

We have an updated Compliance program in place, considering the industry we are involved in and the size of our operations.

The Program was designed based on the assessment of our activities and processes and the assessment of the inherent risks we are exposed to. Furthermore, the purpose of the Program is to prevent, detect and correct irregularities or violations of the provisions of our Code of Ethics and Conduct, the applicable policies and procedures and regulations in force, and establishes a zero-tolerance policy regarding corruption.

The Compliance Program is managed by the Compliance and Internal Audit Management and supervised by the Chief Compliance Officer (CCO).

The contents of the Compliance Program are composed of a purpose, guidelines, pillars and elements, which include but are not limited to the following:

- **Risk Management:** we have defined a Compliance Risks Matrix (the "Matrix"), which includes the risks inherent to our industry, including but not limited to corruption, fraud, assets laundering, fake accounting reports, among others. Risks are monitored daily. In any case, the risks and controls defined are validated by the managers of each area and approved by the CCO, the CEO and the Chairman of the Board of Directors.

- **Due Diligence Policy:** Through the Due Diligence Policy, we seek to effectively and efficiently manage our relationship with third parties, to prevent and/or mitigate risks related to corruption, among others, establishing the proper controls and monitoring for such purposes. To do so, we have adopted technological tools to ensure efficient management of such risks.

- **Training:** The Compliance Management has defined a Training Program, which includes the list of training programs to be provided on an annual basis at all Company levels. The training Program defines the subjects, modality, audience, time and contents of the training.

- **Communication:** Communication is subject to an annual plan prepared by the Compliance and Internal Audit Management, with contributions from our Communications and Institutional Relations Management. Furthermore, we have a Compliance Web Portal which includes, among others:
    - Information on the "Compliance Channel" (Hotline/Ethics Line);
    - Contact information of the members of the team of Compliance and Internal Audit;
    - Direct access to the Code of Ethics and Conduct;
    - Regulatory Repository;
    - Compliance Policies and Procedures
    - Form to report Conflicts of Interest
    - Form to report events and gifts
    - Newsletters
    - News of the area
    - Relevant news on communications media
    - Links of interest

- Compliance and Protocol Channel: We offer various channels for employees and related third parties to ask questions or potentially report detected violations of the Code of Ethics and Conduct, applicable laws or potential unlawful behavior affecting the Company. In addition to traditional channels such as the Compliance and Internal Audit Management and the Human Resources Management, we also make the "Compliance Channel" available, which consists of a phone line, an e-mail address and a platform managed by a third party ensuring total integrity in information processing.

Also, we have defined a Protocol to manage the Compliance Channel, published on the related documents management system.

The Compliance Channel ensures:

- The possibility of making anonymous enquiries or reports;
- The right to report with no fear of retaliation against those making enquiries or *bona fide* complaints;
- Confidentiality and professional treatment of all reported issues;

Regarding bidding processes, we have a Procurements Management Policy which includes the biddings process.

23. The Board of Directors ensures there are formal mechanisms in place to prevent and deal with conflicts of interest. For transactions between related parties, the Board of Directors approves a policy setting forth the role of each corporate body and defining how to identify, manage and disclose transactions that are detrimental to the company or certain investors only.

The Board of Directors ensures compliance with the Conflicts of Interest Policy (included in the Company's Code of Ethics and Conduct), and has developed and published, for such purposes, a procedure designed for early prevention of conflicts which may arise in this area regarding employees, directors and third parties related to the Company.

G) PARTICIPATION OF SHAREHOLDERS AND STAKEHOLDERS

Principles

XIX. The company shall provide equitable treatment to all Shareholders. We shall ensure equitable access to non-confidential information relevant to make decisions at shareholders' meetings.

XX. We shall promote active participation with adequate information of all Shareholders, especially when appointing the Board of Directors.

XXI. We shall have a transparent Dividend Distribution Policy that is in line with the strategy.

XXII. We shall take into consideration the interests of our stakeholders.

24. Our web site discloses financial and non-financial information, providing timely and equal access to all Investors. There is a specialized area on the Web site for Investors' enquiries.

YPF Luz's web site has an Investors section, (https://ypfluz.com/Inversores) where our annual and quarterly financial statements, supporting documents for debt issues, relevant facts containing the most important news regarding YPF Luz, and other information which may be of interest for Investors and Shareholders are published, such as the bylaws, members of the Board of Directors, current credit rating, sustainability report, financial submissions, among others.

The Company has a Head of Investors Relations, who has a contact e-mail address to answer enquiries from investors, which is also used to send newsletters and disclose other Company developments.

Finally, it is worth mentioning that we present quarterly earnings reports through a webcast accessible from our website. Presentations are made available at our website after the webcast, along with all material events and our financial statements.

25. The Board of Directors shall ensure there is a procedure in place for identification and classification of stakeholders and a communications channel for such stakeholders.

The expectations, feedback and opinions of YPF LUZ's stakeholders are surveyed through information from the Company's internal management and work plans, as well as from the several dialogue channels facilitated by the company.

In order to maintain an ongoing and constructive relationship with all of them, YPF Luz has developed several specific communication channels, in addition to our face-to-face meetings, and the mechanisms required by law to ensure a smooth and transparent exchange of information.

These mainly include:

Web site ypfluz.com
- E-mail sugerenciasypfluz@ypf.com at the bottom of the web site
- Contact forms to make enquiries via the web site
- Details with phone number and mailing address of each site
- Mailbox for receiving suggestions at the front desk of each facility
- Downloadable data sheets (NTS) of each site, including contact information

Social Media
- LinkedIn site with news about the Company and career opportunities.

On-site information
- Suggestion boxes at the entrance of each site
- Regular meetings open to the community
- Participation in local trade shows and conferences, talks at universities and academic institutions
- Delivery of data sheets (NTS) upon request (also available at the web site)

Inquiries and Claims Management

Pursuant to the Procedure on Inquiries and Claims Handling, every question or claim received, either orally, via e-mail from an employee or through a letter submitted to the company's site shall be sent to sugerenciasypfluz@ypf.com for registration and adequate follow-up.

A question or claim is any contact from our stakeholders (clients, suppliers, community, employees, other organizations) raising a question or a request for information or claim to the Company, including press contacts, requests for donations, requests for information, and complaints.

Spontaneous services or products offerings, or spontaneous submissions to work for the company shall not be considered enquiries. Such contacts are answered but not registered with a case number.
All inquiries or complaints received are recorded in a single database where the follow-up of the issue until its closure is registered.
The questions and complaints management system is confidential. It is managed by the Institutional Relations Management, providing access based on the case and the management/s that will intervene.

Sustainability Report

In 2023, YPF Luz submitted its fifth Sustainability Report for fiscal year 2022—a public, non-mandatory document reflecting our commitment to managing our business whilst ensuring sustainable development, financially, environmentally, and socially. The report was prepared in accordance with the Global Reporting Initiative (GRI) Standards, and with the Sustainability Accounting Standard Board's (SASB) standards for Electric Utilities and Power Generators, in alignment with the Sustainable Development Goals of the United Nations' 2030 Agenda.

The main topics included in the Sustainability Report were updated with inputs from internal and external audiences, giving regard to their feedback and priorities concerning YPF Luz's management, as well as to their expectations about the future of the power generation industry. We also asked stakeholders about the role we should play in contributing to the Sustainable Development Goals of the United Nations' 2030 Agenda for Sustainable

Development.

The Sustainability Report was subject to an external review process carried out by Deloitte & CO S.A., providing further transparency and accuracy to the data reported therein. The review involved 12 environmental, social and governance indicators.

The Report is available at https://ypfluz.com/Sustentabilidad.

At YPF Luz, our stated mission is being a profitable, efficient and sustainable company, and a leader in the thermal and renewable energy generation market. Sustainability is also one of our six values and part of our strategic guidelines; therefore, it is taken into account in our management policies and processes.

Stakeholders:

We believe that building a seamless and constructive relationship with our stakeholders is key to achieving our strategic guidelines. To this end, we have mapped and prioritized stakeholders at each site. We hold regular meetings with stakeholders at each site and have an action plan in place with each of them, which is shared and agreed with each community.

As mentioned in our Sustainability Report, YPF Luz's stakeholders are those individuals and organizations that have a relationship with the company, either as power generator, employer or partner. Not only have we identified these groups, but we are also familiar with their positions, level of influence, and impact.

We have formal communication channels to ensure a transparent, long-term and mutually beneficial relationship with our stakeholders, including:

- Questions and Complaints: This channel is available to all our stakeholders (through our website, by e-mail or at mailboxes at each site's reception desk).
- Compliance: An anonymous and confidential channel to report fraudulent conducts, violations of the Code of Conduct, and other irregularities.

Surveys to stakeholders

YPF Luz conducts annual surveys to its most relevant stakeholders, to know their level of satisfaction with the company's performance, their assessment on relevant aspects of their relationship with the company and their perspective on various attributes of the company (for example, respect for the environment, integrity, efficiency, etc.). Based on the results of each survey, improvement plans are made to improve the company's performance.

The following surveys are currently being conducted:

Survey	*Stakeholder*
Employee Climate	Employees
To Suppliers	Contractors and Suppliers
To Clients	Clients
To Communities	Communities' referents where YPF Luz runs its operations
Of Operational Excellence	To Operational Client on YPF Luz on-sites

26. The Board of Directors submits to Shareholders, prior to the holding of the Shareholders' Meeting, a "temporary information package" to allow Shareholders - through a formal communication channel- to make non-binding comments and share dissenting opinions with the recommendations made by the Board of Directors, and the

Board of Directors shall, upon sending the final information package, expressly issue an opinion on the comments received, as deemed necessary.

The Board of Directors, through the Corporate Secretary, sends the Shareholders the necessary information for each Shareholders' Meeting.

Since there is no legal requirement in such regard, the communication is sent personally through several electronic communication means in compliance with the Argentine Companies Law, rather than through massive communication systems.

Shareholders have direct channels to communicate with our senior executives to channel questions or discrepancies with the Board of Directors' recommendations.

27. Our bylaws provide that Shareholders may receive Shareholders' Meeting information packages through virtual media and attend such Shareholders' Meetings through electronic communication means allowing simultaneous transmission of sound, images and words, ensuring the equal treatment principle for all participants.

YPF Luz's bylaws allow holding shareholders' meetings through virtual means, as set forth in its Section Sixteen: *"All Shareholders' Meetings may be held remotely and businesses may be transacted with the shareholders present or in communication through simultaneous sound, images and words transmission means, such as videoconference or other similar means, and provided all identity, registration, quorum and proxy rules are complied with, and provided virtual and simultaneous attendance is ensured for all participants, and provided there is an immediate verbal communication and vote issuance process. The audit body shall note the regular nature of decisions adopted (...) In any case, such shareholders' meetings shall have identical jurisdiction to that of the Company. For quorum determination purposes, remotely held shareholders' meetings shall include shareholders present through simultaneous sound or image and sound transmission means, or any other mean created in the future, and in accordance with all regulations in force".*

28. The Dividends Distribution Policy is in line with the strategy and clearly sets forth the criteria, timing and conditions under which dividend distributions are carried out.

The Company's bylaws and the Shareholders' Agreement set forth that the Company shall maximize the distribution of dividends, taking into consideration the following parameters: (i) that such dividends are appropriate pursuant to the Company's cautious financial policy; and (ii) that the Company holds sufficient funds, or expects to have sufficient funds during the fiscal year in which the dividends distribution is approved, to carry out the projects approved by the Board of Directors prior to the distribution of dividends.

Based on these generic guidelines, and the strategy approved by the Board of Directors, shareholders shall decide on the allocation of profits, pursuant to the mechanisms and special majorities set forth in the Shareholders' Agreement.

YPF ENERGÍA ELÉCTRICA S.A.

SUMMARY OF EVENTS
DECEMBER 31, 2023

Registered office: Macacha Güemes 515, 3rd Floor, Ciudad Autónoma de Buenos Aires

Fiscal year No. 11 beginning on January 1, 2023.

Information prepared based on the consolidated financial statements of YPF Energía Eléctrica S.A. and its subsidiaries.

(Unaudited)

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1. CHARACTERISTICS OF THE COMPANY

YPF Energía Eléctrica S.A. (hereinafter "YPF Luz" or "the Company") was created in 2013 and today is one of the leading companies in generation of electric energy in the country. We provide profitable, efficient and sustainable energy, optimizing the usage of natural resources and contributing to energy development through strategically diversified assets throughout Argentina, with a presence in 7 provinces.

We are committed to technological innovation to generate increasingly efficient and sustainable processes that allow us to evolve the national energy industry, contribute to the sustainability strategies of our clients, and contribute to the development of our communities, our collaborators and the care of the environment. Currently, YPF Luz is the second largest renewable energy generator and the third largest power generator in the Argentine electricity market.

As of December 31, 2023, it has an installed capacity of 3,174 MW, which represents 7.3% of the country's installed capacity, including its share interest in Central Dock Sud. According to the latest information published by CAMMESA, as of December 31,2023, the Group generated 8.2% of the energy generated in Argentina.

2. MAIN ACTIVITIES OF THE YEAR

During the fiscal year ended December 31, 2023, the energy generation produced by the Group amounted to 12,260.8 GWh, representing a 26.4% increase as compared to the fiscal year of 2022. Likewise, the available commercial power of the Group's thermal energy increased by 41.6% reaching an average of 1,753.4 MW. Both increases resulted –mainly– from the acquisition and take-over of Inversora Dock Sud, which is Central Dock Sud's parent company.

Zonda Solar Farm

Zonda, the first YPF EE solar farm, was inaugurated in April 2023, located in the town of Bella Vista, department of Iglesia in the province of San Juan. In its first stage, the solar farm reaches an installed capacity of 100 MW, equivalent to the energy used by more than 88,000 households and will avoid the emission of more than 110,000 tons of carbon dioxide per year. The construction was completed in 16 months, reaching commercial authorization for 100M on May 31, 2023. The final project could be expanded to more than 300 MW in future stages subject to the availability of electricity transportation in the area.

The farm has a capacity factor of 36% and 170,880 bifacial panels installed in a total area of 200 hectares. Its renewable, efficient and sustainable energy is intended for large users and industrial clients in the Renewable Energy Term Market (MATER).

General Levalle Wind Farm project

The Company is making progress in the construction of its fourth wind farm located in General Levalle, in the south of the province of Córdoba, for up to 155 MW for MATER, increasing our market share in the renewable energy segment. During this period, works in internal roads, construction of access roads to the farm, main equipment supporting platforms and the foundations for the wind turbines were underway. The buildings were constructed in the transformer substation and cabling channelling works were performed. Also, the medium-voltage transmission line poles continued to be installed in the farm.

Inversora Dock Sud-Central Dock Sud acquisition

On April 13, 2023, the Company, through its controlled company Y-LUZ Inversora S.A.U. ("Y-LUZ"), perfected the purchase from Enel of its common shares in Inversora Dock Sud ("IDS"), representing 57.14% of the capital stock. Additionally, through a joint purchase agreement entered into with Pan American Sur S.A. ("PAS") and subject to compliance with certain usual conditions precedent for this type of transaction, the Company agreed to transfer shares representing 29.84% of the capital stock of IDS to PAS, for the amount of 27.2 million dollars. In this way, taking into account the pre-existing participation of YPF EE in IDS of 42.86%, the Group has a participation of 70.16% in IDS, the company that owns 71.78 % of the common shares of Central Dock Sud S.A. ("CDS").

As a consequence of the aforementioned, YPF EE took control of IDS and its subsidiary CDS, a company whose main activity is the generation and sale of electricity, at its plant located in Dock Sud, District of Avellaneda, Province of Buenos Aires.

This acquisition is aligned with the strategic objective of contributing to the supply of efficient and reliable electricity, through generation assets that use natural gas, the conventional fuel of Argentina's energy transition.

Comercial activity

In commercial matters, the Group continues to make progress in building a world-class portfolio of top-tier customers for the supply of renewable energy from its wind farms, through long-term contracts that provide security and predictability to their fund flows.

Additionally, the Group continues expanding and diversifying such portfolio through the execution of contracts for energy from the Zonda Solar Farm, through PPAs denominated in US dollars with several large users of the private sector.

The main clients are CAMMESA, YPF S.A., Profertil S.A., Holcim Argentina S.A., Toyota Argentina S.A., Coca-Cola FEMSA de Buenos Aires S.A., Ford Argentina S.C.A., Telmex, Molinos Río de la Plata S.A., Minera Exar S.A., among others.

Financing

On February 10, 2023, the Company issued the following negotiable obligations in the local capital market, which funds will be used in the construction and operation of our fourth Wind Farm, in General Levalle, Province of Córdoba, among other uses:

- Additional Class XI Negotiable Obligations for an amount of US$ 20 million at a nominal rate of 0% and subscription price of 1.0237, which implies a negative real rate of 1.51%, denominated in US dollars and payable in Argentine pesos at the applicable exchange rate, maturing in August 2024.
- Class XIII Negotiable Obligation for an amount of US$ 130 million at a nominal rate of 0% and subscription price of 1.001, which implies a negative real rate of 0.05%, denominated in US dollars and payable in Argentine pesos at the applicable exchange rate, maturing in February 2025.

On October 3, 2023, the local Argentina rating agency MOODY'S reported that it had upgraded the long-term issuer rating in foreign currency and local currency to AA.ar, from AA-.ar.

On February 27, 2023, the Company issued the following negotiable obligations in the local capital market, which funds will be used in the cancellation of loans and investment in future projects, among other uses:

- Class XIV Negotiable Obligations for an amount of US$ 18,043,469 at a nominal rate of 3%, denominated in US dollars and payable in Argentine pesos at the applicable exchange rate, maturing on February 27, 2027.
- Class XIII Negotiable Obligation for an amount of US$ 11,287,656 at a nominal rate of 6%, denominated in US dollars and payable in US dollars, maturing on February 27, 2027.

3. COMPARISON OF RESULTS

Revenues

Higher revenues of ARS 93,665.8 million, which represents an increase of 147.5%, as detailed in the table below:

	12/31/2023	12/31/2022
Revenues under PPA	120,650.9	49,797.7
Energía Base	23,494.8	8,768.3
Steam sales	12,293.1	4,378.1
Other income for services	118.5	551.8
Revenues	**156,557.3**	**63,495.9**

- Revenues from Long-term energy supply agreements (PPA): Higher revenues of ARS 70,853.2 million, which represents an increase of 142.3%. This variation contemplates an increase in the prices expressed in Argentine pesos due to the impact of a devaluation of 125.7% recorded between periods on the prices nominated in US dollars. Likewise, the variations respond to the following operational factors:
    - Central Dock Sud: Beginning in the second quarter of 2023 the Company took over CDS, therefore, the relevant revenues were added through consolidation.
    - Complejo de Generación Tucumán: Higher revenues under contract after the entry into force of SE-MEC Resolution No. 59/2023, whereby a portion of its revenues was made subject to contracts.
    - Zonda Solar Farm: Revenues were recorded as a result of the commercial operation of 100M on May 31, 2023.
    - Los Teros Wind Farm: A decrease was recorded in the generation volumes compared to the previous year mainly due to a reduction in wind resources.
    - El Bracho Thermal Power Plant: The generation and power volumes were slightly lower than those registered in the previous fiscal year.
    - Loma Campana I: The Plant has remained out of service since May in this period, therefore lower revenues were recorded compared to the same period in the previous year.
    - Loma Campana II: The Plant remained out of service during the first quarter and the second half of the year, and operation was resumed on the last days of December, therefore lower revenues were recorded compared to the same period in the previous year.
- Revenues from Energía Base: During the fiscal year ended December 31, 2023, higher revenues were recorded for ARS 14,726.5 million, which represents a variation of 168.0% as compared to the previous fiscal year. This is mainly due to the consolidation of revenues from CDS under this scheme and price increases established by SE-ME Resolutions No. 750/2023 and No. 869/2023 issued by the Secretariat of Energy, the effects of which are partially offset by entry into force of SE-MEC Resolution No. 59/2023 mentioned above.
- Revenues from Steam sales: Higher revenues of ARS 7,915.0 million, which represents an increase of 180.8%, as compared to the previous fiscal year. This variation is mainly due to higher prices in Argentine pesos because of devaluation an increase in the demand from the Refinery La Plata owned by YPF S.A. and less shutdowns for scheduled maintenance, as compared to the previous fiscal year.

Production costs

Production costs for the fiscal year ended December 31, 2023, amounted to ARS 77,769.8 million, an amount 183.7% higher than the ARS 27,409.0 million incurred in the previous fiscal year. This increase was mainly due to the consolidation since the second quarter of CDS' results and an increase in the depreciation of PP&E mainly due to the above, in addition to and appreciation of assets in Argentine pesos taking into account they are nominated in US dollars according to the Group companies' functional currency.

Administrative and selling expenses

Administrative and selling expenses corresponding to the fiscal year ended December 31, 2023 amounted to ARS 16,516.9 million, an increase of 233.2% as compared to the ARS 4,956.4 million registered in the previous fiscal year, mainly due to by the increase in personnel and tax expenses, impacted by the consolidation of CDS after the second quarter, and to a lesser extent due to higher taxes and work engagements.

Result of acquisition of equity interest

The Result of acquisition of equity interest amounted to $ 14,513.3 million in 2023, as a consequence of the acquisition of IDS (CDS' parent company), described in note 4 to the Consolidated Financial Statements.

Other operating result, net

The other operating result, net amounted to ARS 15,606.2 million, a 118.0% increase compared to the ARS 7,159.4 million registered in the previous fiscal year. This is mainly due to an increase in commercial interest related to receivables from Cammesa and the penalties related to Loma Campana I and Loma Campana II recorded in 2023, partially offset by the profits recorded in 2022 under settlement agreements, that gave a final closure to the cross claims with GE corresponding to Los Teros, Loma Campana I, Loma Campana II and Cañadón León.

Impairment of property, plant and equipment

Impairment of property, plant and equipment amounted to ARS 12,004.2 million in 2023, related to Central Loma Campana II, compared to the ARS 5.986,0 million registered in 2022, related to Cañadón León Wind Farm, as detailed in note 8 to the Consolidated Financial Statements.

Operating profit

Operating profit amounted to ARS 80,385.9 million due to the factors described above, a 148.8% higher as compared to the ARS 32,303.9 million operating profit for the previous fiscal year.

(Loss)/Income from equity interest in joint ventures

The loss from equity interests in joint ventures amounted to ARS 123.2 million, compared to the loss of ARS 1,076.0 million of the previous fiscal year, due to net results reported during the first quarter of the year by our related company IDS (Central Dock Sud's controlling shareholder). In addition, the variation is mainly due to the effect of the consolidation after the second quarter of 2023 of the equity interest in such companies, as a result of the described above combination of businesses and no income/loss from equity interest in joint ventures was recorded after such combination.

Net financial results

The net financial results, were a loss of ARS 17,342.8 million, compared to a loss of ARS 12,239.9 million for the previous fiscal year. This variation is mainly explained by higher loss of difference exchange due to our active monetary position in pesos and a higher interest loss. These losses are partially offset by higher results from holding mutual funds and higher interest incomes.

Income tax

The income tax charge was ARS 78,434.9 million, as compared to ARS 1,468.0 million income tax charge for 2022. The variation is mainly due to the impact of an increase in the deferred liability linked to the item "Properties, Plant and Equipment" where the update of the tax value (according to the behaviour of the consumer price index) is lower than to the book value resulting from the translation into pesos of the residual value expressed in dollars, partially offset by the deferred asset income tax related to the impairment of property, plant and equipment registered during fiscal year ended December 31, 2023, and the impact of a greater tax exchange difference loss caused by the inflation and devaluation of the year.

Net result

Net result for the fiscal year 2023 was a loss of ARS 15,515.0 million due to the aforementioned factors, as compared to the income of ARS 17,520.0 million generated in the previous fiscal year.

Comprehensive income

Other comprehensive income for the present fiscal year stood at ARS 712,033.1 million, as compared with the positive charge of ARS 76,520.2 million generated in 2022. This income mainly arises from the translation of Property, plant and equipment and from the translation of U.S. dollar denominated loans, as a consequence of the depreciation of the Argentine peso.

Based on all of the above, total comprehensive income for the fiscal year 2023 amounted to ARS 696,518.0 million, as compared to the ARS 94,040.2 million income of the fiscal year 2022.

Main changes in the generation and use of funds

During the fiscal year ended December 31, 2023, the operating cash flows amounted to ARS 107,951.9 million, which is 238.1% higher than the amount of the previous year. This ARS 76,024.6 million increase, resulted from the ARS 67,655.5 million increase in operating income (without considering depreciation, amortization, impairment of property, plant and equipment or result of acquisition of equity interest), partially offset mainly by the variation in working capital.

The cash flow used in investing activities totalled ARS 74,268.6 million during the present fiscal year, a 275.7% higher than the previous fiscal year, with a level of investment on fixed assets, that totalized ARS 58,294.4 million (including advances to suppliers) which represents a higher level of investments as compared to the previous fiscal year mainly due to the investments made for the completion of the construction of the Zonda Solar Farm and the construction of the General Levalle Wind Farm, and the purchase of spare parts and materials for future major maintenance works.

Also, cash flow applied to financing activities totalised ARS 28,122.8 million, as compared to the cash ARS 14,479.4 million used in 2022. This variation was mainly generated by the repayment of Class VI Negotiable Obligations and the loan with Citibank during this fiscal year, by a higher payment of interest and a higher payment of dividends, partially offset by the issuance of Negotiable Obligations in February 2023.

Additionally, in this fiscal year, the variation in the balance of cash and cash equivalents related to financial results and to the revaluation of balances denominated in US Dollars, as a result of the devaluation of 355.7%, increased by ARS 55,772.6 million.

The generation of resources explained above results in a position of cash and cash equivalents of ARS 82,663.4 million as of December 31, 2023. The Group’s loans amounted to ARS 723,916.7 million, and only 20.4% of the total amount is due and payable in the short term.

4. STATEMENTS OF FINANCIAL POSITION SUMMARY

Consolidated balance sheets as of December 31, 2023, 2022, 2021, 2020 and 2019.

(Figures stated in thousands of Argentine pesos)

	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Assets					
Non-current assets	1,695,837,981	325,583,892	183,766,965	148,384,348	96,535,418
Current Assets	215,108,202	48,216,380	24,849,531	30,659,286	26,622,447
TOTAL ASSETS	**1,910,946,183**	**373,800,272**	**208,616,496**	**179,043,634**	**123,157,865**
Shareholders' equity					
Owners' contributions	8,411,982	8,411,982	8,411,982	8,411,982	8,411,982
Reserves, other comprehensive income and accumulated income	783,173,251	174,407,644	86,367,472	62,382,821	37,126,778
Non-controlling interest	106,655,962	-	-	-	-
TOTAL SHAREHOLDERS' EQUITY	**898,241,195**	**182,819,626**	**94,779,454**	**70,794,803**	**45,538,760**
Liabilities					
Non-current Liabilities	745,364,767	144,761,655	80,626,403	70,190,152	58,061,762
Current Liabilities	267,340,221	46,218,991	33,210,639	38,058,679	19,557,343
TOTAL LIABILITIES	**1,012,704,988**	**190,980,646**	**113,837,042**	**108,248,831**	**77,619,105**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**1,910,946,183**	**373,800,272**	**208,616,496**	**179,043,634**	**123,157,865**

5. STATEMENTS OF COMPREHENSIVE INCOME SUMMARY

Consolidated statements of comprehensive income for the fiscal year ended December 31, 2023, 2022, 2021, 2020 and 2019.

(Figures stated in thousands of Argentine pesos)

	2023	2022	2021	2020	2019
Revenues	156,557,273	63,495,872	42,022,697	21,416,226	16,113,915
Production costs	(77,769,765)	(27,409,025)	(20,076,631)	(10,013,353)	(7,701,253)
Gross profit	**78,787,508**	**36,086,847**	**21,946,066**	**11,402,873**	**8,412,662**
Administrative and selling expenses	(16,516,879)	(4,956,421)	(2,745,536)	(2,104,737)	(1,329,280)
Result of acquisition of equity interest	14,513,263	-	-	-	-
Regulation of receivables	-	-	-	-	611,025
Other operating results, net	15,606,239	7,159,423	2,163,167	2,068,351	173,126
Impairment of property, plant and equipment	(12,004,200)	(5,985,965)	-	-	-
Operating profit	**80,385,931**	**32,303,884**	**21,363,697**	**11,366,487**	**7,867,533**
(Loss)/Income from equity interest in joint ventures	(123,186)	(1,075,956)	(249,803)	355,876	778,173
Net financial results	(17,342,842)	(12,239,939)	(6,747,085)	(2,014,783)	(2,060,161)
Profit before income tax from continuing operations	**62,919,903**	**18,987,989**	**14,366,809**	**9,707,580**	**6,585,545**
Income tax	(78,434,926)	(1,467,996)	(8,048,674)	(3,796,932)	(2,358,969)
Net result for the fiscal year	**(15,515,023)**	**17,519,993**	**6,318,135**	**5,910,648**	**4,226,576**
Other comprehensive income for the fiscal year					
Other comprehensive income that will not be reclassified to net income in subsequent fiscal years	712,033,058	76,511,590	16,034,582	19,507,570	15,869,480
Other comprehensive income that will be reclassified to net income in subsequent fiscal years	-	8,589	1,631,934	(162,175)	(78,572)
Other comprehensive income for the fiscal year	**712,033,058**	**76,520,179**	**17,666,516**	**19,345,395**	**15,790,908**
Total comprehensive income for the fiscal year	**696,518,035**	**94,040,172**	**23,984,651**	**25,256,043**	**20,017,484**
Net result for the fiscal year					
Attributable to shareholders	(7,253,075)	17,519,993	6,318,135	5,910,648	4,226,576
Non-controlling interest	(8,261,948)	-	-	-	-
Total	**(15,515,023)**	**17,519,993**	**6,318,135**	**5,910,648**	**4,226,576**
Total comprehensive income for the fiscal year					
Attributable to shareholders	628,018,682	94,040,172	23,984,651	25,256,043	20,017,484
Non-controlling interest	84,014,376	-	-	-	-
Total	**712,033,058**	**94,040,172**	**23,984,651**	**25,256,043**	**20,017,484**

6. STATEMENTS OF CASH FLOW SUMMARY

Consolidated statements of cash flows for the fiscal year ended December 31, 2023, 2022, 2021, 2020 and 2019.

(Figures stated in thousands of Argentine pesos)

	2023	2022	2021	2020	2019
Cash flows from operating activities	107,951,914	31,927,330	29,421,909	12,233,931	7,395,103
Cash flows from investing activities	(74,268,604)	(19,767,806)	(9,137,929)	(11,700,448)	(22,915,630)
Cash flows from financing activities	(28,122,805)	(14,479,358)	(28,121,988)	(4,409,305)	16,165,324
Increase (Decrease) in cash flows, net	**5,560,505**	**(2,319,834)**	**(7,838,008)**	**(3,875,822)**	**644,797**
Foreign exchange difference and other financial income, net	62,525,684	7,907,902	2,530,555	3,450,735	9,375,548
Cash and cash equivalents of assets held for sale	-	-	-	21,194	(21,194)
Cash and cash equivalents at the beginning of the fiscal year	14,577,209	8,989,141	14,296,594	14,700,487	4,701,336
Cash and cash equivalents at the year-end	82,663,398	14,577,209	8,989,141	14,296,594	14,700,487
Increase (Decrease) in cash flows, net	**5,560,505**	**(2,319,834)**	**(7,838,008)**	**(3,875,822)**	**644,797**

7. RATIOS

	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Current liquidity (Current assets to current liabilities)	0.80	1.04	0.75	0.81	1.36
Solvency ratio (Shareholders' equity to total liabilities)	0.89	0.96	0.83	0.65	0.59
Tied-up Capital (Noncurrent assets to total assets)	0.89	0.87	0.88	0.83	0.78
Profitability (Net income to average Shareholders' equity)	-2.87%	12.62%	7.58%	10.2%	11.9%

8. STATISTICAL DATA

Paid Electrical energy and steam

Asset	Unit	2023	2022	2021	2020	2019
Central Dock Sud (*)	GWh	3,293.8	-	-	-	-
Central Generación Tucumán	GWh	1,354.7	1,518.1	3,239.2	4,021.8	3,710.2
El Bracho Thermal Power Plant (Natural Gas Turbine)	GWh	1,962.1	2,035.0	1,988.8	479.6	136.9
El Bracho Thermal Power Plant (Steam Turbine)	GWh	1,359.0	1,414.6	1,403.1	182.2	-
Manantiales Behr Power Plant	GWh	329.7	381.7	181.3	-	-
Loma Campana I	GWh	282.5	660.8	200.0	628.9	715.1
Loma Campana II	GWh	146.4	542.2	347.6	514.8	503.9
Loma Campana Este	GWh	72.2	69.5	50.5	42.0	45.0
La Plata Cogeneración I	GWh	885.5	673.4	798.5	874.6	820.3
La Plata Cogeneración I	K Tn	1,572.2	1,225.1	1,459.0	1,687.3	1,599.4
La Plata Cogeneración II	GWh	606.0	587.7	577.4	4.9	-
La Plata Cogeneración II	K Tn	1,441.7	1,385.5	1,145.1	-	-
Manantiales Behr Wind Farm	GWh	508.4	509.5	508.4	518.1	517.3
Los Teros Wind Farm	GWh	754.5	797.1	674.3	163.8	-
Cañadón León Wind Farm	GWh	547.6	512.1	19.6	-	-
Zonda Solar Farm		158.4				
Total	**GWh**	**12,260.8**	**9,701.7**	**9,988.7**	**7,430.7**	**6,448.7**
Total	**K Tn**	**3,013.9**	**2,610.6**	**2,604.1**	**1,687.3**	**1,599.4**

(*) Corresponds to the paid electric energy between April 1, and December 31, 2023.

Paid system power

Asset	Unit	2023	2022	2021	2020	2019
Central Dock Sud (*)	MW	809.2	-	-	-	-
Central Generación Tucumán	MW	701.2	755.7	676.8	718.7	682.7
El Bracho Thermal Power Plant (Natural Gas Turbine)	MW	243.7	249.5	249.8	257.2	256.4
El Bracho Thermal Power Plant (Steam Turbine)	MW	187.7	193.5	190.3	31.5	-
Loma Campana I	MW	35.8	76.8	22.7	71.7	81.6
Loma Campana II	MW	32.6	96.5	91.5	96.8	92.9
Loma Campana Este	MW	22.1	8.0	6.1	9.1	12.0
La Plata Cogeneración I	MW	8.0	76.0	98.1	107.9	100.1
La Plata Cogeneración II	MW	104.5	77.6	77.3	1.8	-
Manantiales Behr Power Plant	MW	80.3	38.1	47.1	-	-
Total	**MW**	**2,225.1**	**1,571.7**	**1,459.7**	**1,294.7**	**1,225.7**

(*) Corresponds to the paid systems power between April 1, and December 31, 2023.

Renewable energy load factor

Asset	Unit	2023	2022	2021	2020	2019
Manantiales Behr Wind Farm	%	58.7	59.8	59.9	60.3	61.7
Los Teros Wind Farm	%	50.0	52.6	50.8	51.6	-
Cañadón León Wind Farm	%	48.8	47.1	-	-	-
Zonda Solar Farm	%	27.5	-	-	-	-

9. FINANCIAL INFORMATION IN US DOLLARS

(Not covered by the Independent Auditors' Report)

Since this fiscal year, the Company's Management has decided to include in this Summary of Events financial information expressed in US dollars for the periods included in its consolidated financial statements, by virtue of its functional currency.

Consolidated condensed balance sheets as of December 31, 2023, and 2022

(Figures stated in thousands of US dollars)

	12/31/2023	12/31/2022
Assets		
Non-current assets	2,101,540	1,838,834
Current Assets	266,630	272,476
TOTAL ASSETS	**2,368,170**	**2,111,310**
Shareholders' equity		
Owners' contributions	452,480	452,480
Reserves, other comprehensive income and accumulated income	528,480	580,109
Non-controlling interest	132,171	-
TOTAL SHAREHOLDERS' EQUITY	**1,113,131**	**1,032,589**
Liabilities		
Non-current Liabilities	923,682	817,582
Current Liabilities	331,357	261,139
TOTAL LIABILITIES	**1,255,039**	**1,078,721**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,368,170**	**2,111,310**

Consolidated statements of comprehensive income for the fiscal years ended December 31, 2023, and 2022.

(Figures stated in thousands of US dollars)

	12/31/2023	12/31/2022
Revenues	490,125	471,116
Production costs	(239,791)	(203,008)
Gross profit	**250,334**	**268,108**
Administrative and selling expenses	(46,696)	(35,992)
Result of acquisition of equity interest	69,505	-
Impairment of property, plant and equipment	(46,800)	(40,660)
Other operating results, net	47,299	49,907
Operating profit	**273,642**	**241,363**
Loss from equity interest in associates	(590)	(6,077)
Net financial results	(80,672)	(89,349)
Profit before income tax	**192,380**	**145,937**
Income tax	(190,915)	(12,241)
Net profit for the fiscal year	**1,465**	**133,696**
Attributable to shareholders	17,292	133,696
Non-controlling interest	(15,827)	-

Consolidated statements of cash flows for the fiscal years ended December 31, 2023, and 2022

(Figures stated in thousands of US dollars)

	12/31/2023	12/31/2022
Cash flows from operating activities	360,004	259,342
Cash flows from investing activities	(235,146)	(163,346)
Cash flows from financing activities	(72,243)	(88,315)
Increase in cash flows, net	**52,615**	**7,681**
Foreign exchange difference and other financial income, net	(32,505)	(12,949)
Cash and cash equivalents at the beginning of the fiscal year	82,329	87,596
Cash and cash equivalents at the end of the fiscal year	102,439	82,328
Increase in cash flows, net	**52,615**	**7,681**

10. OUTLOOKS

Our strategic plan seeks to increase the installed capacity of efficient and renewable thermal generation through new developments and acquisitions, based on our purpose of promoting the evolution of energy for the well-being of people from Argentina.

Our goals include to strengthen our market share with leadership in renewables; to be a reliable and efficient supplier of energy solutions adapted to our clients, to generate comprehensive energy solutions that allow the development and ensure the sustainability of the Company; and consolidate ourselves to be a benchmark in the national energy market and vector of the energy transition.

We aim to achieve these goals ensuring growth in a sustainable manner, with profitability and value generation, guaranteeing the financial solvency that allows us to take advantage of growth opportunities.

Additionally, we want to ensure operational excellence with high standards and the continuous improvement of our processes; efficiently managing the relationship with all stakeholders, and complying with all regulations, policies, processes and high standards. This led us to obtain international quality, safety, environmental, energy efficiency and compliance certifications.

We designed a social investment program focused on education, energy and the environment that grew year after year, designed for the communities where we operate. We promoted a corporate volunteer program in which more than 36% of YPF Luz employees participate today, and we established a channel for inquiries and complaints, in order to manage all concerns transparently and quickly. Year after year, we commit to carrying out sustainable management of all the company's activity, attending to and reporting our economic, social, environmental and governance impacts.

Today, 480 people work in the company with effort, dedication and professionalism. This led us to consolidate the values that best represent us: integrity, which guides us in what we say and do; teamwork, which empowers us; sustainability, thinking about caring for the future; the passion to spread good energy and the commitment to achieving results.

This year, YPF Luz celebrated its tenth anniversary, consolidated as a benchmark in the electricity sector and reinforces the challenge of making the country's industry have competitive energy to export its products to the world.

Santiago Martínez Tanoira
President

TABLE OF CONTENT

English translation of the consolidated financial statements originally filed in Spanish with the Argentine Securities Commission ("CNV"). In case of discrepancy, the consolidated financial statements filed with the CNV prevail over this translation.

YPF ENERGÍA ELÉCTRICA S.A.

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2023 AND 2022

GLOSSARY OF TERMS

Term	Definition
ADR	American Depositary Receipt
AESA	Related party A-Evangelista S.A.
AFIP	Argentine Tax Authority
Associate	Company over which YPF EE has significant influence as provided for in IAS 28
BNR	BNR Infrastructure Co-Investment Limited
CAEE	Electric Energy Supply contract
CAMMESA	Compañía Administradora del Mercado Mayorista Eléctrico S.A.
CDS	Subsidiary Central Dock Sud S.A.
CGU	Cash Generation Unit
CNV	Argentine Securities Commission
COD	Respect to a thermal Power Plant, the commercial operation date
Energía Base	Power generation from SEE Resolution 01/2019 and earlier, and SGE Resolution 70/2018
EUR	Euro
FACPCE	Argentine Federation of Professional Councils of Economic Sciences
GE	General Electric Corporation, Inc., or any of its subsidiaries and/or affiliates
GE EFS	GE EFS Power Investments B.V., an affiliate of GE
Group	YPF EE and its subsidiaries
GW	Gigawatts
GWh	Gigawatts per hour
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IDS	Subsidiary Inversora Dock Sud S.A.
IFRIC	International Financial Reporting Standards Committee
IFRS	International Financial Reporting Standard
IGJ	Argentine Superintendence of Corporations
IGMP	Minimum presumed income tax
CPI	Consumer Price Index ("IPC" for its acronym in Spanish)
Joint Venture	Company jointly owned by YPF EE as provided for in IFRS 11
Luz del León or LDL	Subsidiary Luz del León S.A.
LGS	Argentine General Corporations Act No. 19,550 (T.O. 1984), as amended
Loma Campana I	Loma Campana I thermal power plant located in the district of Añelo, Province of Neuquén.
Loma Campana II	Loma Campana II thermal power plant located in the district of Añelo, Province of Neuquén.
MATER	Renewable energy forward market
MW	Megawatts
MWh	Megawatts per hour
NO	Negotiable Obligations
OPESSA	Related party Operadora de Estaciones de Servicios S.A.
PPA	Capacity and/or power purchase agreements
SADI	Argentine Interconnection System
SE	Secretariat of Energy
SEE	Secretariat of Energy Electric
SGE	Government Secretary of Energy
SIC	Standing Interpretation Committee
Subsidiary	Company controlled by YPF EE in accordance with the provisions of IFRS 10.
US$	US dollars
VAT	Value added tax
Y-GEN	Subsidiary Y-GEN Eléctrica S.A.U. (previously Y-GEN ELÉCTRICA S.R.L.)
Y-GEN II	Subsidiary Y-GEN Eléctrica II S.A.U. (previously Y-GEN ELÉCTRICA II S.R.L.)
YPF	YPF Sociedad Anónima
YPF EE or the Company	YPF Energía Eléctrica S.A.
YPF EE Comercializadora	Subsidiary YPF EE Comercializadora S.A.U.
WPI	Whosale internal Price index ("IPIM" for its acronym in Spanish)

LEGAL INFORMATION

Legal address

Macacha Güemes 515, 3rd Floor – Autonomous City of Buenos Aires – Argentina

Fiscal year

N° 11 beginning on January 1, 2023.

Main business of the Company

Generation, transport and commercialization of electric power from all kind of primary sources of production.

Tax identification code ("CUIT")

30-71412830-9.

Registration date with the Public Commerce Registry:

- Of the social contract: August 26, 2013.
- Last amendment to bylaws: March 20, 2018.

Registration with the IGJ

16,440 of Book 65, Volume A of Corporations ("Sociedades Anónimas").

Duration of the company

Through August 26, 2112.

Capital Stock

(Amounts expressed in Argentine pesos - See Note 23)

Class of shares	Subscribed, paid-in, issued and registered
Commons, book entry shares, with a nominal value of 1 each and entitled to one vote per share:	
Class A	2,810,302,991
Class B	936,767,364
	3,747,070,355

SANTIAGO MARTÍNEZ TANOIRA
President

English translation of the separated financial statements originally filed in Spanish with the Argentine Securities Commission ("CNV"). In case of discrepancy, the consolidated financial statements filed with the CNV prevail over this translation.

YPF ENERGÍA ELÉCTRICA S.A.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2023 AND 2022

(Amounts expressed in thousands of Argentine pesos)

	Notes	December 31, 2023	December 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	8	1,621,077,322	300,299,387
Intangible assets	9	6,571,765	1,392,701
Right of use assets	10	11,959,900	3,034,408
Investments in joint ventures	11	8,488	13,206,314
Other receivables	12	36,153,334	2,187,548
Deferred income tax assets, net	15	20,067,172	5,463,534
Total non-current assets		**1,695,837,981**	**325,583,892**
Current assets			
Other receivables	12	31,134,872	6,606,572
Trade receivables	13	91,704,654	24,925,020
Restricted cash and cash equivalents	14	9,605,278	2,107,579
Cash and cash equivalents	14	82,663,398	14,577,209
Total current assets		**215,108,202**	**48,216,380**
TOTAL ASSETS		**1,910,946,183**	**373,800,272**
SHAREHOLDERS' EQUITY			
Shareholders' contributions		8,411,982	8,411,982
Reserves, other comprehensive income and non-retained earnings		783,173,251	174,407,644
Shareholders' equity attributable to shareholders		**791,585,233**	**182,819,626**
Non-controlling interest		106,655,962	-
TOTAL SHAREHOLDERS' EQUITY		**898,241,195**	**182,819,626**
LIABILITIES			
Non-current liabilities			
Provisions		2,328,427	553,108
Deferred income tax liability, net	15	141,650,743	16,550,042
Leases liabilities	16	5,415,987	1,919,202
Loans	17	575,907,818	125,739,303
Other liabilities		3,397,027	-
Contract liabilities		16,664,765	-
Total non-current liabilities		**745,364,767**	**144,761,655**
Current liabilities			
Provisions		8,026	-
Taxes payable		983,142	565,401
Income tax payable		5,842,279	1,031,935
Salaries and social security		9,402,306	1,775,293
Leases liabilities	16	3,823,219	414,380
Loans	17	148,008,890	26,176,683
Other liabilities		624,579	-
Trade payables	18	98,647,780	16,255,299
Total current liabilities		**267,340,221**	**46,218,991**
TOTAL LIABILITIES		**1,012,704,988**	**190,980,646**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,910,946,183**	**373,800,272**

Accompanying notes are an integral part of these consolidated financial statements.

SANTIAGO MARTÍNEZ TANOIRA
President

YPF ENERGÍA ELÉCTRICA S.A.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR FISCAL YEARS ENDED DECEMBER 31, 2023 AND 2022

(Amounts expressed in thousands of Argentine pesos)

	Notes	For the fiscal years ended December 31, 2023	2022
Revenues	19	156,557,273	63,495,872
Production costs	20	(77,769,765)	(27,409,025)
Gross profit		**78,787,508**	**36,086,847**
Administrative and selling expenses	20	(16,516,879)	(4,956,421)
Result from the acquisition of equity interest	4	14,513,263	-
Other operating results, net	21	15,606,239	7,159,423
Impairment of property, plant and equipment	8	(12,004,200)	(5,985,965)
Operating profit		**80,385,931**	**32,303,884**
Loss from equity interest in joint ventures	11	(123,186)	(1,075,956)
Net financial results			
- Financial income	22	150,678,481	15,477,383
- Financial costs	22	(168,021,323)	(27,717,322)
Net financial results	22	(17,342,842)	(12,239,939)
Profit before income tax		**62,919,903**	**18,987,989**
Income tax	15	(78,434,926)	(1,467,996)
Net (loss)profit for the fiscal year		**(15,515,023)**	**17,519,993**
Other comprehensive income for the fiscal year			
Items that may not be reclassified to net income in subsequent fiscal years:			
Translation differences	2.3.18	716,636,441	74,879,964
Items that may be reclassified to net income in subsequent fiscal years:			
Joint ventures' net monetary position results	2.3.18	(17,845,674)	6,950,164
Translation differences from joint ventures	2.3.18	13,242,291	(5,318,538)
Fair value changes on derivatives instruments, net of tax effect (1)	2.3.18	-	8,589
Net variation of other comprehensive income for the fiscal year		**712,033,058**	76,520,179
Total comprehensive income for the fiscal year		**696,518,035**	**94,040,172**
Net (loss) profit for the fiscal year attributable to shareholders		**(7,253,075)**	**17,519,993**
Net (loss) profit for the fiscal year attributable to non-controlling interest		**(8,261,948)**	**-**
Total comprehensive income for the fiscal year attributable to shareholders		**620,765,607**	**94,040,172**
Total comprehensive income for the fiscal year attributable to non-controlling interest		**75,752,428**	**-**
(Loss) Earnings per share attributable to the shareholders:			
- Basic and diluted (ARS)	24	(1.936)	4.676

(1) Net of income tax charges for the fiscal year ended December 31, 2022 of (2,675).

Accompanying notes are an integral part of these consolidated financial statements.

SANTIAGO MARTÍNEZ TANOIRA
President

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YPF ENERGÍA ELÉCTRICA S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS’ EQUITY FOR THE FISCAL YEARS ENDED DECEMBER 31, 2023 AND 2022

(Amounts expressed in thousands of Argentine pesos)

	For the fiscal year ended December 31, 2023											
	Shareholders’ contributions			Reserves						Shareholders’ equity attributable to		
	Subscribed capital	Share premium	Other shareholders’ contributions	Legal reserve	Reserve for future dividends	Special reserve RG No. 609 [1]	Reserve for future investments	Other comprehensive income	Retained earnings	Controlling shareholders	Non-controlling interest	Total
As of January 1, 2023	3,747,070	4,604,483	60,429	7,819,444	4,962,376	188,290	62,164,053	75,602,667	23,670,814	182,819,626	-	182,819,626
Addition due to business combination (Note 4)	-	-	-	-	-	-	-	-	-	-	30,903,534	30,903,534
As decided by the General Ordinary Shareholders’ Meeting on April 27, 2023 (Note 26):												
- Release of the reserve for future dividends	-	-	-	-	(4,962,376)	-	-	-	4,962,376	-	-	-
- Appropriation to reserve for future dividends	-	-	-	-	12,000,000	-	-	-	(12,000,000)	-	-	-
- Release of the reserve for future investments	-	-	-	-	-	-	(62,164,053)	-	62,164,053	-	-	-
- Appropriation to reserve for future investments	-	-	-	-	-	-	78,797,243	-	(78,797,243)	-	-	-
As decided by the Board of Directors Meeting on June 30, 2023:												
- Payment of dividends	-	-	-	-	(12,000,000)	-	-	-	-	(12,000,000)	-	(12,000,000)
Net profit (loss) for the fiscal year	-	-	-	-	-	-	-	-	(7,253,075)	(7,253,075)	(8,261,948)	(15,515,023)
Other comprehensive income for the fiscal year	-	-	-	-	-	-	-	628,018,682	-	628,018,682	84,014,376	712,033,058
Appropriation of translation effect	-	-	-	27,819,655	16,867,285	669,891	280,341,251	(346,905,047)	21,206,965	-	-	-
As of December 31, 2023	**3,747,070**	**4,604,483**	**60,429**	**35,639,099**	**16,867,285**	**858,181**	**359,138,494**	**356,716,302**	**13,953,890**	**791,585,233**	**106,655,962**	**898,241,195**

(1) Corresponds to the initial adjustment arising from the IFRS implementation. See Note 2.3.18.

Accompanying notes are an integral part of these consolidated financial statements.

SANTIAGO MARTÍNEZ TANOIRA
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YPF ENERGÍA ELÉCTRICA S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE FISCAL YEARS ENDED DECEMBER 31, 2023 AND 2022

(Amounts expressed in thousands of Argentine pesos)

	For the fiscal year ended December 31, 2022									
	Shareholders' contributions			Reserves						
	Subscribed capital	Share premium	Other shareholders' contributions	Legal reserve	Reserve for future dividends	Special reserve RG No. 609 (1)	Reserve for future investments	Other comprehensive income	Retained earnings	Total
As of January 1, 2022	3,747,070	4,604,483	60,429	749,414	-	11,532	14,746,330	64,542,061	6,318,135	94,779,454
Change in Accounting policy – Appropriation of translation effect (Note 2.3.)	-	-	-	3,782,242	-	97,589	20,942,127	(25,214,577)	392,619	-
As of January 1, 2022 as modified	3,747,070	4,604,483	60,429	4,531,656	-	109,121	35,688,457	39,327,484	6,710,754	94,779,454
As decided by the General Ordinary Shareholders' Meeting on April 28, 2022:										
- Appropriation to reserve for future dividends	-	-	-	-	6,000,000	-	-	-	(6,000,000)	-
- Release of the reserve for future investments	-	-	-	-	-	-	(14,746,330)	-	14,746,330	-
- Appropriation to reserve for future investments	-	-	-	-	-	-	15,064,465	-	(15,064,465)	-
As decided by the Company's Board of Directors on December 28, 2022:										
- Payment of dividends	-	-	-	-	(6,000,000)	-	-	-	-	(6,000,000)
Net profit for the fiscal year	-	-	-	-	-	-	-	-	17,519,993	17,519,993
Other comprehensive income for the fiscal year	-	-	-	-	-	-	-	76,520,179	-	76,520,179
Appropriation of translation effect	-	-	-	3,287,788	4,962,376	79,169	26,157,461	(40,244,996)	5,758,202	-
As of December 31, 2022	**3,747,070**	**4,604,483**	**60,429**	**7,819,444**	**4,962,376**	**188,290**	**62,164,053**	**75,602,667**	**23,670,814**	**182,819,626**

(1) Corresponds to the initial adjustment arising from the IFRS implementation. See Note 2.3.18.

Accompanying notes are an integral part of these consolidated financial statements.

SANTIAGO MARTÍNEZ TANOIRA
President

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YPF ENERGÍA ELÉCTRICA S.A.

CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE FISCAL YEARS ENDED DECEMBER 31, 2023 AND 2022

(Amounts expressed in thousands of Argentine pesos)

	For the fiscal years ended December 31,	
	2023	**2022**
OPERATING ACTIVITIES		
Net profit for the fiscal year	(15,515,023)	17,519,993
Adjustments to reconcile net profit to net cash flows from operating activities:		
Loss from equity interests in joint ventures	123,186	1,075,956
Result from the acquisition of equity interest	(14,513,263)	-
Depreciation of property, plant and equipment	41,312,867	13,695,791
Depreciation of right of use assets	686,317	278,110
Amortization of intangible assets	77,545	34,377
Decreases of property, plant and equipment	1,764,879	545,993
Impairment of property, plant and equipment	12,004,200	5,985,965
Net financial results	17,342,842	12,239,939
Net (increase) decrease in provisions	(182,418)	81,656
Charge on income tax	78,434,926	1,467,996
Provision for materials and equipment in warehouse	16,202	-
Contractual penalties	(4,556,520)	(3,686,703)
Changes in operating assets and liabilities:		
Trade receivables	(16,821,074)	(6,886,259)
Other receivables	(4,456,306)	(2,576,634)
Trade payables	(9,917,330)	65,524
Salaries and social security	7,275,718	789,318
Taxes payable	416,883	(41,648)
Other liabilities	2,213,324	-
Contract liabilities	7,216,683	-
Income tax payments	(1,906,061)	(10,030,854)
Interest collected	6,934,337	1,368,810
Net cash flows from operating activities	**107,951,914**	**31,927,330**
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(71,007,467)	(18,737,377)
Acquisition of intangible assets	(51,356)	(195,716)
Advances to suppliers of property, plant and equipment	(6,803,028)	(634,387)
Acquisition of equity interests, net of cash and cash equivalents acquired	61,400	-
Investments in other financial assets	3,531,847	-
Restricted cash and cash equivalents	-	(200,326)
Net cash flows used in investing activities	**(74,268,604)**	**(19,767,806)**
FINANCING ACTIVITIES		
Proceeds from loans	29,756,936	20,377,154
Payments of loans	(33,101,388)	(19,879,947)
Payments of dividends	(9,000,000)	(6,000,000)
Payments of leases liabilities	(754,641)	(253,920)
Payment of interest and other financial costs	(15,023,712)	(8,722,645)
Net cash flows from financing activities	**(28,122,805)**	**(14,479,358)**
Net increase (decrease) in cash and cash equivalents	5,560,505	(2,319,834)
Effect of exchange difference variations and financial results on cash and cash equivalents	62,525,684	7,907,902
Cash and cash equivalents at the beginning of fiscal year (Note 14)	14,577,209	8,989,141
Cash and cash equivalents at the end of the fiscal year (Note 14)	**82,663,398**	**14,577,209**

	For the fiscal years ended December 31,	
Non-cash transactions	**2023**	**2022**
Acquisitions of property, plant and equipment payable at the end of the fiscal year	35,518,614	6,741,498
Acquisitions of property, plant and equipment related to dismantlement provisions	344,917	79,946
Acquisitions of intangible assets payable at the end of the fiscal year	362,303	-
Transfers of advances to suppliers of property, plant and equipment	25,513,546	616,708
Borrowing offset against payment of dividends	2,734,890	-
Capitalised borrowing cost	-	11,170
Negotiable Obligations paid in kind	-	3,005,873

Accompanying notes are an integral part of these consolidated financial statements.

SANTIAGO MARTÍNEZ TANOIRA
President

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

1. GENERAL INFORMATION AND MAIN ACTIVITIES

YPF Energía Eléctrica S.A. (hereinafter "the "Company") is a Sociedad Anónima (Argentine business association type akin to a stock corporation) organized under the laws of Argentina. Its registered office is at Macacha Güemes N° 515, 3rd Floor, Autonomous City of Buenos Aires.

YPF EE and the companies that make up the business Group are mainly engaged in generating and selling electric power through the following assets:

Power Plant	Location (Province)	Installed Capacity (MW)	Regulatory Framework	Technology
Tucumán Thermal Power Plant (1)	Tucumán	447	Energía Base / PPA with CAMMESA (8)	Combined Cycle
San Miguel de Tucumán (1)	Tucumán	382	Energía Base / PPA with CAMMESA (8)	Combined Cycle
El Bracho TG (1)	Tucumán	274	PPA with CAMMESA (5)	Open Cycle
El Bracho TV (1)	Tucumán	199	PPA with CAMMESA (5)	Steam Turbine
Loma Campana I	Neuquén	105	PPA with YPF (6)	Open Cycle
Loma Campana II	Neuquén	107	PPA with CAMMESA (5)	Open Cycle
Loma Campana Este (2)	Neuquén	17	PPA with YPF	Moto Generators
La Plata Cogeneration I ("LPC")	Buenos Aires	128	Energía Base CAMMESA – PPA with YPF (3)	Cogeneration
La Plata Cogeneration II ("LPC II")	Buenos Aires	90	CAMMESA – PPA with YPF (3)	Cogeneration
Central Dock Sud (4)	Buenos Aires	933	Energía Base / PPA with CAMMESA (8)	Combined Cycle / Open Cycle
Manantiales Behr Wind Farm	Chubut	99	PPA with YPF and other large users (7)	Wind Farm
Los Teros Wind Farm	Buenos Aires	175	MATER	Wind Farm
Manantiales Behr Thermal Power Plant	Chubut	58	PPA with YPF	Moto Generators
Cañadón León Wind Farm	Santa Cruz	123	CAMMESA / MATER (YPF)	Wind Farm
Zonda Solar Farm	San Juan	100	MATER	Solar Farm
Total		**3,237**		

(1) Part of Tucumán Generation Complex.
(2) Not connected to SADI.
(3) Steam sales are contracted with YPF.
(4) As of December 31, 2023, it represents 100% of Central Dock Sud, that has a Combined Cycle with an installed capacity of 798 MW and two Open Cycle turbines with an installed capacity of 36 MW each.
(5) Resolution No. 21/2016.
(6) Distributed self-generator.
(7) This Wind Farm's generation is under 10 PPA contracts with the private sector. The term of these contracts have effectiveness up to 21 years.
(8) Since March 2023 these plants were under the regime of Resolution 59/2023 which grants a PPA nominated in US dollars with effectiveness of 5 years.

The Group's generation capacity, as of December 31, 2023, represents 7.3% of the installed capacity, including the indirect participation in Central Dock Sud, and 8.2% of the energy demanded in Argentina, according to information published by CAMMESA.

Additionally, the Group has the following project under construction:

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

Power Plant	Location (Province)	Installed Capacity (MW)	Buyers	Technology
General Levalle Wind Farm	Córdoba	155	MATER	Wind Farm
Total		**155**		

Thermal power stations

The Company owns and operates the Tucumán Complex comprised of the Tucumán Thermal Power Plant, located in the town of El Bracho, approximately 22 kms. south of San Miguel de Tucumán, in the province of Tucumán, with a capacity of 447 MW and the San Miguel de Tucumán Thermal Power Plant, with a capacity of 382 MW. In addition, the Company expanded the Tucumán Complex through the thermal power plant of its subsidiary Y-GEN II, El Bracho TG. This power plant has a capacity of 274 MW and obtained the Commercial Operation Date (COD) on January 27, 2018. By virtue of Resolution No. 287-E/2017 from the Secretariat of Energy, Y-GEN II was awarded, as a consequence of the bidding process established, the project to close the existing open cycle power plant (El Bracho TG) into a combined cycle. On October 23, 2020, CAMMESA granted the COD of Steam Turbine No. 1 of the El Bracho Thermal Power Plant up to a total maximum power of 199 MW. Steam Turbine N ° 1 completes the El Bracho combined cycle, in Tucumán, and adds 199 MW of installed capacity to the high-efficiency open-cycle gas turbine inaugurated in 2018. In this way, the complete Combined Cycle reached a capacity combined total of 473 MW.

This combined cycle allows a significant increase in the efficiency level of the electric power generation process, which until that moment was 38% to reach 57%, thus achieving one of the highest levels of thermal efficiency in the country. With the completion of this work, the Tucumán Generation Complex becomes the largest thermal generation center in Argentina, with an installed capacity of 1,302 MW that can supply 2.7 million households.

In 2015, the Company developed its first thermal generation project called Loma Campana I, located in the town of Añelo, province of Neuquén, integrated by a thermal power plant of 105 MW of installed capacity that obtained its COD at the beginning of November 2017 through the figure of the distributed self-generator. The Company provides capacity to YPF through an operation and maintenance agreement for a period of 15 years, with a fixed capacity price denominated in US dollars. Loma Campana I began to operate on November 7, 2017.

Loma Campana II, owned by Y-GEN, was built on the same site. It consists of a 107 MW thermal power plant whose power and energy is committed under a PPA entered into with CAMMESA for a 10 year term from commercial operation date and the price of which is denominated in US dollars. Loma Campana II started operating on November 30, 2017.

Additionally, the Company owns and operates the Loma Campana Este Thermal Power Plant, located within the Loma Campana oil and gas production block concession, in the town of Añelo, province of Neuquén. This plant has a generation capacity of 17 MW and provides energy for YPF's consumption and it is not connected to the SADI.

In February 2018, the Company acquired the asset La Plata Cogeneration, a thermal power plant previously owned by Central Puerto S.A., with a capacity of 128 MW connected to SADI. The Company has signed a PPA contract with YPF S.A. for the steam generation service denominated in US dollars for a term of 15 years.

On the other hand, pursuant to Resolution No. 287-E/2017, the Company was awarded a new cogeneration project to be developed within the La Plata Refinery, which is owned by YPF. This project consisted in the installation of a gas turbine, its electric generator and a boiler to generate steam for heat recovery. On October 27, 2020, CAMMESA granted the COD of the La Plata Cogeneration II Thermal Power Plant up to a total maximum power of 90.2 MW. The steam generator of heat recovery (HRSG) generates 200 Tn/h with additional fire and 140 Tn/h without additional fire. The Company has signed a PPA contract with CAMMESA for a term of 15 years after being awarded in the bidding process previously mentioned. In the same bidding process, it committed to install and maintain available a generation capacity of 72 MW in summer and 80.6 MW in winter for the term of the contract from agreed date of the COD. Likewise, the Company has signed a PPA contract with YPF S.A. for the steam generation service denominated in US dollars for a term of 15 years.

Additionally, on March 27, 2021, CAMMESA granted the commercial operation date (COD) of 35.1 MW corresponding to 3 of the 5 engines of the Behr Manantiales Engine Project, located next to the Manantiales Behr Wind Farm in the province of Chubut, Argentina. Likewise, the commercial operation date of the remaining engines to reach a total power of 58 MW was obtained on April 6, 2021. The Company has a signed PPA contract with YPF S.A. for power availability for a term of 20 years. This contract is denominated in US dollars. The new thermal plant complements the energy generated by the Manantiales Behr Wind Farm and thus allowed the Company to establish its first hybrid generation system (thermal and wind).

Renewable sources

The Company owns Manantiales Behr Wind Farm, with 99 MW of installed capacity, through 30 Vestas wind turbines of 3.3 MW of installed power each. On July 25, 2018 the first stage of the wind farm for the first 49.5 MW obtained the commercial operation permit and on December 22, 2018, the last commercial operation permit for the remaining 49.5 MW was obtained. Approximately 79% of the energy generated is being delivered to YPF through a PPA for a term of 15 years with a price denominated in US dollars. The remaining energy generated is sold to private customers through PPAs denominated in US dollars for a term between 5 and 21 years. It should be noted that this project has dispatch priority in the MATER for 100% of its installed capacity.

Additionally, the Group is the owner of the Los Teros Wind Farm located in the town of Azul, province of Buenos Aires. This project has priority dispatch in MATER transportation capacity for its whole installed capacity. The Company has committed 100% of energy generated by the wind farm through PPAs denominated in US dollars with YPF and several industrial users of private sector with terms between 5 and 20 years. On September 17, 2020, CAMMESA granted the first commercial operation date (COD) of 99.58 MW corresponding to 26 wind turbines of the wind farm, and subsequently, the commercial operation date of the remaining wind turbines corresponding to this first stage was obtained, reaching its total power of 123 MW. Between May 21 and June 3, 2021 CAMMESA granted the commercial operation dates of this second stage of the project, adding 52 MW of installed power, which now reaches 175 MW in total.

Likewise, the Group was awarded, through Luz del León S.A., with a PPA, as part of the RenovAr 2.0 Program, for the provision of renewable energy through the Cañadón León Wind Farm of 102 MW of capacity. It is located in the Province of Santa Cruz, 25 kms. from the city of Caleta Olivia, and approximately 100 kms from Manantiales Behr Wind Farm. The PPA with CAMMESA for 102 MW is for a term of 20 years and a price denominated in US dollars. Additionally, the wind farm has an extension of 21 MW, that is being delivered to YPF, under a PPA in the MATER for a period of 15 years, also denominated in US dollars, reaching a total installed power of 123 MW. On December 15 and 22, 2021, the wind farm reached the commercial operation date of 23 and 6 of its wind turbines, respectively, reaching its total installed capacity.

In February 2022, the Company started the construction of the first stage of the Zonda Solar Farm, located in the Iglesia department, province of San Juan. In this first stage the Company will construct 100 MW single-axis solar tracked support structures (E-W), the solar farm substation and the high voltage line that will connect it to SADI, and it involves the installation of approximately 170,000 solar panels that will allow to generate energy for more than 300 GWh annually, to supply MATER.

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

The farm was inaugurated in April 2023. It took 16 months to complete the work and the commercial operation date for 100M took place on May 31, 2023. The final project could be expanded to more than 300 MW at future stages subject to the availability of electric transportation in the area. The farm's capacity factor is 36% and it has 170,880 bifacial solar panels installed across 200 hectares. The power output is intended to be supplied to large users and industrial customers at the Renewable Energy Term Market (MATER), through PPAs denominated in US Dollars.

Projects

During 2022, YPF Luz has acquired Levalle Eólico 1 S.A. and Levalle Eólico 2 S.A., companies that own wind projects, from which it will build a new wind farm in the town of General Levalle, in the south of the province of Córdoba. The park will have an installed capacity of 155 MW to be built in two stages, 65 MW (Levalle 1) and 90 MW (Levalle 2). The park will have 25 installed wind turbines of 6.2 MW each and its construction will require approximately 20 months. During the year, the Company completed civil works on internal roads and built accesses to the wind farm and support platforms for the main equipment and wind turbine foundations. In the transforming substation, the Company constructed buildings and completed the pathways for wiring. Additionally, it continued with the installation of the wind farm's medium-voltage line poles.

Shareholders of the Company

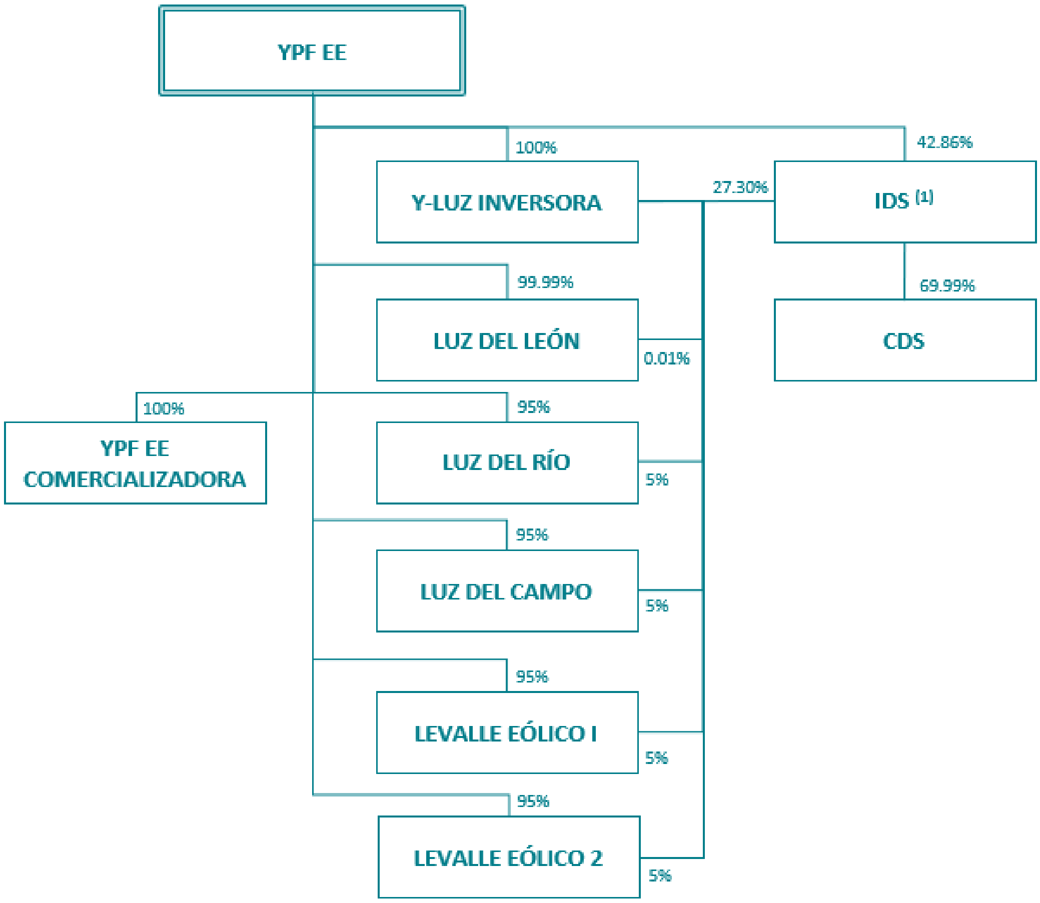
The Company is jointly controlled by YPF and GE EFS Power Investments B.V. ("GE EFS") by means of a Shareholders agreement (Note 23). GE EFS is a subsidiary of EFS Global Energy B.V. (both companies are indirectly controlled by GE Company). Shares issued by GE EFS were transferred to BNR Infrastructure Co-Investment Limited ("BNR"), a private company established in the United Kingdom. General Electric Company indirectly owns 50% of the economic rights of BNR and Silk Road Fund Co. Ltd. indirectly holds the remaining 50%. BNR, in turn, owns 100% of the capital stock of GE EFS. General Electric Company will continue to indirectly manage and control BNR and will therefore continue to exercise the corresponding voting rights.

As of December 31, 2023 and 2022, the Company's Shareholders are:

Shareholder	Share of Capital	Main activity	Country of origin
YPF	72.69218%	Energy	Argentina
OPESSA	2.30783%	Oil sales	Argentina
GE EFS Power Investment B.V.	24.99999%	Infrastructure, financial services and others	U.S.A.
Total	**100.00000%**		

Structure and organization of the economic group

The following chart shows the organizational structure, including the main companies of the Group, as of December 31, 2023:



(1) See Note 4.

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1. Professional accounting standards

The Group prepares its consolidated financial statements in accordance with IFRS, as issued by the IASB and the interpretations of the IFRIC.

Likewise, additional disclosures required by Argentine General Business Associations Law No. 19,550 and/or CNV regulations have been included with the only purposes of complying with such regulatory requirements.

The issuance of the consolidated financial statements for the fiscal year ended on December 31, 2023 was approved by the Board of Directors on March 5, 2024.

2.2. Basis of presentation and consolidation

These financial statements were prepared under the assumption that the Group has the ability to continue as a going concern.

2.2.1. Consolidated financial statements

The consolidated financial statements include the financial statements of the Group made up by the parent company YPF EE and its subsidiaries Luz de León S.A., Luz del Río S.A., Y-Luz Inversora S.A.U., YPF-EE Comercializadora S.A.U., Luz del Campo S.A., Levalle Eólico 1 S.A., Levalle Eólico 2 S.A. and Inversora Dock Sud S.A.

These consolidated financial statements have been prepared by applying the consolidation method to all the subsidiaries, that are the companies over which the Group holds control, directly or indirectly. The Group controls an entity when it is exposed, or it is entitled to the variable results arising from its equity interest in the entity, and has the ability to affect those results through its power over the entity. This capacity is, in general but not exclusively, obtained by the ownership, direct or indirect, of more than 50% of the voting shares of a company.

Subsidiaries are consolidated by including all their assets, liabilities, income, expenses and cash flows into the consolidated financial statements once the adjustments and eliminations corresponding to intra-Group transactions have been made.

The comprehensive income of the subsidiaries are included in the consolidated statement of comprehensive income from the date on which the Company obtains control of the subsidiary until the date on which it loses control over the subsidiary.

Each subsidiary's last financial statements available as of each fiscal year-end were used for consolidation purposes, considering the subsequent events, management information available and the transactions conducted between the Company and the subsidiaries that would have changed the subsidiaries' equity, as applicable. Moreover, the accounting principles and criteria adopted by the subsidiaries were adapted, if needed, with those used in the preparation of the financial statements of the Company with the purpose of presenting the consolidated financial statements applying identical valuation and presentation methods.

- **Effects of the translation of investments in joint ventures with functional currency corresponding to a hyperinflationary economy**

Under IAS 21, the financial statements of a subsidiary with the functional currency of a hyperinflationary economy have to be restated according to IAS 29 before they are included in the consolidated financial statements of its parent company with a functional currency of a non-hyperinflationary economy, except for their comparative figures. Therefore, the results and financial position of subsidiaries with the peso as functional currency were translated into U.S. dollars by the following procedures: all amounts were translated at the exchange rate effective at the closing date of the financial statements, except for comparative amounts, which were presented as current amounts in the financial statements of the previous fiscal year (i.e., these amounts were not be adjusted to reflect subsequent variations in price levels or exchange rates). Thus, the effect of the restatement of comparative amounts was recognized in other comprehensive income. These criteria were also implemented by the Group for its investments in joint ventures. When an economy ceases to be hyperinflationary and an entity ceases to restate its financial statements in accordance with IAS 29, it will use the amounts restated according to the price level of the date on which the entity ceases to make such restatement as historical costs, in order to translate them into the presentation currency.

- **Tax effect on Other Comprehensive Income**

Results included in Other Comprehensive Income in connection with translation differences and result from net monetary position generated by investments in subsidiaries and joint ventures whose functional currency is other than U.S. dollar as well as conversion differences arising from the translation of YPF EE's financial statements into its presentation currency (Argentine pesos), have no effect on the income tax or in the deferred tax since at the time they were generated, the relevant transactions did not have any impact on accounting or tax results.

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

• **Non-controlling interest**

As of December 31, 2022, the Group held a 100% stake in the capital of the consolidated companies, so there was no non-controlling interest recorded. During the year ended December 31, 2023, the Company acquired an additional stake in IDS (Note 4), which together with YPF EE's pre-existing stake of 42.86%, represents a total of 70.16%. Accordingly, from the date of such acquisition the Group began to record a non-controlling interest in its consolidated financial statements.

The following table presents the IDS' summarised financial information as of December 31, 2023:

	December 31, 2023
Non-current assets	143,664,994
Current assets	658,730
Total assets	**144,323,724**
Non-current liabilities	23,604
Current liabilities	111,031
Total liabilities	**134,635**
Total shareholders' equity	**144,189,089**

The following tale presents the IDS' summarised statement of comprehensive income for the fiscal year ended December 31, 2023:

	December 31, 2023
Administrative and selling expenses	(14,314)
Other operating results, net	4,068
Operating result	**(10,246)**
Loss from equity investments	(11,706,706)
Net financial results	183,558
Net result before income tax	**(11,533,394)**
Income tax	(97,789)
Net loss	**(11,631,183)**

2.2.2. Measurement unit

These consolidated financial statements have been prepared under the historical cost approach, with the exception of certain assets and liabilities measured at fair value, with changes through the statement of comprehensive income.

2.3. Summary of material accounting policies

The following are the material accounting policies applied by the Group in preparing its consolidated financial statements.

2.3.1. Functional and presentation currency

Under IFRS the companies must define their functional currency, which may differ from the presentation currency. The functional currency must be defined according to the criteria set forth in IAS 21: "The effects of changes in foreign exchange rates". Based on the provisions of the referenced rule, and considering the main activities of the Company, its subsidiaries and joint ventures, as detailed in Note 11, and the currency of the primary economic environment in which the entities operate, the Management and the Board of Directors have defined for the Group, the US dollar as their functional currency. Therefore, the financial statements of the Group have been converted into US dollars according to the procedure stated in IAS 21. According to such procedures, monetary assets and liabilities are converted at the closing exchange rate. Non-monetary items, measured in terms of the historical cost approach, as well as results, are converted using the exchange rate of the transaction date. The results of the conversion of monetary assets and liabilities denominated in currencies other than US dollars are recognized in the result of the fiscal year in which they arise.

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

Under the provisions of CNV General Resolution No. 562, the Company is required to present its financial statements in Argentine pesos, and therefore, the amounts resulting from the aforementioned process are to be converted into pesos, according to the criteria specified in IAS 21. Under IAS 21, assets and liabilities should be converted at the applicable closing exchange rate, and results at the exchange rate of the date of each transaction (or, for convenience purposes, and when exchange rates do not vary significantly, at the average exchange rate of each month) and the resulting exchange differences should be recognized in Other Comprehensive Income.

Results reported in Other Comprehensive Income related to the conversion of the financial statements of the Company into its presentation currency (pesos), have no effect on the income tax or the deferred tax, since, at the time of they were generated, such transactions had no impact in the accounting and taxable income.

Assets and liabilities in functional currency have been converted into the presentation currency using the following exchange rates, which arise from the average of the buyer and seller from Banco de la Nación Argentina:

	12.31.2023	12.31.2022
Argentine peso (ARS)	806.95	177.06

On October 28, 2022 General Resolution No. 941/2022 issued by CNV was published by the Official Gazette, which introduces certain dispositions to those issuers with a functional currency different from the legal currency in Argentina that, in relation with its own operations, develop certain accounting policies of presentation and disclosures in which the translation effect originated by the Reserves and Retained earnings are appropriated to the originating accounts.

In line with what established this resolution, since this fiscal year the Company adopted a change in its accounting policy by classifying and accumulating directly within the accounts of Reserves and Retained earnings the translation effect originated by these accounts.

For consistency purpose the comparative information of the statements of change in shareholders' equity, the appropriation between accumulated other comprehensive income and Retained earnings and reserves has been made as of January 1, 2022.

As a consequence of the application of the accounting policy previously described, the translation effect from the functional currency to a different presentation currency does not modify the way in which the underlying elements are measured, preserving both the retained earnings and the shareholders' contributions in the currency that are generated.

2.3.2. Foreign Currency

In preparing the consolidated financial statements, transactions in currencies other than the functional currency (foreign currencies) are booked at the exchange rates prevailing at the date of each transaction. At the closing date of each fiscal year, monetary items denominated in foreign currency are converted at exchange rates for the functional currency prevailing on the closing dates of the financial statements. Exchange differences are recognized in the income statement of the fiscal year in which they originated.

2.3.3. Classification of items as current and non-current

The Group classifies assets and liabilities in the consolidated statement of financial position as current and non-current. An entity shall classify an asset as current when:

- it expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;

- it holds the asset primarily for the purpose of trading;
- it expects to realize the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

An entity shall classify a liability as current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, in all cases.

2.3.4. Fair value measurement

The Group measures certain financial instruments at their fair value at each reporting date. Fair values of financial instruments measured at amortized cost are disclosed in Note 7.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 input data: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2 input data: valuation techniques with input data other than quoted prices included in Level 1, but that are observable for the asset or liability, either directly or indirectly.

- Level 3 input data: valuation techniques for which input data are not observable for the asset or liability.

2.3.5. Revenue recognition

2.3.5.1. Revenues

IFRS 15 presents a detailed five-step model to explain revenue from contracts with customers. Its main principle is that an entity must recognize revenue to represent the transfer of goods or services promised to customers, in an amount that reflects the consideration that the entity expects to receive in exchange for those goods or services, at the time of satisfying a performance obligation.

An asset is transferred when (or as) the client obtains control of that asset, defined as the ability to direct the use and obtain substantially all the remaining benefits of the asset.

The Company recognizes revenue based on the availability of effective capacity of its plants, of the energy delivered and of the steam delivered, and an account receivable is also recognized. This receivable represents the unconditional right of the Company to receive the consideration owed by the customer. The billing of the service is performed on a monthly basis and interests are accrued in case of delays in credits' collection. The opportunity to satisfy the performance obligation occurs over time because the client receives and simultaneously consumes the benefits provided by the performance of the obligation by the entity.

Revenue from the sale of energy and power made available capacity and sales of steam (including additional remuneration and non-recurring maintenance receivables) is calculated at the prices set in the relevant agreements or at the prices prevailing in the electricity market, pursuant to current regulations. It includes revenue from energy, steam and capacity made available and/or delivered and not billed until the end of the fiscal year, valued at the prices set in agreements or in the relevant regulations.

Additionally, the requirements requested to provide information disclosures are included in Note 19.

2.3.6. Net financial results

For all financial assets and liabilities measured at amortized cost and at fair value through profit and loss, interest income or expense is recorded using the effective interest rate method, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, as appropriate, with respect to the net carrying amount of the financial asset or liability. Interest income and expense is included in "net financial results" in the consolidated statement of comprehensive income.

2.3.7. Taxes

2.3.7.1. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to calculate those amounts are those that are enacted or substantively enacted at the end of the fiscal year. The statutory tax rate for the Group for the fiscal years 2022 and 2021 is 35% (Note 30).

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of comprehensive income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and recognizes provisions when appropriate.

2.3.7.2. Deferred income tax

Deferred income tax is provided for using the liability method on temporary differences at the end of the fiscal year between the tax basis of assets and liabilities and their related carrying amounts.

Deferred income tax liabilities are recognized for all taxable temporary differences, with certain exceptions:

Deferred income tax assets are recognized for all deductible temporary differences and tax loss carry forwards losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and/or the tax losses carry forward can be utilized, with certain exceptions.

The carrying amount of deferred income tax assets is reviewed as of the end of each fiscal year and reduced through the comprehensive income or other comprehensive income, to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized (recovered). Unrecognized deferred income tax assets are reassessed as of the end of each fiscal year and are recognized through the income statement or other comprehensive income for the fiscal year, as the case may be, to the extent that it has become probable that future taxable profits will allow the deferred income tax asset not previously recognized to be recovered.

Deferred income tax assets and liabilities are measured at undiscounted nominal value at the tax rates that are expected to apply in the fiscal year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the fiscal year (Note 30).

Deferred income tax items related to items recognized outside of the fiscal year net result, are also recognized outside of it. These items are recognized in correlation to the underlying transactions either in the statement of other comprehensive income or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current income tax assets and liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Uncertainty about income tax treatment - IFRIC 23

The IFRIC 23 requires an entity: (i) determine if uncertain tax treatments must be assessed separately or jointly, (ii) evaluate whether the tax authority will accept an uncertain tax treatment used, or which Is intended to be used in its income tax filing. In affirmative case, the entity will determine the tax position consistent with the tax treatment used or intended to be used on its income tax filing. In negative case, the entity will reflect the effect of the uncertainty in determining the accounting tax treatment using either the most probable amount or the expected value method.

2.3.7.3. Other taxes related to sales and to bank account transactions

Expenses incurred and assets are recognized excluding the amount of any sales tax, as in the case of value-added tax, or the tax on bank account transactions, except:

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as the case may be and;
- trade receivables and payables are stated including value-added tax.

Turnover tax is included in the line "Taxes, rates and contributions" of the "Administrative and selling expenses" within the consolidated statement of comprehensive income. Tax on bank account transactions charge is included in "Administrative and selling expenses" or "Net financial results" within the consolidated statement of comprehensive income, depending nature of the transactions which originated the tax.

The net amount of the tax related to sales and to bank account transactions recoverable from, or payable to, the tax authority is included as a non-financial asset or liability, as the case may be.

2.3.8. Property, plant and equipment

2.3.8.1. Generation and selling of electric energy

Property, plant and equipment is carried at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Cost includes all expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating.

Borrowing costs from third parties directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset.

When major maintenance is performed that recovers the capacity of the asset, its cost is capitalized if the conditions for the recognition thereof as an asset are met and are depreciated separately based on their specific useful life.

The costs of renewals, improvements and enhancements that extend the useful life of properties and/or improve their service capacity are capitalized. As property, plant and equipment are retired, the related cost and accumulated depreciation are derecognized.

All other regular repair and maintenance costs are recognized in the consolidated statement of comprehensive income as incurred.

Property, plant and equipment, net of its recoverable residual value are depreciated composing such item by distributing linearly the cost of the different elements that compose it between the years of estimated useful life of each asset as follows:

	Useful life in years
Buildings	50
Production facilities, machinery, equipment of power plants	15-25
Transportation equipment	5
Furniture, fixtures and computer and communication equipment	3

The residual values, useful lives and methods of depreciation are reviewed as of the end of each fiscal year and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

2.3.8.2. Impairment of property, plant and equipment

The Group assesses as of the end of each fiscal year whether there is an indication that an individual component or a group of property, plant and equipment may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of the fair value less costs to sell that asset, and its value-in-use. That amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the cash flows of the group of assets that form part of the cash-generating unit ("CGU") to which they belong are taken. To this end, the Group defined each generating plant as an independent CGU.

When the carrying amount of an individual asset or CGU exceeds its recoverable amount, the individual asset or CGU, as the case may be, is considered impaired and is written down to its recoverable amount.

In assessing value in use of an individual asset or CGU, the estimated future cash flows are discounted to their present value using a discount rate that reflects the weighted average capital cost employed for the Group.

In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are verified by valuation multiples, quoted values for similar assets on active markets and other available fair value indicators, if any.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These detailed budgets and forecast calculations generally cover the useful life of the asset.

Impairment losses of continuing operations are recognized in the consolidated statement of comprehensive income.

Likewise, for the assets for which an impairment loss had been booked, as of the end of each period or fiscal year, an assessment is made whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased.

If any indication exists, the Group estimates the individual asset's or CGU recoverable amount, as applicable.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the individual assets or CGU's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset or CGU does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of the related depreciation or amortization, had no impairment loss been recognized for the asset or CGU in prior periods. Such reversal is recognized in the statement of income in the same line in which the related impairment charge was previously recognized, unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

As a result of its recoverability analysis, during the fiscal year ended December 31, 2023, the Group registered 12,004,200 as impairment of property, plant and equipment, presented within the caption "Impairment of property, plant and equipment" of the statements of comprehensive income. Additionally, , the Group registered 16,202 as a provision for materials and equipment in warehouse, presented within the caption "Other operating results, net" of the statements of comprehensive income, as a result of its obsolescence analysis.

As a result of its recoverability analysis, during the fiscal year ended December 31, 2022, the Group registered 5,985,965 as impairment of property, plant and equipment, presented within the caption "Impairment of property, plant and equipment" of the statements of comprehensive income.

2.3.9. Intangible Assets

The Group initially recognizes intangible assets at their acquisition cost. This cost is amortized on a straight-line basis over the useful lives of these assets. At the end of each fiscal year, such assets are measured at their acquisition cost, less its respective accumulated amortization and, if applicable, impairment losses.

It corresponds to the acquired wind project, which comprises irrevocable option contracts for the constitution of usufructs of the lands where the projects are located, pre-feasibility studies (electric, environmental, etc.) and permits, licenses and authorizations corresponding to the wind farms.

2.3.10. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.3.10.1. Financial assets

Classification

In accordance with IFRS 9 "Financial instruments", the Group classifies its financial assets into three categories:

- **Financial assets at amortized cost**

Financial assets are measured at amortized cost if both of the following criteria are met: (i) the objective of the Group's business model is to hold the assets to collect the contractual cash flow, and (ii) the contractual terms only represent payment of principal and interest (SPPI criterion).

In addition, and for assets that meet the above conditions, IFRS 9 contemplates the option of designating, at the time of the initial recognition, an asset as measured at its fair value, if doing so would eliminate or significantly reduce the valuation or recognition inconsistency that could arise in the event that the valuation of the assets and liabilities or the recognition of profit or losses would be done on a different basis. The Group has not designated a financial asset at fair value by using this option.

As of the closing date of these consolidated financial statements, the Group's financial assets at amortized cost include certain elements of Cash and cash equivalents, Trade receivables, Other receivables and Restricted cash and cash equivalents.

- **Financial assets at fair value with changes in other comprehensive income**

Financial assets are measured at fair value with change in other comprehensive income if financial assets are maintained in a business model whose objective is achieved by obtaining contractual cash flows and selling financial assets.

As of December 31, 2023 and 2022, there are no financial assets at fair value with changes in other comprehensive income.

- **Financial assets at fair value through profit or loss**

The financial assets at fair value through profit or loss correspond to a residual category that includes financial instruments that are not held under one of the two business models indicated above, including those held for trading and those designated at fair value.

As of December 31, 2023 and 2022, and during the fiscal years then ended, the Group's financial assets at fair value through profit or loss include mutual funds, which are included within the caption "Cash and cash equivalents".

Recognition and measurement

Purchases and sales of financial assets are recognized on the date the Group commits to purchase or sell the assets.

Financial assets at amortized cost are initially recognized at fair value plus transaction costs. These assets accrue interest based on the effective interest rate method.

Financial assets at fair value through profit or loss and through other comprehensive income are initially recognized at fair value and transaction costs are recognized as an expense in the statement of comprehensive income. They are subsequently valued at fair value. Changes in fair values and results from sales of financial assets at fair value through profit or loss and the changes in other comprehensive income are recorded in "Net financial results" and Other comprehensive income, respectively, in the statement of comprehensive income. Changes in fair of financial assets through other comprehensive income value are recorded in other comprehensive income.

In general, the Group uses the transaction price to ascertain the fair value of a financial instrument on initial recognition. In other cases, the Group records a gain or loss on initial recognition only if the fair value of the financial instrument can be supported by other comparable and observable market transactions for the same type of instrument or if it is based in a technical valuation that only inputs observable market information. Unrecognized gains or losses on initial recognition of a financial asset are recognized later, only to the extent they arise from a change in the factors (including time) that market participants would consider upon setting the price.

Gains/losses on debt instruments measured at amortized cost and not designated in a hedging relationship are charged to income when the financial assets are derecognized or an impairment loss is recognized and during the amortization process using the effective interest rate method. The Group reclassifies investments on debt instruments only when its business model for managing those assets changes.

Derecognition of financial assets

A financial asset (or, if applicable, part of a financial asset or part of a group of similar financial assets) is derecognized from the statement of financial position when:

- the contractual rights to receive the cash flows generated by the asset have expired; or
- contractual rights over the cash flows generated by the asset have been transferred, or an obligation to pay a third party all of these cash flows without a significant delay has been assumed, through a transfer agreement (pass-through arrangement), and (a) substantially all the risks and benefits inherent to ownership of the asset have been transferred; or (b) substantially all the risks and rewards of ownership of the asset have not been transferred or retained, but control over the asset has been transferred.

When the contractual rights to receive the cash flows generated by the asset have been transferred, or a transfer agreement has been entered into, but neither all the risks and benefits inherent to ownership of the asset have been substantially transferred or retained, nor have been transferred control over it, that asset will continue to be recognized to the extent of the Group's continued involvement in the asset. In that case, the Group will also recognize the related liability. The transferred asset and the related liability will be measured in a manner that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

IFRS 9 introduces an "expected credit loss" ("ECL") model. This requires considerable judgment regarding how changes in economic factors affect ECLs, which are determined on a weighted average basis. The ECLs arise from the difference between the contractual cash flows and the cash flows at present value that the Group expects to receive.

The impairment model stablished by IFRS 9 is applicable to financial assets measured at amortized cost or at fair value with changes through other comprehensive income, except for investments in equity instruments, and to the assets from contracts recognized under IFRS 15.

Under IFRS 9, allowances for losses will be measured using one of the following bases:

- 12-month ECL: These are ECLs that result from possible default events within 12 months after the reporting date;
- ECL during the life of the asset: These are ECLs that result from possible events of default during the expected life of a financial instrument.

Given the nature of the clients with which the Group operates, the conditions regulatory set and based on the above-mentioned criteria, the Group did not identify significant expected credit losses, during the asset lifetime, in addition to those detailed in Note 13.

In the case of financial investments and, in accordance with the current investment policies, the Group monitors the credit rating and the credit risk that these instruments have, as long as they are not valued at fair value. Based on the analysis made, the Group did not identify that an impairment should be recorded in this type of instrument.

2.3.10.2. Financial liabilities - Recognition and measurement

- **Financial liabilities at amortized cost**

Financial liabilities are initially recognized at their fair value less the transaction costs incurred. After their initial recognition, financial liabilities are measured at amortized cost. Any difference between the financing received (net of transaction costs) and the repayment value is recognized in the consolidated statement of comprehensive income over the life of the related debt instrument, using the effective interest rate method.

At the closing date of these consolidated financial statements, the Group's financial liabilities at amortized cost include Trade payables, Leases liabilities and Loans.

- **Derecognition of financial liabilities**

The Group derecognizes a financial liability when the obligation specified in the corresponding contract has been paid or cancelled, or has expired.

When one financial liability is replaced with another one with the same counterparty with substantially different conditions, or if the conditions of an existing liability change substantially, that exchange or modification is treated by derecognizing the original financial liability and recognizing a new financial liability, and the difference is recognized as financial income or expense in the statement of comprehensive income.

2.3.10.3. Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

2.3.10.4. Financial assets and liabilities with related parties

Assets and liabilities with related parties are recognized initially at fair value plus directly attributable transaction costs. As long as those transactions have not been performed at arms' length principle, any difference arising at initial recognition between fair value and the consideration given or received in return shall be considered as an equity transaction (capital contribution or payment of dividends, which will depend on whether it is positive or negative).

Following initial recognition, these receivables and payables are measured at their amortized cost through the effective interest rate method. The amortization is included in finance income or costs in the comprehensive income statement of income.

2.3.10.5. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The derivative financial instruments used by the Group are initially recognized at fair value on the date on which a derivatives contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The method to recognize the loss or gain resulting from the change in fair value depends on whether the derivative has been designated as a hedging instrument and, if so, on the nature of the item being hedged. The Company may designate certain derivatives as:

- fair value hedges;
- cash flow hedges.

At inception date, the Group documents the relationship between the hedging instruments and the hedged items, as well as their objectives for risk management and the strategy to carry out various hedging transactions. It also documents its evaluation, both at the beginning and on an ongoing basis, of whether the derivatives used in hedging transactions are highly effective in offsetting changes in the fair value or in the cash flows of the hedged items.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of comprehensive income, along with any change in the fair value of the hedged asset or liability that is attributable to the hedged risk.

Cash flow hedge

The effective portion of changes in the fair value of the derivatives that are designated and qualify as cash flow hedges are recognized in Other Comprehensive Income. The loss or gain relating to the non-effective part is recognized immediately in the statement of comprehensive income under "Net financial results".

The amounts accumulated in Other Comprehensive Income are taken to the statement of comprehensive income in the fiscal years in which the hedged item affects the result of the year. In the case of interest rate hedges, this means that the amounts recognized in the equity are reclassified to results in "Net financial results", as the interest on the associated debts accrues.

During the fiscal years ended December 31, 2022, the Group maintained derivative hedging instruments in order to reduce the risk arising from variation in interest rates.

Interest rate swaps or hedge contracts are measured at their current value at the end of each fiscal year and are exposed as assets or liabilities depending on the rights and obligations arising from the respective contracts. Interest rate swaps contracts have been classified as effective cash flow hedges. Changes in the accounting measurement of swap contracts are recognized in the shareholders' equity in "Other comprehensive income". These recognized changes in shareholders' equity are reclassified to the result of the fiscal year in which the interests of the loan with variable rate object of coverage are recognized in the statement of comprehensive income.

If the hedging instrument expires or is sold, resolved, terminated or exercised without successive replacement or renewal (as part of the hedging strategy), or if its designation as a hedge is revoked, or if the hedge no longer meets the requirements to apply hedge accounting, any accumulated gain or loss previously recognized in the other comprehensive income remains separate in equity until the expected transaction takes place. If the future transaction is not expected to occur, the cash flow reserve amount is imputed to the consolidated comprehensive income.

2.3.11. Cash and cash equivalents

Cash is deemed to include both cash on hand and bank deposits on demand. Cash equivalents are deemed to include short-term investments with significant liquidity and free availability that, subject to no previous notice or material cost, may be easily converted into a specific cash amount that is known with a high degree of certainty upon the acquisition, are subject to an insignificant risk of changes in value, maturing up to three months after the date of the related acquisitions, and whose main purpose is not investment or any other similar purpose, but settling short-term commitments.

For the purpose of the consolidated statement of financial position and the consolidated statement of cash flows, cash and cash equivalents comprise cash in hand, deposit held at call with banks and on other short-term highly liquidity investments with original maturities of three months or less.

Cash and cash equivalents do not include amounts of bank overdrafts.

2.3.12. Provisions

Provisions are recognized when the Group has a present obligation (legal or implied) 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. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income under the item that better reflects the nature of the provision net of any reimbursement to the extent that the latter is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax market rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost in the statement of comprehensive income under the caption "Net financial results".

- **Provision for lawsuits and claims**

In the ordinary course of business, the Group is exposed to claims of different natures (e.g., commercial, labour, tax, social security, foreign exchange or customs claims) and other contingent situations derived from the interpretation of current legislation, which could result in a loss, the materialization of which depends on whether one more events occur or not. In assessing these situations, Management uses its own judgment and advice from its legal counsel, both internal and external, as well as the evidence available as of those dates. If the assessment of the contingency reveals the likelihood of the materialization of a loss and the amount can be reliably estimated, a provision for lawsuits and claims is recorded as of the end of each fiscal year.

- **Provision for assets retirement**

Liabilities related to retirement of assets in generation fields require that the Group estimate costs and timing of such retirement. Changes in technology, costs, the accretion rate used for the calculation and legal framework may cause differences between future real cost and estimations. Such estimations are reviewed at least once a year or in the event such changes in the assessment conditions could generate significant impacts on the amount of the provision.

2.3.13. Contingent liabilities

A contingent liability is: (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or (ii) a present obligation that arises from past events but is not recognized because: (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability.

A contingent liability is not recognized in the financial statements; it is reported in notes, unless the possibility of an outflow of resources to settle such liability is remote. For each type of contingent liability as of the end of each fiscal year , the Group shall disclose (i) a brief description of the nature of the obligation and, if possible, (ii) an estimate of its financial impact; (iii) an indication of the uncertainties about the amount or timing of those outflows; and (iv) the possibility of obtaining potential reimbursements.

2.3.14. Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

A contingent asset is not recognized in the financial statements; it is reported in notes only where an inflow of economic benefits is probable. For each type of contingent asset as of the end of each fiscal year, the Group shall disclose (i) a brief description of the nature thereof and, if possible, (ii) an estimate of its financial impact.

2.3.15. Employee benefits

The Group recognizes short-term benefits to employees, such as salary, vacation pay, bonuses, among others, on an accrued basis and includes the benefits arising from collective bargaining agreements. All these benefits are included in "Salaries and social security".

The Group awards bonus for objectives and performance. These programs reach certain Group employees. They are based on the fulfillment of corporate objectives, business unit and individual performance, and are determined based on the annual remuneration of each employee, the calculation of certain indicators related to compliance with the aforementioned objectives and the performance evaluation, and are paid in cash.

Additionally, the Group has awarded long-term benefits to employees, that reach certain Group executive employees, managers and key personnel, and consist in giving each employee benefits with the condition that they remain as part of the Company during the period previously defined in this plan.

2.3.16. Investment in joint ventures

The Group's investments in joint ventures are accounted for using the equity method. An associate is an entity over which the Group has significant influence or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is neither control nor joint control.

According to the equity method, investments in associates are originally recognized in the statement of financial position at cost, plus (less) the changes in the Group's ownership interests in the associates' net assets subsequent to the acquisition date. If any, goodwill relating to the associate is included in the carrying amount of the investment and it is neither amortized nor individually tested for impairment.

If the cost of the investments is lower than the proportional share on the fair value associate's assets and liabilities as of the date of acquisition, a gain is recognized in the fiscal year in which the investment was acquired.

The statement of comprehensive income reflects the share of the results of operations of the associates and joint ventures adjusted on the basis of the fair values estimated as of the date on which the investment was recognized. When there has been a change recognized directly in the equity of the associates, the Group recognizes its share of any changes and includes them, when applicable, in the statement of changes in shareholders' equity.

The Group's share of profit in the associates and joint ventures is shown in a single line on the statement of comprehensive income. This share of profit includes income or loss after taxes of the associates and joint ventures.

The financial information of the associates and joint ventures is prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies of the associates and joint ventures in line with those of the Group.

After the application of the equity method, the Group determines whether it is necessary to recognize impairment losses on its investment in its associates and joint ventures. As of the end of each fiscal year, the Group determines whether there is objective evidence that the value of the investment in the associates has been impaired. If such was the case, the Group estimates the impairment loss as the difference between the recoverable amount of the investment in the associates and its carrying value, and recognizes the loss as "Income from equity interest in associates " in the statement of comprehensive income.

Upon loss of significant influence over an associate, and joint ventures the Group measures and recognizes any retained investment at its fair value. If such was the case, any difference between the carrying amount of the investment in the associate and the fair value on any retained investment, as well as the disposal proceeds, are recognized in the statement of comprehensive income.

The information related to joint ventures is included in Note 11.

2.3.17. Leases

The model introduced by IFRS 16 is based on the definition of lease, which is mainly related to the concept of control. IFRS 16 distinguishes between lease agreements and service contracts based on whether an identified asset is under the client control, which exists as long as the customer has the right to: i) obtain substantially all the economic benefits from the use of the asset; and ii) to direct the use of that asset.

The Group as lessee:

Once the lease is identified, the Group recognizes the following items:

- Right of use assets, whose cost includes:
    a. the amount of the initial measurement of the lease liability;
    b. any lease payments made to the lessor prior to the start date or on the same date, after discounting any incentive received for the lease;
    c. any initial direct costs incurred by the lessee; and
    d. an estimate of costs to be incurred in dismantling and removing of the underlying asset, restoring the location in which the underlying asset is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless incurred costs when producing inventories. The Group may incur obligations for these costs either at the beginning date or as a consequence of having used the underlying asset during a given period.

Subsequently, the valuation of the right of use assets is based on the cost model set in IAS 16 "Property, plant and equipment (recognizing therefore depreciation and impairment in the statement of comprehensive income). Depreciation is calculated following the straight-line method based on the lease term of each contract, unless the useful life of such underlying asset is negligible.

The lease agreements in which the Group is a lessee correspond mainly to the rental of:

- Usufruct contracts for the land in which the Group is building its wind farms. These contracts have an average term of 17 years, with the option to renew for other 20 years, and do not have contingent canons.
- Rental contracts for the Group administrative offices. These contracts establish monthly payments and last three years.
- Rental contracts for motor generator equipment. These contracts have a 5 - year term with a purchase option at the end of the term. They do not have contingent canons.
- Annual lease fee for operating and maintenance contracts. These contracts have a 15 - year term and establish yearly payments.
- Lease liabilities, measured as the sum of the future lease payments, discounted using the incremental borrowing rate of the lessee given the complexity of determining the interest rate implicit in the leases. The Group applied to the lease liabilities recognized in the statement of financial position the incremental borrowing rate of the lessee since the date of initial application.

  The lease liabilities include:

  a. fixed payments (including essentially fixed payments), less any lease incentive receivable;
  b. variable payments, which depend on an index or a rate, initially measured using the index or rate at the commencement date of the contract;
  c. amounts that the Group expects to pay as residual value guarantees;
  d. the exercise price of a purchase option if the Group is reasonably certain of exercising that option; and
  e. payment of penalties for terminating the lease, if the lease period reflects that the Group will exercise an option to terminate it (i.e., because there is reasonable certainty in this respect).

Subsequently, the Group increases the liability for the lease to reflect the accrued interest (and recognized in the statement of comprehensive income), deducts the payments that are made from the liability and recalculates the book value to reflect any revision, modification of the lease or revision of the so-called "in substance" fixed payments, applying a revised discount rate if applicable.

The Group reviews the lease liability in the following cases:

a. when there is a change in the expected amount to be paid under a residual value guarantee;
b. when there is a change in future lease payments resulting from a change in an index or an interest rate used to determine those payments (including, for example, a market rent review);
c. when there is a change in the lease term as a result of a change in the non-cancellable period of the lease (for example, if the lessee does not exercise an option previously included in the determination of the lease term); or
d. when there is a change in the evaluation of the purchase option of the underlying asset.

For leases that qualify as short-term leases, and leases with low-value underlying assets, the Group continues to recognize them as straight-line expense over the term of the lease, unless another systematic basis is more representative, in accordance with the option indicated by the rule. The Group did not identify low value leases other than those whose underlying assets respond to printers, cell phones, computers, photocopiers, among them, which amounts are not significant.

The Group applied the practical solution of the rule by which those leases whose term ends within 12 months from the date of initial application, regardless of the original date, and fulfilling the conditions to be classified as short term, continue the treatment described in the previous paragraph.

The Group as lessor:

The Group does not have significant assets leased to third parties.

2.3.18. Contract Liabilities

Contract liabilities include advances from customers arising from commercial agreements entered into with them as part of the General Levalle Wind Project (see Notes 1 and 28), which account for a partial payment of the energy price for the services to be delivered by the Company in the future. Such advances are measured on the basis of the cash amount received in U.S. dollars or its equivalent in local currency (foreign currency), as the case may be, translated at the historical exchange rates prevailing at the time of each transaction. Consequently, the balance of contract liabilities represents the amount allocated to performance obligations not fulfilled by the Company. The Company expects to recognize revenues associated with such advances during the term of the agreements entered into with its customers.

During the year ended December 31, 2023, the Company did not recognised revenues in relation to the in contract liabilities recorded.

2.3.19. Shareholders' equity

Shareholders' equity items were valued pursuant to the professional accounting standards effective as of the date of transition. The movements in this account were recognized according to the decisions reached by shareholders' meetings, legislation or regulations.

Capital stock

It includes the contributions made by the shareholders represented by shares and includes the shares outstanding at their face value.

Share premium

It is related to the difference between the capital increases subscribed and the related face value of the shares issued.

Other shareholders contributions

Includes the effects of the transactions made with entities under the Group's common control.

Legal reserve

According to the provisions of General Associations Law, the Company is required to set up a legal reserve of at least 5% of the income arising from the profit for the fiscal year, prior-year adjustments, the transfers of other comprehensive income to retained earnings and accumulated losses of prior fiscal years until it reaches 20% of the subscribed capital.

According to previously mentioned in Note 2.3.1., the translation effect appropriated to retained earnings will be added for the calculation of the 5%, and the translation effect originated by the subscribed capital (and, if applicable, the adjustment of capital) will be considered for the 20% limit, as part of the subscribed capital, and as part of the legal reserve the translation effect originated by the legal reserve.

Reserve for future investments

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

Corresponds to the allocation made by the Shareholders' Meeting of the Company, by which a specific amount is destined to constitute a reserve for future investments.

Special reserve RG No. 609

Corresponds to the reserve created in accordance with General Resolution 609/12 of the CNV ("Special reserve RG Nº 609"), which contains the positive difference resultant of the initial balance of the accumulated results exposed in the financial statements of the first closing of the fiscal year of IFRS application and the final balance of the results not allocated at the end of the last fiscal year under the previous accounting standards. Special reserve RG Nº 609 is not allowed to be distributed in cash or in kind and it can only be dipped into a capitalization or an absorption of any negative balances of retained earnings.

Other comprehensive income

Includes income and expenses recognized directly in shareholders' equity accounts and the transfer of such items from equity accounts to the income statement of the fiscal year or to retained earnings, as defined by IFRS (Note 2.3.1.).

The evolution of the item is detailed below.

	Other comprehensive income					
	Currency adjustment translation	Joint ventures' net monetary position results	Changes in derivative instruments' fair value	Total	Minority interest	Total
Balance as of December 31, 2021	**42,916,236**	**4,121,137**	**(20,992)**	**47,016,381**	**-**	**47,016,381**
Change in accounting policy – Appropriation of translation effect	(7,688,897)	-	-	(7,688,897)	-	(7,688,897)
Balance as of December 31, 2021, as modified	**35,227,339**	**4,121,137**	**(20,992)**	**39,327,484**	**-**	**39,327,484**
Currency adjustment translation	69,561,426	-	-	69,561,426	-	69,561,426
Joint ventures' net monetary position results	-	6,950,164	-	6,950,164	-	6,950,164
Income from hedging instruments	-	-	11,380	11,380	-	11,380
Less: Income reclassification for valuation of hedging instruments charged to results of the fiscal year	-	-	(288)	(288)	-	(288)
Income tax related to components of other comprehensive results for the fiscal year	-	-	(2,503)	(2,503)	-	(2,503)
Net variation of the fiscal year	69,561,426	6,950,164	8,589	**76,520,179**	-	**76,520,179**
Appropriation of translation effect of the fiscal year	(40,244,996)	-	-	(40,244,996)	-	(40,244,996)
Balance as of December 31, 2022	**64,543,769**	**11,071,301**	**(12,403)**	**75,602,667**	**-**	**75,602,667**
Currency adjustment translation	645,864,356	-	-	645,864,356	84,014,376	729,878,732
Joint ventures' net monetary position results	-	(17,845,674)	-	(17,845,674)	-	(17,845,674)
Net variation of the fiscal year	645,864,356	(17,845,674)	-	628,018,682	84,014,376	712,033,058
Reclassification	(12,403)	-	12,403	-	-	-
Appropriation of translation effect of the fiscal year	(346,905,047)	-	-	(346,905,047)	-	(346,905,047)
Balance as of December 31, 2023	**363,490,675**	**(6,774,373)**	**-**	**356,716,302**	**84,014,376**	**440,730,678**

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

According to CNV Resolution No. 941/2022, shareholders' contributions accounts must be translated into presentation currency at the original exchange rate. The breakdown of translation effect originated respected to the exchange rate at the end of the fiscal year is as follows:

	Subscribed capital	Share premium	Other shareholders' contributions	Total
As of December 31, 2021	**22,658,304**	**23,446,738**	**322,494**	**46,427,536**
Appropriation of translation effect	16,438,955	17,010,976	233,975	33,683,906
As of December 31, 2022	**39,097,259**	**40,457,714**	**556,469**	**80,111,442**
Appropriation of translation effect	139,098,449	143,938,614	1,979,779	285,016,842
Balances as of December 31, 2023	**178,195,708**	**184,396,328**	**2,536,248**	**365,128,284**

Retained earnings

Includes retained earnings with no specific allocation that may be distributed by a decision reached by the Shareholders' Meeting, provided that there are no legal restrictions.

Moreover, it comprises retained earnings from prior fiscal years, the amounts transferred from other comprehensive income and adjustment to prior fiscal year results due to the application of professional accounting policies.

2.3.20. Accounting policies applied since of January 1, 2023

- *Business combination*

Business combinations are registered using the acquisition method when the Group effectively takes control over the acquired company.

The Group recognises the identifiable acquired assets, the assumed liabilities, any non-controlling interest and, if any, a goodwill or the result from a bargain purchase, in accordance with IFRS 3.

The cost of acquisition is measured as the sum of the consideration transferred, measured at fair value at that date. Additionally, the identifiable acquired assets and the assumed liabilities are measured at fair value at the date of the acquisition. Moreover, the non-controlling interest in the acquiree is measured at fair value or at the proportionate share of the fair value of the identifiable net assets of the acquiree, at the acquirors option. The costs related to the acquisition are expensed as incurredIf the business combination is carried out in stages, the Group remeasures its participation prior to the business combination at fair value at the acquisition date and recognises a gain or loss within the consolidated statements of comprehensive income.

Goodwill is measured at cost, as the excess of the consideration transferred plus the non controlling interest of the acquiree and the fair value of any stake held previous to the business combination with respect to the net identifiable acquired assets and liabilities assumed by the Group.

If the consideration transferred is lower than the fair value of the identifiable acquired assets and the assumed liabilities, the difference is recognised within the consolidated statement of comprehensive income.

2.3.21. Information by operating segment

For management purposes, the Group is organized as a single business segment to generate and sell electric energy. The Group discloses only the information about this activity in "Operating income (loss)" on the consolidated statements of comprehensive income.

2.4. Judgements, significant accounting estimates and assumptions

The preparation of the Group's consolidated financial statements requires Management to make significant estimates and assumptions that affect the recorded amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent assets and liabilities as of the end of each fiscal year. In this sense, the uncertainties related to the estimates and assumptions adopted could give rise in the future to final results that could differ from those estimates and require significant adjustments to the amounts of the assets and liabilities affected.

The key assumptions concerning the future and other key sources of estimation as of the end of each fiscal year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial fiscal year, are described below. The Group based its accounting assumptions and significant estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The significant estimates used by management are mentioned below:

- **Recoverability of property, plant and equipment:**

At each reporting date the Group assess if there is an indicator that Property, Plant and Equipment may be impaired. Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a Discounted Cash Flow (DCF) method. The cash flows cover the useful life of the assets. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows.

- **Income tax and deferred income tax**

The proper assessment of income tax expenses depends on several factors, including interpretations related to tax treatment for transactions and/or events that are not expressly provided for by current tax law, as well as estimates of the timing and realization of deferred income taxes. The actual collection and payment of income tax expenses may differ from these estimates due to, among others, changes in applicable tax regulations and/or their interpretations, as well as unanticipated future transactions affecting the Group's tax balances.

- **Functional Currency**

The Company's Management applies its professional judgment to determine its functional currency and that of its subsidiaries. The judgment is made mainly with respect to the currency which influences and determines the sales prices, the generating costs, material, investment and other costs, as well as the financing and collections resulting from their operating activities.

- **Business combination**

The application of the acquisition method involves the measurement at fair value of the identifiable assets acquired and the liabilities assumed in the business combination at the date of acquisition.

To determine the fair value of identifiable assets and liabilities, the Group uses the valuation approach that it considers most representative for each item. These include: (i) the revenue approach, which uses valuation techniques to convert future amounts into a single present amount (i.e., discounted), (ii) the market approach using the comparable transaction methodology, and (iii) the cost approach through the use of depreciated replacement values.

In selecting the approach to be used and estimating future cash flows, critical judgment is required on the part of management. Actual cash flows and values may vary significantly from projected future cash flows and related values obtained through the above valuation techniques.

2.5. IFRS issued

As required by IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors," below is a summary of the standards and interpretations issued by IASB:

2.5.1 Standards and interpretations that must be mandatorily adopted since January 1, 2023 and that, therefore, have been adopted by the Group, where applicable

- **Amendments to IAS 1 "Presentation of Financial Statements" and Practice Statement 2 – Disclosure of Accounting Policies**

In February 2021, IASB issued amendments to IAS 1 related to the disclosure of material accounting policies applicable to fiscal years beginning on or after January 1, 2023. Such amendments:

- Replace the term "significant accounting policies" with "material accounting policies;"
- Add guidance and illustrative examples to help entities identify material accounting policies that require disclosure;
- Establish that accounting policies may be material regardless of the size of the amounts involved, so their nature and other conditions should be analyzed, such as whether they relate to the comprehensive understanding of other accounting policy considered material; and
- Establish that if the entity discloses accounting policies considered immaterial, such disclosure should not be misleading.

The Group has analyzed the disclosure of material accounting policies following the adoption of the aforementioned amendments. As a result, certain disclosures have been adjusted for users to have a better understanding of the Group's consolidated financial statements.

- **Amendments to IAS 8 – Definition of Accounting Estimates**

In February 2021, IASB issued amendments to IAS 8 related to the definition of accounting estimates, which are applicable to fiscal years beginning on or after January 1, 2023.

The amendments include a definition of accounting estimates to help entities distinguish accounting policies from accounting estimates. The previous definition was intertwined with the definition of accounting policy and could be misleading. Accordingly, accounting estimates are defined as "monetary amounts in financial statements subject to uncertainty."

The amendments clarify that changes in accounting estimates represent a prospective application, and if such changes are based on both new information not available at the time of the previous measurement and changes in the variables used in such estimate, they should not be treated as an error correction.

The adoption of the aforementioned amendments has not had significant impacts on the Group's consolidated financial statements.

- **Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

In May 2021, IASB issued amendments to IAS 12 "Income Taxes" related to the initial recognition of deferred tax in transactions where an asset and a liability are simultaneously recognized. Such amendments are applicable to reporting periods beginning on or after January 1, 2023.

The amendments introduce an initial recognition exemption specifying how entities should account for income tax and deferred tax in transactions where an initial asset and liability are recognized, while concurrently generating taxable and deductible temporary items for the same amount. Therefore, in such cases where an asset and a liability are recognized, for instance, relating to leases, the entity is required to recognize the deferred tax resulting from such transactions.

The Group has broken down deferred tax assets and liabilities generated by Right of use assets and Lease liabilities, following the adoption of the above-mentioned amendments. In addition, the corporate information for fiscal years ended December 31, 2022 and 2021 has been restated (Note 15). However, there has been no impact on retained earnings at the beginning.

- **Amendments to IAS 12 - International Tax Reform—Pillar Two Model Rules**

In May 2023, IASB issued amendments to IAS 12 related to the Pillar Two Model Rules of the International Tax Reform (the "Reform") developed by the Organization for Economic Co-operation and Development (OECD). These amendments are applicable to reporting periods beginning on or after January 1, 2023.

These amendments introduce a temporary exception to the requirements of IAS 12 pursuant to which an entity may not recognize or disclose information on deferred taxes generated from income taxes arising from the application of the Reform. Besides, certain additional disclosures are required in the annual financial statements.

As of the date of these consolidated financial statements, the adoption of the aforementioned amendments has not had any effect since there is no tax regulatory framework related to said Reform in the jurisdictions in which the Group operates. However, the Group is monitoring possible future changes that may be observed in the tax regulations.

2.5.2 Standards and interpretations which are not mandatorily applicable as of the date of these consolidated financial statements and which have not been adopted by the Group

On August 15, 2023, General Resolution No. 972/2023 issued by the CNV was published in the Official Gazette providing that the early adoption of IFRS and/or its amendments will not be admitted, except where specifically permitted by the CNV.

- **Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture.**

In September 2014, IASB amended IFRS 10 and IAS 28 "Investments in Associates and Joint Ventures" to clarify that in transactions involving a controlling entity, the extent of the profit or loss to be recognized in the financial statements will depend on whether the sold or contributed controlled entity constitutes or not a business in accordance with IFRS 3 "Business Combinations." In December 2015, IASB postponed the adoption date of these amendments indefinitely.

- **Amendments to IAS 1 - Classification of liabilities**

In January 2020, IASB issued amendments to IAS 1 related to the classification of liabilities as current or non-current, that are applicable retroactively for the fiscal years initiated on January 1, 2022 (date that was postponed to January 1, 2024), allowing its anticipated application.

The amendments clarify that the classification of the liabilities as current or non-current:

- Should be based on rights that are in existence at the end of the reporting period to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability.
- Is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability.
- Settlement refers to the transfer to the counterparty of cash, equity instruments, or other assets or services.

As of the date of these consolidated financial statements, the Group anticipates that the adoption of the aforementioned amendments will not have a significant impact on its financial statements.

- **Amendments to IFRS 16 – Leases**

During September 2022, IASB issued amendments to IFRS 16 related to the measurement of leases that arise in a sale transaction with leaseback, which are applicable for years beginning on or after January 1, 2024, allowing its early application.

Although IFRS 16 already describes the accounting treatment for this type of transaction, it did not specify how to measure the balances of said lease on a date after the date of its initial recognition.

After the modification to IFRS 16, the lease liability arising from a sale with subsequent lease requires the seller-lessee to measure this lease liability in such a way that it does not recognize a result for the right of use that it retains, not preventing it from recognizing a result for the partial or total termination of the lease.

The Group anticipates that the adoption of the aforementioned amendments will not have a significant impact on its financial statements.

- **Amendments to IAS 1 and Practice Statement 2 – Non-current Liabilities with Covenants**

In October 2022, IASB issued amendments to IAS 1 related to the classification of liabilities that includes covenants as current or non-current, that are applicable retroactively for the fiscal years initiated on or after January 1, 2024.

These amendments clarify that the classification of loan agreements with covenants as non-current liabilities can be affected when an entity has to fulfill said covenant at or before the end of the reporting period even when the covenant is evaluated subsequently.

Additionally, certain additional disclosure requirements are incorporated in note that allows the users of the financial statements users to understand the risk in which the liability can become enforceable within the 12 months following the reporting period.

As of the date of these consolidated financial statements, the Group anticipates that the adoption of the aforementioned amendments will not have a significant impact on its financial statements, except for additional disclosures in notes supplementing its currently reported information.

- **Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements**

In May 2023, IASB issued amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" related to supplier finance arrangements applicable to fiscal years beginning on or after January 1, 2024.

Such amendments introduce new qualitative and quantitative disclosure requirements in annual financial statements associated with supplier finance arrangements, including, without limitation, contractual conditions, financial liability balances, settlements made and/or maturities. These amendments do not require disclosure of comparative information.

As of the date of these consolidated financial statements, the Group anticipates that the adoption of the aforementioned amendments will not have a significant impact on its financial statements.

- **Amendments to IAS 21 - Absence of convertibility**

In August 2023, the IASB issued modifications to IAS 21 related to the methodology to be applied in the absence of convertibility between two currencies, and which are applicable for years beginning on or after January 1, 2025.

These modifications eliminate the methodology to be applied that was described in IAS 21 when there was a temporary loss of convertibility between currencies, and introduce the definition of convertibility between currencies and an analysis approach that requires each entity to identify whether one currency is convertible into another for each specific purpose for which said currency would be obtained following a series of parameters such as an evaluation of whether the currency is obtained within a normal administrative period, the ability to obtain said currency, among others. Once the absence of convertibility between currencies has been identified, the exchange rate must be estimated that represents that which would be obtained in an orderly transaction between market participants and that reflects economic conditions. These modifications do not specify a methodology for estimating the exchange rate to be used, but rather it must be developed by each entity.

Additionally, these modifications incorporate disclosure requirements such as a description of the restrictions that generate the absence of convertibility, a qualitative and quantitative description of the affected transactions, the exchange rates used and their estimation methodology, a description of the risks to which the entity is exposed due to the absence of convertibility, among others.

As of the date of issuance of these consolidated financial statements, the Group is in the process of evaluating the effects of the application of these modifications.

3. SEASONALITY OF OPERATIONS

The demand for electric energy fluctuates according to the season of the year and may be affected significantly and adversely by climatic factors. In summer (from December to March), the demand for electric energy can increase substantially due to the use of air conditioning equipment. In winter (from June to August), the demand for electric energy may fluctuate, due to lighting and heating needs. Consequently, seasonal changes may affect the results of operations and the financial situation of the Group.

4. ACQUISITIONS AND DISPOSITIONS

- **Acquisition of additional interest on Inversora Dock Sud S.A. – Central Dock Sud S.A.**

During March 2023, YPF EE exercised its first refusal right for the purchase of all the shares that Enel Américas S.A. ("Enel"), as a seller, had in Inversora Dock Sud S.A. ("IDS"), controlling company of Central Dock Sud S.A. ("CDS").

In this sense, on April 13, 2023, YPF EE, through its wholly owned company Y-LUZ Inversora S.A.U. ("Y-LUZ"), effected the purchase from Enel of its common shares of IDS, representative of 57.14% of the subscribed capital, for the total amount of US$ 52.3 million. As of the date of issuance of these consolidated financial statements, the purchase price for said shares has already been paid.

Additionally, through an agreement of joint purchase with Pan American Sur S.A. ("PAS") and subject to the compliance with certain precedent conditions, usual for this type of transactions, the Company agreed to transfer shares representative of the 29.84% of the subscribed capital of IDS to PAS, for the total amount of US$ 27.2 million.

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

This way, taking into account the pre-existing interest of YPF EE in IDS of 42.86%, the Group have an interest of 70.16% in IDS, owning company of the 71.78% of the ordinary and preferred shares of CDS.

As a consequence of the aforementioned, since April 13, 2023, YPF EE took control over IDS and its subsidiary CDS.

The cost related to the transaction were not significant and were recognized directly as administrative expenses within the statement of comprehensive income for the year.

This acquisition is aligned with the strategic objective of contributing to the supply of efficient and trustworthy electric energy, through assets of generation that use natural gas, the conventional fuel of the energetic transition of Argentina.

The acquisition was registered following the accounting criteria of business combination performed by stages detailed in Note 2.3.20.

Description of the acquired company

IDS was constituted with the objective of performing financial and investing operations. In 1996, the Company acquired a controlling participation of CDS, , which activity is described in Note 1.

CDS has as main activity the generation and commercialization the electric energy. In its plant located in Dock Sud, Avellaneda district, Province of Buenos Aires ("the Central"), the company operates a combined cycle of 798 MW, composed by two gas turbines (TG9 and TG 10) and a steam turbine (TV11). Additionally, it has two gas turbines of 35,82 MW each (TG7 and TG8).

The controlled company carries out its activities within the regulatory framework established by SE and ENRE, that governs the operations of the different agents involved in the MEM.

The electricity produced by the thermal plant is dispatched and transported to the MEM through SADI, which includes generators, transporters and distributors of electricity in Argentina and is commercialized mainly through CAMMESA.

Consideration transferred

The fair value of the consideration transferred amounted to US$ 25,009,875 (equivalent to 5,222,311 as of the date of acquisition), and was cancelled in cash.There are no contingent payment arrangements associated with the transaction.

Identifiable acquired assets and identifiable assumed liabilities

The fair values of the acquired assets and liabilities of the acquired companies as of the date of acquisition are summarized below:

Identifiable acquired assets and assumed liabilities (at 100%)	Fair Value
Cash and cash equivalents	5,283,711
Investments	3,473,545
Trade receivables and other receivables	16,221,686
Property, plant and equipment	48,134,779
Trade payable	(2,961,142)
Deferred tax liabilities, net	(5,962,622)
Others	(2,703,166)
Total of identifiable net acquired assets	**61,486,791**

The registered fair value includes trade receivables and other receivables which values do not differ significatively from their amortized cost at that date.

Considering that the companies only prepare monthly financial information at the end of each month, the identifiable assets and liabilities as of March 31, 2023 have been considered.

Based on the nature of business and assets of IDS and its controlling company CDS, the measurement at fair value of the acquired assets and assumed liabilities was performed using the income approach, though which the valuation techniques convert future amounts (for example, cash flows or income and expenses) to a single present value (that is, discounted). The measurement of fair value is determined over the base of the indicated value by the market expectations over those future amounts.

Non-controlling interest

The Group selected to measure the value of the non-controlling interest at the date of acquisition considering the proportional share of this participation over the fair value of the acquired net assets. The fair value estimated this way amounted to 30,903,534.

Result by acquisition of equity interest

- ***Remeasurement of pre-existent interest***

The remeasurement at fair value of 42.86% of preexisting equity interest that YPF EE had over IDS, resulted in a gain of 2,729,070 that is included within the line "Result of acquisition of equity interest" of the statement of comprehensive income. These amounts correspond to the positive difference that comes from comparing the fair value of the pre-existing equity, that amounted to 18,682,047 and the value in the registered investment under equity method at the acquisition date, that amounted to 15,952,977.

- ***Result for the acquisition of the participation in IDS-CDS***

The business combination had been registered using the acquisition method provided by IFRS 3. As a result of the application of this method the Group determined that the fair value of the consideration transferred of 5,222,311 is lower than the fair value of the assets and liabilities acquired at the date of acquisition, for which it recognized a gain for a bargain purchase of 6,678,899 that is included within the line of "Result of acquisition of equity interest" of the consolidated statement of comprehensive income for the fiscal year ended December 31, 2023.

- ***Treatment of accumulated other comprehensive income***

The amounts related to the participation prior to the business combination recognized within Other comprehensive income of 5,105,29, were reclassified to the line "Result of acquisition of equity interest" of the consolidated the statement of comprehensive income.

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

- ***Result included in profit or loss after the business combination***

The results included from the date of acquisition within the consolidated comprehensive income as of December 31, 2023 are the following:

Results (at 100%)	Included within the Group's financial statement
Revenues	17,915,460
Production costs	(13,342,310)
Gross profit	**4,573,150**
Administrative and selling expenses	(1,427,695)
Other operating results, net	2,131,677
Operating profit	**5,277,132**
Net financial results	8,881,653
Profit before income tax	**14,158,785**
Income tax	(30,221,032)
Net loss for the period	**(16,062,247)**

If the aforementioned business combination had occurred on January 1, 2023, the consolidated revenues and the net loss for the fiscal year ended December 31, 2023 would have amounted to 158,879,817 and (15,735,410), respectively. The proforma information was calculated from the results of the Group and IDS.

5. FINANCIAL RISK MANAGEMENT

The Group's activities involve various types of financial risks: market risk (including exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. The Group maintains an organizational structure and systems that allow the identification, measurement and control of the risks to which it is exposed.

As of December 31, 2023, the Company maintained negative working capital in the amount of 52,232,019, primarily as a consequence of financing the construction of new generation assets. The Company estimates that it will be able to finance such negative working capital out of the cash flows generated from its operating assets.

In addition, the Company has different sources of financing in case it may need additional funds to cover its short-term needs. In this regard, on February 27, 2024, the Group issued the Class XIV and XV Negotiable Obligations with a term of 36 months for a total of US$ 29.3 million (Note 17).

5.1. Market risk

The market risk to which the Group is exposed is the possibility that the valuation of the Group's financial assets or financial liabilities as well as certain expected cash flows may be adversely affected by changes in interest rates, exchange rates or certain other price variables.

The following is a description of these risks as well as a detail of the extent to which the Group is exposed and a sensitivity analysis of possible changes in each of the relevant market variables.

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

Exchange rate risk

The value of financial assets and liabilities denominated in a currency different from the Group's functional currency is subject to variations resulting from fluctuations in exchange rates. Since Group's functional currency is the US dollar, the currency that generates the greatest exposure is the Argentine peso, the Argentine legal currency. The Group does not use derivatives as a hedge against exchange rate fluctuations.

Balances of financial assets and liabilities denominated in Argentine pesos as of December 31, 2023, are as follows:

	December 31, 2023
Assets	74,690,205
Liabilities	(14,101,221)
Exchange rate exposure, net	**60,588,984**

Exchange rate sensitivity

The following table shows the sensitivity of the net income before tax, as of December 31, 2023, in face of a devaluation of the Argentine peso with respect to its functional currency, considering that all other variables will remain constant (due to changes in the fair value of the monetary assets and liabilities).

Depreciation / (Appreciation) of Argentine peso	Net Income before tax, for the fiscal year ended December 31, 2023 (Losses) / Gains
+10%	(6,058,899)
-10%	6,058,899

Interest rate risk

The Group is exposed to risks associated with fluctuations in interest rates on loans and investments. Changes in interest rates may affect the interest income or expenses derived from financial assets and liabilities tied to a variable interest rate. Additionally, the fair value of financial assets and liabilities that accrue interests based on fixed interest rates may also be affected.

The table below provides information about the financial liabilities as of December 31, 2023, that accrues interest considering the applicable rate:

	Financial liabilities (1)
Fixed interest rate	690,474,009
Variable interest rate	17,204,635
Total (2)	**707,678,644**

(1) Includes only financial loans. Does not include trade payables, which mostly do not accrue interest.

(2) Corresponds to the principal of loans, without consider interest or other transactions costs.

The fixed and variable rate financial loans represent 98% and 2%, respectively, of the total loans as of December 31, 2023, and include, financial loans with local and international entities. The portion of the loan, which accrues variable interest rate, is mainly exposed to the fluctuations in SOFR.

Financial assets mainly include, in addition to trade receivables, which have low exposure to interest rate risk, bank deposits, fixed-interest deposits and investments in mutual funds such as "money market" or short-term fixed interest rate instruments.

The Group's strategy to hedge interest rate risk is based on placing funds at a variable interest rate, which partially offset financial loans at a variable interest rate, as well as using cash flow hedging.

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

The table below shows the estimated impact on the consolidated net income (loss) before tax of an increase or decrease of 100 basis points in the interest rate.

	Increase (+) / decrease (-) in the interest rates (basis points)	Income (loss) for the fiscal year ended December 31, 2023
Impact on net income (loss) before tax	+100	(172,046)
	-100	172,046

Price risk

The Group is not exposed to variations in prices in relation to sales made through the PPAs signed, which represent 85% of the Group's total revenues, given that they are made at fixed prices denominated in US dollars for periods between 5 and 15 years, which provide stability in operating cash flows. Sales under Resolution SEE No. 826/2022 represent 15% of revenues for the fiscal year ended December 31, 2023 (Note 30.1).

5.2. Liquidity risk

Liquidity risk is associated with the possibility of a mismatch between the need of funds to meet short, medium or long-term obligations.

As mentioned in previous paragraphs, the Group intends to align the maturity profile of its financial debt to be related to its ability to generate enough cash flows for its cancellation, as well as to finance the projected expenditures for each fiscal year. As of December 31, 2023, the cash and cash equivalents reached 92,268 million, considering cash and cash equivalents of 82,663 million and cash and cash equivalents restricted for 9,605 million.

The following table sets forth the maturity dates of the Group's financial liabilities as of December 31, 2023:

	Less than 3 months	3 to 12 months	1 to 2 years	2 to 5 years	More than 5 years	Total
Loans	31,758,389	116,250,501	88,705,516	333,980,624	153,221,678	723,916,708
Leases liabilities	955,805	2,867,414	991,591	2,449,533	1,974,863	9,239,206
Other liabilities	-	624,579	3,397,027	-	-	4,021,606
Trade payables	98,647,780	-	-	-	-	98,647,780
	131,361,974	**119,742,494**	**93,094,134**	**336,430,157**	**155,196,541**	**835,825,300**

Most of the Group's loans contain usual clauses of financial commitments (covenants) associated with leverage ratio and debt coverage ratio (Note 17).

Under the terms of the loan agreements, if the Group breached a covenant or if it could not remedy it within the stipulated period, it would default, a situation that would limit its liquidity and, given that the majority of its loans contain cross default provisions, it could result in an early enforceability of its obligations. As of December 31, 2023, the Group is in compliance with all the covenants established within the loan contracts.

5.3. Credit risk

Credit risk is defined as the possibility of a third party not complying with its contractual obligations, thus negatively affecting results of operations of the Group.

Credit risk in the Group is measured and controlled on an individual customer basis. The Group has its own systems to conduct a permanent evaluation of credit performance of all of its debtors, and the determination of risk limits with respect to third parties, in line with best practices using for such end internal customer records and external data sources.

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

Financial instruments that potentially expose the Group to a credit concentration risk consist primarily of cash and cash equivalents, restricted cash and cash equivalents, trade receivables and other receivables. The Group invests excess cash primarily in high liquid investments with financial institutions with a strong credit rating both in Argentina and abroad. In the normal course of business and based on ongoing credit evaluations to its customers, the Group provides credit to its customers and certain related parties. Likewise, the loss for doubtful trade accounts is charged to the Statements of Comprehensive Income, based on specific information regarding its clients.

The provisions for doubtful accounts are measured by the criteria expressed in Note 2.3.12.

The maximum exposure to credit risk of the Group as of December 31, 2023, based on the type of its financial asset and without excluding the amounts covered by guarantees is set forth below:

	Maximum exposure as of December 31, 2023
Trade receivables	91,704,654
Other receivables	48,208,272
Restricted cash and cash equivalents	9,605,278
Cash and cash equivalents	82,663,398
	232,181,602

Considering the maximum exposure to the risk, trade receivables and other receivables related to CAMMESA accounts for approximately 54% of these receivables. Financial assets past due as of December 31, 2023 are not significant. At such date, the provision for doubtful other receivables is not significant and includes certain tax credits.

As of December 31, 2023 the allowance for doubtful receivables is not significant and it corresponds to trade receivables and tax credits.

6. FINANCIAL INSTRUMENTS BY CATEGORY

The following tables show the financial assets and liabilities by category of financial instrument and a reconciliation with the corresponding accounts in the financial statement, as appropriate. Since the account "Other receivables" contains financial instruments, as well as non-financial assets (such as taxes and advances to property, plant and equipment), the reconciliation is shown within the "Non-financial assets" column.

Financial Assets

	December 31, 2023			
	Financial assets at amortized cost	**Financial assets at fair value through profit or loss**	**Non-financial assets**	**Total**
Other receivables	48,208,272	-	19,079,934	67,288,206
Trade receivables	91,704,654	-	-	91,704,654
Restricted cash and cash equivalents	9,605,278	-	-	9,605,278
Cash and cash equivalents	36,765,500	45,897,898	-	82,663,398
	186,283,704	**45,897,898**	**19,079,934**	**251,261,536**

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

	December 31, 2022			
	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Non-financial assets	Total
Other receivables	2,373,765	-	6,420,355	8,794,120
Trade receivables	24,925,020	-	-	24,925,020
Restricted cash and cash equivalents	2,107,579	-	-	2,107,579
Cash and cash equivalents	7,587,763	6,989,446	-	14,577,209
	36,994,127	**6,989,446**	**6,420,355**	**50,403,928**

Financial Liabilities

	December 31, 2023	
	Financial liabilities at amortized cost	Total
Loans	723,916,708	723,916,708
Leases liabilities	9,239,206	9,239,206
Other liabilities	4,021,606	4,021,606
Trade payables	98,647,780	98,647,780
	835,825,300	**835,825,300**

	December 31, 2022	
	Financial liabilities at amortized cost	Total
Loans	151,915,986	151,915,986
Leases liabilities	2,333,582	2,333,582
Trade payables	16,255,299	16,255,299
	170,504,867	**170,504,867**

Gains and losses on financial instruments are allocated to the following categories:

	For the fiscal year ended December 31, 2023			
	Financial assets / liabilities at amortized cost	Financial assets at fair value through profit or loss	Non-financial assets / liabilities	Total
Interest income and other	1,741,044	-	-	1,741,044
Profit or loss from financial assets valuation at fair value	-	32,993,742	-	32,993,742
Interest loss and other	(16,657,855)	-	-	(16,657,855)
Net exchange differences	(48,389,280)	(29,725,101)	45,273,580	(32,840,801)
Finance accretion	(694,403)	-	-	(694,403)
Other financial income	(1,955,734)	71,165	-	(1,884,569)
	(65,956,228)	**3,339,806**	**45,273,580**	**(17,342,842)**

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

	For the fiscal year ended December 31, 2022			
	Financial assets / liabilities at amortized cost	**Financial assets at fair value through profit or loss**	**Non-financial assets / liabilities**	**Total**
Interest income and other	35,507	-	199,606	235,113
Results from financial assets valuation at fair value	-	5,077,042	-	5,077,042
Interest loss and other	(8,928,668)	-	-	(8,928,668)
Net exchange differences	(2,216,399)	(5,909,961)	993,868	(7,132,492)
Finance accretion	(229,434)	-	-	(229,434)
Other financial income	(1,261,500)	-	-	(1,261,500)
	(12,600,494)	**(832,919)**	**1,193,474**	**(12,239,939)**

7. QUANTITATIVE AND QUALITATIVE INFORMATION ON FAIR VALUES

7.1. Information on the fair value of financial assets and liabilities by category

7.1.1. Instruments at amortized cost

The estimated fair value of loans, considering interest rates offered to the Group for its financial loans, amounted approximately to 605,064,472 and 149,765,309 as of December 31, 2023 and 2022, respectively.

The fair value of other receivables, trade receivables, cash and cash equivalents, restricted cash and cash equivalents, trade payables, leases liabilities and other financial liabilities do not differ significantly from their book value.

7.1.2. Instruments at fair value

As of December 31, 2023, fair value assets and liabilities comprise mutual funds. The fair value of mutual funds is determined based on the guidelines mentioned in Note 7.2.

7.2. Valuation techniques

The fair value reported in connection with the abovementioned financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Management assessed that the fair values of current trade receivables, other financial assets and other current receivables and trade payables, other liabilities and variable rate loans, approximates the carrying amounts mainly due to the short-term maturities of these instruments.
- Fair value of fixed rate loans is calculated by the appropriated valuation technics that use observable market data.
- Fair value of mutual funds is based on price quotations as of the end of each fiscal year.

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

7.3. Fair value hierarchy

7.3.1. Assets and liabilities at fair value

As of December 31, 2023 and 2022, the Group maintained the following financial assets and liabilities measured at fair value in its consolidated statement of financial position:

	December 31, 2023	
Financial assets	**Level 1**	**Total**
Cash and cash equivalents:		
- Mutual funds	45,897,898	45,897,898
	45,897,898	**45,897,898**

	December 31, 2022	
Financial assets	**Level 1**	**Total**
Cash and cash equivalents:		
- Mutual funds	6,989,446	6,989,446
	6,989,446	**6,989,446**

There have been no transfers of financial assets between different fair value hierarchies during the fiscal years ended December 31, 2023 and 2022.

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

8. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Production facilities, machinery, equipment and spare parts of power plants	Transportation equipment	Materials and equipment in ware house	Work in progress	Furniture, fixtures, computer and communication equipment	Total
Cost	272,018	199,969,372	122,590	5,296,234	1,799,876	468,738	207,928,828
Accumulated depreciation	(31,874)	(35,007,149)	(79,536)	-	-	(65,893)	(35,184,452)
Balances as of December 31, 2021	**240,144**	**164,962,223**	**43,054**	**5,296,234**	**1,799,876**	**402,845**	**172,744,376**
Cost							
Increases	-	4,862,469	43,851	2,835,778	15,321,253 (1)	45,219	23,108,570
Disposals and reclassifications	-	-	-	(545,993)	-	-	(545,993)
Transfers	13,244	5,510,014	-	(225,332)	(5,441,001)	143,075	-
Translation effect	198,103	147,212,000	89,624	4,327,768	4,429,684	357,820	156,614,999
Accumulated depreciation							
Increases	(6,205)	(13,699,215)	(21,843)	-	-	(94,831)	(13,822,094)
Translation effect	(25,250)	(30,422,145)	(65,726)	-	-	(80,219)	(30,593,340)
Cost	483,365	357,553,855	256,065	11,688,455	16,109,812	1,014,852	387,106,404
Accumulated depreciation	(63,329)	(79,128,509)	(167,105)	-	-	(240,943)	(79,599,886)
Balances as of December 31, 2022	**420,036**	**278,425,346**	**88,960**	**11,688,455**	**16,109,812**	**773,909**	**307,506,518**
Costs							
Addition due to business combination (Note 4)	1,691,965	103,683,307	47,445	5,920,016	862,485	1,491,824	113,697,042
Increases	465	7,467,112	47,320	24,922,232	92,927,731	278,186	125,643,046
Disposals and reclassifications	-	(65,110)	(40,348)	(1,700,159)	(18,542)	(716,800)	(2,540,959)
Transfers	2,041,576	28,317,749	-	(1,295,226)	(29,527,589)	463,490	-
Translation effect	7,049,522	1,624,805,784	1,109,731	68,271,819	79,205,725	7,698,955	1,788,141,536
Accumulated depreciation							
Addition due to business combination (Note 4)	(597,870)	(63,414,855)	(27,945)	-	-	(1,272,199)	(65,312,869)
Increases	(66,118)	(41,615,476)	(205,949)	-	-	(672,259)	(42,559,802)
Disposals and reclassifications	-	62,436	-	-	-	713,644	776,080
Translation effect	(2,002,047)	(529,041,664)	(637,088)	-	-	(3,991,061)	(535,671,860)
Cost	11,266,893	2,121,762,697	1,420,213	107,807,137	159,559,622	10,230,507	2,412,047,069
Accumulated depreciation	(2,729,364)	(713,138,068)	(1,038,087)	-	-	(5,462,818)	(722,368,337)
Balances as of December 31, 2023	**8,537,529**	**1,408,624,629**	**382,126**	**107,807,137**	**159,559,622**	**4,767,689**	**1,689,678,732**

(1) Includes 11,170 of financial cost related to financing from third parties for extended works in progress for fiscal year ended December 31, 2022.

SANTIAGO MARTÍNEZ TANOIRA
President

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

	December 31, 2023	December 31, 2022
Net book value of property, plant and equipment	1,689,678,732	307,506,518
Provision for materials and equipment in warehouse	(1,637,838)	(134,174)
Impairment of property, plant and equipment	(66,963,572)	(7,072,957)
	1,621,077,322	**300,299,387**

Set forth below is the evolution of the provision of materials and equipment in warehouse for the fiscal years ended December 31, 2023 and 2022:

	Provision for materials and equipment in warehouse
Balances as of December 31, 2021	**(77,764)**
Translation effect	(56,410)
Balances as of December 31, 2022	**(134,174)**
Addition due to business combination (Note 4)	(249,394)
Increases	(16,202)
Translation effect	(1,238,068)
Balances as of December 31, 2023	**(1,637,838)**

Impairment of property, plant and equipment

The Group regularly assesses the existence of triggering events or changes in circumstances that could indicate that the actual amount of property, plant and equipment may not be recoverable in accordance with the policy described in Note 2.3.8.2.

The construction of the Cañadón León Wind Farm, carried out by Luz del León S.A., 100% controlled by YPF EE, was in progress at the beginning of the Covid19 pandemic, which generated delays in the start of operations and higher costs, resulting in cross claims between the Group and its main contractors, as detailed in Note 29.

In relation to these claims, on September 30, 2022, the Group reached a settlement agreement, through which the recognized amount to LDL as loss of profit and other concepts associated with the delay was lower than the estimated amount, impacting in the recoverable value of Cañadón León Wind Farm.

The estimated recoverable value amounted to US$ 189 million as of September 30, 2022, which generated an impairment loss of Property, plant and equipment before taxes of 5,985,965 (US$ 41 million) that was charged to Impairment of property, plant and equipment line of the Statement of Comprehensive Income as of that date.

In addition, during the six-month period ended June 30, 2023, the Loma Campana II Thermal Plant presented failures in key parts, requiring the shutdown of the plant to carry out the corresponding repairs, impacting in the estimations of availability of the assets in the mid-term and, consequently, in the recoverable value of the Loma Campana II Thermal Plant calculated as described below.

The estimated recoverable value amounted to US$ 59 million as of June 30, 2023, which generated an impairment loss of Property, plant and equipment before taxes of 12,004,200 (US$ 46.8 million) that was charged to Impairment of property, plant and equipment line of the Statement of Comprehensive Income as of that date.

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

In both cases, the methodology used to estimate the recoverable value consisted of calculating the value in use of the CGU based on the present value of future net cash flows expected to be obtained from the CGU, discounted at a rate that reflects the average cost weighted capital employed.

The cash flows were prepared based on estimates regarding the future behaviour of certain variables that are sensitive in determining the value in use, among which the following are: (i) power generation, availability and future prices after the expiration of the PPAs signed; (ii) the evolution of costs; (iii) investment needs; (iv) macroeconomic variables such as inflation rates, exchange rate, among others, and; (v) the discount rate.

The discount rate represents the current market valuation of the Group's specific risks, taking into account both the time value of money and the individual risks of the underlying assets. The discount rate used is the weighted average cost of capital (WACC). As of September 30, 2022, June 30, 2023, and December 31, 2023 it was 11%, 10.8% and 10.9%, respectively.

The evolution of the impairment of property, plant and equipment for the fiscal years ended December 31, 2022 and 2023 is described below:

	Impairment of property, plant and equipment
Balances as of December 31, 2021	**-**
Increase charged to profit or loss	(5,985,965)
Depreciation	126,303
Translation effect	(1,213,295)
Balances as of December 31, 2022	**(7,072,957)**
Increase charged to profit or loss	(12,004,200)
Depreciation	1,246,935
Translation effect	(49,133,350)
Balances as of December 31, 2023	**(66,963,572)**

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

9. INTANGIBLE ASSETS

Changes in the Group's intangible assets for the fiscal years ended December 31, 2023 and 2022 are as follows:

	Intangible assets
Cost	537,212
Accumulated amortization	(31,557)
Balances as of December 31, 2021	**505,655**
Cost	
Increases	506,662
Translation effect	449,621
Accumulated amortization	
Increases	(34,377)
Translation effect	(34,860)
Cost	1,493,495
Accumulated amortization	(100,794)
Balances as of December 31, 2022	**1,392,701**
Cost	
Increases	102,713
Translation effect	5,646,142
Accumulated amortization	
Increases	(77,545)
Translation effect	(492,246)
Cost	7,242,350
Accumulated amortization	(670,585)
Balances as of December 31, 2023	**6,571,765**

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

10. RIGHT OF USE ASSETS

Changes in Group's right of use assets for the fiscal years ended December 31, 2023 and 2022 due to the application of IFRS 16 are as follows:

	Buildings	Land	Machinery and equipment	Total
Cost	359,387	523,934	1,313,780	2,197,101
Accumulated depreciation	(177,689)	(50,305)	(297,241)	(525,235)
Balances as of December 31, 2021	**181,698**	**473,629**	**1,016,539**	**1,671,866**
Cost				
Increases	-	14,213	256,778	270,991
Translation effect	260,697	389,832	1,190,975	1,841,504
Accumulated depreciation				
Increases	(52,363)	(26,342)	(199,405)	(278,110)
Translation effect	(147,513)	(45,852)	(278,478)	(471,843)
Cost	620,084	927,979	2,761,533	4,309,596
Accumulated depreciation	(377,565)	(122,499)	(775,124)	(1,275,188)
Balances as of December 31, 2022	**242,519**	**805,480**	**1,986,409**	**3,034,408**
Cost				
Translation effect	2,205,948	3,301,279	9,824,138	15,331,365
Accumulated depreciation				
Increases	(81,916)	(59,741)	(544,660)	(686,317)
Translation effect	(1,584,767)	(538,772)	(3,596,017)	(5,719,556)
Cost	2,826,032	4,229,258	12,585,671	19,640,961
Accumulated depreciation	(2,044,248)	(721,012)	(4,915,801)	(7,681,061)
Balances as of December 31, 2023	**781,784**	**3,508,246**	**7,669,870**	**11,959,900**

11. INVESTMENT IN JOINT VENTURES

The following table shows the value of the investments in joint ventures at an aggregate level, as of December 31, 2023 and 2022:

	December 31, 2023	December 31, 2022
Amount of investments in joint ventures	**8,488**	**13,206,314**

The main movements during the fiscal years ended December 31, 2023 and 2022, which affected the value of the aforementioned investments, correspond to:

	Investments in joint ventures
Balance as of December 31, 2021	**7,332,158**
Income on investments in joint ventures	(1,075,956)
Other comprehensive income	6,950,112
Balance as of December 31, 2022	**13,206,314**
Income on investments in joint ventures	(123,186)
Deletion due to business combination (Note 4)	(15,950,780)
Other comprehensive income	2,876,140
Balance as of December 31, 2023	**8,488**

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

Inversora Dock Sud S.A.

The following table presents summary financial information for investments in IDS under IFRS as of December 31, 2022:

	December 31, 2022
Non-current assets	30,746,827
Current assets	111,878
Total assets	**30,858,705**
Non-current liabilities	35,272
Current liabilities	11,126
Total liabilities	**46,398**
Shareholders' equity	**30,812,307**
Investment book value	**13,206,155**

	For the fiscal years ended December 31,	
	2023	2022
Net (loss) for the fiscal year	(287,416)	(2,510,343)
Share interest in net (loss) income of joint ventures	(123,186) [1]	(1,075,933)

(1) Share interest in IDS' net income (loss) until the acquisition date (see Note 4).

The following table shows information of associates and investments in joint ventures as of December 31, 2023 and 2022:

			December 31, 2023			December 31, 2022	
Name and issuer	Class	Face value	Amount	Book value	Cost	Book value	Cost
Investments under joint control:							
Inversora Dock Sud S.A.	Ordinary Shares	1	-	-	-	13,206,155	-
Other companies:							
Miscellaneous [1]				8,488		159	100
				8,488		**13,206,314**	**100**

(1) Includes Luz del Campo S.A., Termoeléctrica San Martín S.A., Termoeléctrica Manuel Belgrano S.A. and Central Vuelta de Obligado S.A.

SANTIAGO MARTÍNEZ TANOIRA
President

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

12. OTHER RECEIVABLES

	December 31, 2023		December 31, 2022	
	Non-current	**Current**	**Non-current**	**Current**
Loans and advances to employees	-	176,793	-	81,962
Advances to suppliers of property, plant and equipment	4,308,609	-	781,073	-
Other receivables with related parties (Note 32)	31,844,725	16,168,679	1,406,475	-
Tax credits	-	7,811,271	-	4,425,199
Advances to suppliers and custom agents	-	459,028	-	73,312
Prepaid insurance	-	6,230,176	-	1,086,145
Insurances		-	-	867,252
Prepaid expenses	-	280,219	-	59,074
Miscellaneous	-	19,200	-	19,198
	36,153,334	**31,145,366**	**2,187,548**	**6,612,142**
Allowance for doubtful other receivables		(10,494)	-	(5,570)
	36,153,334	**31,134,872**	**2,187,548**	**6,606,572**

13. TRADE RECEIVABLES

	December 31, 2023	December 31, 2022
	Current	**Current**
Trade receivables from third parties	9,458,004	1,715,686
Related parties (Note 32)	83,274,913	23,258,106
	92,732,917	**24,973,792**
Allowance for doubtful trade receivables	(1,028,263)	(48,772)
	91,704,654	**24,925,020**

14. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of financial position and the consolidated statement of cash flow, cash and cash equivalents comprise the following items:

	December 31, 2023	December 31, 2022
Mutual funds	45,897,898	6,989,446
Fixed interest deposits	100,892	38,271
Cash and bank deposits	36,664,608	7,549,492
	82,663,398	**14,577,209**

Bank balances accrue interest at variable rates based on the bank deposits daily rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash needs of the Group and bear interest at the respective fixed rates for short-term deposits.

RESTRICTED CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Cash and bank deposits (1)	9,605,278	2,107,579
	9,605,278	**2,107,579**

(1) Not considered cash and cash equivalents for the purposes of the consolidated statements of cash flow (Note 17).

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

15. INCOME TAX

The calculation of the income tax expense for the fiscal years ended December 31, 2023 and 2022 is as follows:

	For the fiscal years ended December 31,	
	2023	2022
Current income tax	(6,303,154)	(6,214,775)
Deferred income tax	(72,131,772)	4,746,779
Income Tax	**(78,434,926)**	**(1,467,996)**

The reconciliation between the charge to income tax expense for the fiscal years ended December 31, 2023 and 2022 and the one that would result from applying the prevailing tax rate on income before income tax arising from the consolidated statements of comprehensive income for those fiscal years is as follows:

	December 31, 2023	December 31, 2022
Profit for the fiscal year before income tax	62,919,903	18,987,989
Statutory tax rate	35%	35%
At statutory tax rate	(22,021,966)	(6,645,796)
Income from equity interests	(43,115)	(376,585)
Income on acquisition of companies	5,079,642	-
Effect of tax inflation adjustment in monetary assets and liabilities	(106,170,413)	(25,659,751)
Exchange differences	185,288,455	19,112,575
Effects of the valuation of non-monetary assets in its functional currency	(139,950,911)	12,242,191
Other	(616,618)	(140,630)
Income tax for the fiscal year	**(78,434,926)**	**(1,467,996)**

(1) Corresponds to the effect of applying the change of the tax rate established by Law No. 27,430 to the deferred assets and liabilities (as described in Note 30) according to the estimated term of realization or settlement, respectively.

Deferred income tax

Breakdown of deferred income tax is as follows:

	December 31, 2023	December 31, 2022 (1)
Deferred tax assets		
Provisions for doubtful receivables	18,140	18,140
Tax loss carryforwards	143,955,366	7,430,624
Lease liabilities	3,233,722	741,662
Miscellaneous	1,053,116	541,010
Total deferred tax assets	**148,260,344**	**8,731,436**
Deferred tax liabilities		
Other receivables	(5,409,261)	-
Property, plant and equipment	(187,238,634)	(195,350)
Right of use assets	(1,501,511)	(384,018)
Effect of tax inflation adjustment in monetary assets and liabilities	(74,320,893)	(19,238,576)
Other	(1,373,616)	-
Total deferred tax liabilities	**(269,843,915)**	**(19,817,944)**
Total net deferred tax	**(121,583,571)**	**(11,086,508)**

(1) See Note 2.5.1.

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

As of December 31, 2023, the Group recorded deferred assets of 20,067,172 and deferred liabilities of 141,650,743. As of December 31, 2022, the Group recorded deferred assets of 5,463,534 and deferred liabilities of 16,550,042.

Deferred tax assets and liabilities are disclosed net when: a) a legal right to compensate asset and liabilities exists and; b) when tax assets and liabilities are against the same tax authority.

As of December 31, 2023 and 2022, the Group estimated an accumulated tax loss carryforward of 143,955,366 and 7,430,624 at the estimated recovery tax rate, respectively. Deferred income tax assets are recognized for tax loss carryforwards to the extent their set off through future taxable profits is probable. Tax loss carryforwards in Argentina expire within 5 years.

In order to fully realize the deferred income tax asset, the Group will need to generate taxable income. Based upon the projections for future over the years in which the deferred income tax are deductible, Management of the Company believes that as of December 31, 2023 it is probable that the Group will realize all of the deferred income tax assets.

As of December 31, 2023, Group’s tax loss carryforwards at the expected recovery rate were as follows:

Date of generation	Date of expiration	Amount
2022	2027	7,430,624
2023	2028	136,524,742
		143,955,366

The evolution of net deferred tax asset and liability as of December 31, 2023 and 2022 is as follows:

	Deferred income tax liability	Deferred income tax asset
Balance as of December 31, 2021	**(13,400,498)**	**1,228,603**
Other comprehensive income	(2,503)	-
Translation effect on business combination assets	(3,658,889)	-
Reclassification	(684,117)	684,117
Charge to net income of the fiscal year	1,195,965	3,550,814
Balance as of December 31, 2022	**(16,550,042)**	**5,463,534**
Addition due to business combination (Note 4)	(5,962,622)	-
Translation effect on business combination assets	(32,402,669)	-
Reclassification	684,115	(684,115)
Charge to net income of the fiscal year	(87,419,525)	15,287,753
Balance as of December 31, 2023	**(141,650,743)**	**20,067,172**

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

16. LEASES LIABILITIES

The evolution of the lease liability during the fiscal years ended December 31, 2023 and 2022 is as follows:

	Leases liabilities
Lease liability as of December 31, 2021	**1,304,718**
Increases	270,991
Finance accretion	146,621
Payments	(253,920)
Translation effect	865,172
Lease liability as of December 31, 2022	**2,333,582**
Finance accretion	314,642
Payments	(754,641)
Translation effect	7,345,623
Lease liability as of December 31, 2023	**9,239,206**

The following is a breakdown of the lease liabilities recorded by the Group as of December 31, 2023 and 2022, with identification of the term of the lease and each rates:

Lease term	Annual effective rate used	December 31, 2023	December 31, 2022
Two to three years	2.25% - 7.87%	1,103,171	403,751
Three to four years	-	-	10,848
Four to five years	4.53%	866,395	257,711
More than five years	9.88% - 10.2%	7,269,640	1,661,272
Total		**9,239,206**	**2,333,582**

The financial accretion accrued in the fiscal years ended December 31, 2023 and 2022, arising from lease contracts is disclosed under "Financial accretion" in the line "Financial loss" included in "Net financial results" of the statements of comprehensive income.

As of December 31, 2023 and 2022, the maturities of the liabilities related to lease agreements are:

	December 31, 2023	December 31, 2022
Up to one year	3,823,219	414,380
Current leases liabilities	**3,823,219**	**414,380**
One to five years	3,441,124	977,335
From the 6th year onwards	1,974,863	941,867
Non-current leases liabilities	**5,415,987**	**1,919,202**
Total	**9,239,206**	**2,333,582**

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

17. LOANS

		December 31, 2023		December 31, 2022	
	Interest rate (1)	Non-current	Current	Non-current	Current
Negotiable obligations	(2)	493,506,698	125,252,181	106,273,335	17,703,997
Loans	(3)	67,906,324	22,756,709	19,465,968	8,472,686
Related parties (Note 31)	(4)	14,494,796	-	-	-
		575,907,818	**148,008,890**	**125,739,303**	**26,176,683**

(1) Applicable rate as of December 31, 2023.

(2) Corresponds to Negotiable Obligations in US dollars that accrue interest at a fixed rate between 0% and 10.24%.

(3) Corresponds to bank loans in US dollars that accrue interest at a fixed and variable rate, according to described within this note. Since July 1,2023, the LIBOR rate stopped being published and, consequently, it was replaced by the Secured Overnight Financial Rate (“SOFR”).

(4) Corresponds to a loan nominated in US dollars which accrues interest at a 0%.

The breakdown of the Group’s borrowings during the fiscal years ended on December 31, 2023 and 2022 is as follows:

	Loans
Amount as of December 31, 2021	**85,577,140**
Proceeds from loans (2)	20,377,154
Payments of loans (2)	(19,879,947)
Payments of interest	(7,461,145)
Accrued interest (1)	8,802,684
Translation effect	64,500,100
Amount as of December 31, 2022	**151,915,986**
Proceeds from loans (3)	32,491,826
Payments of loans	(33,101,388)
Payments of interest	(12,952,383)
Accrued interest (1)	16,242,687
Translation effect	569,319,980
Amount as of December 31, 2022	**723,916,708**

(1) Includes transaction costs that amount 566,308 and 538,888, for the fiscal years ended December 31, 2023 and 2022, respectively, and capitalized financial costs.

(2) Net of 3,005,873 from the payment in kind of Class IV and VIII Negotiable Obligations through the issuance of the Class XI and XII Negotiable Obligations, respectively.

(3) Includes 2,734,890 offset with dividends payments.

Main loans of the Group as of December 31, 2023

- **Program for the Issuance of Negotiable Obligations**

On March 16, 2018, the Shareholders’ Meeting approved the general terms and conditions of the Program (the “Program”) for the issuance of Simple Negotiable Obligations (not convertible into shares) in accordance with the Negotiable Obligations Law (*Ley de Obligaciones Negociables*) as amended, for an aggregate nominal value of up to US$ 1,500 million (or its equivalent in other currencies).

On April 17, 2019, the Board of Directors of National Securities Commission (CNV) approved the YPF EE registration into the Public Offering regime for securities, and the launch of the Program. On April 30, 2019, the Board of Directors of YPF EE approved, within the framework of the Global Program, the issuance and placement by public offering of negotiable obligations for an amount of up to US$ 100 million (or its equivalent in other currencies), in one or more classes and / or series, in the terms that are determined in the respective price supplements.

- **Local issuance**

On May 7, 2019 and June 12, 2019, the Company issued Class I Negotiable Obligations, under the mentioned Global Program. The placements reached a total amount of US$ 100 million, at a 10.24% fixed rate with a maturity date on May 2021 and interest payable quarterly since August 10, 2019.

The obtained financing from both emissions was allocated to the investments the Group was developing.

On June 24, 2020, the Company issued Class III Negotiable Obligations, under the Global Program for the issuance of Negotiable Obligations. The placement reached US$ 50 million, at a 1.49% fixed rate with a maturity date on December 2021 and interest payable quarterly since September 24, 2020.

The obtained financing from the issuance was allocated to the investments the Group was developing.

On October 28, 2020, the Company issued Class IV and V Negotiable Obligations, under the Global Program for the issuance of Negotiable Obligations. The placements reached US$ 30 million and US$ 20 million, at a 0% and 1% fixed rate with a maturity date on October 2022 and October 2023, respectively. Interest is payable quarterly since January 28, 2021.

The financing obtained from the issuance will be allocated to the investments the Group is currently developing and/or the refinancing of liabilities, including the cancellation of the loan entered into with Inter-American Investment Corporation (IIC) e Inter-American Development Bank (IDB) on December 2, 2016 by an amount of US$ 200 million.

In compliance with the provisions of point 1 of Communication "A" 7230 of the BCRA, on April 9, 2021, the Company was able to refinance 60% of its maturity required by current regulations, accepting all offers of the Par option for approximately US$ 45.3 million, which consisted of the exchange of 100% of the Class I Negotiable Obligations for Class VI Negotiable Obligations, and approximately US$ 14.7 million which corresponds to 83.16% of the total of new cash offers received.

Consequently, on April 16, 2021, the Company issued the new Class VI Negotiable Obligations for a nominal value of US$ 60 million at a fixed rate of 10.24% maturing in April 2023 and quarterly interest payable since July 16, 2021.

The remaining amount of Class I Negotiable Obligations that was not exchanged was paid upon maturity with its respective interests accrued.

Subsequently, on May 20, 2021, the Company issued Additional Class IV Negotiable Obligations for an amount of US$ 16.9 million at a fixed rate of 0% denominated in US dollars and payable in Argentine pesos at the applicable exchange rate maturing in October 2022 and interests quarterly payable since July 2021. Likewise, in the same date a new Class VII Negotiable Obligation was issued for a nominal value of ARS 1,755 million at a Badlar rate + 4.5% maturing in May 2022 and interests quarterly payable since August 20, 2021.

On August 30, 2021, the Company issued additional Class VIII Negotiable Obligations for an amount of US$ 36.9 million at a fixed rate of 0%, denominated in US dollars and payable in Argentine pesos at the applicable exchange rate with maturity in August 2022. Likewise, on the same date a new Class IX Negotiable Obligations was issued for a face value of US$ 27.7 million payable in pesos at the applicable exchange rate maturing in February (33%), May (33%) and August (34%) of 2024 that accrue interest at a fixed rate of 3.5% and interest payable quarterly from November 30, 2021 thereon. Approximately US$ 11 million and US$ 13.6 million of the aforementioned Class VIII and IX Negotiable Obligations, respectively, were exchanged for Class III Negotiable Obligations of the Company.

On February 3, 2022, the Company reopened the Class IX Negotiable Obligation by issuing Additional Class IX Negotiable Obligations for an amount of US$ 10.9 million at an effective negative rate of 0.26% denominated in US dollars and payable in Argentine pesos at the applicable exchange rate maturing in August 2024 and interests quarterly payable since February 28, 2022.

Additionally, on February 3, 2022, the Company issued a Green Bond (GBP) as defined by the International Capital Market Association (ICMA), through Class X Negotiable Obligations, for an amount of US$ 63.9 million at a fixed rate of 5% denominated in US dollars and payable in Argentine pesos at the applicable exchange with 10 equal semi-annual amortizations beginning on August 3, 2027 and ending due February 3, 2032 and interest payable semi-annually since of August 3, 2022.

On May 20, 2022, the Group had cancelled the total amount of 1,755,000 of Class VII Negotiable Obligation, according to its terms and conditions.

On August 29, 2022, the Company issued Class XI and XII Negotiable Obligations for a nominal value of US$ 15 million and US$ 85 million, at a negative effective rate of 4% and 0% respectively, and both at a nominal fixed rate of 0%. The maturity is August 2024 for Class XI Negotiable Notes and August 2026 for Class XII. Likewise, 32.79% of the Class IV Negotiable Notes and 17.83% of the Class VIII Negotiable Notes maturing in October and August 2022, respectively, were also refinanced.

On August 30, 2022, the Group had cancelled the total amount of US$ 36,886,709 of Class VIII Negotiable Obligation, according to its terms and conditions.

On October 28, 2022, the Group had cancelled the total amount of US$ 46,894,104 of Class IV Negotiable Obligation, according to its terms and conditions.

The Company assessed for each of the refinancing of the aforementioned Class IV and VIII Negotiable Notes whether the conditions were materially different, considering both qualitative aspects (e.g. currency, term and rate) and quantitative aspects (if the present value of the cash flows discounted under the new conditions, including any fees paid net of any fees received, and using the original effective interest rate to make the discount, it differs by at least 10% from the discounted present value of the remaining cash flows of the original financial liabilities). Based on this analysis, the Company has not recognized any of the refinancing as an extinction in accordance with IFRS 9 "Financial Instruments".

On February 10, 2023, the Company issued Class XI and XIII Negotiable Obligations for a nominal value of US$ 20 million and US$ 130 million, at a negative effective rate of 1,15% and 0,05% respectively, and both at a nominal fixed rate of 0%. The maturity is August 2024 for Class XI Negotiable Obligations and February 2025 for Class XIII Negotiable Obligations.

On April17, 2023, the Group paid the total amount of the Class VI Negotiable Obligations, according to its terms and conditions.

On October 27, 2023, the Group paid the total amount of the Class V Negotiable Obligations, according to its terms and conditions.

The payments of capital, interest services and other sums that correspond under the Negotiable Obligations will be made in pesos at the applicable exchange rate, as defined in the price supplement.

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

- **International issuance**

On July 25, 2019, the Company made an international issuance of Class II Negotiable Obligations for an amount of US$ 400 million which pay a 10% coupon semi-annually and which capital will be amortized in a single payment on July 25, 2026. The semi-annual interest payment dates will be July 25 and January 25 of each year, beginning in January 2020 and ending in July 2026.

Such financing have clauses of financial commitments (covenants) throughout their term that include interest coverage and leverage ratios, among others usual for this type of issuances.

- **Inter-American Investment Corporation Loan**

In December 2016, the Company and the Inter-American Investment Corporation (IIC), on behalf of the Inter-American Development Bank (IDB), signed an agreement to fund the construction of Manantiales Behr Wind Farm. The aggregate loan amount is US$ 200 million. The capital amortization will be performed in two quarterly payments beginning in February 2020 and is structured in two tranches of US$ 100 million, maturing in December 2023 and 2025, respectively, according to the following detail:

Tranche	Amount in US$	Rate
A	31,075,076	3 month SOFR + 0.26161% + 5,125%
A	12,539,359	7.16%
A	18,000,032	7.05%
A	19,506,895	7.27%
A	18,878,638	7.87%
B	100,000,000	3 month LIBOR + 4.8%
Total	**200,000,000**	

On November 15, 2022, the Group had cancelled the total amount of US$ 100,000,000 of tranche B, according to its terms and conditions.

As of December 31, 2023, there is still a remaining balance corresponding to tranche A of US$ 33,280,000 with the final maturity date on December 15, 2025.

- **HSBC Loan**

On March 2 and 18, 2020, HSBC USA N.A. granted a loan for a total amount of US$ 27.4 million with quarterly interest at a variable rate of SOFR 6M + 0.42826% + 1,10% and final maturity on September 27, 2025. The principal of such loan amortizes in ten semi-annual installments beginning on March 27, 2021.The funds from such loan were used to finance the Manantiales Behr Thermal Power Plant project.

The loan agreement has financial commitments (covenants) throughout its term, which include interest coverage ratios and a leverage ratio.

- **DFC – BNP Paribas loan**

On January 14, 2020 Luz de León S.A. entered into a financial agreement with DFC and BNP Paribas Fortis SA/NV (hereinafter “BNP Paribas”) for up to US$ 150 million. Under this contract DFC would disburse, subject to the compliance of certain conditions, US$ 50 million and BNP Paribas, also subject to certain conditions, up to US$ 100 million. This contract is under the framework of a “Project Finance” modality and the tranche corresponding to BNP Paribas is guaranteed by the German export credit agency Euler Hermes Aktiengesellschaft. BNP’s first disbursement by approximately US$ 80.5 million was received during February 2020.

The loan accrues a fixed interest rate of 3.31% with final maturity on September 15, 2034. Principal will be amortized semi-annually beginning on March 15, 2021. The funds from such loan were used to finance the Cañadón León Wind Farm project.

The loan agreement has financial commitments (covenants) throughout its term, which include interest coverage ratios and a leverage ratio, as well as standard guarantees for this type of financing. In this sense, YPF EE maintains a reserve account for the amount of 7,184,428 (USD 8.9 million) as of December 31, 2023 related to this guarantee. Additionally, LDL maintains restricted cash (until the fulfilment of certain conditions) in virtue of the commitments assumed for the Project Completion Date (“PCD”), that as of December 31, 2023 amounted 2,420,850.

The amortization of capital was due to begin in March 2021 and debt services will be cancelled semi-annually beginning in March 2020. Regarding the interest payment scheduled for September 15, 2020 for an approximate amount of US$ 1.4 million, due to the new exchange regulations issued by the BCRA mentioned in Note 29, on October 15, 2020 LDL signed a “Standstill Agreement” with DFC and BNP and, thus, did not make the aforementioned payment. On December 12, 2020, LDL agreed an amendment to the loan that deferred the interest payment to March 2021 and the first capital amortization to September 2021. Likewise, on September 15, 2021, LDL agreed an amendment to the loan to defer the first capital payment to March 2022.

Finally, on December 15, 2021, LDL negotiated a new amendment to the loan contract. The main modifications established by this amendment correspond to the commercial operation date to December 15, 2021, the constructions contracts and the loan amortization schedule, subject to certain conditions that are fulfilled as of the date of issuance of these consolidated financial statements.

The Group assessed for these obligations if the refinancing conditions were substantially different, considering both qualitative aspects (for example, currency, term and interest rate) and quantitative aspects (if the present value of the cash flows discounted under the new conditions, including any commission paid net of any commission received, and using the original effective interest rate to make the discount, differs by at least 10% from the discounted present value of the cash flows that still remain from the original financial liabilities). Based on this analysis, LDL has not recognized the refinancing as an extinguishment in accordance with IFRS 9 “Financial Instruments”.

On February 28, 2022, BNP Paribas made the last disbursement according to the loan contract of LDL for US$ 15.4 million, with a fixed interest rate of 3.31% and a maturity on September 15, 2034.

- **Loan with GE EFS Power Investments B.V.**

On February 27, 2023, the Company entered into a financial agreement with GE EFS Power Investments B.V. (hereinafter “GE EFS”) for US$ 7.3 million, with a fixed interest rate of 0% and a maturity on December 16, 2023. In addition, on December 13, 2023, the Company entered into an addendum to the loan agreement with the same conditions and maturing on June 30, 2025.

On June 30, 2023, the Company took a loan with GE EFS for a total amount of US$ 10,6 million, at a nominal interest rate of 0% and a maturity on June 30, 2025.

The payments of capital, interest services and other sums that correspond will be made in pesos at the applicable exchange rate.

Main loans of the Group subsequent to December 31, 2023

On February 27, 2024, the Company issued Class XIV and XV Negotiable Obligations at a nominal value of US$ 18,043,469 and US$ 11,287,656, at an effective rate of 3% and 6%, respectively. The maturity is February 27, 2027 for both Negotiable Obligations.

Main loans of the Group cancelled during the fiscal year ended December 31, 2023 and 2022

- **Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC and Export Development Canada Loan**

On June 14, 2017, Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC and Export Development Canada, approved the granting of a loan for Y-GEN to carry out a construction project of Loma Campana II Thermal Power Plant in the province of Neuquén; and for Y-GEN II to undertake a construction project of El Bracho Thermal Power Plant with an installed capacity of 267 MW in the province of Tucumán.

The committed amount of the aforementioned loan was US$ 219.5 million (US$ 70 million destined to Y-GEN and the remaining amount of US$ 149.5 million to Y-GEN II). However, disbursements currently made totalled US$ 211,973,875 (US$ 70,000,000 for Y-GEN and US$ 141,973,875 for Y-GEN II).

The agreed interest rate is 3-month LIBOR + 4.00% until the construction completion date and, thereafter, 3-month LIBOR + 5.75% until maturity and the term for principal repayment is 5 years (includes a 15-month grace period) with repayment of principal in 15 quarterly instalments beginning on September 30, 2018, and one instalment for the remaining balance of principal at the end of a 5-year term on June 30, 2022.

In connection with the loan, Y-GEN and Y-GEN II have agreed, among other things, to contract hedging instruments as a means of protection against LIBOR fluctuations. As a result, in June 2017, the said companies executed an interest rate hedge agreement with Citibank N.A., London Branch for a 5-year term, coverage that started to apply since December 31, 2017, over an initial notional amount of approximately US$ 156 million (US$ 106 million corresponding to Y-GEN II, and the remaining amount of US$ 50 million to Y-GEN). The interest rate hedge provides that the companies will pay fixed amounts over the mentioned notional amount at a rate set at 1.947% and they will receive variable amounts subject to 3-months LIBOR.

As of December 31, 2022 and 2021, the Company had booked a result, net of income tax, of 8,589 and 64,398 respectively as Other Comprehensive Income, included in the Statements of Comprehensive Income, generated by the measurement of the mentioned hedging instruments at fair value.

Regarding the foreign reserve accounts, exposed within the caption “Restricted cash and cash equivalents”, during the fiscal year ended December 31, 2021 and subsequent to this date, the funds were used to cancel the total pending amount of this loan, according to what was established by this contract.

In this sense, on February 10, 2022, the Group has paid the total amount of the loan. As a consequence of this payment, this reserve account as well as the related guarantees, will be cancelled, leaving without any effect the financial structure of the Project Finance initially implemented.

- **Citibank NY Loans**

In March 2018, the Company took out a loan from Citibank NY for a total amount of US$ 30 million with quarterly interest at 3-month LIBOR rate + 1.6%, and principal bullet repayment at maturity, on August 28, 2018. After such date, the Company extended the maturity of the loan through February 28, 2019, at 3-month LIBOR rate + 2.25%. On the due date, the Company renewed such loan up to February 26, 2021 at 3-month

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LIBOR rate + 4.875%. Finally, on February 26, 2021 the due date was extended to March 5, 2021 and has already been agreed with the bank the payment as of that date of US$ 12 million, corresponding to 40% of the outstanding balance, and the extension of US$ 18 million, corresponding to 60% of the outstanding balance, until March 6, 2023.

The funds of the loan are intended to finance working capital. Related contracts have clauses of financial commitments (covenants) throughout their term that include interest coverage and leverage ratios.

On March 5, 2023, the Group has paid the total amount of the loan, according to its terms and conditions.

18. TRADE PAYABLES

	December 31, 2023	December 31, 2022
	Current	Current
Trade (1)	45,203,164	8,353,990
Related parties (Note 31) (1)	53,444,616	7,901,309
	98,647,780	**16,255,299**

(1) Trade payables are non-interest bearing and are normally settled within the quarter.

19. REVENUES

	For the fiscal years ended December 31,	
Type of good or services	**2023**	**2022**
Energía Base (1)	23,494,803	8,768,285
Revenues under PPA (2)	120,650,897	49,797,667
Steam sales	12,293,086	4,378,078
Other income for services	118,487	551,842
	156,557,273	**63,495,872**

(1) Includes 4,285,121 and 1,963,204 related to fuel costs and other production cost recognition corresponding to the fiscal years ended December 31, 2023 and 2022, respectively, according to the current regulatory framework.

(2) Includes 14,992,308 of contractual revenues under Resolution 59/2023 corresponding to the fiscal year ended December 31, 2023.

	For the fiscal years ended December 31,	
By Customer	**2023**	**2022**
CAMMESA (1)	99,233,526	39,305,759
YPF S.A.(1)	36,908,084	17,301,639
U.T. Loma Campana (1)	642,601	223,731
Profertil S.A. (1)	3,675,940	1,709,553
Coca-Cola FEMSA de Buenos Aires S.A.	1,055,253	380,668
Toyota Argentina S.A.	1,552,836	667,411
CT Barragán S.A. (1)	91,015	242,781
CAF S.A.	-	309,061
Holcim Argentina S.A.	2,708,355	1,178,832
Nestlé Argentina S.A.	934,698	392,468
Ford Argentina S.C.A.	965,488	261,976
Other	8,789,477	1,521,993
	156,557,273	**63,495,872**

(1) Related parties (Note 32).

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

Target Market

The Group's revenues are aimed at the domestic market as a whole.

20. EXPENSES BY NATURE

The Group presents the statement of comprehensive income by classifying expenses according to their function as part of the “Production costs” and “Administrative and selling expenses” lines. The following additional information is disclosed as required, on the nature of the expenses and their relation to the function within the Group for the fiscal years ended December 31, 2023 and 2022:

	For the fiscal year ended December 31, 2023		
	Production costs	**Administrative and selling expenses**	**Total**
Depreciation of property, plant and equipment	40,782,337	530,530	41,312,867
Depreciation of right of use assets	526,235	160,082	686,317
Amortization of intangible assets	77,545	-	77,545
Consumable materials and supplies	1,254,439	67,268	1,321,707
Banking expenses	-	25,294	25,294
Rentals	140,495	9,768	150,263
Fees and compensation for services	27,310	824,882	852,192
Other personnel expenses	157,328	1,239,751	1,397,079
Preservation, repair and maintenance	7,720,389	245,422	7,965,811
Insurance	4,122,026	5,173	4,127,199
Salaries and social security taxes	8,997,459	8,480,483	17,477,942
Operation services and other contracts	791,737	1,577,769	2,369,506
Transportation, products and charges	3,402,175 (1)	11,029	3,413,204
Fuel, gas, energy and miscellaneous	9,398,750 (1)	-	9,398,750
Allowance (recovery) for doubtful receivables	-	321,066	321,066
Taxes, rates and contributions	351,942	2,728,997	3,080,939
Publicity and advertising expenses	-	177,663	177,663
Miscellaneous	19,598	111,702	131,300
Total	**77,769,765**	**16,516,879**	**94,286,644**

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

	For the fiscal year ended December 31, 2022			
	Production costs		Administrative and selling expenses	Total
Depreciation of property, plant and equipment	13,597,855		97,936	13,695,791
Depreciation of right of use assets	207,528		70,582	278,110
Amortization of intangible assets	34,377		-	34,377
Consumable materials and supplies	750,926		18,408	769,334
Banking expenses	-		13,727	13,727
Rentals	8,851		10,283	19,134
Fees and compensation for services	25,753		321,019	346,772
Other personnel expenses	49,154		507,589	556,743
Preservation, repair and maintenance	2,647,238		64,596	2,711,834
Insurance	1,125,365		9,062	1,134,427
Salaries and social security taxes	2,515,985		2,025,583	4,541,568
Operation services and other contracts	519,441		437,748	957,189
Transportation, products and charges	1,600,041	(1)	7,639	1,607,680
Fuel, gas, energy and miscellaneous	4,241,284	(1)	-	4,241,284
Taxes, rates and contributions	62,745		1,233,596	1,296,341
Publicity and advertising expenses	1,883		87,366	89,249
Miscellaneous	20,599		51,287	71,886
Total	**27,409,025**		**4,956,421**	**32,365,446**

(1) Includes 4,285,121 and 1,963,204 related to fuel costs and other production cost recognition corresponding to the fiscal years ended December 31, 2023 and 2022, respectively, according to the current regulatory framework.

21. OTHER OPERATING RESULTS, NET

	For the fiscal years ended December 31,	
	2023	2022
Commercial interests - CAMMESA (Note 32)	10,691,506	1,981,860
Penalties [(1)]	4,587,695	3,745,745
Provision for materials and equipment in warehouse	(16,202)	-
Insurance	217,049	1,508,808
Miscellaneous	126,191	(76,990)
	15,606,239	**7,159,423**

(1) Includes contractual penalties with related parties (Notes 29 and 32).

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

22. NET FINANCIAL RESULTS

	For the fiscal years ended December 31,	
	2023	2022
Finance income		
Interest income and others	1,741,044	235,113
Results from financial assets valuation at fair value	32,993,742	5,077,042
Exchange rate differences	115,872,530	10,165,228
Other finance income	71,165	-
Total finance income	**150,678,481**	**15,477,383**
Finance loss		
Interest loss and others	(16,657,855)	(8,928,668)
Exchange rate differences	(148,713,331)	(17,297,720)
Finance accretion	(694,403)	(229,434)
Other finance expense	(1,955,734)	(1,261,500)
Total finance loss	**(168,021,323)**	**(27,717,322)**
Total net financial results	**(17,342,842)**	**(12,239,939)**

23. SUBSCRIBED CAPITAL

On March 20, 2018, the Ordinary and Extraordinary General Shareholders' Meeting resolved to increase the capital stock by 936,767 from 2,810,303 to 3,747,070, setting a share premium of US$ 0.243934955 per share. This increase was represented by 936,767,364 Class B book entry ordinary shares, with a par value 1 with the right to one vote per share. The total subscription price of the new shares by GE EFS Power Investment B.V amounts to US$ 275 million comprised as follows: a) US$ 135 million paid on that date, and b) US$ 140 million on March 20, 2019.

In this way, as of December 31, 2023 the shareholders of YPF EE after the issuance of shares is as follows:

Shareholder	Number of Shares	Participation in the capital stock	Class of Share
YPF	2,723,826,879	72.69218%	A
OPESSA	86,476,112	2.30783%	A
GE EFS Power Investment B.V.	936,767,364	24.99999%	B
Total	**3,747,070,355**	**100.00000%**	

Pledge of the Company's shares

On February 12, 2021, YPF S.A. had imposed 1,873,535,178 Class A common shares of the Company with a real right of pledge in first grade privilege in favour of the Citibank N.A. Branch, established in the Republic of Argentina, as an warranty agent and in benefit of certain beneficiaries, in virtue of the Contract of Pledge and fiduciary transfer with the purpose of the Warranty performed by YPF S.A. The mentioned quantity of shares are representative of 50% of the subscribed capital and 50% of the Company's votes. This Shares' Pledge will be subject to what is established by the Statute and the Company's Shareholders' Agreement.

24. (LOSS) EARNINGS PER SHARE

(Loss) earnings per share amounts are calculated by dividing net (loss) profit for the fiscal year attributable to equity holders of the parent by the weighted average number of ordinary shares during the period. There are no transactions or items generating a dilution effect.

The following reflects information on income and the number of shares used in the (loss) earnings per share computations:

	For the fiscal years ended December 31,	
	2023	**2022**
Net (loss) profit for the fiscal year attributable to holders of the parent company:	(7,253,075)	17,519,993
Weighted average number per share (in thousands)	**3,747,070**	**3,747,070**
(Loss) earnings per share attributable to the shareholders:		
- Basic and diluted (ARS)	(1.936)	4.676

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of issuance of these consolidated financial statements that may produce a dilution effect.

25. RESTRICTION ON RETAINED EARNINGS

Pursuant to the Argentine Companies Act and the corporate bylaw, 5% of the net profit for the year must be allocated to the legal reserve until such reserve reaches 20% of the capital stock.

In this sense, the General Ordinary Shareholders' Meeting held on April 28, 2021, allocated 260,059 to constitute the legal reserve in the terms of Art. 70 of the LGS, reaching an amount equal to 20% of the capital stock.

In accordance with General Resolution 609 of the CNV the Special reserve RG Nº 609 was created, which contains the positive difference resultant of the initial balance of the accumulated results exposed in the financial statements of the first closing of the fiscal year of IFRS application and the final balance of the results not allocated at the end of the last fiscal year under the previous accounting standards. Special reserve RG Nº 609 is not allowed to be distributed in cash or in kind and it can only be dipped into a capitalization or an absorption of any negative balances of retained earnings.

- **General Shareholders' Meeting**

The Ordinary and Extraordinary General Shareholders' Meeting Special of Classes on April 27, 2023 resolved, among others, the following:

(i) approve the documentation described by section 234, subsection 1 of the Argentine General Corporations Law No. 19,550 corresponding to the fiscal year No. 10, beginning on January 1, 2022 and ended on December 31, 2022;

(ii) ratify the appropriation of the accumulated translation effect as of December 31, 2022, to the reserves and retained earnings according to the detail described in the Annual Report of the Board of Directors. Therefore, after the aforementioned appropriation the amounts of the retained earnings as of December 31, 2022, amounts to 23,670,814,000 pesos;

(iii) release of the reserve for future investments for the sum of 62,164,053,000 pesos;

(iv) release of the reserve for future dividends for the sum of 4,962,376,000 pesos;

(v) allocate the sum of 12,000,000,000 pesos to create a reserve for future dividend distribution, delegating in the board of Directors until the Ordinary General Shareholders' Meeting that treats the financial statement corresponding to the fiscal year ended December 31, 2023, the decision to determine, if it results convenient and according to the needs of the Company, the opportunity and amount to proceed to the distribution, considering financial and fund availability aspects, operating results, investments and every other aspect that is consider relevant to the development of the activity of the Company.

Likewise, it resolved, as an Extraordinary Shareholders' Meeting, to approve unanimously (i) the Merger by absorption by YPF ENERGÍA ELÉCTRICA S.A. of Y-GEN ELÉCTRICA S.A.U. and Y-GEN ELÉCTRICA II S.A.U., (ii) the Previous Merger Commitment, and (iii) to carry out the procedures leading to this corporate reorganization, with effectiveness on January 1, 2023 (Note 24).

Finally, on June 30, 2023 meeting, the Board of Directors decided the distribution of the entire optional reserve for future distribution of dividends mentioned for 12,000,000 The dividends were made available on that date.

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

26. FINANCIAL ASSETS AND LIABILITIES IN CURRENCY IN CURRENCIES OTHER THAN THE ARGENTINE PESO

The following table provides the assets and liabilities in currencies other than the Argentine peso for the financial statement as of December 31, 2023 and 2022:

	December 31, 2023					December 31, 2022			
Account	**Class & amount of currencies other than AR$ (in thousands)**		**Exchange rate (1)**	**Booked amount in pesos**		**Class & amount of currencies other than AR$ (in thousands)**		**Booked amount in pesos**	
CURRENT ASSETS									
Other receivables	US$	39,537	805.450	31,844,725		US$	7,948	1,406,475	
Total of current assets				**31,844,725**				**1,406,475**	
CURRENT ASSETS									
Other receivables	US$	19,391	805.450	15,618,426		US$	-	-	
Trade receivables	US$	79,433	805.450	63,979,310		US$	93,629	16,568,588	
Restricted cash and cash equivalents	US$	11,925	805.450	9,605,278		US$	11,910	2,107,579	
Cash and cash equivalents	US$	45,243	805.450	36,440,974		US$	41,428	7,331,099	
	€	3	894.712	2,684		€	-	-	
Total of current assets				**125,646,672**				**26,007,266**	
Total of assets				**157,491,397**				**27,413,741**	
NON-CURRENT LIABILITIES									
Loans	US$	729,564	808.450	589,816,016	(2)	US$	729,243	129,192,690	(2)
Leases liabilities	US$	6,699	808.450	5,415,987		US$	10,833	1,919,202	
Provisions	US$	1,929	808.450	1,559,697		US$	1,352	239,567	
Other liabilities	US$	4,202	808.450	3,397,027		-	-	-	
Total of non-current liabilities				**600,188,727**				**131,351,459**	
CURRENT LIABILITIES									
Trade payables	US$	97,893	808.450	79,141,596		US$	68,450	12,126,602	
	€	7,833	894.710	7,008,263		€	7,107	1,349,761	
	CNY	1,212	116.120	140,737		-	-	-	
Loans	US$	184,750	808.450	149,361,138	(3)	US$	149,745	26,528,824	(3)
Leases liabilities	US$	4,729	808.450	3,823,219		US$	2,339	414,380	
Other liabilities	US$	773	808.450	624,579		-	-	-	
Total of current liabilities				**240,099,532**				**40,419,567**	
Total of liabilities				**840,288,259**				**171,771,026**	

(1) At the Banco de la Nación Argentina exchange rate prevailing as of December 31, 2023.

(2) Corresponds to the nominal amount owed, which is disclosed under loans for the amount of 575,907,818 and 125,739,303 as of December 31, 2023 and 2022, respectively, net of transaction fees and cost.

(3) Corresponds to the nominal amount owed, which is disclosed under loans for the amount of 148,008,890 and 26,176,683 as of December 31, 2023 and 2022, respectively, net of transaction fees and cost.

27. MAIN CONTRACTUAL COMMITMENTS AND GUARANTEES GRANTED

The main contractual commitments assumed and guarantees granted by the Group are disclosed below:

a) Manantiales Behr Wind Farm

The energy generated is mainly made available to YPF through a power supply contract denominated in US dollars, for a 15-year term which will allow YPF to meet its regulatory obligations regarding the percentage of renewable energy required under Law No 27,191. The remaining generation will be sold on the MATER to specific industries.

b) Loma Campana II and El Bracho

On May 13, 2016, the companies Y-GEN and Y-GEN II were organized to make a tender in the bidding process published by the Resolution 21/2016 of Ministry of Energy and Mining, which called for bids to generate thermal energy and power, which, if awarded, would sign a power sales agreement with CAMMESA for a 10-year term each, as offered, and with a price stated in US dollars. The companies organized made bids to build new thermal generation plants in Neuquén (Loma Campana, Añelo) and in Tucumán (El Bracho), which were finally awarded.

As of December 31, 2022 and 2021, 100% of both companies' capital stock is related to the Company.

In the bidding process launched by Resolution SEE No. 287/2017, Y-GEN II was awarded a new PPA for 15 years with CAMMESA, for the closing of the gas turbine cycle of thermal plant El Bracho resulting from the previous bidding process called under SEE Resolution No. 21/2016, which added 199 MW of installed capacity to the already operative 274 MW (Note 1). A remunerative price denominated in US Dollars is fixed for the generated power and energy.

c) La Plata Co-generation I

With the purchase from Central Puerto S.A. of the 128 MW co-generation plant located in La Plata Industrial Complex, owned by YPF , the Company is committed under a 15-year steam supply contract to deliver between 190 and 210 tons per hour. The electric power generated by this plant will be delivered to the MEM and its price is established in accordance with SEE Resolution No. 31/2020.

d) La Plata Co-generation II

Also, under the bidding process decided by SEE Resolution No. 287/2017, YPF EE was awarded a 15-year PPA with CAMMESA through the construction project of a new co-generation power plant in La Plata Refinery, owned by YPF. The price for the generated power and energy is stated in US dollars.

e) The Cañadón León Wind Farm

In the second bidding process known as "RenovAR 2.0", the Group was awarded a 20-year PPA with CAMMESA through the construction of Cañadón León Wind Farm with an installed capacity of 102 MW, located in the Province of Santa Cruz, 25 kilometers away from the City of Caleta Olivia. This PPA with CAMMESA, for 102 MW, is for a 20 years term and has a price denominated in US dollars. Additionally, the wind farm has an extension of 21 MW, that will be delivered to YPF S.A., under a PPA in the MATER for a period of 15 years, also denominated in US dollars, reaching a total installed power of 123 MW.

f) Los Teros Wind Farm

During the fiscal year ended December 31, 2020, the Company has ended the construction of the first stage of Los Teros Wind Farm. This wind farm has an installed capacity of 123 MW and has obtained priority dispatch in the MATER for its whole capacity. The Company has signed contracts for 100% of the energy generated by the wind farm, through PPAs, denominated in US dollars, with YPF S.A. (approximately 25%) and with other industrial users of private sector, with terms between 5 and 20 years.

During the fiscal year ended December 31, 2021, the Company has ended the construction of the second stage of Los Teros Wind Farm. This wind farm has an installed capacity of 52 MW and has obtained priority dispatch in the MATER for its whole capacity.

The Company has signed contracts for 100% of the energy generated by the wind farm, through PPAs denominated in US dollars with YPF S.A. (approximately 56%) and with different industrial users from the private sector, with terms between 10 and 15 years.

g) Zonda Solar Farm

During the fiscal year ended December 31, 2022, the Company has reached contracts with Trina Solar Energy Development PTE. LTD., Nextracker Inc., Huawei International Co. Limited, Distrocuyo S.A. and 360 Energy Solar S.A. related to the construction of the Zonda Solar Farm, located in the Iglesia department of the province of San Juan.

h) General Levalle Wind Farm

Subsequently to December 31, 2022, the Company has reached contracts with Vestas Mediterranean A/S, Vestas Argentina S.A., Distrocuyo S.A. and José J. Chediack S.A.I.C.A. related to the project of General Levalle Wind Farm, located in the General Levalle Department, province of Córdoba.

i) Central Dock Sud

Inspection C07 and C08 – Agreements with GE

On March 31, 2021, CDS signed two agreements with GE. One of these agreements, was an extension of the hired service and spare parts scope for the Inspection C07, consisting on the incorporation of an upgrade of the gas turbines of the combined cycle with the technology known as High Efficiency (HE), for a total additional amount of US$ 14.5 million, that is, totalizing the Inspection C07 US$ 89.7 million. The other agreement, consists of a contract of the Inspection C08 scheduled to the carried out in 2026, for a total amount of US$ 51 million.

28. CONTINGENT LIABILITIES

a) Cross claims related to Loma Campana I and Loma Campana II Power Plants, Wind Farm Los Teros I and Wind Farm Cañadón León

- **Loma Campana I and Loma Campana II Power Plants**

In relation to Loma Campana I Power Plant, on November 2, 2015, the Company entered into an Equipment Supply and Repair Contract with GE Packaged Power Inc. ("GEPP"), a Service Contract with General Electric International Inc. ("GEII") for maintenance of Loma Campana I Power Plant and an Integration Agreement entered into with such companies in order to coordinate the Supply and Repair Contract and Construction Contract dated December 23, 2019.

On the other hand, in relation to Loma Campana II Power Plant, on December 21, 2016, Y-GEN entered into an Equipment Supply and Repair Contract with GEPP, a Service Contract with GEII and an Integration Agreement entered into with such companies in order to coordinate the Supply and Repair Contract and the Service Contract for maintenance of Loma Campana II Power Plant.

The Company and YGEN maintained cross-claims with GE product of, among other reasons, the repeated and untimely out of service of the thermal plants; damages by the partial ruin made by the Company and YGEN; unpaid invoices by the Company and YGEN to GE by various concepts; unpaid penalties for unavailability by GE; and claims to the insurance company for events occurred during the fiscal years 2020 and 2021.

- **Los Teros I Wind Farm**

On July 4, 2018, the Company entered into a contract for the assembly and start-up of Los Teros I Wind Farm with General Electric International Inc. Sucursal Argentina (“GESA”), an Equipment Supply Contract with GE Wind Energy Equipment Manufacturing Co., Ltd (“GEWE”) and an Integration Agreement entered into with such companies in order to coordinate the Construction Contract and Supply Contract.

On October 2, 2020, the Provisional Reception of the Work was reached, with the Parties maintaining various cross-claims linked to the events that caused the delay in the completion of the works within the promised deadlines, such as the situation related to COVID-19. In virtue of that, the Company proceeded to the application of the penalties provided in the Contract for the total months of delay of the project corresponds.

- **Cañadón León Wind Farm**

On February 27, 2019, LDL entered into a Contract for the Assembly and Start-up of the Cañadón León Wind Farm and Services with General Electric International Inc. Suc. Arg. (“GESA”), an Equipment Supply Contract with GE Wind Energy GmbH (“GEWE”) and an Integration Agreement entered into with such companies in order to coordinate the Construction Contract and Supply Contract.

Within the framework of the Construction Contract, Supply Contract and the Integration Agreement, since March 20, 2020, GESA, GEWE and LDL exchanged several letters related to the effects of COVID-19.

In those letters, GESA and GEWE argued that the COVID-19 situation might constitute a change of law and/or force majeure event under the Construction Contract and Supply Contract, respectively, and, therefore, LDL was bound to bear the higher costs and larger terms arising from such situation. LDL rejected that such situations might constitute a change of law event under the corresponding contracts and stated, among other arguments, that GESA and GEWE had to prove compliance with the legal and contractual requirements for such circumstances to constitute an event of force majeure under their corresponding contracts. Besides, LDL stated that should the situation constitute a force majeure event, each party had to afford its own costs.

On January 8, 2021, GESA notified LDL of the termination of the Construction Contract for alleged essential and deliberate breach of the Construction Contract by LDL derived from the non-approval of certain change orders in relation to the recognition of higher costs caused as a result of the COVID-19 pandemic, climate issues and other pending claims regarding the project.

Given this notification, LDL considers that the intimations made by GE are completely without grounds and inadmissible, rejecting any breach of its contractual obligations and any responsibility related to these cross-claims, claiming in turn a compensation for loss of profit.

- **Settlement agreements**

As a final closure of the cross claims described in the previously mentioned paragraphs, on September 30, 2022, YPF EE, Y-GEN, LDL and GE reached to two settlement agreements through which GE recognizes in favour of the Group a total amount of US$ 24.1 million, detailed as follows: (i) US$ 4.2 million in virtue of sudden and repeated out of services of Loma Campana I and Loma Campana II Thermal Plants, and the claim for damages because of the partial ruin claim made by the Company and YGEN; (ii) US$ 9.9 million as penalties for the delay of the committed commercial operation date of Los Teros I Wind Farm; (iii) US$ 10 million as compensation for loss of profit incurred in the Cañadón León Wind Farm because of the delay of the committed commercial operation date.

Through these settlements, the Group and GE agreed to definitively waive all and any type of claims associated with the cross-claims referred to above.

Consequently, the Group has recognized an income of 3,552,237 within the line Other operating results, net, of the Statement of Comprehensive income for fiscal year ended December 31, 2022.

b) High Voltage Line 132kV Santa Cruz Norte Caleta Olivia

The Cañadón León Wind Farm is connected to the Argentine Distribution System through the a 132-kV-line and the expansion of Santa Cruz Norte – Caleta Olivia Transformer Station.

The work for the expansion of the Santa Cruz Norte Caleta-Olivia 132-kV line, located in the Province of Santa Cruz (the "Work"), was originally awarded to CPC S.A. under the National Bidding Process No. 01/2017. Later, due to CPC S.A.'s financial and economic problems, CPC S.A. informed the Management Committee of the Trust Fund for Federal Electric Transportation ("CAF") on the impossibility to continue the Work and proposed assigning the contract in question.

On April 4, 2019, the contract entered into between CAF and CPC S.A. for the execution of the Work on May 30, 2017 was assigned to the Company so that the latter may continue with the execution of the Work.

Therefore, on May 21, 2019, the Company entered into a construction and expansion contract with TEL3 S.A. ("TEL3") for the construction of the Work.

On March 20, 2020, TEL3 notified the Company about a force majeure event as a consequence of the coronavirus pandemic and the restrictions imposed under national, provincial and municipal regulations. It also informed that for such reasons, the performance of on-site works and the construction schedule might be affected and that, due to the health requirements ordered by government authorities, the costs established in the contracts might be modified, claiming the higher costs incurred as a consequence thereof.

On January 29, 2021, the Company and TEL3 reached an agreement by means of which the parties reconciled all pending disputes among themselves regarding claims derived from the COVID-19 pandemic, TEL3 waived to make any claim in relation to what exposed.

On September 13, 2021, an amendment of the construction contract was signed, through which the Company will pay TEL3 the amount of US$ 1,700,000 for variation and change orders.

On June 15, 2022, the Company, CAF and TRANSPA S.A. (in its capacity of supervisor of the work) signed the commercial operation certificate of the Work, concluding satisfactorily the stage of minimal operating trials and tests for the energization of the Line in 132kV Santa Cruz Norte Caleta-Olivia, and agreeing as a new date for the end of the work in August, 2021 and as a commercial operation date November 26, 2021.

As agreed in the certificate of commercial operation, the Company, presented a request of redetermination of prices based in the new schedule of the work. Consequently, on November 26, 2022, the Secretariat of Energy of the Nation issued the Resolution No. 789/2022, through which it approved the final redetermination of the prices of the contract, establishing that its total amount thereof amounts to 576,922.

In virtue of the aforementioned, on December 26, 2022, CAF paid the remaining of the price, that amounted to 366,704, and, therefore, all the credits pending of payment by that principal were considered settled, giving a total closure of the Work.

c) Manantiales Behr Thermal Power Plant

Under the framework of energy sales contract signed with YPF S.A. ("YPF"), it was timely notified of the existence of a force majeure event as a consequence of the sanitary crisis from the coronavirus pandemic and that, because of that, the programmed commercial operation date of the thermal plant would be affected. Likewise, under this contract YPF notified the invocation of the force majeure event generated by the coronavirus and the consequent change of commercial operation date of the energization of the network frontier and the date of availability of gas oil, both obligations under its charge, estimating new dates according to the situation and information available at the time, and being subject to possible modifications in virtue of how the sanitary situation would evolve, estimating that finally the new COD would be March 2021.

On January 12, 2022, YPF and the Company signed an amendment to the contract or energy sales through which, without recognizing facts nor rights and only to the transactional effect, the pending cross-claims were resolved and the differences of interpretations related to this contract were sorted out, allowing its entry to force. In virtue of this, it was defined the COD, a penalty for delays and overruns for US$ 1,500,000 and the final payments for the available power related to the sales of the fiscal year ended December 31, 2021, which were booked within the line "Revenues" of the Statement of Comprehensive income for the mentioned fiscal year.

d) Central Dock Sud Thermal Power Plant

In July 5, 2006, the Supreme Court of Justice of the Nation ("CSJN") officially required CDS to report on the liquids, gases and waste that it generates. The requirement is part of the "Mendoza, Beatriz Silvia and others" case in which a lawsuit is filed against the National Government, the Province of Buenos Aires, the Government of the Autonomous City of Buenos Aires, other 14 districts and 44 companies that carry out their industrial activity in the vicinity of the Matanza-Riachuelo Water Basin, among which is CDS. The purpose of the action is to obtain a compensation for the damages suffered as consequence of the environmental contamination of said basin.

After some additional requirements from the CSJN to the Nacional Government, the Province of Buenos Aires and the Autonomous City of Buenos Aires, the case is still under study of CSJN.

The lawsuit is for an undetermined amount and its outcome is uncertain, according to what was reported by CDS's legal advisors, so CDS' Management is unable to make a reasonable estimate of the potential claimed amount. As of the date of issuance of these consolidated financial statements, and given that the origin and the possible effects of the received claim can’t be estimated, CDS has not registered any provision for this matter in its financial statements.

29. REGULATORY FRAMEWORK

29.1. Regulatory framework for the electric industry

Law No. 24,065, passed in 1992 and regulated by Executive Order No. 1,398/92, has established the current basic regulatory framework for the electricity sector (the “Regulatory Framework”). This Regulatory Framework is supplemented by the SE’s regulations for the generation and commercialization of electric power, including the former SEE Resolution No. 61/1992 “Procedures for Operations Scheduling, Load Dispatch and Price Calculation”, as amended and supplemented.

The ENRE is the agency that regulates, oversees and controls the electric power industry and, in such capacity, it is responsible for the enforcement of Law No. 24,065.

CAMMESA is responsible for the technical dispatch, planning and economic organization of the SADI and the MEM that also acts as a collection agency for all MEM agents.

By the end of 2015, Decree No. 134/2015 was enacted, in which, given the situation of the Argentine electricity system, the PEN declared the Emergency of the National Electricity Sector. This Decree instructs the MEM to prepare and put into effect an action plan in relation to the segments of generation, transport and distribution of electrical energy in order to adapt the quality and safety of the electricity supply and guarantee the provision of the service public of electricity in adequate technical and economic conditions.

On March 10, 2021, through Resolution SE 169/2021, the Secretariat of Energy resolved the award of bids in Round II of the GasAr Plan to deliver natural gas during the winter months for the period 2021-2024, for a price of 4.73 US$/MMBTU. Likewise, by means of the clarifying Circular No. 1 it had been defined that for the buyer the amount of the Take or Pay will be 75% per month, multiplied by the number of days of the month. Gas that could not be made available or that was not taken due to a major cause, or those that the supplier has not been able to make available due to force majeure or unscheduled maintenance, must be deducted from these quantities. On November 14, 2022, through Resolution No. 770/2022, the in force period was extended up until 2028.

Among the main amending and supplementing regulations governing the sector, the following resolutions are noteworthy, with regard to the electric power generation business:

- **SE Resolution No. 406/2003:** On November 25, 2010, the "Agreement for the management and operation of projects, increase in the availability of thermal generation and adaptation of the remuneration of generation 2008-2011" was signed between the Ministry and the main electricity generation companies, whereby credits were allocated for the construction of a new electric power plant called Vuelta de Obligado S.A. ("VOSA"). See note 30.
- **SEE Resolution No. 21/2016:** convenes Generators, Self-Generators and Co-Generators to bid for the provision of additional thermal generation and associated electric power production capacity, with the commitment to make it available at the MEM in summer (2016/2017 and 2017/2018) and winter 2017.

- **SEE Resolution No. 287-E/2017:** under this resolution an open call for tenders was launched to incorporate new efficient electric energy generation through the Closing of Open Cycles and Co-Generation, where 40 offers were received for more than 3,300 MWs of power.

- **SEE Resolution No 820-E/2017:** under this resolution, 3 co-generation projects were awarded for 506 MWs corresponding to the first round. Subsequently, in October, by Resolution No. 926/17, 9 additional projects were awarded (1 Co-generation + 8 Closing of Cycles) for a total of 1,304 MWs corresponding to the second round.

- **Resolution No. 1,085-E/2017:** issued in November 2017, sets forth that as from December 2017, Transmission System-related costs will be distributed according to demand, deducting costs allocated to Generators: Connection and Transformation Costs. Transmission prices are stabilized and payable by Distributors and calculated in the Seasonal Tariff Schedules and Quarterly Tariff Reschedules. Each Distributor will have a stabilized price for Transmission by Extra-High Voltage Lines and for Transmission by Trunk Distribution.

- **Resolution 1-E/2018:** in January 2018, that introduces changes in the dispatch priority allocation mechanism and determines that projects where purchase orders have already been issued for all the electromechanical items of equipment —prior to issuance of Resolution No. 281/2017— will be given priority for dispatch.

- **Resolution No. 46-E/2018:** establishes the new prices at the entry point into the transportation system for natural gas, for each basin of origin, which will be related to natural gas purchases used for to the power generation to be commercialized within the MEM or, in general, used for the power distribution public service. Average maximum price 4.2US$/MMBtu.

- **Resolution 25-SGE/2018:** Through this Resolution IEASA is instructed to sell to CAMMESA the fuels required by the latter to supply the demand, at the acquisition and commercialization cost of such fuels, declaring to CAMMESA such costs on the same dates on which generators have to declare the Production Variable Costs.

- **Resolution No. 551/2021:** Under the framework of MATER there are projects in execution with assigned dispatch priority that present delays or does not show any advance at all. As a consequence of this, on June 15, 2021, the Resolution No. 551/2021 was issued and it establishes measures that tend to the conclusion of the projects that are not yet operative, so they do not retain any dispatch priority, enabling the transport capacity to be assigned to other projects.

- **Resolution SE 742/2021:** On July 30, 2021, Resolution SE 742/2021 is published, within the framework of Laws 26,190 and 27,191, with the objective of gradually increase the participation of renewable energies in the Argentine electricity matrix, until reaching a target of 20% participation in 2025, RenovAr 1, 1.5, 2 and 3 (miniRen) projects were awarded, as well as the conditions of previous projects to be developed to the RenovAr contract conditions, through tender 202/2016. With the objective that the projects committed in the aforementioned contracts are completed, through Resolution SE 742/2021, an additional period is granted to achieve commercial operation and a new method of payment of penalties and a reduction in the amounts is established. of the fines to be applied due to non-compliance with the Scheduled Date of Commercial Authorization and the Supply of Committed Energy.

- **Resolution No. 1037/2021:** In order to guarantee the supply of additional energy for export purposes and preserve the availability of Generating Agents, on October 31, 2021, the Secretariat of Energy issued Resolution No. 1037/2021 that establishes an additional and transitory increase in remuneration to

Generating Agents included in Resolution No. 440 of the Secretariat of Energy, among which is the Company, which will be effective for economic transactions from September 1, 2021 to February 28, 2022, and that will be defined by said Secretariat through the corresponding regulatory instructions.

– **Decree No. 130/2022**: The Hydroelectric Concessions Task Force (*Equipo de Trabajo de Aprovechamientos Hidroeléctricos Concesionados*, ETAHC) was created within the orbit of the Secretariat of Energy of the Ministry of Economy. Its primary purpose will be to perform a comprehensive assessment of the technical, economic, legal and environmental aspects of the hydroelectric concessions within the national sphere.

– **Resolution No. 330/2022**: Interested parties are invited to submit statements of interest (SOI) for full development of infrastructure projects contributing to add renewable energy generation and/or energy storage facilities at grid points as a result of which supply restrictions, forced generation or import may be reduced and/or eliminated. The deadline for submission of the SOIs is June 30, 2022.

– **Resolution No. 36/2023**: Interested parties are invited to submit bids under the national and international call for bids known as 'RenMDI' in order to enter into power purchase agreements for renewable energy with CAMMESA. The tender process is intended to replace forced generation with installation of new generation from renewable sources (+500 MW) and to diversify the energy matrix by adding new renewable energy (+120 MW). The maximum capacity to be bid per project will be 20 MW. The agreements will be subject to a 15-year term and the bid selection mechanism will contemplate the criticality of the forced energy node being replaced.

– **Resolution No. 59/2023**: Power purchase agreements are executed with CAMMESA for combined cycles currently at SPOT prices, in order to promote the investments required for performance of scheduled maintenance and thereby improve the WEM thermal power availability. Availability equal to 85% of the installed capacity of each unit will be required to be committed. PPA term: no more than 5 years.

– **Resolution No. 562/2023**: Bids and SOIs may be submitted for two types of transportation expansion works:

- Expansion of Transportation to Add Generation.
- Expansion of Transportation to Add Mining Demand.

More than one SOI may be submitted for more than one expansion work, but they must be submitted as independent bids in separate envelopes.

– **Resolution No. 621/2023**: It is intended to add firm thermal power to the national interconnected system. The tender process will include thermal power plants that are new or having less than 15,000 hours of verified use. The tender process is divided into:

- Thermal Power Generation for reliability and supply to the SADI (Target capacity: 2,250 MW – 3,000 MW).
- Thermal Power Generation to replace and improve the farm at Tierra del Fuego (Target capacity: 30 MW – 70 MW).

In turn, they are divided into subcategories subject to a limited capacity to be awarded:

- Line 1.0: Increase in commercially approved capacity of existing combined cycles.
- Line 1.1: Improved reliability of supply in critical areas.
- Line 1.2: Improved reliability of regional supply.

- Line 1.3: Improved reliability of general supply.

  CAMMESA will review the economic bid based on different factors such as efficiency of the plant, bid price, criticality of the connection node and years of the machine. These combined factors will determine the final price for project competition.

– **Resolution No. 2/2024**: The hydroelectric concession termination dates are extended for 60 calendars days for Alicurá, El Chocón Arroyito, Cerros Colorados and Piedra del Águila hydroelectric plants, further extendable for 60 additional days. Therefore, the concession contracts would remain in the hands of their current concession holders until the first months of 2024.

Remuneration of generators

Through Resolutions SE No. 95/2013, 529/14 and 482/2015; SEE No. 22/2016; SE No. 19/2017; MDP 12/2019 and No. 1-SRRyME/2019, SE No. 31/2020, SE-MEC No. 440/2021 and No. 1037/2021 adjustments to the remuneration of generators were updated. During the fiscal years ended December 31, 2023 and 2022, the following resolutions were established:

– **Resolution SE-MEC No. 238/2022:** On April 21, 2022 the Resolution No. 238/2022 of the Secretariat of Energy was published in the Official Gazette which established the following:

  - Adjust the remuneration established by Resolution No. 440/2021 in approximately 30% and an additional 10%, with effectiveness since the economic transactions corresponding to February 2022 and June 2022, respectively.
  - The Use Factor for generating units, which affected as a penalty within the calculation of the total remuneration, is no longer considered.

– **Resolution SE-MEC No. 826/2022:** On December 14, 2022, the Resolution No. 826/2022 of the Secretariat of Energy was published in the Official Gazette through which the following is established:

  - Adjust the remuneration established by Resolution No. 238/2022 in approximately 20% with effectiveness since the economic transactions corresponding to September 2022, an additional 10%since December 2022, an additional 25% since February 2023 and an additional 28% since August 2023.
  - Replace the maximum performance hours by a new concept called "remuneration on peak hours", where the 5 peak hours of each day (18hs to 23hs) are remunerated double or tipple (depending on the season of the year).
  - The formula through which the DIGO power is calculated is updated.
  - The Price difference of power to thermal machines lower than 42 MW is eliminated. All machines that declare DIGO are remunerated the same DIGO Price and those that do not do so, the base prices pf power.
  - CAMMESA is instructed to perform availability controls to verify the effective operation of the machines in case of being summoned to dispatch. In case a machine has not been summoned to charge dispatch, CAMMESA Will have to perform commissioning and operation tests after 4,380 hours without operation.

– **Resolution SE-MEC No. 59/2023:** On February 5, 2023, the Resolution No. 59/2023 of the Secretariat of Energy was published in the Official Gazette, whose objective is to sign supply contracts with CAMMESA to those closed cycles that are under the spot remuneration scheme, with the goal of encouraging the necessary investments to the execution of programmed maintenance, and thus improving the thermal availability of MEM:

- The 85% of the unit's installed capacity will have to be committed under the contract.
- The contracts will have a maximum maturity of 5 years.
- The DIGO power will be remunerated by a price reduced by 35% in the summer and winter months and by 15% the rest of the months, besides an additional of 2,000 US$/MW – month that will linearly decrease if the availability is lower than 85%.
- It will be remunerated as generated energy a total of 3.5 US$/MWh for the energy generated with natural gas and 6.1 US$/MWh for the energy generated with fuel oil or gas oil.
- The remuneration for the operated energy and the peak hours will continue to be remunerated according to Resolution No. 826/2022 or any amendment.

– **Resolution SE-MEC No. 621/2023:** It calls to any interested party to present to the thermal tender 'TerCONF' that has as an objective to incorporate firm thermal power into the national connection. The tender will incorporate new thermal plants or thermal plants with less than 15,000 hours of verified use (according to CAMMESA's criteria). CAMMESA will evaluate the economic offer based on different factors such as efficiency of the offered thermal plant, offered price, criticality of the node in which it is connected and the age of the machine. The set of these factors will define the final price at which the projects will compete.

On November 24, 2023, through Resolution 961/2023 of the Ministry of Energy of the Ministry of Economy, the Thermal Generation Reliability Supply Contracts were awarded, under the terms defined in Resolution No. 621/2023, by which in Annex I and under Line 1.0 Repowering of Combined Cycles, the CT HE UPGRADE project of CDS was awarded for an assigned power of 65MW. On March 1, 2024, CAMMESA enabled commercial operations. As of the date of issuance of these consolidated financial statements, the corresponding contract has not yet been signed.

– **Resolution SE-MEC No. 750/2023:** On September 8, 2023, the Resolution No. 750/2023 of the Secretariat of Energy was published in the Official Gazette, which established to adjust the remuneration established by Resolution No. 826/2022 in approximately 23% with effectiveness since the economic transactions corresponding to September 2023.

– **Resolution SE-MEC No. 869/2023:** On October 30, 2023, the Resolution No. 869/2023 of the Secretariat of Energy was published in the Official Gazette, which established to adjust the remuneration established by Resolution No. 750/2023 in approximately 28% with effectiveness since the economic transactions corresponding to November 2023.

– **Resolution SE-MEC No. 9/2024**: On February 8, 2024, Resolution No. 9/2024 of the Secretariat of Energy was published in the Official Gazette, which established to adjust by 74% the remuneration established by Resolution No. 869/2023 effective since the economic transactions corresponding to February 2024.

Renewable energy sources

In 2006, Law No. 26,190 was enacted, which established a National Promotion Regime for the use of renewable energy sources for the production of electricity, complementary to the regime established by Law No. 25,019 and its regulatory standards, which had already declared of national interest wind and solar power generation.

In October 2015, Law No. 27,191 was enacted, which amended Law No. 26,190, " National Scheme for Promotion of the Use of Renewable Energy Sources for Electric Power Production ". Amendments to this law seek to establish a legal framework encouraging investments in renewable energies and promoting the diversification of the national energy matrix, increasing the share of renewable sources in the Argentine electricity market. Additionally, this law that, among other measures, requires Large Users to reach a minimum 8% of their electricity energy consumption with energy from renewable sources in 2018 and 20% in 2025. The laws are regulated in 2016 by a PEN Executive Order No. 53 establishing that, those who elect to comply by purchasing or by through self-generation or cogeneration, must expressly express their decision before the Application Authority in terms the latest determines. Otherwise, they will automatically be included in the joint purchase mechanism that CAMMESA will carry out.

Among the main provisions of Law No. 27,191 and its regulations, the following can be highlighted:

- Projects entitled, including self-generators and co-generators (non-fossil), will be able to access the promotion scheme.
- A public trust fund called the Fund for the Development of Renewable Energies will be created, which will be constituted, among other trust assets, by resources from the National Treasury (not less than 50% of the savings in fossil fuels due to the incorporation of renewable sources).
- A specific charge will be applied to the users to guarantee the fulfillment of the contracts, in $ / MWh, being excepted those Large Users (GU) that acquire the renewable energy by means of contracts with a generator, marketer or distributor (not CAMMESA) or by own generation.
- Those users that have one or multiple electric power demand points with independent meters are all registered, all registered with the same CUIT in the MEM or with the distributors, if in the sum of all the demand points they reach or exceed 300 kW of average power contracted in the calendar year, even if, in all or some of the demand points considered individually, they do not reach this value. The obligation governs as a percentage (%) of the total sum of their consumption.
- Only security and quality charges will be incorporated to the renewable’s energy price. The price will not incorporate transitory cost of dispatch (STD), additional transitory cost of dispatch (ad STD), cost of fuel (SC), etc.
- Can be met through: Individual contracting, self-generation or Cogeneration of renewable sources.
- The price will be established by CAMMESA as prorated by the total amount of the contracts and is reached by the price limit set in the Law (113 US$ / MWh).

Resolution 281-E/2017: This Resolution issued in August 2017 regulates the Renewable Energy Term Market (MATER) for MEM Large Users, setting forth the guidelines for self-generation and the agreements for the purchase of electric energy from renewable sources; the Resolution applies to Large Users with an average annual demand per connection point above 300 kW, and to generators, co-generators and self-generators entering the MEM as from January 2017.

The Forward Market regulation sets forth the following noteworthy provisions:

- It establishes dispatch priorities and an allocation mechanism.
- It creates commercialization and administration positions for Large Users intending to participate in CAMMESA’s joint purchase scheme.

- It sets forth that Large Users opting out of CAMMESA's joint purchase scheme:
  - shall be subject to monitoring of their compliance with Law No. 27,191.
  - shall no longer pay for the renewable source generation acquired by CAMMESA.
  - shall no longer pay for Commercialization and Administration charges.
  - shall be entitled to discounts in capacity charges.
- No reserve power capacity is required for power purchase agreements executed within this scheme.
- It defines that the exclusion of joint purchases will have a minimum term of 5 years from the date the exclusion was declared.
- Allows the entitlement of renewable contracts to base or surplus demand.
- Defines that transport charges and those of primary frequency regulation will be recognized and absorbed by CAMMESA.
- It establishes the methodology for monitoring compliance and the imposition of penalties for breach, based on Gas Oil generation costs.

– **Resolution No. 14/2022**: It establishes a new tie-breaker mechanism for the MATER in the event of insufficient capacity at the interconnection point, which consists in the declaration of an Increase Coefficient (*Factor de Mayoración*) to be applied to payments of dispatch priority reserve (i.e., US$ 500 /MW per quarter), and the minimum coefficient to be considered is equivalent to 1, subject to no cap with three decimal places. Priority will be granted to anyone declaring the highest Increase Coefficient.

– **Resolution No. 370/2022:** All WEM distributors are authorized to enter into power purchase agreements for electric energy from renewable sources with generators to self-generators of the WEM for supply to their customers declared as large distribution company users (GUDI).

– **Resolution No. 360/2023**: It amends Resolution No. 281/17 (MATER Regulation):

  - **GENREN Projects**: Generators of renewable energy under the GENREN program (Decree No. 562/16) may commercialize their energy output pursuant to the MATER regime starting from the calendar month immediately succeeding the date of termination of their power purchase agreement. Such projects must apply for access to the MATER and pay a quarterly fee equal to USD 500/MW of commercially authorized capacity under the GENREN program as dispatch priority for two years.

  - **Associated Projects of Incremental Demand with New Generation from Renewable Sources**: If the incorporation of new demand met by energy from renewable sources releases transportation capacity at a node, such new project will be assigned such dispatch priority equivalent to the newly released capacity.

  - **"Reference A" Dispatch Priority:** CAMMESA will publish –for specific grid sections where there is no availability to assign full dispatch priority and for all hours in the year– a "reference A" allocation mechanism. This mechanism will include dispatch priorities with an expected probability equal to 92% (8% of the time with curtailment) over annual energy under expected operating conditions.
  - **Dispatch Priority due to expansion of transportation associated with MATER projects:** The new section defines MATER(TER)-associated transportation expansion as any such transportation expansion works that may be fully constructed and funded by one or more renewable generation

project(s) developed to commercialize their energy in the MATER. The potential increase in the transportation capacity resulting from the expansion could be reserved as dispatch priority by the renewable generation project(s) executing the works at their own expense.

29.2. Necessity and Emergency Decree No. 70/2023

On December 21, 2023, the Necessity and Emergency Decree No. 70/2023 was published in the Official Gazette, declaring the state of public emergency in economic, financial, fiscal, administrative, social security, tariff, health and social matters until December 31, 2025. Furthermore, the decree abrogates, introduces and/or modifies certain laws. Some of the main measures established by the decree include: (i) modifying the existing subsidy structures to ensure end-users access to basic and essential consumption of electric energy and natural gas; (ii) calculating the cost of basic consumption based on tariffs at each supply point; (iii) defining mechanisms related to the allocation of subsidies and their receipt by users; (iv) amending Law No. 19,550 and Law No. 23,696 ("State Reform Law") establishing that no privileges or benefits under public law will be granted to companies in which the National Government is a shareholder; (v) abrogateLaw No. 20,680 ("Supply Law") which vested on the Ministry of Economy’s Secretariat of Commerce the power to impose severe regulations and sanctions related to the supply and distribution of goods; and (vi) repealing Decree No. 1,060/2000 which set maximum terms for exclusive fuel supply contracts entered into between oil companies and gas stations, and limited to 40% oil companies’ interests in gas station networks commercializing brands owned by them.

Although the Decree must be discussed and ratified by at least one of the chambers of the National Congress, its provisions have been in force and effect since December 29, 2023, except for some of them that have been subject to precautionary measures suspending their effects.

The changes related to the electricity market are the following:

- **Abrogation of Decree No. 1491/2002:** It established that export contract prices for Firm Capacity and Associated Electric Energy and the Generation Commercialization Agreements would be invoiced in US Dollars and it established an exchange rate for such transactions equal to 1 AR$ = 1 USD.
- **Abrogation of Decree No. 634/2003:** It established that fees or prices for the remaining performance of the high-voltage transportation expansion work could be redetermined if the changes in the contract prices exceeded 5%.
- **Abrogation of Law No. 25,822:** The law that established the ‘Federal Electricity Transportation Plan’ using ‘SALEX’ funds from excess amounts derived from transportation capacity restrictions was repealed. The Secretariat of Energy and the National Government are no longer in charge of execution of works under the ‘Federal Electricity Transportation Plan.’
- **Abrogation of Decree No. 311/2006:** It granted National Treasury repayable loans to the unified fund to maintain the WEM without any distortions.
- **Abrogation of Sections 16 to 37 of Law No. 27,424** (promotion regime for distributed generation of renewable energy): The sections that provided for the ‘Fiduciary Fund for Development of Distributed Energy,’ the promotional benefits and the ‘National Industry Promotion Regime’ were eliminated.
- The Secretariat of Energy is empowered to redetermine the structure of subsidies in effect in order to ensure that final users will have access to basic and essential consumption of electric energy and natural gas.

As of the date of these consolidated financial statements, we cannot foresee the evolution of the amendments established in the Decree or the new measures that could be announced or its impact on the Group’s operations.

29.3. Exchange Market Regulation

Since September 2019, the Government has announced a set of rules aimed at regulating and limiting the access to the Argentine local exchange market (“MULC”). Below is a summary of the most relevant ones.

On September 1, 2019, the Argentine Government issued Executive Decree No. 609/2019 (“Decree 609”) which established certain restrictions in the foreign exchange currency market. Decree 609 was further regulated by Communication “A” 6770 of the Argentine Central Bank (“BCRA”), also issued on September 1, 2019, which was amended and supplemented by subsequent Communications (jointly “Communication 6770”).

Such rules regulated the inflow and outflow of foreign exchange currencies in the market, stating, among other measures, that:

- BCRA prior approval will be required for access to the local foreign currency exchange market for transfer of earnings and dividends abroad and build-up foreign assets in the case of legal entities.
- New financial debts contracted abroad that are disbursed later than September 1, 2019 must be settled in the local exchange market.
- BCRA’s previous approval will be required to access the local foreign currency exchange market in order to repay debts with foreign related parties.

Later the BCRA through the Communication “A” 7001 of April 30, 2020 (and its amendments) established new regulations and conditions concerning transactions corresponding to remittances by the exchange market.

Additionally, the BCRA, through Communication “A” 7106 dated September 15, 2020 (“Communication 7106”) established new restrictions to access to the Argentine exchange market for (i) cancellation of principal owed under financial indebtedness abroad and foreign-currency denominated debt securities issued locally; (ii) transactions with securities, and (iii) foreign payments for the use of credit cards, debit cards and prepaid cards for resident individuals.

For their part, the CNV and the AFIP, through General Resolution No. 856/2020 (the “Resolution 856“) and the General Resolution No. 4815/2020, respectively, issued regulations in line with the measures included in the Communication 7106.

Subsequently, the BCRA, through Communication “A” 7142 dated October 19, 2020 (“Communication 7142”) and the CNV through General Resolution No. 862/2020 (“Resolution 862”), established new regulations aimed to make operations with negotiable securities more flexible.

In this regard, the following restrictions were imposed:

- **<u>Cancellation of principal derived from financial indebtedness abroad and debt securities denominated in foreign currency</u>**

As from the end of 2020, the BCRA issued Communication 7106, Communication “A” 7133, Communication “A” 7230, Communication “A” 7416, and Communication 7621 in order to regulate and limit the access to the Argentine local exchange market (“MULC”) for the payment of: (i) financial indebtedness incurred with creditors abroad, which do not qualify as related party of the debtor; (ii) debt securities denominated in foreign currency from private sector clients or from the entities themselves; and (iii) the pre-payment of financial indebtedness incurred with creditors abroad and debt securities denominated in foreign currency.

The Group does not anticipate any negative impact from such communications, given that the previously mentioned will not be applicable when: (i) capital maturities correspond to indebtedness with international entities or its associated agencies, o granted by them; (ii) indebtedness given by official credit agencies or granted by them; or (iii) indebtedness originated since January 1, 2020 and that constitute refinancing of capital maturities that had already been refinanced by the parameters defined in the refinancing plan.

In addition, until December 31, 2024, local residents will be required to obtain the BCRA's prior approval to access the local exchange market to make principal and interest payments in respect of offshore financial indebtedness with related parties. Certain specific exemptions apply to this requirement, which are included in section 3.5.6. of the revised text of the rule.

Furthermore, at the time of accessing the local exchange market, all foreign currency holdings in the country must be deposited in accounts established at financial institutions. Besides, at the beginning of the day on which access is required, local residents should not hold Argentine certificates of deposit representing foreign shares and/or liquid external assets available which, on the aggregate, are worth more than US$ 100,000.

Local residents are also required to settle through the local exchange market proceeds received from abroad, within 5 business days from the time such proceeds are made available, on account of the collection of loans granted to third parties, time deposits, or the sale of any kind of asset, to the extent that the asset subject to sale had been acquired, the deposit had been made, or the loan had been granted after May 28, 2020.

- **Payments of earnings and dividends**

Communication "A" 7422 (and its amendments) regulates the payments or earnings abroad to non-residents shareholders. To this effect, it is allowed the access of exchange market and fulfilling certain additional conditions when: contributions in related parties are registered since January 17, 2020; or the earnings are generated by projects under "PLAN GAS" framework; have a certificate of increase of goods export; or have a certificate of contributions in related parties under the framework of Regime of knowledge economy.

- **Payments of imports of goods and services**

The BCRA issued Communication "A" 7746 dated April 20, 2023 ("Communication 7746") in order to regulate and limit the access to the Argentine local exchange market ("MULC") for foreign trade transactions, including the requirement of securing the prior approval of a declaration in SIRASE (Argentine System of Imports and Foreign Payments of Services) and other regulations concerning the following: (i) payments of services to related companies, (ii) service of interest on debts related to imports of goods and services and/or financial loans to related companies, (iii) the Exchange Transaction Reporting Requirements, (iv) extension of the term to make certain transactions with securities ("Blue-chip Swap") from 90 to 180 days for securities under foreign law, and (v) the Tax for an Inclusive and Solidarity-driven Argentina (locally known as "PAIS" Tax), created by Law No. 27,541 and regulated by Decree No. 99/2019 through Decree No. 377/2023.

Communication 7746 issued by the BCRA provides that entities will require the BCRA's prior approval to allow clients access to the local exchange market before 60 (sixty) calendar days from the date of approval of the SIRASE declaration, when the transaction in question is concerned with the provision of services, with certain exceptions, including goods related to energy generation, under the terms established by the Secretariat of Energy.

Furthermore, effective since July 23, 2023, pursuant to Communication 7746 issued by the BCRA, the acquisition abroad of certain services or the local acquisition of such services, when rendered by non-residents, will be subject to the PAIS Tax at the 25% rate.

Furthermore, the acquisition abroad of freight and other transportation services related to imports or exports of goods, or the local acquisition of such services, when rendered by non-residents, will be taxed at the 7.5% rate, with certain exceptions.

On August 30 and October 6, 2023, the SE issued Resolutions No. 714 and No. 824, respectively, establishing that the payment of the PAIS Tax, established in paragraph a), section 35 of the Social Solidarity and Productive Revival Law No. 27,541 under the Public Emergency Framework, as amended, will not apply to imports of goods to be used in certain works associated with electrical energy generation, which includes the Group's main operations.

On December 13, 2023, Decree 28/2023 imposed a 10% increase in the PAIS Tax rate to 17.5% for freight and transportation services abroad or rendered by non-residents, and also to 17.5% for the import of goods, with certain exceptions, including goods related to energy generation, pursuant to the terms of the Secretariat of Energy.

By means of Decree No. 28/2023 published on December 13, 2023, the government imposed obligations for exporters of goods and services, with certain exceptions, concerning the repatriation of the foreign currency proceeds from their exports. Accordingly, exporters are required to settle 80% of such proceeds through the MULC and use the remaining 20% to trade securities acquired with settlement in foreign currency and sold with settlement in local currency.

The exchange regulations and controls also apply to the access to the foreign exchange market in connection with the import of goods and services establishing certain minimum terms of payment, terms and regulating import advance payments and the terms for entry of the goods into the country, among other things. These types of transactions are governed by Communications "A" 7272; "A" 6844; "A" 7516; "A" 7622; "A" 7490 issued by the BCRA; among others.

On December 13, 2023, the BCRA issued Communication "A" 7917, substantially amending the scheme to access the local exchange market for the payment of goods and service imports, effective as from such date, as detailed below:

- The requirements of having a SIRA declaration with approved status and the transaction confirmed in the computing system known as CCUCE (Spanish acronym for "Single Foreign Trade Current Account") are eliminated.
- Having a SIRA declaration with "EXIT" status will no longer be required to access the local exchange market. Confirming the transaction in the CCUCE system will no longer be required either.
- Entities may grant access to the local exchange market without the BCRA's prior approval to make deferred payments for new imports of goods with customs entry registry as from December 13, 2023, provided that, in addition to the other applicable regulatory requirements, the payment is found to be consistent with the schedule established by the rule. For general goods, such schedule is as follows: As from the time of the customs entry of the goods: 25% as from 30 (thirty) calendar days; an additional 25% as from 60 (sixty) calendar days; another 25% as from 90 (ninety) calendar days; and the remaining 25% as from 120 (one hundred and twenty) calendar days.

The prior approval of the BCRA, in addition to the other applicable requirements, will be required to access the local exchange market to make payments of imports of goods with customs entry registry up to December 12, 2023, except when involving transactions financed by financial institutions, official credit agencies or international financial institutions, among other circumstances.

Concerning the payment of services, effective since December 13, 2023, having an approved SIRASE declaration and the transaction confirmed in the CCUCE system will no longer be required to access the local exchange market. Having a SIRASE declaration with "APPROVED" status or confirming the transaction in the "CCUCE" system will no longer be required either.

Entities may grant access to the local exchange market without the BCRA's prior approval to make payments of services rendered by non-residents, provided they are proved to be certain.

On the other hand, the BCRA's prior approval, in addition to the other applicable requirements, will be required to access the local exchange market to make payments of services by non-residents rendered and/or accrued up to December 12, 2023, except when involving financed transactions or are associated with specific regimes.

Effective since December 13, 2023, sections 3.19., 3.20., 10.3.2.5., 10.3.2.6., 10.3.2.7., 10.4.2.8., 10.4.2.9. and 10.4.2.10., 10.4.3.7., 10.4.3.8., 10.4.3.9., 10.10., 10.11., 10.12, 10.13., 10.14., 12.1., 12.4., 12.5. and 12.6. of the BCRA's "Foreign Trade and Exchange Market" regulations were repealed.

The Group does not believe that these reforms will have a significant impact on its operations.

- **BOPREAL**

Communication "A" 7918 issued by the BCRA on December 13, 2023 provides that the BCRA may tender Notes in the market issued by the monetary authority (known as BOPREAL, the Spanish acronym for Bonds for Rebuilding a Free Argentina) in U.S. dollars, with optional early redemption, for importers of goods and services pending payment as of December 12, 2023.

These instruments may only be subscribed by importers of goods and services for up to the amount of their imports pending payment.

The Notes will be issued in successive placements under different terms and conditions, depending on the Series, and will be subscribed in pesos and repaid in U.S. dollars.

29.4. Other Regulations

– CNV Regulatory Framework (N.T. 2013)

By Resolution No. 622/2013 issued on September 5, 2013, the CNV approved the RULES (N.T. 2013) applicable to companies that are subject to CNV's control, pursuant to the provisions of the Capital Markets Law No. 26,831, and Regulatory Decree No. 1,023 dated August 1, 2013. This Resolution overrides previous CNV rules (N.T. 2001 as amended) and General Resolutions No. 615/2013 and No. 621/2013, as from the effective date of the RULES (N.T. 2013).

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

In accordance with section 1, Chapter III, Title IV of the General Resolution, the notes to the consolidated financial statements for the fiscal year ended December, 31 2021, disclosing the information required by the Resolution in the form of exhibits, are detailed below.

Exhibit A – Fixed Assets	Note 8 Property, plant and equipment
Exhibit B – Intangible assets	Note 9 Intangible assets
Exhibit C – Investments in shares	Note 11 Investments in joint ventures
Exhibit D – Other Investments	Note 6 Financial instruments by category
Exhibit E – Provisions	Note 8 Property, plant and equipment
Exhibit G – Assets and liabilities in foreign currency	Note 26 Financial assets and liabilities in other currencies than Argentine peso
Exhibit H – Costs of sales and services	Note 20 Expenses by nature

30. RESTRICTIONS ON THE COLLECTION OF RECEIVABLES FROM CAMMESA – SE RESOLUTION NO. 406/03

Central Vuelta de Obligado

On November 25, 2010, the SE and the main electricity generation companies entered into an "Agreement for project management and operation, increase of thermal generation availability and adjustment of the remuneration of 2008-2011 generation" (hereinafter, the "Agreement").

Within the framework of the Agreement, the Company agreed not to collect the Sales Settlements with Maturity Date to be Defined ("LVFVD", for its Spanish acronym) generated and to be generated during the period between January 1, 2008 and March 31, 2011 for the construction of new generation plants that would be carried out jointly by the generators that signed the Agreement and the SE. This credit would be settled once the interest rate stipulated in Section 3 of SE Resolution No. 406/03 has been added and translated into U.S. dollars as of the date of signing the Agreement, in 120 equal and consecutive monthly installments, as of the commercial authorization of the new project, plus an annual yield equivalent to that obtained by applying a 30-day LIBOR plus 5% per annum. The claims included in the agreement were applied to the construction of the Vuelta de Obligado Thermal Power Plant (CVOSA). As of July 1, 2023, the LIBOR ceased to be published and, consequently, for the purposes of calculating the credit yield, it was replaced by the Secured Overnight Financial Rate ("SOFR") plus a margin of 11.048% per annum.

On March 20, 2018, the CVOSA Combined Cycle Plant entered into commercial operation, which was confirmed by CAMMESA through its Note B-125446–1. On February 7, 2019, the contract was signed between the Central Vuelta de Obligado Trust ("FCVO") and CAMMESA.

As of December 31, 2023, CAMMESA paid 69 installments for a total amount of US$ 96,617,286.

CAMMESA's debt to the Company as of December 31, 2023 arising from the application of SE Resolution No. 406/03 corresponds in its entirety to the funds allocated to the CVOSA project. As of December 31, 2023, this credit is disclosed under the caption Other receivables (current and non-current) for 7,757,871 and 25,124,680, respectively.

31. CHANGES IN TAX REGULATION

On June 16, 2021, Law No. 27,630 was issued, approved by the National Executive Branch through the Decree No. 387. One of the main changes is the instauration of a progressive scale of income tax based on accumulated net taxable income of the Company. The amounts of this scale will be adjusted annually, since January 1, 2022 according to the variations of IPC provided by INDEC corresponding to October of the fiscal year prior to the adjustment. The adjusted amounts will be applicable for subsequent fiscal years beginning after this. The progressive scale is applicable also for permanent establishments, notwithstanding the additional rate of 7% at the moment of remitting incomes to their parent company.

This dispositions of this Law are applicable since June 16, 2021 and are effective for fiscal years beginning since January 1, 2021, inclusively.

The main impact of this legal change is (i) the measurement of deferred income tax assets and liabilities (including accumulated tax loss carryforward), since they have to be recognized applying the tax rate in force at the date in which the differences between accounting and fiscal values and tax loss carryforward will be reverted or used; and (ii) the estimate of the provision for income tax payable. The impact of the regulatory change has been recognized in the fiscal year ended December 31, 2021 in the consolidated statements of comprehensive income.

Hereinafter, the net deferred income tax assets and liabilities, and the current income tax, since December 31, 2021, is measured at an approximate rate of 35%.

- **Advanced payments of income tax**

On August 16, 2022, the General Resolution 5248 was published in Official Gazette . Resolution regulated the advanced payments of income tax applicable to some taxpayers and responsible detailed in the article 73 of the Income tax law (“LIG”). This law established, an extraordinary one-time advanced payment for income tax (“IG”) to companies whose capital fulfils some the following parameters:

i. The amount of the "determined tax" of the IG affidavit corresponding to the fiscal period 2021 or 2022, as applicable, is equal to or greater than $ 100,000,000.

ii. The amount of the "tax result" that arises from the IG affidavit, without applying the deduction of tax carryforward of previous years, is equal to or greater than ARS 300,000,000.

The extraordinary payment on account will be computable in the fiscal period following the one taken as the basis for calculation, according to the following detail:

a) With year-end operated between the months of August and December 2021, both inclusive: fiscal period 2022.

b) With year-end operated between the months of January and July 2022, both inclusive: fiscal period 2023.

For the purposes of fixing the amount of the payment on account, the following two situations are foreseen:

(i) Subjects for whom the amount determined in accordance with the procedure laid down for the calculation of advances from the IG (conf. General Resolution 5211) -for the fiscal period immediately prior to that to which the payment on account will correspond- is greater than zero pesos, the payment on account will be calculated as 25% of said amount.

(ii) For the rest of the subjects with respect to which the parameter set in the previous point is not verified, the payment on account will be 15% on "Tax result" of the fiscal period immediately preceding that to which the payment on account will correspond, without the tax loss carryforwards of previous years being applied.

The extraordinary advance will be paid in three equal and consecutive instalments, on the 22nd of each month of the last quarter of the fiscal year.

This extraordinary payment on account may not be cancelled through the compensation mechanism, and may not be considered in the estimate made by taxpayers and responsible persons within the framework of the option of reducing advances.

The Group has evaluated the applicability of this extraordinary payment on account to its companies, being applicable to YPF EE, YGEN, YGEN II and LDL.

On July 20, 2023, General Resolution 5391 was published in the Official Gazette, which regulated the extraordinary advance payment of income tax applicable to companies that meet the following parameters in the affidavit for the 2022 tax period (in the case of Group companies):

1. record a tax result, before deduction of tax loss carryforwards, that is equal to or greater than $600,000,000, and;
2. have not determined tax.

The amount of the advance will be 15% of the tax result of the fiscal period immediately prior to the one to which the payment on account will be charged, without considering the deduction of tax loss carryforwards from previous years. The advance payment will be paid in 3 monthly installments.

This advance does not apply to any of the companies in the Group, as none of them meet both requirements at the same time.

- **Tax inflation adjustment**

The Law No. 27,468, published in the Official Gazette on December 4, 2018, established that the tax inflation adjustment procedure is in force for the fiscal years that began on January 1, 2018. Since the fiscal year 2021 the tax inflation adjustment is applicable in case that the accumulated variation of the CPI surpass 100% during the last three years. Considering that the mentioned rate has been verified, as of December 31, 2022 and 2021, the Group has applied the tax inflation adjustment procedure in the estimation of annual effective rate. The effect of tax inflation adjustment for fiscal year 2020 is taxed as follows: 1/6 in that same fiscal year and the remaining 5/6 in equal parts during the following five fiscal years. Starting fiscal year 2021, the impact of tax inflation adjustment is completely recognized on the fiscal year.

On December 1, 2022, Law N° 27,701 approving the national budget for the fiscal year 2023 was issued. In its article 118, it establishes that those tax payers that determine a positive tax inflation during the first and second fiscal years beginning on January 1, 2022 inclusive, will be able to allocate a third (1/3) in that fiscal period and the remaining two thirds (2/3 in equal parts, in the two (2) immediate following fiscal periods. It is worth mention that it will only be granted access to this), those tax payers that make investments for 30 billion of Argentine pesos in the purchase, construction, fabrication, elaboration or definitive import of fixed assets during the two fiscal years following to the fiscal year of the allocation of the first third. Under this framework, the Group has applied the mentioned deferral for YPF EE.

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

- **Value added tax**

The Group had requested refunds regarding the tax credits, receiving refunds for 1,204,760 during the fiscal years ended December 31, 2022. As of December 31, 2023, there are no pending refunds to collect.

32. RELATED PARTIES INFORMATION

The following table show the balances with related parties as of December 31, 2023 and 2022:

	December 31, 2023					
	Other receivables	Other receivables	Trade receivables	Trade payables	Contract liabilities	Loans
	Current	Non-current	Current	Current	Non-current	Non-current
Joint controlling shareholder:						
YPF S.A.	-	-	31,462,802	11,275,207	-	-
GE EFS Power Investment B.V	-	-	-	-	-	14,494,796
Associates:						
Refinería del Norte S.A.	-	-	42,633	-	-	-
Metroenergía S.A.	-	-	4,588	-	-	-
A-Evangelista S.A.	-	-	-	9,147	-	-
U.T. Loma Campana	-	-	368,820	54	-	-
C.T. Barragán S.A.	-	-	285	-	-	-
GE Global Parts and Products GmbH	-	-	-	28,369,970	-	-
GE International Inc. Sucursal Argentina	-	6,720,045	-	7,250,662	-	-
GE Packaged Power Inc.	3,863,677	-	-	6,338,875	-	-
GE Water & Process Technologies SC	-	-	-	88,719	-	-
GE Sensing & Inspection Technologies	-	-	-	4,202	-	-
Profertil S.A.	4,499,486	-	1,858,997	-	16,664,765	-
Alstom Power Service S.A.	-	-	-	17	-	-
Alstom Power Systems	-	-	-	34	-	-
Jenbacher International B.V.	-	-	-	27,034	-	-
Pan American Energy	-	-	-	80,695	-	-
Argentine federal government-controlled entities:						
CAMMESA	7,805,516	25,124,680	49,536,788	-	-	-
Total	**16,168,679**	**31,844,725**	**83,274,913**	**53,444,616**	**16,664,765**	**14,494,796**

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

	December 31, 2022		
	Other receivables	Trade receivables	Trade payables
	Non-Current	Current	Current
Joint controlling shareholder:			
YPF S.A.	-	7,498,205	2,530,473
Associates:			
Refinería del Norte S.A.	-	42,633	-
Metroenergía S.A.	-	4,588	-
A-Evangelista S.A.	-	-	51,966
U.T. Loma Campana	-	31,113	54
C.T. Barragán S.A.	-	64,558	-
GE Energy Parts	-	-	6,617
GE Global Parts and Products GmbH	-	-	760,192
GE International Inc. Sucursal Argentina	1,406,475	-	901,227
GE Packaged Power Inc.	-	-	3,468,747
GE Water & Process Technologies SC	-	-	35,317
GE Sensing & Inspection Technologies	-	-	922
Innio Jenbacher GmbH & CO. OG.	-	-	101,632
Profertil S.A.	-	441,754	-
Alstom Power Service S.A.	-	-	4
Alstom Power Systems	-	-	7
Grid Solutions Argentina S.A.	-	-	19,171
Jenbacher International B.V.	-	-	24,980
Argentine federal government-controlled entities:			
CAMMESA	-	15,175,255	-
Total	**1,406,475**	**23,258,106**	**7,901,309**

(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

The following table shows transactions with related parties for the fiscal years ended December 31, 2023 and 2022:

	For the fiscal years ended December 31,						
	2023				2022		
	Revenues	Purchases of goods and services	Other operating results, net	Interest Income (loss), net	Revenues	Purchases of goods and services	Other operating results, net
Joint controlling shareholder:							
YPF S.A.	36,908,084	11,741,017 (1)	-	-	17,301,639	4,726,586 (1)	-
Associates:							
A-Evangelista S.A.	-	22,165	-	-	-	51,281	-
U.T. Loma Campana	642,601	-	-	-	223,731	-	-
C.T. Barragán S.A.	91,015	-	-	-	242,781	-	-
GE Global Parts and Products GmbH	-	19,509,273	34,800	-	-	976,467	-
GE Water & Process Technologies S.C.	-	26,961	-	-	-	51,149	179
GE Packaged Power Inc.	-	727,283	3,575,697	-	-	1,094,211	752,790
GE International Inc. Suc. Argentina	-	7,761,916	946,023	-	-	2,742,952	2,933,913
GE Sensing & Inspection Technologies	-	-	-	-	-	650	-
Innio Jenbacher GmbH & CO. OG.	-	-	-	-	-	67,954	1,521
Profertil S.A.	3,675,940	-	-	-	1,709,553	-	-
Grid Solutions Argentina S.A.	-	-	-	-	-	64,453	-
Jenbacher International B.V.	-	55,810	-	-	-	20,831	-
Baker Hughes Digital Solutions Gmbh	-	-	-	-	-	801	-
Pan American Energy	-	-	80,695	-	-	-	-
Argentine federal government-controlled entities:							
CAMMESA	99,233,526	152,378	10,691,506	1,154,837	39,305,759	206,414	1,981,860
Total	**140,551,166**	**39,996,803**	**15,328,721**	**1,154,837**	**58,783,463**	**10,003,749**	**5,670,263**

Regarding the business of generation and sale of electricity, the Company's main customer is CAMMESA, an entity controlled by National Government. Taking into consideration that National Government is also YPF's controlling shareholder, CAMMESA is considered a related party.

Remuneration of the Administration

During the fiscal years ended December 31, 2023 and 2022, the remuneration to key executives amounted to 1,443,692 and 505,437, respectively, including short-term benefits and the only benefits granted to key executives.

33. SUBSEQUENT EVENTS

On February 27, 2024, the Group issued the Class XIV and XV Negotiable Obligations with a term of 36 months for a total of US$ 29.3 million (Note 17).

As of the date of issuance of these consolidated financial statements, there have not been other subsequent events whose effect on the financial position or results of operations as of December 31, 2023, or its exposure in a note to these consolidated financial statements, if corresponds, have not been considered in them according to IFRS.