YPF ENERGÍA ELÉCTRICA S.A.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2019 AND COMPARATIVE INFORMATION (UNAUDITED)

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

YPF ENERGÍA ELÉCTRICA S.A.

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AS OF SEPTEMBER 30, 2019 AND COMPARATIVE INFORMATION (UNAUDITED)

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YPF ENERGÍA ELÉCTRICA S.A.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2019 AND COMPARATIVE INFORMATION (UNAUDITED)

GLOSSARY OF TERMS

Term	Definition
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	Related Party 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	Joint Venture 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
Joint Venture	Company jointly owned by YPF EE as provided for in IFRS 11
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 and non controlling interest Operadora de Estaciones de Servicios S.A.
PPA	Capacity and/or power purchase agreements
SADI	Argentine Interconnection System
SE	Secretariat of Energy
SEC	U.S. Securities and Exchange Commission
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.)
Y-GEN III	Subsidiary Y-GEN Eléctrica III S.R.L.
Y-GEN IV	Subsidiary Y-GEN Eléctrica IV S.R.L.
YPF	YPF Sociedad Anónima
YPF EE	YPF Energía Eléctrica S.A. or the Company
YPF EE Comercializadora	Subsidiary YPF EE Comercializadora S.A.U.

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YPF ENERGÍA ELÉCTRICA S.A.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2019 AND COMPARATIVE INFORMATION (UNAUDITED)

LEGAL INFORMATION

Legal address

111 Córdoba Avenue, 14th Floor – Autonomous City of Buenos Aires – Argentina

Fiscal year

No. 7 beginning on January 1, 2019

Principal business of the Company

Generation, transport and commercialization of electric power from all kind of primary sources of production, and exploration and exploitation of oil and natural gas in the Ramos Area, province of Salta (operations related to Ramos Consortium constitute discontinued operations, see Note 3.a to the annual consolidated financial statements).

Registration date with the Public Commerce Registry:

– Of the articles of incorporation: August 26, 2013
– Last amendment to by laws: 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

MARCOS MIGUEL BROWNE
President

YPF LUZ

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YPF ENERGÍA ELÉCTRICA S.A.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2019 AND DECEMBER 31, 2018 (UNAUDITED)

(Amounts expressed in thousands of Argentine pesos)

	Notes	September 30, 2019	December 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	9	73,263,527	37,650,465
Intangible assets	8	293,937	196,835
Right of use assets	10	736,604	-
Investments in associates and joint ventures	11	3,349,848	1,948,492
Other receivables	12	1,657,224	1,846,127
Investment in financial assets	7	-	69,901
Deferred income tax assets, net	15	-	54,153
Assets held for sale	4	4,382,811	-
Total non-current assets		**83,683,951**	**41,765,973**
Current assets			
Other receivables	12	1,483,730	6,234,304
Trade receivables	13	5,034,025	3,724,234
Investment in financial assets	7	953	-
Other financial assets		2,344,623	1,489,031
Cash and cash equivalents	14	22,875,739	4,701,336
Total current assets		**31,739,070**	**16,148,905**
TOTAL ASSETS		**115,423,021**	**57,914,878**
SHAREHOLDERS' EQUITY			
Shareholders' contributions		8,411,982	8,411,982
Reserves, other comprehensive income and non-retained earnings		32,897,330	17,109,294
TOTAL SHAREHOLDERS' EQUITY		**41,309,312**	**25,521,276**
LIABILITIES			
Non-current liabilities			
Provisions		43,624	35,421
Deferred income tax liability, net	15	5,244,487	2,430,623
Leases liabilities	16	479,507	-
Loans	17	51,311,620	18,256,570
Other financial liabilities	7	15,816	-
Liabilities associated with assets held for sale	4	2,400,783	-
Total non-current liabilities		**59,495,837**	**20,722,614**
Current liabilities			
Taxes payable		73,700	340,436
Salaries and social security		338,132	151,256
Leases liabilities	16	143,955	-
Loans	17	7,581,764	6,514,408
Other financial liabilities	7	9,015	-
Other liabilities		36,104	99,359
Accounts payable	18	6,435,202	4,565,529
Total current liabilities		**14,617,872**	**11,670,988**
TOTAL LIABILITIES		**74,113,709**	**32,393,602**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**115,423,021**	**57,914,878**

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

MARCOS MIGUEL BROWNE
President

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YPF ENERGÍA ELÉCTRICA S.A.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019 AND 2018 (UNAUDITED)

(Amounts expressed in thousands of Argentine pesos, except per share information, expressed in Argentine pesos)

		For the nine-month period ended September 30,		For the three-month period ended September 30,	
	Notes	**2019**	**2018**	**2019**	**2018**
Revenues	19	10,910,107	4,753,256	4,342,942	2,523,228
Production costs	20	(5,198,295)	(1,494,095)	(2,331,998)	(796,277)
Gross profit		**5,711,812**	**3,259,161**	**2,010,944**	**1,726,951**
Administrative and selling expenses	20	(999,568)	(373,747)	(427,180)	(257,745)
Remeasurement of pre-existing equity interest		-	1,785,033	-	-
Other operating results, net		49,666	(283)	3,228	(286)
Operating profit		**4,761,910**	**4,670,164**	**1,586,992**	**1,468,920**
Income / (loss) from equity interest in associates and joint ventures	11	286,907	(67,722)	39,016	(111,661)
Finance income	21	2,524,824	4,227,891	1,949,187	1,763,500
Finance loss	21	(3,355,813)	(4,828,971)	(2,012,971)	(1,710,487)
Net financial results		(830,989)	(601,080)	(63,784)	53,013
Profit before income tax from continuing operations		**4,217,828**	**4,001,362**	**1,562,224**	**1,410,272**
Income tax	15	(2,054,631)	(2,203,101)	(1,609,294)	(1,341,318)
Net profit / (loss) for the period from continuing operations.		**2,163,197**	**1,798,261**	**(47,070)**	**68,954**
Profit after income tax for the period from discontinued operations	22	-	13,296	-	-
Net profit / (loss) for the period		**2,163,197**	**1,811,557**	**(47,070)**	**68,954**
Other comprehensive income / (loss) for the period					
Items that may not be reclassified to net income in subsequent periods					
Translation differences from assets and liabilities held for sale		298,659	-	298,659	-
Translation differences		13,401,262	12,856,342	10,179,019	7,298,156
Items that may be reclassified to net income in subsequent periods					
Fair value changes on derivatives instruments, net of tax effects (1)		(75,082)	81,854	(8,298)	32,610
Net variation of other comprehensive income		**13,624,839**	**12,938,196**	**10,469,380**	**7,330,766**
Total comprehensive income for the period		**15,788,036**	**14,749,753**	**10,422,310**	**7,399,720**
Net income / (loss) for the period attributable to shareholders					
Continuing operations		2,163,197	1,798,261	(47,070)	68,954
Discontinued operations		-	13,296	-	-
Total comprehensive income for the period attributable to shareholders					
Continuing operations		15,788,036	14,736,457	10,422,310	7,399,720
Discontinued operations		-	13,296	-	-
Basic and diluted earnings per share from continuing and discontinued operations:					
Basic and diluted (ARS)	24	0.577	0.523	(0.013)	0.018
Basic and diluted earnings per share from continuing operations:					
Basic and diluted (ARS)	24	0.577	0.519	(0.013)	0.018

(1) Net of income tax effect for the nine-month and three-month period ended September 30, 2019 of 26,107 and 2,885, respectively, and for the nine-month and three-month period ended September 30, 2018 of (28,461) and (11,339), respectively.

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

MARCOS MIGUEL BROWNE
President

YPF ENERGÍA ELÉCTRICA S.A.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019 AND 2018 (UNAUDITED)
(Amounts expressed in thousands of Argentine pesos)

	For the nine-month period ended September 30, 2019								
	Shareholders' contributions			Reserves					
	Subscribed capital	Share premium	Other shareholders' contributions	Legal reserve	Special reserve RG No. 609 (1)	Reserve for future investments	Other comprehensive income	Retained earnings	Total
As of January 1, 2019	3,747,070	4,604,483	60,429	52,755	-	881,681	11,739,242	4,435,616	25,521,276
As decided by the the General Ordinary Shareholders' Meeting on May 7, 2019:									
- Appropriation to RG No. 609 CNV special reserve	-	-	-	-	11,532	-	-	(11,532)	-
- Appropriation to legal reserve	-	-	-	225,271	-	-	-	(225,271)	-
- Appropriation to reserve for future investments	-	-	-	-	-	4,198,813	-	(4,198,813)	-
Other comprehensive income for the period	-	-	-	-	-	-	13,624,839	-	13,624,839
Net profit for the period	-	-	-	-	-	-	-	2,163,197	2,163,197
As of September 30, 2019	**3,747,070**	**4,604,483**	**60,429**	**278,026**	**11,532**	**5,080,494**	**25,364,081** (2)	**2,163,197**	**41,309,312**

(1) Corresponds to the initial adjustment arising from the IFRS implementation. See Note 25.
(2) Includes 298,659 from assets held for sale.

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

MARCOS MIGUEL BROWNE
President

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YPF ENERGÍA ELÉCTRICA S.A.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019 AND 2018 (UNAUDITED) (Cont.)
(Amounts expressed in thousands of Argentine pesos)

	For the nine-month period ended September 30, 2018							
	Shareholders' contributions			Reserves				
	Subscribed capital	Share Premium	Other shareholders' contributions	Legal reserve	Reserve for future investments	Other comprehensive income	Retained earnings	Total
As of January 1, 2018	2,506,556	-	-	6,351	-	542,191	858,289 (1)	3,913,387
As decided by the General Extraordinary Shareholders' Meeting of January 12, 2018:								
- Capital increase	303,747	-	-	-	-	-	-	303,747
As decided by the General Ordinary and Extraordinary Shareholders' Meeting of March 20, 2018:								
- Capital increase	936,767	-	-	-	-	-	-	936,767
- Contribution in share premium	-	4,604,483	-	-	-	-	-	4,604,483
Sale of Ramos Consortium and Central Dock Sud S.A. interests in (Note 3.a. to the annual consolidated financial statements)	-	-	60,429	-	-	-	-	60,429
As decided by the General Ordinary Shareholders' Meeting of April 26, 2018:								
- Appropriation to legal reserve	-	-	-	46,404	-	-	(46,404)	-
- Appropriation to reserve for future investments	-	-	-	-	881,681	-	(881,681)	-
Other comprehensive income for the period	-	-	-	-	-	12,938,196	-	12,938,196
Net profit for the period	-	-	-	-	-	-	1,811,557	1,811,557
As of September 30, 2018	**3,747,070**	**4,604,483**	**60,429**	**52,755**	**881,681**	**13,480,387**	**1,741,761**	**24,568,566**

(1) Includes 11,532 corresponding to the initial adjustment arising from the IFRS implementation, that was allocated to a special reserve by the shareholders' meeting held on May 7, 2019 that approved the financial statements as of December 31, 2018.

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

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YPF ENERGÍA ELÉCTRICA S.A.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019 AND 2018 (UNAUDITED)
(Amounts expressed in thousands of Argentine pesos)

	For the nine-month period ended September 30, 2019	2018
OPERATING ACTIVITIES		
Net profit for the period from continuing operations	2,163,197	1,798,261
Net profit for the period from discontinued operations	-	13,296
Net profit for the period	2,163,197	1,811,557
Adjustments to reconcile net profit to net cash flows from operating activities:		
Income from equity interest in associates and joint ventures	(286,907)	67,722
Remeasurement of pre - existing equity interest	-	(1,785,033)
Depreciation of property, plant and equipment	1,914,347	797,819
Depreciation of right of use assets	54,729	-
Decreases of property, plant and equipment (2)	109,488	9,924
Net financial results	830,989	601,080
Net increase in provisions (2)	8,203	32,822
Income tax charge	2,054,631	2,205,182
Increase in allowance for doubtful trade receivables	48,772	-
Changes in operating assets and liabilities:		
Trade receivables	86,752	(1,240,890)
Other receivables	(126,161)	(342,906)
Accounts payable (2)	(1,611,582)	801,288
Salaries and social security	186,876	59,178
Taxes payable	(131,448)	149,752
Interests received from additional indirect remuneration and remuneration for non-recurring maintenance	666,208	-
Income tax payments	(134,762)	(44,255)
Net cash flows from operating activities	**5,833,332**	**3,123,240**
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(12,536,841)	(5,295,016)
Acquisition of interest in subsidiaries (1)	(92,636)	(1,502,038)
Advances to suppliers of property, plant and equipment	(1,394,313)	(42,520)
Other financials assets	(50,789)	(728,544)
Sale of interests in subsidiaries	-	283,247
Contributions in associates	-	(4,076)
Net cash flows used in investing activities	**(14,074,579)**	**(7,288,947)**
FINANCING ACTIVITIES		
Proceeds from loans	22,354,420	7,048,003
Capital contributions	5,691,000	2,720,250
Payments of loans	(7,802,520)	(1,939,093)
Payments of leases liabilities	(82,917)	-
Payment of interest and other financial costs	(1,856,822)	(589,307)
Net cash flows from financing activities	**18,303,161**	**7,239,853**
Net increase in cash and cash equivalents	10,061,914	3,074,146
Effect of exchange rate variations on cash and cash equivalents	8,117,397	1,186,893
Reclassifications of assets held for sale	(4,908)	-
Cash and cash equivalents at the beginning of the fiscal year	4,701,336	139,082
Cash and cash equivalents at the end of the period	**22,875,739**	**4,400,121**

	For the nine-month period ended September 30, 2019	2018
Acquisitions of property, plant and equipment pending to be cancelled at the beginning of the fiscal year	1,743,008	795,893
Acquisitions of property, plant and equipment pending to be cancelled at the end of the period	4,679,918	1,634,466
Transfer of advances for purchases of property, plant and equipment	1,305,086	137,990

(1) As of September 30, 2018, net of cash and cash equivalents of 172,612, incorporated by business combination (See Note 3.b) to the annual consolidated financial statements).

(2) "Decreases of property, plant and equipment", "Movements in provisions", "Inventories" and "Accounts payable" for the nine-month period ended September 30, 2018 are shown net of the effect from the decreases of Ramos Consortium for amount an of (84,881), 105,855, (585) and 22,298 respectively.

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

MARCOS MIGUEL BROWNE
President

YPF ENERGÍA ELÉCTRICA S.A.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2019 AND COMPARATIVE INFORMATION (UNAUDITED)
(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

1. GENERAL INFORMATION, STRUCTURE AND ORGANIZATION OF THE BUSINESS OF THE GROUP

General information

YPF Energía Eléctrica S.A. is a Sociedad Anónima (Argentine business association type akin to a stock corporation) organized under the laws of Argentina. Its registered office is at 111 Córdoba Avenue,14th Floor, Autonomous City of Buenos Aires.

YPF EE and the companies that make up the business Group are mainly engaged in (i) generating and selling electric power through three thermal generation plants located in the Province of Tucumán, two thermal generation plants and moto generators located in the Province of Neuquén, a cogeneration plant in the Province of Buenos Aires and a wind farm in the Province of Chubut; (ii) building new thermal generation plants project in the Province of Tucumán and a cogeneration plant in La Plata; (iii) building wind farms in the Province of Santa Cruz and Buenos Aires; (iv) selling energy; (v) indirect participation through IDS in the generation and commercialization of electric energy through CDS thermal power plant; and (vi) exploring, exploiting, producing, transporting and/or storing liquid and gaseous hydrocarbons (discontinued operation, see Note 3.a) to the annual consolidated financial statements).

The Group has an installed capacity, at the date of issuance of these condensed interim consolidated financial statements, of 1,819MW, representing approximately 6.6% of the maximum power and approximately 8.5% of the average energy demanded in Argentina, according to information published by CAMMESA.

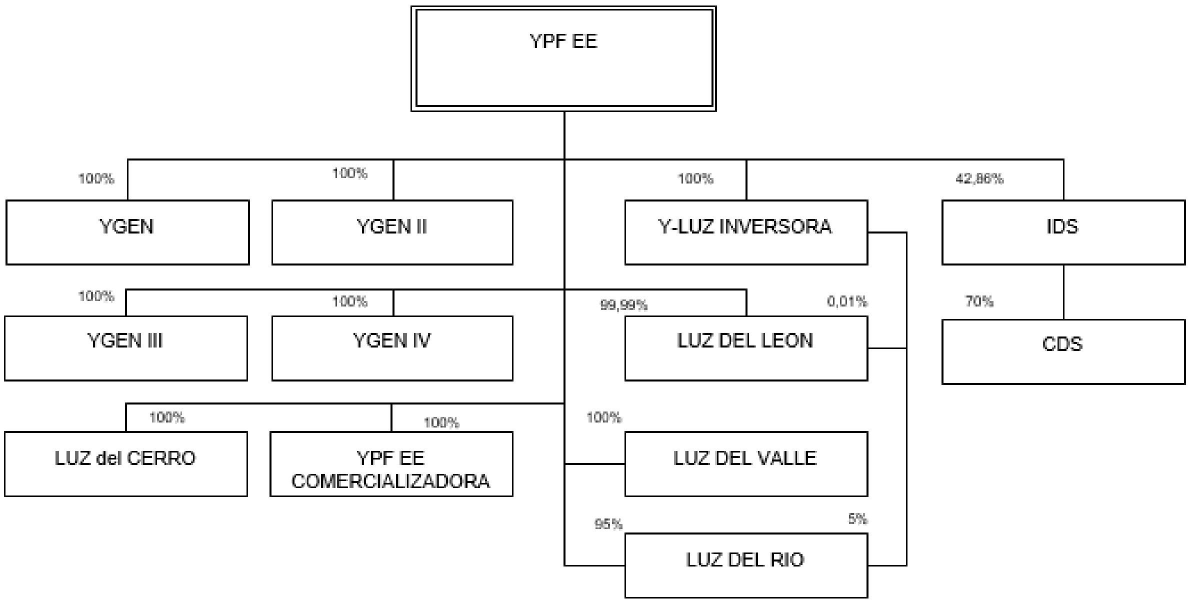
Additionally, the Group has projects under construction with an installed capacity of more than 634MW.

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 a Global Program for the Issuance of Simple Negotiable Obligations (non-convertible in shares) up to US$ 1,500 millions . With this resolution, the Company should comply with the regulations established by the CNV's Regulatory Framework as its new regulatory body and it is authorized to seek financing in local or international capital markets.

The Group's assets and generation projects portfolio are located in the provinces of Tucumán, Neuquén, Buenos Aires, Chubut and Santa Cruz.

Structure and organization of the economic group

The following chart shows the organizational structure, including the main companies of the Group, as of September 30, 2019:



2. BASIS OF PREPARATION OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

2.a) Basis of preparation

The condensed interim consolidated financial statements of YPF EE for the nine-month period ended September 30, 2019, are presented in accordance with IAS 34 "Interim Financial Reporting". These condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Group as of December 31, 2018 prepared in accordance with IFRS as issued by IASB and interpretations issued by the IFRIC.

Likewise, additional disclosures required by the LGS and/or CNV regulations have been included with the only purposes of complying with such regulatory requirements.

These condensed interim consolidated financial statements were approved by the Board of Directors' meeting and authorized to be issued on November 11, 2019.

These condensed interim consolidated financial statements for the nine-month period ended September 30, 2019 are unaudited. The Company's Management believes that they include all necessary adjustments to reasonably present the results of each period on a basis consistent with the audited annual consolidated financial statements. Net income for the nine-month period ended on September 30, 2019 does not necessarily reflect the proportion of the Group's full-year income.

2.b) Significant Accounting Policies

The most significant accounting policies are described in Note 2.3 to the annual consolidated financial statements.

The accounting policies adopted for the preparation of these condensed interim consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements. On the other hand, as from January 1, 2019, the Group has applied the guidelines of IFRS 16, "Leases" and, as from the Group has entered into an agreement for the subscription of shares in Luz del León S.A. (Note 4), the Group applied the guidelines of IFRS 5 "Non-current assets held for sale and discontinued operations". The new accounting policies applied are detailed below in this note.

Functional and reporting currency

As mentioned in Note 2.3.1. to the annual consolidated financial statements, YPF EE has defined the US dollar as its functional currency. Additionally, according to CNV Resolution No. 562, YPF EE must present its financial statements in Argentine pesos.

IFRS 5 – Non-current assets held for sale and discontinued operations

Non-current assets classified as held for sale are measured at the lowest value between their book value and fair value less costs to sell.

Non-current assets are classified as held for sale if their book value is expected to be recovered through a sale transaction, rather than for continued use. To apply such classification, the sale must be highly probable and the asset must be available, in its current conditions for immediate sale.

The appropriate level of Management must be committed to a plan to sell the asset and the sale should be expected to meet the conditions for recognition as a sale completed within the year following the date of classification.

When the Group is engaged in a sale plan that implies the loss of control of a subsidiary, it classifies all the assets and liabilities of that subsidiary as held for sale, regardless of whether it retains after the sale a non-controlling interest in its previous subsidiary.

At the end of the present interim consolidated financial statements, the Group has classified the investment in the subsidiary Luz del León S.A. as non-current assets and liabilities held for sale (See Note 4).

Adoption of new standards and interpretations effective as of January 1, 2019

The Group has adopted new and revised standards and interpretations, issued by the IASB, relevant to its operations and whose application is effective as of September 30, 2019, as specified in Note 2.6 to the annual consolidated financial statements. The aforementioned new standards and interpretations that have had and effect on these condensed interim consolidated financial statements are described below:

- **IFRS 16 - Leases**

The model introduced by this standard 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.

- 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 (ie, 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-cancelable 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.

The Group recognized right of use assets and lease liabilities of 206,006 as of January 1, 2019 in the statement of financial position, measured at the present value of future payments. In addition, the Group reclassified 282,278 from property, plant and equipment to right of use assets, and reclassified 210,166 from loans to lease liabilities.

The application of this standard had no effect on the accumulated results since the Group applied the simplified model without restating the comparative figures, recognizing a right of use asset equivalent to the lease liability on the initial date of transition (January 1, 2019). There were no adjustments to be made due to impairment arising from onerous contracts related to these right of use assets.

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.

<u>The Group as lessor:</u>

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

- **IAS 23 – Borrowing Costs**

The amendment to this standard clarifies that, for the capitalization of borrowing costs from generic loans, it must necessarily consider all outstanding loans when determining the capitalization rate, except those taken specifically to finance an eligible asset that is not yet ready for its intended use or sale. Then, if any specific loan remains unpaid after the related eligible asset is ready for its intended use or for sale, that loan becomes part of the funds that the entity took as generic loans.

The Group has applied the mentioned modification from the fiscal year beginning on January 1, 2019.

2.c) Accounting Estimates and Judgments

The preparation of financial statements at a certain date requires Management to make estimates and assessments affecting the amount of assets and liabilities recorded, contingent assets and liabilities disclosed at such date, as well as income and expenses recorded during the period. Actual future results might differ from the estimates and assessments made as of the date of preparation of these condensed interim consolidated financial statements.

In preparing these condensed interim consolidated financial statements, significant estimates and judgments were made by Management in applying the Group's accounting policies and the main sources of uncertainty were consistent with those applied by the Group in the preparation of the annual consolidated financial statements, which are disclosed in Note 2.4 to the annual consolidated financial statements about estimates and accounting judgements.

2.d) Comparative information

Amounts and other information corresponding as of December 31, 2018 and to the nine-month period ended September 30, 2018 are an integral part of these condensed interim consolidated financial statements and are intended to be read only in relation to these financial statements.

3. SEASONALITY OF OPERATIONS

The Company's revenues for the nine-month period ended September 30, 2019 are not significantly affected by seasonal effects.

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

4. ACQUISITIONS AND DISPOSITIONS

Details of the transactions carried out in 2018 are described in Note 3 to the annual consolidated financial statements. During the nine-month period ended September 30, 2019, there have been no significant acquisitions or dispositions.

Notwithstanding the foregoing, on August 5, 2019, YPF EE, Y-Luz Inversora S.A.U., Luz del León S.A. ("Luz del León") and Wind Power AS, a subsidiary of Equinor ASA, a company established in the Kingdom of Norway, ("Equinor"), entered into an agreement for the subscription of shares in Luz del León, a company 100% controlled by the Company (the "Stock Subscription Agreement"). Luz del León holds all rights and obligations relating to Cañadón León Wind Farm Project for approximately 120MW, located in the Province of Santa Cruz (the "Project"). Such Project is currently under construction and the total installed capacity and power corresponding to the Project has already been sold to CAMMESA under the RENOVAR 2 Program and to YPF S.A. under a private power purchase agreement for the following 20 and 15 years respectively, from the commercial operation date.

The Stock Subscription Agreement establishes that, subject to the fulfillment of certain precedent conditions such as the approval of the relevant antitrust authorities and the obtaining of specific financing for the Project, Equinor shall subscribe shares in Luz del León in order to obtain a 50% participation equity in such company. To that effect Equinor will contribute US$ 30 million, US$ 20 million as equity and US$ 10 million as share premium. Such conditions shall be satisfied before December 31, 2019. After the subscription and paid-in capital, YPF EE and Equinor will jointly control Luz del León.

Upon closing of the transaction, the parties will subscribe a shareholder's agreement and an asset management agreement. YPF EE will be the asset manager of the Project.

The total amount of the Project is estimated in approximately US$ 190 million, tax included. Luz del León is working towards obtaining the specific financing for the Project amounting to approximately US$ 144 million.

Equinor's contribution significantly exceeds the book value of net assets, so no impairment of assets classified as held for sale has been recognized.

The main classes of assets and liabilities included in non-current assets and liabilities held for sale as of September 30, 2019 are detailed below:

Assets held for sale:

Property, plant and equipment	3,535,629
Other receivables	842,275
Cash and cash equivalents	4,907
Assets classified as held for sale	**4,382,811**

Liabilities associated with the assets held for sale:

Deferred tax liability, net	17,284
Loans	899,186
Taxes payable	526
Accounts payable	2,382,973
Liabilities directly associated to assets classified as held for sale	**3,299,969**
Eliminations	(899,186)
Total	**2,400,783**

The following table shows the main results associated with the investment in Luz del León S.A .:

Operative result	(3,010)
Financial results, net	(33,076)
Income tax	(17,314)
Net result without eliminations	**(53,400)**
Eliminations	13,134
Total	**(40,266)**

5. FINANCIAL RISK MANAGEMENT

The Group's activities are exposed to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group performs risk management activities concerning financial risks arisen from financial instruments to which the Group is exposed during a period or as of a specific date.

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The condensed interim consolidated financial statements do not include all the information and disclosures on financial risk management. Therefore, they should be read in conjunction with the Group's annual consolidated financial statements.

There have been no significant changes in risk management or risk management policies applied by the Group since the last fiscal year end. See Note 4 to the annual consolidated financial statements.

6. SEGMENT INFORMATION

For management purposes, the Group is organized as a single business segment to generate and sell electric energy.

7. FINANCIAL INSTRUMENTS BY CATEGORY

Fair value measurements

Fair value measurements are described in Note 6 to the annual consolidated financial statements.

The tables below show the Group's financial assets and liabilities measured at fair value as of September 30, 2019 and December 31, 2018, and their allocation to fair value hierarchies:

	As of September 30, 2019		
Financial assets	**Level 1**	**Level 3**	**Total**
Cash and cash equivalents:			
- Mutual funds	9,367	-	9,367
Investments in financial assets:			
- Hedging instruments	-	953	953
	9,367	**953**	**10,320**

	As of September 30, 2019	
Financial liabilities	**Level 3**	**Total**
Other financial liabilities		
- Hedging instruments	24,831	24,831 (1)
	24,831	**24,831**

(1) As of September 30, 2019, 15,816 was reclassified to Non-current liabilities and 9,015 was reclassified to Current liabilities.

	As of September 30, 2018	
Financial assets	**Level 3**	**Total**
Investments in financial assets:		
- Hedging instruments	69,901	69,901
	69,901	**69,901**

Fair value estimates

From December 31, 2018 until September 30, 2019, there have been no significant changes in the commercial or economic circumstances affecting the fair value of the Group's assets and financial liabilities, whether measured at fair value or amortized cost.

Furthermore, during the nine-month period ended September 30, 2019, there were no transfers among the different hierarchies used to determine the fair value of the Group's financial instruments.

Fair value of financial assets and financial liabilities measured at amortized cost

The estimated fair value of loans, considering interest rates offered to the Group for its financial loans, amounted approximately to 50,062,130 and 24,569,978 as of September 30, 2019 and December 31, 2018, respectively.

The fair value of other receivables, trade receivables, cash and cash equivalents, accounts payable, lease liabilities and other liabilities do not differ significantly from their book value.

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

8. INTANGIBLE ASSETS

Changes in the Group's intangible assets for the nine-month period ended September 30, 2019 and the fiscal year ended December 31, 2018 are as follows:

	Intangible assets
Balances as of December 31, 2017	**-**
Cost	
Increases	143,385
Translation effect	53,450
Cost	196,835
Accumulated amortization	-
Balances as of December 31, 2018	**196,835**
Cost	
Translation effect	97,102
Cost	293,937
Accumulated amortization	-
Balances as of September 30, 2019	**293,937**

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9. PROPERTY, PLANT AND EQUIPMENT

Changes in Group's property, plant and equipment for the nine-month period ended September 30, 2019 and the fiscal year ended December 31, 2018 are as follows:

	Land and buildings	Mineral property, wells and related equipment [1]	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	28,667	395,476	4,051,063	10,446	205,092	2,388,215	10,295	7,089,254
Accumulated depreciation	3,701	336,576	1,503,638	4,698	-	-	5,918	1,854,531
Balances as of December 31, 2017	**24,966**	**58,900**	**2,547,425**	**5,748**	**205,092**	**2,388,215**	**4,377**	**5,234,723**
Cost								
Increases	-	-	708,481	8,090	736,145	8,410,746 [2]	14,548	9,878,010
Business combination	-	-	8,664,782	-	-	-	-	8,664,782
Translation effect	30,011	-	11,777,620	9,601	321,773	4,972,124	9,505	17,120,634
Transfers	220	2,583	8,219,391	-	-	(8,222,194)	-	-
Disposals	(764)	(398,059)	-	(1,662)	(49,572)	(19,316)	(1,350)	(470,723)
Accumulated depreciation								
Increases	1,054	3,407 [3]	1,275,173	2,424	-	-	1,216	1,283,274
Translation effect	3,474	-	1,822,951	4,219	-	-	5,646	1,836,290
Disposals	(636)	(339,983)	-	(1,320)	-	-	(664)	(342,603)
Cost	58,134	-	33,421,337	26,475	1,213,438	7,529,575	32,998	42,281,957
Accumulated depreciation	7,593	-	4,601,762	10,021	-	-	12,116	4,631,492
Balances as of December 31, 2018	**50,541**	**-**	**28,819,575**	**16,454**	**1,213,438**	**7,529,575**	**20,882**	**37,650,465**
Cost								
Increases	9,779	-	90,940	14,120	953,723	16,471,004 [2]	2,136	17,541,702
Translation effect	29,836	-	18,658,613	19,079	733,244	7,510,509	10,950	26,962,231
Transfers	-	-	811,571	-	41,821	(853,392)	-	-
Disposals and reclassifications	-	-	(282,278) [4]	(183)	(107,029)	(3,535,629) [5]	(2,459)	(3,927,578)
Accumulated depreciation								
Increases	2,025	-	1,904,865	5,949	-	-	1,508	1,914,347
Translation effect	4,511	-	3,031,153	6,516	-	-	6,949	3,049,129
Disposals and reclassifications	-	-	-	(183)	-	-	-	(183)
Cost	97,749	-	52,700,183	59,491	2,835,197	27,122,067	43,625	82,858,312
Accumulated depreciation	14,129	-	9,537,780	22,303	-	-	20,573	9,594,785
Balances as of September 30, 2019	**83,620**	**-**	**43,162,403**	**37,188**	**2,835,197**	**27,122,067**	**23,052**	**73,263,527**

(1) Discontinued operation (See Note 3,a to annual consolidated financial statements).
(2) Includes 762,865 and 517,606 of financial cost related to financing from third parties for extended works in progress for the period ended September 30, 2019 and the fiscal year ended December 31, 2018, respectively.
(3) Depreciation has been calculated using the unit-of-production method (Note 2.3.7.2. to the annual consolidated financial statements).
(4) Corresponds to machinery and equipment reclassified to Right of use assets due to IFRS 16 application (See Note 10).
(5) Corresponds to work in progress reclassified to Assets held for sale (See Note 4).

MARCOS MIGUEL BROWNE
President

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10. RIGHT OF USE ASSETS

Changes in Group's right of use assets for the nine-month period ended September 30, 2019 due to the application of IFRS 16 are as follows:

	Buildings	Land	Machinery and equipment	Total
Balances as of January 1, 2019 due to the initial application of IFRS 16	**56,313**	**149,693**	**-**	**206,006**
Cost				
Increases	-	64,640	-	64,640
Translation effect	29,789	79,186	149,322	258,297
Reclassifications [1]	-	-	282,278	282,278
Accumulated depreciation				
Increases	18,687	2,079	33,963	54,729
Translation effect	5,530	603	13,755	19,888
Cost	86,102	293,519	431,600	811,221
Accumulated depreciation	24,217	2,682	47,718	74,617
Balances as of September 30, 2019	**61,885**	**290,837**	**383,882**	**736,604**

(1) Reclassifications from Property, plant and equipment, according to IFRS 16. See Note 9.

11. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The following table shows the value of the investments in associates and joint ventures at an aggregate level, as of September 30, 2019 and December 31, 2018:

	September 30, 2019	December 31, 2018
Amount of investments in associates and joint ventures	3,349,848	1,948,390
Total	**3,349,848**	**1,948,390**
Disclosed in Investment in associates and Joint ventures	3,349,848	1,948,492
Disclosed in Accounts payable	-	(102)

The main movements during the nine-month period ended September 30, 2019 and for the fiscal year ended December 31, 2018, which affected the value of the aforementioned investments, correspond to:

	Investments in associates and joint ventures	
Amount as of December 31, 2017	**2,424,677**	
Shareholders' contributions	4,076	
Income from equity interest in associates and joint ventures	268,015	
Fair value changes on derivatives instruments	24,810	
Translation differences	1,026,147	
Dividends distribution	(53,996)	
Decrease due to acquisition of control	(1,439,691)	(1)
Dispositions	(305,648)	
Amount as of December 31, 2018	**1,948,390**	
Income on investments in associates and joint ventures	286,907	
Translation differences	1,114,551	
Amount as of September 30, 2019	**3,349,848**	

(1) See Note 3.b to the annual consolidated financial statements.

The following table shows the most significant amounts of the results of the investments in associates and joint ventures of the Group, calculated according to the equity method therein, for the nine-month period ended September 30, 2019 and 2018. The Group has adjusted, if applicable, the figures reported by these companies to adapt them to the accounting principles used by the Group for the calculation of the equity method as of the abovementioned dates:

	Associates and Joint Ventures for the nine-month period ended September 30, 2019	2018
Net income	286,907	(67,722)
Other comprehensive income	1,114,551	1,162,394
Total comprehensive income for the period	**1,401,458**	**1,094,672**

MARCOS MIGUEL BROWNE
President

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

The Group does not own investments in associates and joint ventures that are significant, with the exception of the investment in IDS.

The management information corresponding to assets and liabilities as of September 30, 2019 and December 31, 2018 of IDS is detailed below:

	September 30, 2019	December 31, 2018
Non-current assets	7,792,340	4,529,672
Current assets	23,366	15,901
Total assets	**7,815,706**	**4,545,573**
Current liabilities	458	162
Total liabilities	**458**	**162**
Total shareholders' equity	**7,815,248**	**4,545,411**
Investment book value	**3,349.614**	**1,948,163**

The following table shows information of investments in associates and joint ventures as of September 30, 2019 and December 31, 2018.

	09.30.2019					12.31.2018	
Name and issuer	Class	Class Face value	Amount	Book value	Cost	Book value	Cost
Investments under joint control:							
Inversora Dock Sud S.A.	Ordinary Shares	1	355,270,372	3,349,614	538,065	1,948,163	538,065
Other companies:							
Miscellaneous [(1)]				234	143,719	329	329
				3,349,848	**681,784**	**1,948,492**	**538,394**

Issuers' information

Name and issuer	Registered address	Main business	Last available financial statements: Date	Capital stock	Net profit / (loss)	Shareholders' equity	Holding in capital stock
Investments under joint control:							
Inversora Dock Sud S.A.	San Martín 140, P.2°, Buenos Aires.	Realization of financial and investment operations.	30/09/2019	828,942	1,718,835	9,185,203	42.86%

(1) Includes Y-GEN Eléctrica III S.R.L., Y-GEN Eléctrica IV S.R.L., Y-Luz Inversora S.A.U. and Luz del Río S.A.

12. OTHER RECEIVABLES

	September 30, 2019		December 31, 2018	
	Non-current	Current	Non-current	Current
Loans and advances to employees	-	6,945	-	6,309
Advances to suppliers of property, plant and equipment	1,490,005	-	1,231,559	-
Minimum presumed income tax	167,219	-	161,687	-
Related parties (Note 29)	-	3,439	452,881	5,374,731
Tax credits	-	1,273,403	-	736,536
Advances to suppliers and custom agents	-	121,010	-	4,179
Trust	-	23,552	-	27,116
Prepaid insurance	-	36,330	-	5,526
Prepaid expenses	-	11,836	-	71,490
Miscellaneous	-	10,271	-	11,473
	1,657,224	**1,486,786**	**1,846,127**	**6,237,360**
Allowance for doubtful receivables	-	(3,056)	-	(3,056)
	1,657,224	**1,483,730**	**1,846,127**	**6,234,304**

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

13. TRADE RECEIVABLES

	September 30, 2019	December 31, 2018
	Current	**Current**
Trade receivables from third parties	124,008	71,305
Related parties (Note 29)	4,958,789	3,652,929
	5,082,797	**3,724,234**
Allowance for doubtful trade receivables	(48,772)	-
	5,034,025	**3,724,234**

The following is the evolution of the allowance for doubtful trade receivables during the nine-month period ended September 30, 2019:

	Allowance for doubtful trade receivables
As of December 31, 2018	-
Increases with impact on net income	48,772
As of September 30, 2019	**48,772**

14. CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statements of financial position and the consolidated statements of cash flow, cash and cash equivalents comprise the following items:

	September 30, 2019	December 31, 2018
Mutual funds	9,367	-
Fixed interest deposits	19,976,995	4,209,240
Cash and banks	2,889,377	492,096
	22,875,739	**4,701,336**

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.

15. INCOME TAX

The calculation of the income tax expense accrued for the nine-month period ended September 30, 2019 and 2018 is as follows:

	For the nine-month period ended September 30,	
	2019	**2018**
Deferred income tax	(2,054,631)	(2,205,182)
Income Tax	**(2,054,631)**	**(2,205,182)**

	For the nine-month period ended September 30,	
	2019	**2018**
Income tax from continuing operations	(2,054,631)	(2,203,101)
Income tax from discontinued operations (Note 22)	-	(2,081)
Income Tax	**(2,054,631)**	**(2,205,182)**

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

The reconciliation between the charge to income tax expense for the nine-month period ended September 30, 2019 and 2018 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 periods is as follows:

	For the nine-month period ended September 30,	
	2019	**2018**
Income before income tax from continuing operations	4,217,828	4,001,362
Income before income tax from discontinued operations	-	15,377
Profit for the period before income tax	4,217,828	4,016,739
Statutory tax rate	30%	30%
Income tax charge at statutory tax rate	(1,265,348)	(1,205,022)
Effects of the valuation of non-monetary assets in its functional currency	(2,489,930)	(3,698,074)
Exchange differences	3,649,249	2,417,387
Income on investments in associates and joint ventures	86,072	(20,317)
Remeasurement of pre-existing equity interest	-	535,510
Effect of tax inflation adjustment in monetary assets and liabilities	(1,766,057)	-
Effect of change of tax rate (1)	(297,042)	(175,867)
Others	28,425	(58,799)
Income tax for the period	**(2,054,631)**	**(2,205,182)**

(1) Effect of applying the changes in the enacted tax rate established by Law No. 27,430, as described in Note 25 to the annual consolidated financial statements, to the deferred assets and liabilities, according to its expected term of realization and settlement, respectively.

Breakdown of deferred income tax as of September 30, 2019 and December 31, 2018 is as follows:

	September 30, 2019	**December 31, 2018**
Deferred tax assets		
Provisions for doubtful receivables	12,957	764
Tax loss carryforwards	2,818,522	1,465,492
Subsidiaries hedging instruments	6,161	-
Right of use assets	66,231	-
Miscellaneous	33,187	9,386
Total deferred tax assets	**2,937,058**	**1,475,642**
Deferred tax liabilities		
Property, plant and equipment	(7,124,720)	(3,790,713)
Receivables from deferred income	-	(43,412)
Subsidiaries hedging instruments	-	(17,987)
Effect of tax inflation adjusment in monetary assets and liabilities	(1,056,825)	-
Total deferred tax liabilities	**(8,181,545)**	**(3,852,112)**
Total deferred tax, net	**(5,244,487)**	**(2,376,470)**

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 September 30, 2019, 5,244,487 were classified as deferred tax liabilities and, as of December 31, 2018, 54,153 were classified as deferred tax assets and 2,430,623 as deferred tax liabilities, which correspond to net deferred tax positions of each of the individual companies that are included in these condensed interim consolidated financial statements.

As of September 30, 2019, the Group estimated a tax loss carryforward of 2,818,522 at the tax rate. 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 level of historical taxable income and projections for future over the years in which the deferred income tax is deductible, Management believes that as of September 30, 2019 it is probable that the Group will realize all the deferred income tax assets.

As of September 30, 2019, Group's tax loss carryforwards at the expected recovery rate were as follows:

Date of generation	Date of expiration	Amount
2016	2021	1,581
2017	2022	107,515
2018	2023	1.243,413
2019	2024	1,466,013
		2,818,522

As of September 30, 2019, and December 31, 2018, the causes that generate charges to other comprehensive income, did not create temporary differences for income tax.

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

The evolution of net deferred tax liabilities as of September 30, 2019 and December 31, 2018 is as follows:

	Total
Deferred tax asset as of December 31, 2017	**-**
Business combination (Nota 3.b to the annual consolidated financial statements)	82,047
Other comprehensive income	(165)
Charge to net income of the year	(27,729)
Balances as of December 31, 2018	54,153
Charge to net income of the period	(54,153)
Balances as of September 30, 2019	**-**

	Total
Deferred tax liabilities as of December 31, 2017	**(347,288)**
Other comprehensive income	(4,882)
Business combination (Note 3.b to the annual consolidated financial statements)	(1,034,213)
Translation effect on business combination assets	(783,713)
Charge to net income of the year	(260,527)
Balances as of December 31, 2018	**(2,430,623)**
Other comprehensive income	24,195
Translation effect on business combination assets	(854,865)
Reclassifications of assets held for sale	17,284
Charge to net income of the period	(2,000,478)
Balances as of September 30, 2019	**(5,244,487)**

The Law No. 27,468, published in the Official Gazette on December 4, 2018, established that the tax inflation adjustment procedure will be in force for the years beginning on January 1, 2018. With respect to the first, second and third fiscal year afterwards, this procedure will be applicable in the event that the variation in the Consumer Price Index ("CPI"), calculated from the beginning and until the end of each of those exercises exceeds 55%, 30% and 15%, for the first, second and third fiscal year of application, respectively. Considering the CPI projections of the as of December 31, 2019, the Company has applied the tax inflation adjustment procedure in the estimation of annual effective rate.

16. LEASES LIABILITIES

The evolution of the lease liability during the nine-month period ended September 30, 2019 is as follows:

	Total
Lease liability as of January 1, 2019 due to the initial application of IFRS 16	206,006
Increases	64,640
Reclassifications	210,166
Finance accretion	21,144
Payments	(82,917)
Translation effect	204,423
Lease liability as of September 30, 2019	**623,462**

The reconciliation between the balances for operating lease commitments as of December 31, 2018 and the lease liability due to initial application of IFRS 16 is detailed as follows:

	Total
Operating lease commitments as of December 31, 2018	499,953
Finance discount	(293,947)
Lease liability as of January 1, 2019	**206,006**

The following is a breakdown of the lease liabilities recorded by the Group as of September 30, 2019, with identification of the term of the lease and each rates:

Lease term	Annual effective rate used	September 30, 2019
Two to three year	9.87%	64,765
Three to four year	7.75% - 8.35%	264,117
More than five years	9.88% - 9.90%	294,580
Total		**623,462**

The financial accretion accrued in the nine-month period ended September 30, 2019, arising from lease contracts, amounts to 21,144, which is exposed in the line "Financial accretion" in the line "Financial loss" included in "Net financial results" of the statement of comprehensive income (Note 21).

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As of September 30, 2019, the maturities of the liabilities related to lease agreements are:

	September 30, 2019
Up to one year	143,955
Current leases liabilities	**143,955**
One to five years	304,249
From the 6th year onwards	175,258
Non current leases liabilities	**479,507**
Total	**623,462**

17. LOANS

		September 30, 2019		December 31, 2018	
	Interest rate [1]	Non-current	Current	Non-current	Current
Negotiable obligations	10.00%-10.24%	28,442,126	517,458	-	-
Loans	6.99%-8.65%	22,869,494	7,064,306	18,096,828	6,463,984
Financial leases	8.35% - 8.40%	-	-	159,742	50,424
		51,311,620	**7,581,764**	**18,256,570**	**6,514,408**

(1) Annual interest rate as of September 30, 2019.

The evolution of the Group's loans as of the nine-month period ended on September 30, 2019 and for the fiscal year ended December 31, 2018 is as follows:

	Total
Amount as of December 31, 2017	**4,080,979**
Proceeds from loans	9,877,729
Payments of loans	(2,355,833)
Payments of interest	(949,923)
Accrued interest [(1)]	1,114,414
Non-cash transactions [(2)]	(352,971)
Incorporation by business combinations [(3)]	4,176,661
Net exchange rate differences and translation effect	9,179,922
Amount as of December 31, 2018	**24,770,978**
Proceeds from loans	22,354,420
Payments of loans	(7,802,520)
Payments of interest	(1,856,822)
Accrued interest [(1)]	2,341,978
Net exchange rate differences and translation effect	19,295,516
Reclassifications [(4)]	(210,166)
Amount as of September 30, 2019	**58,893,384**

(1) Includes capitalized financial costs.
(2) The "Non-cash transactions" includes the loans capitalization with YPF and the offsetting effect of the loan with YPF related to disposal of the interest in the Ramos Consortium. The group classifies interest paid as cash flows from financing activities.
(3) Corresponds to the addition of balances from Y-GEN and Y-GEN II. See Note 3.b) to the annual consolidated financial statements.
(4) Corresponds to reclassification of lease liabilities according to IFRS 16.

The description of the Group's principal loans is included in Note 13 to the annual consolidated financial statements. Updates for the nine-month period ended September 30, 2019 are described below:

Citi 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 LIBOR rate + 4.875%.

On June 28, 2018, the Company took out a second loan with the same bank for a total amount of US$ 30 million with quarterly interest at 3-month LIBOR rate + 1.85%, and principal bullet repayment at maturity, on June 28, 2019. On the due date, the Company renewed such loan up to September 30, 2019 at 3-month LIBOR rate + 3.95%, that has been cancelled at that date.

Pre-cancellation of Itaú Unibanco S.A., Nassau Branch – Banco Itaú Argentina S.A. Loan

On September 24, 2018, the Company took out a loan from Itaú Unibanco S.A., Nassau Branch, for an aggregate amount of US$ 50 million with quarterly interest at 3-month LIBOR rate + 5.00% and bullet repayment of principal at maturity, on September 24, 2019.

On June 21, 2019, the Company pre-cancelled US$ 10 millions corresponding to such loan and took out a new loan with Banco Itaú Argentina S.A. for the same amount, with maturity on December 18, 2019 and a fixed interest rate of 7.25%.

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On July 3, 2019, the Company pre-cancelled US$ 10 millions corresponding to such loan and took out a new loan with Banco Itaú Argentina S.A. for the same amount, with maturity on December 30, 2019 and a fixed interest rate of 7.75%.

Negotiable Obligations

- **Local issuance**

As mentioned in Note 1, 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 a Global Program for the Issuance of Negotiable Obligations Non-convertible in shares up to US$ 1,500 million (the "Global 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.

On May 7, 2019, the Company issued Class I Negotiable Obligations, under the mentioned Global Program. The placement reached US$ 75 million, at a 10.24% fixed rate with a maturity date on 2021 and interest payable quarterly since August 10, 2019.

In addition, on June 12, 2019, the Company issued additional NO for an amount of US$ 25 million, which accrue interests at a fixed rate of 10.24%, with a maturity date on 2021 and interest payable quarterly since August 10, 2019.

The obtained financing from both emissions will be allocated to the investments the Group is currently developing.

- **International issuance**

On July 25, 2019, within the framework of the Public Offering regime for securities granted by the CNV to the Program described in Note 1, , the Company made an international issuance of negotiable obligations Class II for an amount of US$ 400 million which pay a 10% coupon semiannually 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.

At any time or periodically before July 25, 2023, the Company, at its option, may allocate net cash funds obtained from one or more Share Offers to redeem up to 35% of the total face value of the NO in circulation, at a redemption price of 110% plus interest accrued, if any.

18. ACCOUNTS PAYABLE

	September 30, 2019	December 31, 2018
	Current	**Current**
Trade [(1)]	1,991,849	934,147
Related parties [(1) (2)]	4,443,353	3,631,382
	6,435,202	**4,565,529**

(1) Commercial balances payable do not accrue interest and are normally cancelled within 90 days.
(2) For information on related parties, see Note 29.

19. REVENUES

	For the nine-month period ended September 30,	
Type of good or services	**2019**	**2018**
Energía Base [(1)]	4,726,461	2,389,079
Revenues under PPA	5,380,157	2,078,985
Steam sales	777,697	264,434
Other income for services	25,792	20,758
	10,910,107	**4,753,256**

(1) Includes 1,594,563 by the application of SGE Resolution 70/2018 in 2019.

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

By Customer	For the nine-month period ended September 30, 2019	2018
CAMMESA (1)	8,147,157	4,041,123
YPF (1)	2,416,337	643,360
Y-GEN (1) (2)	-	10,209
Y-GEN II (1) (2)	-	10,549
U.T. Loma Campana (1)	87,977	48,015
Profertil S.A. (1)	81,789	-
Coca-Cola FEMSA de Buenos Aires S.A.	48,924	-
Toyota Argentina S.A.	44,727	-
Other	83,196	-
	10,910,107	**4,753,256**

(1) Related parties (Note 29).
(2) Companies controlled since March 31, 2018.

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 nine-month periods ended September 30, 2019 and 2018:

	For the nine-month period ended September 30, 2019			
	Production costs		Administrative and selling expenses	Total
Depreciation of property, plant and equipment	1,914,347		-	1,914,347
Depreciation of right of use assets	36,042		18,687	54,729
Consumable materials and supplies	119,444		3,901	123,345
Banking expenses	-		2,859	2,859
Rentals	1,294		5,611	6,905
Fees and compensation for services	40,820		57,283	98,103
Other personnel expenses	26,514		51,204	77,718
Preservation, repair and maintenance	118,328		74	118,402
Insurance	106,459		87	106,546
Salaries and social security taxes	423,253		326,588	749,841
Operation services and other contracts	231,928		-	231,928
Transportation, products and charges	555,792	(1)	-	555,792
Fuel, gas, energy and miscellaneous	1,474,294	(1)	-	1,474,294
Provision for doubtful trade receivables	-		48,772	48,772
Taxes, rates and contributions	8,497		465,085	473,582
Publicity and advertising expenses	-		3,911	3,911
Miscellaneous	141,283	(1)	15,506	156,789
Total 2019	**5,198,295**		**999,568**	**6,197,863**

(1) Includes 1,348,890 by the application of SGE Resolution 70/2018.

	For the nine-month period ended September 30, 2018		
	Production costs (1)	Administrative and selling expenses (1)	Total
Depreciation of property, plant and equipment	794,412	-	794,412
Consumable materials and supplies	25,538	3,876	29,414
Banking expenses	57	9,226	9,283
Rentals	3,088	4,333	7,421
Fees and compensation for services	11,957	33,520	45,477
Other personnel expenses	13,222	47,519	60,741
Preservation, repair and maintenance	79,750	3,905	83,655
Insurance	27,640	-	27,640
Salaries and social security taxes	260,782	73,406	334,188
Operation services and other contracts	113,792	-	113,792
Transportation, products and charges	99,109	-	99,109
Fuel, gas, energy and miscellaneous	13,655	-	13,655
Taxes, rates and contributions	5,866	175,918	181,784
Publicity and advertising expenses	-	25	25
Research and development	5,013	-	5,013
Miscellaneous	40,214	22,019	62,233
Total 2018	**1,494,095**	**373,747**	**1,867,842**

(1) Net of discontinued operations (Note 22).

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

21. NET FINANCIAL RESULTS

	For the nine-month period ended September 30, 2019	2018
Finance income		
Interest income	921,042	85,429
Exchange rate differences	1,603,782	4,142,462
Total finance income	**2.524.824**	**4,227,891**
Finance loss		
Interest loss	(1,830,102)	(278,890)
Exchange rate differences	(1,504,567)	(4,550,081)
Finance accretion	(21,144)	-
Total finance loss	**(3,355,813)**	**(4,828,971)**
Total net financial results	**(830,989)**	**(601,080)**

The following charts presents financial instruments by category for the nine-month periods ended September 30, 2019 and 2018:

For the nine-month period ended September 30, 2019	Financial assets and liabilities at amortized cost	Financial assets at fair value through profit or loss	Non-financial assets and liabilities	Total
Interest income	851,536	69,506	-	921,042
Interest loss	(1,830,102)	-	-	(1,830,102)
Exchange rate differences, net	(291,861)	(59,923)	450,999	99,215
Finance accretion	(21,144)	-	-	(21,144)
	(1,291,571)	**9,583**	**450,999**	**(830.989)**

For the nine-month period ended September 30, 2018	Financial assets and liabilities at amortized cost	Financial assets at fair value through profit or loss	Non-financial assets and liabilities	Total
Interest income	31,417	54,012	-	85,429
Interest loss and others	(278,890)	-	-	(278,890)
Exchange rate differences, net	(695,762)	(360,995)	649,138	(407,619)
	(943,235)	**(306,983)**	**649,138**	**(601,080)**

22. DISCONTINUED OPERATIONS – RAMOS CONSORTIUM

	For the nine-month period ended September 30, 2019	2018
Revenues	-	41,502
Production costs	-	(22,048)
Gross profit	-	**19,454**
Administrative and selling expenses	-	(4,077)
Net profit for the period before income tax from discontinued operations	-	**15,377**
Income tax for the period	-	(2,081)
Net profit for the period from discontinued operations	-	**13,296**

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23. SHAREHOLDERS' EQUITY

As of September 30, 2019, the common stock of the Company amounts to 3,747,070,355 represented by ordinary shares with a par value of 1, with the right to one vote per share, which is subscribed, integrated, issued and registered.

As of September 30, 2019, the shareholders of YPF EE are as follows:

Shareholder	Number of Shares	Participation in the common 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%**	

On May 7, 2019, the Ordinary Shareholder's Meeting approved the financial statements of YPF EE for the fiscal year ended December 31, 2018 and decided regarding profit allocation, as follows: a) allocate the sum of 225,271 to constitute a legal reserve in accordance with the provisions of Article 70, first paragraph of the LGS; b) allocate the sum of 4,198,813 to constitute a Reserve for future investments under the terms of Article 70, third paragraph of the LGS; and c) allocate the sum of 11,532 corresponding to the initial adjustment for the IFRS implementation to constitute a special reserve in accordance with the provisions of General Resolution No. 609 of the CNV.

On July 30, 2019, the Company was notified by its shareholder GE EFS Power Investments B.V. ("GE EFS"), owner of 24.99% of the shares of YPF Energía Eléctrica, that 100% of the shares issued by GE EFS was 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 voting rights corresponding to 24.99% of the shares of YPF Energía Eléctrica S.A. owned by GE EFS.

24. EARNINGS PER SHARE

The following table shows the net income and the number of shares that have been used for the calculation of the basic and diluted earnings per share:

	For the nine-month period ended September 30, 2019	2018
Net profit for the period attributable to holders of the parent company:		
Continuing operations	2,163,197	1,798,261
Discontinued operations	-	13,296
	2,163,197	**1,811,557**
Weighted average per share	**3,747,070**	**3,462,640**
Earnings per share from continuing and discontinued operations (expressed in argentine pesos):		
- Basic and diluted	0.577	0.523
Earnings per share from continuing operations (expressed in argentine pesos)		
- Basic and diluted	0.577	0.519

Basic and diluted earnings per share are calculated as shown in Note 20 to the annual consolidated financial statements.

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of issuance of these condensed interim consolidated financial statements that may produce a dilution effect.

25. RESTRICTION ON RETAINED EARNINGS

Pursuant to the Argentine Companies Act and the corporate by law, 5% of the net profit for the fiscal year must be allocated to the legal reserve until such reserve reaches 20% of the capital stock.

Also, in accordance with General Resolution 609/12 of the CNV, a special reserve was created ("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.

26. MAIN CONTRACTUAL COMMITMENTS AND GUARANTEES GRANTED

Main contractual commitments are described in Note 23 to the annual consolidated financial statements. As follows, the description of the developments during the nine-month period ended September 30, 2019 in relation to the main contractual commitments:

- **El Bracho Thermal Plant – La Plata Cogeneración II**

On August 30, 2019, the Secretariat of Renewable Resources and Electricity Market issued Resolution No. 25/2019 which it summoned to the Generating Agents that hired under the framework of Resolution No. 287/2017 (the "Generating Agents") to state the expected commercial operation date of their respective projects (the "expected commercial operation date").

For the purposes of the Wholesale Demand Agreements signed by the Generating Agents with CAMMESA, the expected commercial operation date informed will be considered as a new commercial operation date committed ("NCODC") with a limit of 180 days from the original. In the event that the expected commercial operation date is greater than that period, with respect to the NCODC, will be applicable the cumulative reduction regime of the term of the Wholesale Demand Agreement, without prejudice to the application of the penalties and other contractual consequences that may correspond.

On October 1, 2019, the Group proceeded to notify CAMMESA of the following expected commercial operation dates:

- YPF EE informed that the NCODC of the La Plata Cogeneración II Power Plant is on August 1, 2020 due to delays attributable to the contractor in charge of the execution of the construction of the mentioned Power Plant.
- Y-GEN II informed that the NCODC of the El Bracho Thermal Power Plant is on December 23, 2020 due to delays caused by the "Grande America" vessel accident (See Note 27) that was duly informed.

27. CONTINGENT LIABILITIES

Within the framework of the Contract to Close the Gas Turbine Cycle of El Bracho Thermal Plant, Province of Tucumán ("Cycle Closing Contract"), celebrated between General Electric Parts & Products GmbH, as equipment supplier ("GEPP"), General Electric Suc. Arg., as contractor of the work ("GESA" and, together with GEPP, "GE") and Y-GEN II, as acquirer and commissioner respectively, on March 20, 2019 GE sent a notification to Y-GEN II informing that part of the equipment that GE has to provide for the completion of this project was lost due to an incident related to the ship that was carrying those materials to Argentina.

This vessel was carrying essential equipment to complete the project object of the Cycle Closing Contract. The loss of such equipment will cause delays in the completion of the project according to the stipulated in the Cycle Closing Contract.

Under the Cycle Closing Contract, the risk of loss of the equipment is under GE's responsibility until the works reach the preliminary reception according the Cycle Closing Contract.

Given the circumstances of the delay, Y-GEN II has requested CAMMESA and the Government Secretariat of Energy, an extension, without penalty, of the date committed by virtue of the characteristics of this fact.

On August 30, 2019, the Secretariat of Renewable Resources and Electricity Market issued Resolution No. 25/2019 by means of which Y-GEN II informed that the expected commercial operation date of the project will be December 23, 2020 (see Note 26).

In this order and based on the information available as of the date of these interim consolidated financial statements, the Group's management believes that it more likely than not that the Group will not have significant negative impacts arising from this event due to: (i) the mitigation plans presented by GE that indicates that the commercial operation date of the project will be reached before December 23, 2020, and (ii) that through Resolution No. 25/2019 of the Secretariat of Renewable Resources and Electricity Market was established on December 23, 2020 as the new expected commercial operation date of the thermal power plant, without implying any penalty for the Group.

Additionally, with respect to the El Bracho project, Y-GEN II has insurance coverage that covers the loss of earnings due to delays on the termination date committed from July 2020 to June 2021.

28. MAIN REGULATIONS AND OTHERS

Main regulations and others are described in Note 24 to the annual consolidated financial statements. Updates for the nine-month period ended September 30, 2019 are described below:

28.a) Regulatory framework for the electric industry

- **Resolution 1-SRRyME/2019:** On February 28, 2019, with the purpose of securing sustainability of the wholesale electricity market, the Secretariat of Renewable Resources and Electricity Market issued Resolution No. 1-SRRyME/2019, pursuant to which the remuneration criteria established in Resolution 19/2017 of the former Secretary of Electric Energy were adjusted to economically reasonable and efficient conditions, which may be assigned and/or transferred to demand in the electricy market.

  Like Resolution No. 19/2017, Resolution No. 1 will be provisionally applied until gradual definition and implementation of the regulatory mechanisms to achieve the autonomous, competitive and sustainable operation of the electricity market that will allow for the free interaction of supply and demand, and a technical, economic and operating functioning towards the integration of the different generation technologies to ensure a reliable system at a minimum cost.

  The remuneration to authorized thermal generators is composed of a payment for the monthly available power, a payment for generated power and another for operated power.

  a. Remuneration for available power

     Power availability remuneration is subdivided into a base price associated to Actual Power Availability (DRP, by its acronym in Spanish) and a price for guaranteed power in compliance with the Offered Guaranteed Power (DIGO, by its acronym in Spanish). Power remuneration will be adjusted depending on the actual usage factor of generation equipment.

     The DRP remuneration will range from 3,050 to 5,200 US$/MW-month, according to the technology made available for the system and the DIGO remuneration will be 7,000 US$/MW-month for winter and summer periods and 5,500 US$/MW for the rest of the year.

  b. Remuneration for Generated Energy

     The remuneration for conventional thermal generation will contemplate as a maximum, per type of fuel consumed by each generation unit, the non-fuel variable costs, which are 4 US$/MW hour for equipment consuming Natural Gas, 7 US$/MW hour for Fuel Oil or Gasoil, 10 US$/MW hour for Biofuels and 12 US$/MW hour for mineral coal.

  c. Remuneration for Operated Energy

     Additionally, generators will receive a monthly remuneration for Operated Energy, represented by the integration of hourly power capacities for the period, valued at 1.4 US$/MWh for any type of fuel. The hourly volume of Operated Energy must correspond to the optimum dispatch in order to comply with the energy and reserves assigned.

  A generation plant that has declared the option to purchase fuels for the generation of energy, which upon request does not have sufficient fuel for the delivery, will lose its delivery order until, if necessary, CAMMESA shall assign fuel to it for its operation, and the remuneration concepts mentioned above will be reduced by 50% of their value.

  Remuneration is denominated in US dollars and is payable at the reference exchange rate of the date prior to maturity date.

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

28.b) Exchange Market Regulation

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, also issued on September 1, 2019 ("Communication 6770"), which was amended and supplemented by Communications "A" 6776, "A" 6780, "A" 6782, "A" 6796, "A" 6814, "A" 6815 and "A" 6818. The temporary restrictions will be in force until December 31, 2019.

Communication 6770 regulates the inflow and outflow of foreign exchange currencies in the market. This regulation maintains full freedom to extract dollars from bank accounts, both for individuals and legal entities, and there is no restriction to travelling abroad.

In addition, this new regulation states that:

- exporters of goods and services must exchange their foreign currency revebyes in the domestic market. Exports must be settled within 5 business days after collection.
- 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.
- the trusts will have access to the local foreing currency exchange market to guarantee cancellation of the principal and interest services of their obligations, to the extent that they prove that the issuer have had access to make the payment on their behalf by fulfilling the applicable regulatory provisions.
- new financial debts contracted abroad that are disbursed later than September 1, 2019 must be settled in the local exchange market. Likewise, the demonstration of the fulfillment of the inflow and settlement of such financial debt will be required as a condition to access the local foreing currency exchange market for the payment of principal and interest services of the debts.
- there are no restrictions on the purchase of foreign currency for foreign trade purposes.
- there are no restrictions on the purchase of foreign currency for imports from third parties.
- BCRA's previous approval will be required to access the local foreign currency exchange market in order to repay debts with foreing related parties.

28.c) Other regulatory requirements

- **Regulatory Frame CNV (N.T. 2013)**

a) General Resolution No. 622 of CNV

i. In accordance with the requirements of Article 1, Chapter III, Title IV of the aforementioned resolution, the notes to the consolidated financial statements that set forth the information requested by the Resolution in the form of appendix are detailed below.

Appendix A – Property, plant and equipment	Note 9 Property, plant and equipment
Appendix B – Intangible assets	Note 8 Intangible assets
Appendix C – Investments in shares	Note 11 Investments in Associates and Joint Ventures
Appendix D – Other Investments	Note 7 Financial Instruments by category
Appendix E – Provisions	Note 13 Trade receivables Note 12 Other receivables
Appendix F – Cost of sales and services	Note 20 Expenses by nature
Appendix G – Assets and liabilities in currencies other than Argentine peso	Note 30 Assets and liabilities in currencies other than Argentine peso

b) General Resolution No. 629 of CNV

As a result of General Resolution No. 629 of the CNV, we inform that the supporting documentation of the Company's operations that is not located at the registered office is in the deposits of the following companies:

- Adea S.A., located in Plant 3 – Route 36, Km 31.5 – Florencio Varela – Buenos Aires Province.
- File S.R.L. located in Panamericana and R. S. Peña – Blanco Encalada – Luján de Cuyo – Mendoza Province.

Likewise, it is recorded that the detail of the documentation given in the custody is available at the registered headquarters, as well as the documentation referred to in article 5 clause a.3), Section I of Chapter V of Title II of the Regulations of the CNV.

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

29. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The information detailed in the tables below shows the balances with associates and joint ventures as of September 30, 2019 and December 31, 2018 and transactions with those parties for the nine-month periods ended September 30, 2019 and 2018.

	As of September 30, 2019		
	Other receivables	Trade receivables	Accounts payable
	Current	Current	Current
Joint controlling shareholder:			
YPF S.A.	1,647	2,084,992	1,208,327
GE EFS Power Investment B.V.	1,792	-	-
Associates:			
Refinería del Norte S.A.	-	59,977	-
Metroenergía S.A.	-	4,588	13,987
A-Evangelista S.A.	-	-	380,662
U.T. Loma Campana	-	29,888	53,307
General Electric International Inc.	-	-	652,180
GE Energy Parts Inc.	-	-	1,151
GE Global Parts and Products GmbH	-	-	884,819
GE International Inc. Sucursal Argentina	-	-	413,576
GE Packaged Power Inc.	-	-	187,951
GE Water & Process Technologies SC	-	-	10,004
GE Wind Energy Equipment	-	-	615,234
GE Senging & Inspection Technologies	-	-	1,080
GE Jenbacher GMBH & CO OG	-	-	21,075
Profertil S.A.	-	29,251	-
Argentine federal government-controlled entities:			
CAMMESA	-	2,750,093	-
Total	**3,439**	**4,958,789**	**4,443,353**

	As of December 31, 2018			
	Other receivables		Trade receivables	Accounts payable
	Current	Non Current	Current	Current
Joint controlling shareholder:				
YPF S.A.	-	-	1,758,720	1,819,452
GE EFS Power Investment B.V. (1)	5,250,000	-	-	-
Associates:				
Refinería del Norte S.A.	-	-	25,558	-
Metroenergía S.A.	-	-	2,892	-
A-Evangelista S.A.	-	-	-	342,895
U.T. Loma Campana	-	-	38,290	-
General Electric International Inc.	-	-	-	3,067
GE Global Parts and Products GmbH	-	-	-	822,572
GE Water & Process Technologies SC	-	-	-	6,502
GE Energy Parts Inc.	-	-	-	753
GE Packaged Power Inc.	-	-	-	18,750
GE International Inc. Sucursal Argentina	-	-	-	615,538
GE Intelligent Platforms	-	-	-	367
GE Senging & Inspection Technologies	-	-	-	397
GE Jenbacher GMBH & CO OG	-	-	-	683
YPF Tecnología S.A.	-	-	-	406
Profertil S.A.	-	-	11,138	-
Argentine federal government-controlled entities:				
CAMMESA	124,731	452,881	1,816,331	-
Total	**5,374,731**	**452,881**	**3,652,929**	**3,631,382**

(1) Corresponds to GE EFS Power Investments B.V. ("GE") shares subscription for US$ 140 millions contributed on March 2019.

YPF ENERGÍA ELÉCTRICA S.A.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2019 AND COMPARATIVE INFORMATION (UNAUDITED)
(Amounts expressed in thousands of Argentine pesos, except as otherwise indicated)

	For the nine-month period ended September 30,					
	2019			2018		
	Revenues	Purchases of goods and services	Interest gain (loss) net	Revenues	Purchases of goods and services	Interest gain (loss) net
Joint controlling shareholder:						
YPF S.A.	2,416,337	1,261,089	-	643,360	110,054	(8,896)
Associates:						
A-Evangelista S.A.	-	1,596,616	-	-	218,136	-
Bajo del Toro II S.R.L. (2)	-	-	-	-	-	(37,262)
U.T. Loma Campana	87,977	-	-	48,015	-	-
General Electric International Inc.	-	1,855,472	-	-	1,648	-
GE Global Parts and Products GmbH	-	2,586,773	-	-	2,196,523	-
GE Water & Process Technologies SC	-	14,142	-	-	14,706	-
GE Inspection Technologies	-	-	-	-	1,421	-
GE Intelligent Platforms	-	-	-	-	367	-
GE Wind Energy Equipment	-	1,914,733	-	-	492,237	-
GE Packaged Power Inc.	-	237,975	-	-	109,453	-
GE International Inc. Sucursal Argentina	-	1,682,868	-	-	944,597	-
GE Senging & Inspection Technologies	-	1,533	-	-	-	-
GE Jenbacher GMBH & CO OG	-	22,460	-	-	-	-
Metroenergía S.A.	-	203,855	-	-	-	-
YPF Tecnología S.A.	-	454	-	-	-	-
Profertil S.A.	81,789	-	-	-	-	-
Entidad controlada por el Estado Nacional						
CAMMESA	8,147,157	-	664,060	4,041,123	80,351	22,981
Argentine federal government-controlled entities:						
Y-GEN Eléctrica S.A.U. (1)	-	-	-	10,209	-	-
Y-GEN II Eléctrica S.A.U. (1)	-	-	-	10,549	-	-
Totales	**10,733,260**	**11,377,970**	**664,060**	**4,753,256**	**4,169,493**	**(23,177)**

(1) Companies consolidated since March 31, 2018. See Note 3.b) to the annual consolidated financial statements.
(2) Effective January 1, 2019 Bajo del Toro II was merged with YPF S.A., that was the continuing company.

Remuneration of the Administration

During the nine-month period ended September 30, 2019, the Directors' fees and compensation to key executives amounted to 77,350, being the same short-term benefits and constituting the only benefits granted to directors and key executives.

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

30. ASSETS AND LIABILITIES IN CURRENCIES OTHER THAN ARGENTINE PESO

	09.30.2019				12.31.2018		
Account		**Class and amount of currencies other than peso**	**Exchange rate (1)**	**Booked amount in pesos**		**Class and amount of currencies other than peso**	**Booked amount in pesos**
NON-CURRENT ASSETS							
Investment in financial assets	US$	-	-	-	US$	1,864	69,901
Total of Non-Current Assets				**-**			**69,901**
CURRENT ASSETS							
Investment in financial assets	US$	17	57.39	953	US$	-	-
Other receivables		-		-	US$	140,751	5,278,163
Trade receivables	US$	80,473	57.39	4,618,345	US$	95,756	3,590,857
Other financials assets	US$	40,854	57.39	2,344,623	US$	39,707	1,489,031
Cash and cash equivalents	US$	396,735	57.39	22,768,622	US$	107,679	4,037,970
Total of Current Assets				**29,732,543**			**14,396,021**
Total of Assets				**29,732,543**			**14,465,922**
NON-CURRENT LIABILITIES							
Loans	US$	898,521	57.59	51,745,824 (2)	US$	487,868	18,392,637 (2)
Leases liabilities	US$	8,326	57.59	479,507	-	-	-
Other financial liabilities		275	57.59	15,816	-	-	-
Total of Non-Current Liabilities				**52,241,147**			**18,392,637**
CURRENT LIABILITIES							
Accounts payable	US$	67,201	57.59	3,870,106	US$	51,076	1,925,556
	EUR	14,684	62.84	922,743	EUR	5,986	258,375 (3)
Loans	US$	133,515	57.59	7,689,129 (3)	US$	173,694	6,548,279
Other liabilities	US$	621	57.59	35,788	US$	2,631	99,189
Leases liabilities	US$	2,500	57.59	143,955	US$	-	-
Other financial liabilities		157	57.59	9,015	US$	-	-
Total of Current Liabilities				**12,670,736**			**8,831,399**
Total of Liabilities				**64,911,883**			**27,224,036**

(1) Exchange rate in force at September 30, 2019 according to Banco Nación Argentina.

(2) Corresponds to the nominal amount owed, which is disclosed under loans for 51,311,620 and 18,256,570 as of September 30, 2019 and December 31, 2018, respectively, net of commissions and costs demanded by the transaction.

(3) Corresponds to the nominal amount owed, which is disclosed under loans for 7,581,764 y 6,514,408 as of September 30, 2019 and December 31, 2018, respectively, net of commissions and costs demanded by the transaction.

31. SUBSEQUENT EVENTS

As of the date of issuance of these condensed interim consolidated financial statements, there has not been significant subsequent events, whose effect on the Group's financial position and the results of operations for the nine months period ended September 30, 2019 or their disclosure in these condensed interim consolidated financial statements, if applicable, have not been considered in accordance with IFRS.

MARCOS MIGUEL BROWNE
President