

**YPF**  
LUZ



Earnings Release  
2<sup>nd</sup> Quarter 2020

2Q20 Earnings Release  
Conference Call

Conference Call

August 10, 2020

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time)

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## YPF Luz recorded an EBITDA of USD 93.8 million in the first six months of 2020

Buenos Aires, August 7, 2020 - YPF Energía Eléctrica S.A. (YPF Luz), an Argentine leading electric power generation company, announced today its results for the second quarter of 2020.

### Main Figures

#### Financial and Operational Performance<sup>1</sup> (unaudited figures)

|   | 2Q20   | 2Q19    | Chg %   | 6M20    | 6M19    | Chg %   |
|---|--------|---------|---------|---------|---------|---------|
| Revenues (k USD) <sup>2</sup>                 | 69,836 | 75,742  | (7.8)%  | 142,361 | 158,656 | (10.3)% |
| Adj. EBITDA (k USD) <sup>3</sup>              | 45,086 | 51,172  | (11.9)% | 94,873  | 108,678 | (12.7)% |
| EBITDA (k USD)                                | 45,361 | 48,509  | (6.5)%  | 93,805  | 102,665 | (8.6)%  |
| EBITDA Margin (%)                             | 65.0%  | 64.0%   | 1.4%    | 65.9%   | 64.7%   | 1.8%    |
| Net Income (k USD)                            | 13,469 | 24,928  | (46.0)% | 37,771  | 53,468  | (29.4)% |
| Investments (k USD)                           | 49,393 | 143,086 | (65.5)% | 172,362 | 247,404 | (30.3)% |
| Energy Sold (GWh)                             | 1,881  | 1,709   | 10.1%   | 3,626   | 3,210   | 12.9%   |
| Thermal Energy                                | 1,753  | 1,579   | 11.0%   | 3,368   | 2,957   | 13.9%   |
| Renewable Energy                              | 128    | 129     | (1.1)%  | 257     | 254     | 1.4%    |
| Steam Production (k tons)                     | 437    | 269     | 62.6%   | 855     | 703     | 21.6%   |
| Availability Commercial Factor Thermal Energy | 89.9%  | 87.1%   | 3.2%    | 87.2%   | 89.1%   | (2.1)%  |
| Capacity Factor Renewable Energy              | 60.2%  | 60.0%   | 0.3%    | 60.3%   | 59.6%   | 1.2%    |

1. Argentine pesos have been converted to U.S. dollars considering the average exchange rate for each quarter, according to the average closing exchange rate quoted by Banco Nación: 1Q19: 39.1 ARS/USD; 2Q19: 43.8 ARS/USD; 1Q20: 61.3 ARS/USD; 2Q20: 67.5 ARS/USD.

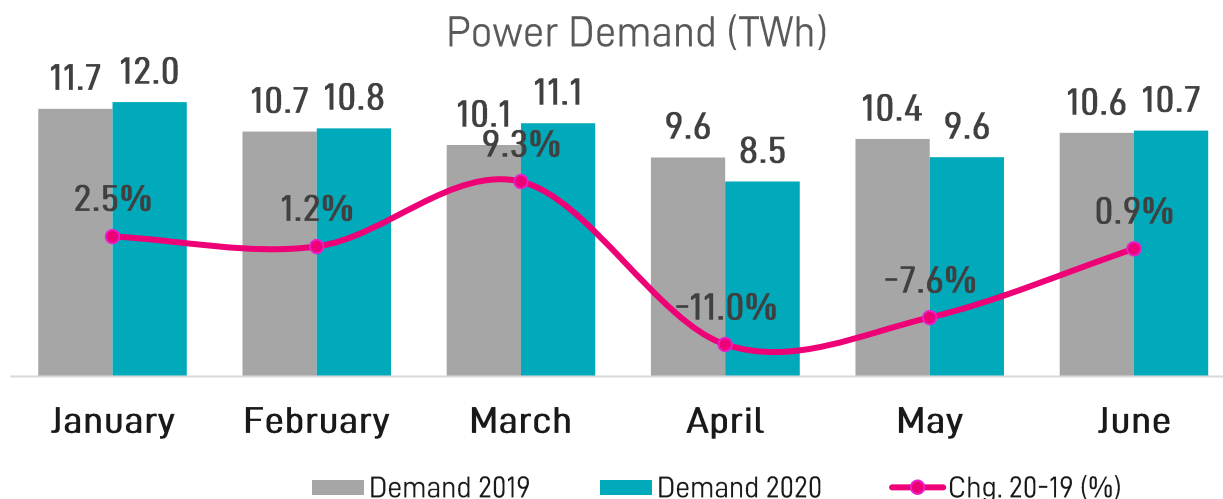
2. In 2019 it includes income from recognition of fuel pursuant to Resolution 70/18.

3. Reconciliation of adjusted EBITDA is included in page 6 of this report.

- Sales amounted to USD 142.4 million in 6M20, 10.3% lower than in 6M19.
- In 6M20, our EBITDA was USD 93.8 million, 8.6% lower than in 6M19.
- Total energy sold was 3,626 GWh, 12.9% higher than in 6M19.
- Renewable energy load factor was 60.3% during 6M20, 1.2% higher than in the previous year.
- Sales of steam during the first six months increased by 21.6% compared to the previous year, totaling 855 thousand tons.

## Argentine Electricity Market Scenario<sup>1</sup>

During the first six months of 2020, electric power consumption reached 62,819 GWh, a 0.5% decline as compared to the same period of 2019 (63,126 GWh). Although in the first quarter of 2020, an increase of 4.4% had been recorded, during the second quarter there was a 5.7% drop in demand due to the Social Preventative and Mandatory Lockdown that impacted on Argentina's industrial and commercial activities.



Source: Cammesa

On the one hand, the demand for distribution (including Large Distribution Users – (GUDIs)), which accounts for 84% of the total, grew 2.2%, mainly explained by a 10.3% growth of residential demand due to more extreme average monthly temperatures than in 2019 (higher temperatures in the warm months and lower temperatures in the cold months of the first six months), and this, in addition to a higher number of people at home by reason of the lockdown, resulted in an increased consumption of this demand. This increase largely offset the decline in the distributor's commercial and industrial demand, which dropped 6.4% during the first six months of 2020 as compared to the same period of the previous year.

On the other hand, WEM large users (GUMAs and GUMEs), who account for 16% of the total, recorded a 12.7% fall in consumption as compared to the same period of the previous year, reflecting the fall in economic activity. Although in the first quarter the drop had been 2.4% as compared to 1Q19, in 2Q20 it steepened as a result of the lockdown, reaching a fall of 22.8% as compared to the same period of 2019.

From the point of view of supply, Argentina has an installed capacity of 40,212MW, 2.5% (894 MW) higher than in 2Q19, made up as follows: 61% from thermal power plants, 27% from hydroelectric plants, 8% from non-conventional renewable energies (wind, solar, mini-hydro, and biofuel plants), and 4% from nuclear power plants.

During the first six months of the year, nearly 659 MW were added to the system, mainly from renewable sources (586 MW from wind power, 32 MW from solar power, 12 MW from hydro renewable power and 4 MW from biogas), and 25 MW from thermal power.

Generation grew 2.4% in the first six months of 2020 as compared to the same period of the previous year, reaching 65,526 GWh. This did not follow the decrease in the demand due to an increase in exports and a decrease in imports as compared to 2019.

<sup>1</sup> Source: CAMMESA



During the first six months of 2020, the supply of power included 380 GWh from renewable sources imported from Uruguay and Paraguay, representing a 74% decrease as compared to the previous year due to the small contribution from the rivers in the Northeastern Region of Argentina and the lower level of surpluses at the binational plants. Additionally, during the first six months of 2020, exports were 10 times higher as compared to the previous year, reaching 499 GWh, mainly to Uruguay and Brazil.

Thermal generation (62%) and hydroelectric generation (22%) continued to be the major sources of energy used to meet demand. However, there was a 19% decrease in hydroelectric generation during the first six months, mainly due to the low flow of the Uruguay and Paraná rivers that affected the generation of the binational plants Salto Grande and Yacretá, which decreased their output by 63% and 26%, respectively, as compared to the same period of the previous year.

Nuclear power accounted for 8.3% of the output in the first six months of 2020, similarly as non-conventional renewable energies which recorded a 74% growth as compared to the same period of the previous year.

Wind generation is the main renewable energy source (NCRE) in Argentina (74.6%), followed by renewable hydro power (11.3%), solar power (9.3%), and biofuels (4.8%). The capacity factor for each technology was approximately 49% for wind power, 30% for renewable hydroelectric power, 27% for solar power, and 64% for biofuels.

Natural gas continued to be the main fuel used for generation, accounting for 96% of the total during the first six months of 2020. Consumption reached 8,516 MMm<sup>3</sup> or 46.8 MMm<sup>3</sup>/d, 3% lower than in the same period of the previous year. The remaining thermal generation was fed by liquid fuel and coal, which reached 2.2 MMm<sup>3</sup>/d of gas equivalent, 55% higher than the consumption in the first six months of 2019.

As a result, the average generation monomial cost<sup>4</sup> was 58.1 USD/MWh or 3,800 ARS/MWh, 12.2% lower than in the same period of the previous year.

The seasonal price, which has been fixed since April 2019 at the values set forth in Resolution SEE 14/2019 (ARS 1,872/MWh for residential consumption, and ARS 2,133/MWh for non-residential consumption), remained at the minimum value of USD 26.62/MWh and USD 30.3/MWh, respectively. As a result, the level of subsidies for this demand was close to 48%, reaching 55% in June. In the case of GUDIs, the price was approximately ARS 3,020/MWh (USD 46.3/MWh), which implied a subsidy of approximately 20%.

### **Regulatory highlights in 2Q20**

The following energy regulations were issued during this period:

#### **Decree 543/2020**

On December 23, 2019, the Law on Social Solidarity and Productive Reactivation within the Framework of the Public Emergency was published, declaring the public emergency in economic, financial, fiscal, administrative, retirement, energy, health and social matters. Pursuant to Section 5, the Argentine Executive Branch was vested with powers to maintain unchanged the electricity and natural gas rates subject to the national jurisdiction for a term of 180 days.

On June 19, 2020, the President of Argentina extended the effectiveness of rate freezing set forth in Section 5 of the Law on Social Solidarity and Productive Reactivation until December 2020 (rates in Pesos established in April 2019 by Res. SEE 14/2019).

#### **Note 7458730-APN-SE#MPD**

On June 10, 2020, the Secretariat of Energy sent Note "NO-2020-37458730-APN-SE#MDP" to CAMMESA instructing it to temporarily postpone –from March 12, 2020 until September 12, 2020– the computation of terms regarding the performance of the contracts executed within the framework of the RenovAr Program (Rounds 1, 1.5, 2 and 3), Resolution (former SE) No. 712/2009, Resolution (former MEyM) No. 202/2016 and Resolution (former SEE)

<sup>4</sup> Excluding transmission costs. Average calculated according to the closing exchange rate of each month.



No. 287/2017 and of the projects within the framework of Resolution (former MEyM) No. 281/2017, exclusively in those cases where commercial operation had not been secured at the commencement of the postponement period.

Consequently, the delivery of notices of default with respect to commercial operation dates or interim milestones was temporarily discontinued. However, CAMMESA shall carry out all such necessary acts and formalities to maintain the effectiveness of the rights vested in it within the framework of the executed Contracts and it may request, as necessary, the renewal of guarantees and any action for the protection of its rights, as well as the rights of the Secretariat of Energy and the National Government.

## EBITDA

### EBITDA by asset<sup>1</sup> (unaudited figures)

| (In thousand USD)                     | 2Q20          | 2Q19          | Chg %          | 6M20           | 6M19           | Chg %         |
|---------------------------------------|---------------|---------------|----------------|----------------|----------------|---------------|
| El Bracho GT                          | 14,282        | 16,001        | (10.7)%        | 29,119         | 30,523         | (4.6)%        |
| Tucumán Complex                       | 14,522        | 18,853        | (23.0)%        | 27,685         | 35,640         | (22.3)%       |
| La Plata Cogeneration                 | 3,547         | 1,301         | 172.5%         | 8,669          | 7,612          | 13.9%         |
| Loma Campana I <sup>1</sup>           | 793           | 3,496         | (77.3)%        | 6,203          | 7,529          | (17.6)%       |
| Loma Campana II                       | 7,209         | 7,278         | (0.9)%         | 15,753         | 15,339         | 2.7%          |
| Loma Campana Este                     | 149           | 510           | (70.7)%        | 504            | 1,145          | (56.0)%       |
| WF Manantiales Behr                   | 7,992         | 7,972         | 0.3%           | 14,964         | 14,201         | 5.4%          |
| <b>Subtotal</b>                       | <b>48,494</b> | <b>55,410</b> | <b>(12.5)%</b> | <b>102,897</b> | <b>111,988</b> | <b>(8.1)%</b> |
| Corporate & eliminations <sup>2</sup> | (3,133)       | (6,901)       | (54.6)%        | (9,092)        | (9,323)        | (2.5)%        |
| <b>Total</b>                          | <b>45,361</b> | <b>48,509</b> | <b>(6.5)%</b>  | <b>93,805</b>  | <b>102,665</b> | <b>(8.6)%</b> |

1. Argentine pesos have been converted to U.S. dollars considering the average exchange rate for each quarter, according to the average closing exchange rate quoted by Banco Nación: 1Q19: 39.1 ARS/USD; 2Q19: 43.8 ARS/USD; 1Q20: 61.3 ARS/USD; 2Q20: 67.5 ARS/USD.

2. It includes corporate expenses.

The Company's total sales amounted to USD 142.4 million in 6M20, down by 10.3% as compared to 6M19. This is mainly explained by: (i) the impact of Resolution No. 70/18 on 6M19, which allowed to declare as own fuel costs and to include them under sales as higher revenues, accompanied by a significant drop in the price of gas; (ii) lower sales prices recorded in 6M20 for sales of Base Energy as a consequence of the regulatory change in 1Q20; and (iii) a 2.1% reduction in the volume of the remuneration received for availability of our thermal complexes, partially offset by a 12.9% and 21.6% increase in energy and steam sold, respectively.

As concerns operating costs (excluding depreciation), a 10.2% reduction was recorded in 6M20 as compared to 6M19, due to reduced fuel costs, the impact of the repeal of Resolution No. 70/2018 and a significant decline in the price of gas, which was partially offset by higher taxes and labor costs.

Therefore, the Company's EBITDA reached USD 93.8 million in 6M20, 8.6% lower than in 6M19.

La Plata Cogeneration had an increase in EBITDA of 13.9% during 6M20 as compared to 6M19. Even though rates were affected by the impact of Resolution No. 31/2020, sales in the first six months of 2020 were higher than those of the first six months of 2019 since in the second quarter of 2019 the plant was subject to more intensive maintenance for which reason the dispatch, availability and production of steam were lower in that year.

The Manantiales Behr wind farm had an increase in EBITDA of 5.4% due to a higher load factor recorded during 6M20, and therefore, more energy was sold, coupled with lower maintenance costs.

El Bracho thermal plant's EBITDA showed a decrease of 4.6% during 6M20 as compared to 6M19 due to lower sales of energy as a result of lower dispatch and lower capacity revenues since, even though the availability of the plant was 1.1% higher, remuneration was affected by the lower price of capacity pursuant to the provisions of the PPA currently in effect.

Loma Campana I had a decrease in EBITDA of 17.6% mainly resulting from the failure occurred during the second quarter of 2020 that kept the plant out of service and that directly impacted on its sales. This circumstance was partially offset by lower operating and maintenance costs and the recognition of a penalty relating to the performance bond provided by the turbine supplier during 1Q20.

Loma Campana II increased its EBITDA by 2.7% in 6M20, as compared to the same period of the previous year. Lower sales of energy, as a consequence of lower dispatch, were offset by higher power capacity revenues due to an

increase in the plant's availability, mainly in 2Q20, and the recognition of a penalty relating to the performance bond provided by the turbine supplier during 1Q20.

The Tucumán Complex saw a 22.3% EBITDA reduction in the first six months of 2020, as compared to the same period in the previous year, which fall reflected the impact of the introduction of the new regulations for the sales of Base Energy. In addition to the price effect, capacity revenues were also affected by lower availability due to higher maintenance at the San Miguel de Tucumán plant in the first days of the year. The foregoing was partially offset by a higher volume of energy sold throughout this period.

Loma Campana Este reduced its EBITDA by 56% in 6M20 as compared to the previous year, as a result of higher maintenance expenses and a lower volume of energy sales.

### Reconciliation of adjusted EBITDA<sup>1</sup> (unaudited figures)

|  | 2Q20   | 2Q19   | Chg %   | 6M20   | 6M19    | Chg %   |
|--|--------|--------|---------|--------|---------|---------|
| EBITDA   | 45,361 | 48,509 | (6.5)%  | 93,805 | 102,665 | (8.6)%  |
| Income from equity interest in associates and joint ventures | (275)  | 2,663  | n.a.    | 1,068  | 6,013   | (82.2)% |
| Adjusted EBITDA  | 45,086 | 51,172 | (11.9)% | 94,873 | 108,678 | (12.7)% |

1. Argentine pesos have been converted to U.S. dollars considering the average exchange rate for each quarter, according to the closing exchange rate quoted by Banco Nación: 1Q19: 39.1 ARS/USD; 2T19: 43.8 ARS/USD; 1Q20: 61.3 ARS/USD; 2Q20: 67.5 ARS/USD

## Operations and Sales

The following table shows the units sold per Plant in GWh, MW-month and in thousands of tons of steam, as applicable:

### Operational figures<sup>1</sup> (unaudited figures)

|                          | Tipo     | Unidad   | 2Q20  | 2Q19  | Chg %   | 6M20  | 6M19  | Chg %   |
|--------------------------|----------|----------|-------|-------|---------|-------|-------|---------|
| Tucumán Complex          | Power    | MW-month | 775   | 749   | 3.5%    | 722   | 747   | (3.3)%  |
|                          | Energy   | GWh      | 1,334 | 1,078 | 23.7%   | 2,352 | 1,872 | 25.6%   |
| El Bracho TG             | Power    | MW-month | 265   | 256   | 3.4%    | 259   | 257   | 1.1%    |
|                          | Energy   | GWh      | 7     | 38    | (81.2)% | 51    | 62    | (17.5)% |
| Loma Campana Este        | Power    | MW-month | 12    | 12    | -       | 12    | 12    | -       |
|                          | Energy   | GWh      | 9     | 11    | (17.0)% | 20    | 21    | (2.2)%  |
| Loma Campana I           | Power    | MW-month | 34    | 86    | (60.1)% | 60    | 93    | (35.4)% |
|                          | Energía  | GWh      | 74    | 180   | (58.9)% | 255   | 372   | (31.4)% |
| Loma Campana II          | Power    | MW-month | 105   | 93    | 12.9%   | 104   | 99    | 5.2%    |
|                          | Energy   | GWh      | 93    | 126   | (26.1)% | 244   | 269   | (9.4)%  |
| La Plata Cogeneración    | Power    | MW-month | 115   | 69    | 66.5%   | 110   | 88    | 25.8%   |
|                          | Energy   | GWh      | 236   | 146   | 61.7%   | 446   | 361   | 23.6%   |
|                          | Steam    | k Tn     | 437   | 269   | 62.6%   | 855   | 703   | 21.6%   |
| Wind Farm Manatales Behr | Energy   | GWh      | 128   | 129   | (1.1)%  | 257   | 254   | 1.4%    |
| Total                    | Power    | MW-month | 1,307 | 1,266 | 3.2%    | 1,268 | 1,295 | (2.1)%  |
|                          | Energy   | GWh      | 1,881 | 1,709 | 10.1%   | 3,626 | 3,210 | 12.9%   |
|                          | Steam    | k Tn     | 437   | 269   | 62.6%   | 855   | 703   | 21.6%   |
| Central Dock Sud         | Potencia | MW-month | 355   | 217   | 63.5%   | 539   | 400   | 34.9%   |
|                          | Energía  | GWh      | 535   | 275   | 94.5%   | 1,873 | 1,341 | 39.7%   |

1. Corresponds to the energy, power and steam invoiced.

The following two tables show a breakdown of sales by counterparty and percentage share:

### Sales Breakdown by Offtaker<sup>1</sup> (unaudited figures)

| (In thousand USD)             | 2Q20          | 2Q19          | Chg %         | 6M20           | 6M19           | Chg %          |
|-------------------------------|---------------|---------------|---------------|----------------|----------------|----------------|
| CAMMESA Res. N°1/19           | 20,630        | 20,973        | (1.6)%        | 41,105         | 44,776         | (8.2)%         |
| CAMMESA Res. SGE 70/18        | 5,344         | 11,122        | (52.0)%       | 10,875         | 22,720         | (52.1)%        |
| PPA with CAMMESA Res. N°21/16 | 26,204        | 25,253        | 3.8%          | 52,522         | 52,124         | 0.8%           |
| PPA with YPF S.A.             | 14,388        | 16,065        | (10.4)%       | 31,904         | 34,367         | (7.2)%         |
| PPA other privates            | 2,279         | 2,328         | (2.1)%        | 4,503          | 4,668          | (3.5)%         |
| <b>Subtotal</b>               | <b>68,845</b> | <b>75,741</b> | <b>(9.1)%</b> | <b>140,909</b> | <b>158,655</b> | <b>(11.2)%</b> |
| Other services revenues       | 991           | -             | n.a.          | 1,452          | -              | n.a.           |
| <b>Total</b>                  | <b>69,836</b> | <b>75,741</b> | <b>(7.8)%</b> | <b>142,361</b> | <b>158,655</b> | <b>(10.3)%</b> |

1. Argentine pesos have been converted to U.S. dollars considering the average exchange rate for each quarter, according to the average closing exchange rate quoted by Banco Nación: 1Q19: 39.1 ARS/USD; 2T19: 43.8 ARS/USD; 1Q20: 61.3 ARS/USD; 2Q20: 67.5 ARS/USD.

### Sales Breakdown by Offtaker (%) (unaudited figures)

| (In thousand USD)             | 2Q20          | 2Q19          | Chg %         | 6M20          | 6M19          | Chg %         |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| CAMMESA Res. N°1/19           | 29.5%         | 27.7%         | 6.7%          | 28.9%         | 28.2%         | 2.3%          |
| Gas recognition by CAMMESA    | 7.7%          | 14.7%         | (47.9)%       | 7.6%          | 14.3%         | (46.7)%       |
| PPA with CAMMESA Res. N°21/16 | 37.5%         | 33.3%         | 12.5%         | 36.9%         | 32.9%         | 12.3%         |
| PPA with YPF S.A.             | 20.6%         | 21.2%         | (2.9)%        | 22.4%         | 21.7%         | 3.5%          |
| PPA other privates            | 3.3%          | 3.1%          | 6.2%          | 3.2%          | 2.9%          | 7.5%          |
| <b>Subtotal</b>               | <b>98.6%</b>  | <b>100.0%</b> | <b>(1.4)%</b> | <b>99.0%</b>  | <b>100.0%</b> | <b>(1.0)%</b> |
| Other services revenues       | 1.4%          | -             | n.a.          | 1.0%          | 0.0%          | n.a.          |
| <b>Total</b>                  | <b>100.0%</b> | <b>100.0%</b> | <b>-</b>      | <b>100.0%</b> | <b>100.0%</b> | <b>-</b>      |

The following two tables show the availability of thermal power and renewable energy capacity factor:

### Availability Factor Thermal Energy<sup>1</sup> (%)

|                                 | 2Q20         | 2Q19         | Chg %       | 6M20         | 6M19         | Chg %         |
|---------------------------------|--------------|--------------|-------------|--------------|--------------|---------------|
| Complejo Tucumán                | 93.5%        | 90.4%        | 3.5%        | 87.1%        | 90.1%        | (3.3)%        |
| El Bracho TG                    | 99.3%        | 96.0%        | 3.4%        | 97.2%        | 96.1%        | 1.1%          |
| Loma Campana Este               | 70.6%        | 70.6%        | -           | 70.6%        | 70.6%        | -             |
| Loma Campana I                  | 32.7%        | 82.0%        | (60.1)%     | 57.0%        | 88.2%        | (35.4)%       |
| Loma Campana II                 | 97.9%        | 86.8%        | 12.9%       | 97.3%        | 92.5%        | 5.2%          |
| La Plata Cogeneration I (LPC I) | 90.2%        | 54.2%        | 66.5%       | 86.1%        | 68.4%        | 25.8%         |
| <b>Total<sup>2</sup></b>        | <b>89.9%</b> | <b>87.1%</b> | <b>3.2%</b> | <b>87.2%</b> | <b>89.1%</b> | <b>(2.1)%</b> |
| Central Dock Sud                | 40.9%        | 25.0%        | 63.5%       | 62.0%        | 46.0%        | 34.9%         |

1. It is calculated as remunerated capacity/installed capacity.

2. Weighted by total installed capacity excluding CDS to the extent of the 30.76% interest held in it and Manantiales Behr Wind Farm.



## Capacity Factor Renewable Energy (%) (unaudited figures)

|                            | 2Q20                         | 2Q19  | Chg % | 6M20   | 6M19  | Chg % |      |
|----------------------------|------------------------------|-------|-------|--------|-------|-------|------|
| Manantiales Behr Wind Farm | Capacity factor <sup>1</sup> | 60.2% | 60.0% | 0.3%   | 60.3% | 59.6% | 1.2% |
|                            | Availability factor          | 99.0% | 99.3% | (0.3)% | 99.2% | 99.1% | 0.1% |

<sup>1</sup>Corresponds to the generated energy

The following table shows total installed capacity in the Argentine Renewable Energy Term Market (MATER), energy sold in the MATER and YPF Luz's market share in term of installed capacity and energy sold:

## Mercado a Término de Energía Renovable Argentino (MATER)

|  | 2Q20 | 2Q19 | Chg %   | 6M20 | 6M19 | Chg %   |
|--|------|------|---------|------|------|---------|
| Total installed capacity in MATER (MW) | 559  | 260  | 115.0%  | 559  | 260  | 115.0%  |
| Total energy sold in MATER (GWh)       | 526  | 296  | 77.7%   | 1062 | 474  | 124.1%  |
| Market share installed capacity (%)    | 18%  | 38%  | (52.6)% | 18%  | 38%  | (52.6)% |
| Market share energy sold (%)           | 24%  | 44%  | (45.5)% | 24%  | 54%  | (55.6)% |

The Company's aggregate thermal generation commercial availability in 6M20 reached 87.2%, 2.1% lower than in 6M19.

The Tucumán Generation Complex suffered a year-on-year 3.3% decline in commercial availability in 6M20, mainly due to maintenance tasks of GT No. 2 at the San Miguel Plant during the first quarter of the year. This was offset in the second quarter by the increase in availability of CC No. 2 at the San Miguel Plant due to fewer maintenance days and sudden failures. Despite the decrease in commercial availability in 6M20, a 25.6% increase in sales of energy was recorded in the first six months since the low contributions from the Paraná and Uruguay rivers caused the hydroelectric plants in such basin to reduce their production, thus favoring a higher dispatch from the system's thermal plants. This situation, coupled with the take-or-pay condition of gas from Bolivia and low priority demand of natural gas, increased dispatch at the Tucumán plants.

La Plata Cogeneration's availability was 25.8% higher than in 6M19 and at the same time it showed an increase in energy and steam sales of 23.6% and 21.6%, respectively. This is mainly attributed to scheduled maintenance tasks performed in May and June, 2019.

Regarding Loma Campana I plant, it had a decrease in commercial availability and generation during 6M20 of 35.4% and 31.4%, respectively, due to a failure in mid April that kept the equipment out of service until mid June.

Loma Campana II increased its commercial availability by 5.2% in 6M20 as compared to the same period of the previous year. This is explained mainly by failures during June 2019. Thus, it was the thermal plant with highest average commercial availability of the Company, reaching 97.3%. On the other hand, energy sold during the first six months decreased by 9.4% as compared to the previous year due to the take-or-pay of gas from Bolivia that resulted in increased dispatch in the Northwestern region of Argentina.

Loma Campana Este's commercial availability remained in line with the figures recorded in the previous year. A 2.2% decline in energy sales was shown in 6M20, mainly attributed to a 17% decrease during 2Q20 as a result of lower demand from YPF.

As concerns the Manantiales Behr Wind Farm, it showed a capacity factor of 60.3% in 6M20, 1.2% higher than in 6M19. On the one hand, its share in the MATER in terms of installed capacity reached 18%, a year-on-year decrease of 52.6%, reflecting the entry of new renewable energy projects to the market during the last year. Besides, its market

share in terms of energy sold was 24% in 6M20, higher than its installed capacity share because of its better use of the natural resource as compared to the rest of the renewable energy farms in the country.

Central Dock Sud saw an increase in commercial availability of 34.9% during 6M20, as compared to the previous year, mainly due to the scheduled maintenance tasks performed in 6M19 both at CC No. 9 and CC No. 10, followed by a failure of the bearing in the ST. Furthermore, energy sales increased by 39.7% in 6M20 as compared to the previous year, mainly attributed to the availability increase.

## CAPEX

| Plant                           | Location              | Installed Capacity (MW) | Off-taker | Technology    | Commercial Operational Date (COD) | Estimated CAPEX (MM USD) | Progress <sup>3</sup> (%) |
|---------------------------------|-----------------------|-------------------------|-----------|---------------|-----------------------------------|--------------------------|---------------------------|
| Los Teros                       | Buenos Aires Province | 123                     | MATER     | Wind          | 3Q2020                            | \$ 166                   | 97%                       |
| La Plata Cogeneration II        | Buenos Aires Province | 85                      | CAMMESA   | Cogeneration  | 3Q2020                            | \$ 166                   | 98%                       |
| Cañadón Leon <sup>1</sup>       | Santa Cruz Province   | 122                     | CAMMESA   | Wind          | 1Q2021                            | \$ 157                   | 84%                       |
| El Bracho ST <sup>2</sup>       | Tucuman Province      | 198                     | CAMMESA   | Steam Turbine | 4Q2020                            | \$ 290                   | 98%                       |
| Manantiales Behr Planta Térmica | Chubut Province       | 57                      | YPF       | Motogenerator | 1Q2021                            | \$ 63                    | 83%                       |
| Los Teros II                    | Buenos Aires Province | 52                      | MATER     | Wind          | 1Q2021                            | \$ 69                    | 71%                       |
| <b>Total</b>                    |                       | <b>637</b>              |           |               |                                   | <b>\$ 911</b>            |                           |

1. Renovar 2.0 Program, 99 MW awarded.

2. Resolution No. 287/2017.

3. It refers to physical degree of progress as of June 2020.

The tasks performed during the second quarter of 2020 in each of the projects included:

In the closing of cycle of El Bracho plant, the principal civil works and assembly of the cooling towers were completed. Furthermore, commissioning and startup tasks for the different systems at the plant have commenced.

In La Plata Cogeneration II, commissioning and startup tasks for the plant have commenced.

In Los Teros Wind Farm, mounting of 32 wind turbines has already been completed, coupled with civil works and the building of roads and the substation. Commissioning and startup tasks for the Wind Farm have commenced.

In Los Teros II Wind Farm, tasks for the opening of internal roads, platforms and foundations for wind turbines have been performed.

In Cañadón León Wind Farm, 29 wind turbines are already in the site and 12 of them have already been mounted. All the equipment was received at the port. We continue working on internal roads, foundations, substation, and internal medium voltage wiring.

In Manantiales Behr thermal power plant, we have completed the civil works for the engine buildings and the soil movement, grounding, and concreting of bases for the engines. All the engines have been placed in the building.

## Indebtedness

### Financial Debt<sup>1</sup> (unaudited figures)

| (In thousand USD)            | 06.30.2020                  |                       |                  | 03.31.2020                  |                       |                                  | Chg. q/q        |                 |                 |
|------------------------------|-----------------------------|-----------------------|------------------|-----------------------------|-----------------------|----------------------------------|-----------------|-----------------|-----------------|
|                              | Corp. +<br>Restr. Subs. (a) | Unrestr.<br>Subs. (b) | Consolidated (c) | Corp. +<br>Restr. Subs. (a) | Unrestr.<br>Subs. (b) | Consolidated<br>(c) <sup>7</sup> | Chg. q/q<br>(a) | Chg. q/q<br>(b) | Chg.<br>q/q (c) |
| Short Term <sup>2</sup>      | 305,084                     | 1,601                 | 306,685          | 184,328                     | 921                   | 184,328                          | 65.5%           | 73.9%           | 66.4%           |
| Long Term <sup>3</sup>       | 720,007                     | 59,470                | 779,477          | 827,909                     | 59,033                | 827,909                          | (13.0)%         | 0.7%            | (5.8)%          |
| Gross Debt                   | 1,025,091                   | 61,071                | 1,086,162        | 1,012,237                   | 59,954                | 1,012,237                        | 1.3%            | 1.9%            | 7.3%            |
| Cash & Eq. <sup>4</sup>      | 225,411                     | 32,371                | 257,782          | 237,514                     | 44,823                | 237,514                          | (5.1)%          | (27.8)%         | 8.5%            |
| Net Debt                     | 799,679                     | 28,701                | 828,380          | 774,723                     | 15,131                | 774,723                          | 3.2%            | 89.7%           | 6.9%            |
| Adj. EBITDA LTM <sup>5</sup> | 221,081                     | (1,071)               | 220,010          | 226,096                     | (1,015)               | 226,096                          | (2.2)%          | 5.5%            | (2.7)%          |
| Net Debt/EBITDA LTM          | 3.62x <sup>6</sup>          | N/D                   | 3.77x            | 3.43x                       | N/D                   | 3.43x                            | 5.6%            | n.a             | 9.9%            |

1. Argentine pesos have been converted to U.S. dollars considering the closing exchange rate for each quarter, according to the average closing exchange rate quoted by Banco Nación: 03.31.2020: 64,4 ARS/USD; 06.30.2020: 70,4 ARS/USD.

2. Includes, in 1Q20, USD k 1,062 and, in 2Q20, USD k 1,277 as other financial liabilities

3. Includes, in 1Q20 USD k 603, and in 2Q20 USD k 400 as other financial liabilities; and in 1Q20 USD k 3,946, and in 2Q20, USD k 3,465, as lease liabilities (Note 16 to the financial statements)

4. Includes other financial assets and trusts recorded under other receivables (Note 12 to the financial statements).

5. Argentine pesos have been converted to U.S. dollars considering the average exchange rate for each quarter, according to the average closing exchange rate quoted by Banco Nación: 2Q19: 43.8 ARS/USD; 3Q19: 50.1 ARS/USD; 4Q19: 59.3 ARS/USD; 1Q20: 61.3 ARS/USD; 2Q20: 67.5 ARS/USD.

6. It refers to the leverage ratio related to the notes.

7. As of 1Q20 Luz de León S.A. was not consolidated.

In 2Q20, USD 50,000,000 Series III notes were issued in the local market, at a nominal annual 1.49% interest rate and with 18-month maturity.

At a consolidated level, cash and cash equivalents as of June 2020 increased by 8.5% as compared to the previous quarter, due to the issuance of notes in June, offset by the use of funds for the construction of the projects and the service of interest and principal payments during the quarter.

At a corporate level, the net debt-to-adjusted EBITDA ratio rose to 3.62 as of June 2020, from 3.43 as of March 2020, an increase of 5.4%. This is due to the fact that (i) the net debt increased as funds were allocated to execute the projects under construction, (ii) in 2Q20 Luz de León S.A. (unrestricted subsidiary) started to become consolidated; and (iii) the adjusted EBITDA for the last twelve months declined by 2.2%. Once these projects have been commissioned, this ratio will decrease hand in hand with the increase in adjusted EBITDA and the repayment of short-term debts, as the projects under construction become operational.

## Environmental, Social & Governance (ESG)

### Environmental

|  | 2Q20    | 2Q19    | Chg %   | 6M20      | 6M19      | Chg %   |
|--|---------|---------|---------|-----------|-----------|---------|
| YPF Luz Renewable Energy(GWh)                          | 128     | 129     | (1.1)%  | 257       | 254       | 1.4%    |
| Renewable Energy/Total Energy <sup>1</sup> (%)         | 6.8%    | 7.6%    | (10.1)% | 7.1%      | 7.9%      | (10.2)% |
| Direct emissions GEI (tCO <sub>2</sub> e) <sup>2</sup> | 737,492 | 693,886 | 6.3%    | 1,456,432 | 1,330,461 | 9.5%    |
| Emission savings (tCO <sub>2</sub> ) <sup>3</sup>      | 91,208  | 92,977  | (1.9)%  | 183,588   | 183,439   | 0.1%    |
| Water extraction (k ton) <sup>2</sup>                  | 1,880   | 1,351   | 39.2%   | 3,237     | 2,320     | 39.5%   |
| Total discharge of water effluent <sup>1</sup>         | 112     | 110     | 1.8%    | 218       | 219       | (0.5)%  |
| Waste (kg)   | 44,492  | 38,823  | 14.6%   | 96,654    | 79,830    | 21.1%   |

1. Does not include Central Dock Sud.

2. Data derived from APA report.

3. Data calculated with the US EPA agency taking into account electric power produced by the Manantiales Behr Wind Farm in each period.

In the period, fuel consumption (natural gas) increased 10.4% and CO<sub>2</sub> emissions increased 9.5%, while thermal generation increased 12.5%. In other words, CO<sub>2</sub> emissions increased less than the energy produced by higher efficiencies. On the other hand, in June we carried out an environmental awareness campaign with videos, trivia and internal and external training.

### Social

|                                       | 2Q20  | 2Q19  | Chg %    | 6M20   | 6M19  | Chg %    |
|---------------------------------------|-------|-------|----------|--------|-------|----------|
| Employee training hours               | 9,175 | 6,393 | 43.5%    | 12,042 | 8,971 | 34.2%    |
| Accident Frequency Index <sup>1</sup> | 0     | 1.17  | (100.0)% | 0      | 0.63  | (100.0)% |
| Volunteer hours                       | n.a   | 86    | n.a.     | 58     | 86    | (32.6)%  |

1. Accident frequency Accident= (computable accidents by work days lost x 10<sup>6</sup>)/man hours worked

In Human Resources, employee training in the second quarter of 2020 increased by 44% compared to the same period in 2019, mainly due to the increase in virtual trainings for all our collaborators, which we reinforced due to the pandemic. Regarding the safety of our workers, this quarter there were no computable accidents with lost days. The contribution of our volunteers decreased 34% in the semester compared to 2019 due to the limitations imposed by social isolation.

Due to the Covid 19 situation, we updated our protocols and implemented actions to protect people and guarantee the continuity of operations. We conducted 8 Covid 19 Suspicious Case Drills at all YPF Luz sites and works. We added sections dedicated to Covid-19 in our corporate website and our Intranet. Furthermore, we adapt our social investment plan to the new needs of the communities, which we identify through online meetings with community leaders. We generate awareness campaigns about Covid and make donations of sanitizers or other materials to schools and non-profit organizations.

### Governance

During the first semester of 2020, we finished training 100% of our staff in Compliance and the fight against corruption and began a second training plan. We review and refine the third-party review process to increase its traceability and integrity. We are implementing an automatic Compliance Risk Management tool that includes the creation of the company's Risk Matrix and establishes automated controls over all the critical processes identified. We hope to complete its implementation during the second half of 2020.



## Material Facts of the Period and Subsequent Events

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### Material Facts of the Period

#### Change in Corporate Notes´ Risk Rating

On April 22, 2020, the Company reported that Moody´s Latin America Agente de Calificación de Riesgo S.A. resolved to downgrade the global and national scale ratings of several non- financial companies that operate in Argentina.

As reported by Moody´s on April 8, 2020, such changes are attributed to the downgrading of Argentine Government´s bonds, from Caa2 to Ca, a change in perspective, now *“negative”* with respect to such bonds for as long as same are under review subject to a possible new future change in such rating. The foregoing evidences the link and degree of exposure of these companies to regulations and operations in Argentina.

By reason of the foregoing, Moody´s resolved to change the rating of our USD 100,000,000 Series I Notes at a global and national scale, downgrading such rating from Caa2/B1.ar to Caa3/Caa1.ar. Simultaneously and for the same reasons, Moody´s Investors Service downgraded the international rating of our USD 400,000,000 Series II Notes from Caa2 to Caa3. For further information, please visit: [www.moodys.com](http://www.moodys.com).

#### Change in Corporate Notes´ Risk Rating

On May 12, 2020, the Company reported that on May 8, 2020, S&P Global Ratings resolved to downgrade the international scale rating of YPF Energía Eléctrica S.A.'s unsecured notes from B- to CCC+. Such changes are attributed to S&P's downgrading from B- to CCC+ upon assessing Transfer and Convertibility risk for Argentina.

S&P's change in rating encompasses the rating of our USD 400,000,000 Series II Notes. For further information, please visit: [www.spglobal.com](http://www.spglobal.com).

#### Termination of the Share Subscription Agreement with Wind Power AS

On May 28, 2020, the Company reported that, in relation with the Share Subscription Agreement dated August 5, 2019, between YPF Energía Eléctrica S.A., Luz de León S.A., Y-Luz Inversora S.A.U. and Wind Power AS, reported to the public through the material fact dated August 6, 2019, Wind Power AS gave notice of its decision to terminate such Share Subscription Agreement.

#### Resignation and Appointment of Directors

On June 8, 2020, the Company reported that a Special Class “A” Shareholders´ Meeting was held on June 5, 2020, to accept the resignations tendered by Messrs. Marcos Miguel Browne, Daniel Cristian González Casartelli and Luis Miguel Sas from their positions as regular directors of the Company. Messrs. Santiago Martínez Tanoira, Mauricio Alejandro Martín and Diego Celaá were appointed to replace the retiring directors.

#### Issuance of Notes

On June 12, 2020, the Board of Directors of YPF Energía Eléctrica S.A. approved, within the framework of the Global Program for the Issuance of Simple Notes (Not Convertible into Shares) for a principal amount of up to USD 1,500,000,000 (or its equivalent in other currencies) outstanding at any time, the issuance and placement by public offering of notes for up to USD 50,000,000 (or its equivalent in other currencies), in one or more series and/or tranches, pursuant to the terms to be determined in the respective pricing supplements.



### **Issuance of Series III Notes**

On June 24, 2020, YPF Energía Eléctrica S.A. issued Series III Notes in the local market for a principal amount of USD 50,000,000 at a nominal annual interest rate of 1.49%, to mature on December 24, 2021.

### **Subsequent Material Events**

#### **Resignation and Appointment of Directors**

On July 2, 2020, a Class "B" Special Shareholders' Meeting was held to accept the resignation tendered by Mr. Hussain Shalchi from his position as regular director and Mr. Tyson Rory Yates was appointed to replace the retiring director.

## Annex: Balance Sheet<sup>1</sup>(unaudited figures)

| (In thousand USD)  | 06.30.2020       | 12.31.2019       | Chg %         |
|--|------------------|------------------|---------------|
| <b>ASSETS</b>  |                  |                  |               |
| <b>Non-Current Assets</b>                                      |                  |                  |               |
| Property, plant & equipment                                    | 1.567.944        | 1.371.798        | 14,3%         |
| Intangible assets  | 5.235            | 5.235            | -             |
| Right of use assets  | 11.962           | 12.529           | (4,5)%        |
| Investments in associates and joint ventures                   | 60.873           | 67.978           | (10,5)%       |
| Other receivables  | 47.269           | 25.622           | 84,5%         |
| Deferred tax assets  | 1.912            | -                | n.a.          |
| Assets held for disposal                                       | -                | 126.117          | (100,0)%      |
| <b>Total Non-Current Assets</b>                                | <b>1.695.195</b> | <b>1.609.279</b> | <b>5,3%</b>   |
| <b>Current Assets</b>  |                  |                  |               |
| Other receivables  | 47.336           | 43.755           | 8,2%          |
| Trade receivables  | 98.590           | 114.696          | (14,0)%       |
| Other financial assets   | 44.510           | 40.946           | 8,7%          |
| Cash and cash equivalents                                      | 211.695          | 245.869          | (13,9)%       |
| <b>Total Current Assets</b>                                    | <b>402.131</b>   | <b>445.266</b>   | <b>(9,7)%</b> |
| <b>TOTAL ASSETS</b>  | <b>2.097.326</b> | <b>2.054.545</b> | <b>2,1%</b>   |
| <b>SHAREHOLDERS EQUITY</b>                                     |                  |                  |               |
| Shareholders' contributions                                    | 119.556          | 140.692          | (15,0)%       |
| Reserves, other comprehensive income and non-retained earnings | 675.762          | 620.953          | 8,8%          |
| <b>TOTAL SHAREHOLDERS EQUITY</b>                               | <b>795.318</b>   | <b>761.645</b>   | <b>4,4%</b>   |
| <b>LIABILITIES</b>   |                  |                  |               |
| <b>Non-Current Liabilities</b>                                 |                  |                  |               |
| Provisions   | 949              | 982              | (3,4)%        |
| Deferred income tax liabilities, net                           | 107.380          | 95.122           | 12,9%         |
| Leases liabilities   | 6.656            | 7.783            | (14,5)%       |
| Loans  | 775.612          | 848.554          | (8,6)%        |
| Other financial liabilities                                    | 400              | 174              | 129,9%        |
| Liabilities associated to assets held for sale                 | -                | 14.086           | (100,0)%      |
| <b>Total Non-Current Liabilities</b>                           | <b>890.997</b>   | <b>966.701</b>   | <b>(7,8)%</b> |
| <b>Current Liabilities</b>                                     |                  |                  |               |
| Taxes payable  | 1.861            | 1.308            | 42,3%         |
| Salaries and social security                                   | 3.878            | 4.473            | (13,3)%       |
| Leases liabilities   | 2.531            | 2.491            | 1,6%          |
| Loans  | 305.408          | 163.409          | 86,9%         |
| Other financial liabilities                                    | 1.277            | 164              | 678,7%        |
| Trade payables   | 96.056           | 154.353          | (37,8)%       |
| <b>Total Current Liabilities</b>                               | <b>411.011</b>   | <b>326.198</b>   | <b>26,0%</b>  |
| <b>TOTAL LIABILITIES</b>                                       | <b>1.302.008</b> | <b>1.292.899</b> | <b>0,7%</b>   |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>              | <b>2.097.326</b> | <b>2.054.544</b> | <b>2,1%</b>   |

<sup>1</sup> Argentine pesos have been converted to U.S. dollars considering the closing exchange rate for each quarter, according to the average closing exchange rate quoted by Banco Nación: 12.31.2019: 59.8 ARS/USD; 06.30.2020: 70.4 ARS/USD.

## Annex: Income statement<sup>1</sup> (unaudited figures)

| (In thousand USD)   | 2Q20          | 2Q19          | Chg %          | 6M20          | 6M19          | Chg %          |
|---|---------------|---------------|----------------|---------------|---------------|----------------|
| Revenues  | 69,836        | 75,742        | (7.8)%         | 142,361       | 158,656       | (10.3)%        |
| Production costs  | (32,556)      | (33,030)      | (1.4)%         | (65,463)      | (69,207)      | (5.4)%         |
| <b>Gross profit</b>                                       | <b>37,280</b> | <b>42,712</b> | <b>(12.7)%</b> | <b>76,898</b> | <b>89,449</b> | <b>(14.0)%</b> |
| Administrative and selling expenses                       | (7,670)       | (7,107)       | 7.9%           | (15,957)      | (13,467)      | 18.5%          |
| Other operating results, net                              | 420           | 963           | (56.4)%        | 2,678         | 1,071         | 150.0%         |
| <b>Operating profit</b>                                   | <b>30,030</b> | <b>36,568</b> | <b>(17.9)%</b> | <b>63,619</b> | <b>77,053</b> | <b>(17.4)%</b> |
| Income from equity interest in associates                 | (275)         | 2,663         | n.a.           | 1,068         | 6,013         | (82.2)%        |
| Net financial results                                     | (10,945)      | (8,641)       | 26.7%          | (3,978)       | (18,902)      | (79.0)%        |
| <b>Profit before income tax from continued operations</b> | <b>18,810</b> | <b>30,590</b> | <b>(38.5)%</b> | <b>60,709</b> | <b>64,164</b> | <b>(5.4)%</b>  |
| Income tax  | (5,341)       | (5,662)       | (5.7)%         | (22,938)      | (10,696)      | 114.5%         |
| <b>Net profit for the period</b>                          | <b>13,469</b> | <b>24,928</b> | <b>(46.0)%</b> | <b>37,771</b> | <b>53,468</b> | <b>(29.4)%</b> |

<sup>1</sup> Argentine pesos have been converted to U.S. dollars considering the average exchange rate for each quarter, according to the average closing exchange rate quoted by Banco Nación: 1Q19: 39.1 ARS/USD; 2Q19: 43.8 ARS/USD; 1Q20: 61.3 ARS/USD; 2Q20: 67.5 ARS/USD.



## Annex: Cash Flow Statement<sup>1</sup> (unaudited figures)

| (In thousand dollars)  | 2Q20            | 2Q19             | Chg %          | 6M20             | 6M19             | Chg %          |
|--|-----------------|------------------|----------------|------------------|------------------|----------------|
| <b>OPERATING ACTIVITIES</b>  |                 |                  |                |                  |                  |                |
| Net profit for the period  | 13,470          | 24,927           | (46.0)%        | 37,772           | 53,465           | (29.4)%        |
| Adjustments to reconcile net profit to net cash flows from operating activities: |                 |                  |                |                  |                  |                |
| Income from equity interest in associates and joint ventures                     | 275             | (2,663)          | n.a.           | (1,068)          | (6,013)          | (82.2)%        |
| Depreciation of property, plant and equipment                                    | 15,047          | 11,691           | 28.7%          | 29,618           | 24,564           | 20.6%          |
| Depreciation of right of use assets  | 284             | 250              | 13.6%          | 568              | 1,048            | (45.8)%        |
| Decreases of property, plant and equipment                                       | 535             | 149              | 259.1%         | 655              | 149              | 339.6%         |
| Net financial results  | 5,550           | -                | n.a.           | 5,550            | -                | n.a.           |
| Net increase in provisions   | 10,945          | 8,641            | 26.7%          | 3,978            | 18,902           | (79.0)%        |
| Income tax charge  | -               | 64               | (100.0)%       | 132              | 133              | (0.8)%         |
| Increase in allowance for doubtful trade receivables                             | 5,609           | 5,662            | (0.9)%         | 24,729           | 10,696           | 131.2%         |
| Income tax charge related with assets held for sale                              | -               | -                | n.a.           | -                | 1,246            | (100.0)%       |
| Dividends received   | (267)           | -                | n.a.           | (1,790)          | -                | n.a.           |
| Changes in operating assets and liabilities:                                     |                 |                  |                |                  |                  |                |
| Trade receivables  | 16,503          | (5,395)          | n.a.           | 10,401           | 10,026           | 3.7%           |
| Other receivables  | (6,237)         | (3,653)          | 70.7%          | (17,422)         | (19,694)         | (11.5)%        |
| Trade payable  | (31,661)        | 11,393           | n.a.           | (10,210)         | 2,242            | n.a.           |
| Salaries and social security   | 2,038           | 848              | 140.3%         | (119)            | 459              | n.a.           |
| Taxes payable  | (302)           | (3,035)          | (90.0)%        | 891              | (3,860)          | n.a.           |
| Assets and liabilities held for sale   | 8,173           | -                | n.a.           | 1,130            | -                | n.a.           |
| Income tax payments  | -               | (1,858)          | 100.0%         | -                | (2,526)          | 100.0%         |
| <b>Net cash flows from operating activities</b>                                  | <b>39,962</b>   | <b>47,021</b>    | <b>(15.0)%</b> | <b>84,815</b>    | <b>90,837</b>    | <b>(6.6)%</b>  |
| <b>INVESTING ACTIVITIES</b>  |                 |                  |                |                  |                  |                |
| Acquisition of property, plant and equipment                                     | (14,811)        | (140,521)        | (89.5)%        | (117,964)        | (223,128)        | (47.1)%        |
| Acquisition of property, plant and equipment related with assets held for sale   | (3,893)         | -                | n.a.           | (23,709)         | -                | n.a.           |
| Acquisition of participation in other companies                                  | -               | (1,215)          | 100.0%         | -                | (1,215)          | 100.0%         |
| Anticipated payment of property, plant and equipment                             | (30,689)        | (1,350)          | 2173.3%        | (30,689)         | (23,061)         | 33.1%          |
| Anticipated payment of property, plant and equipment with assets held for sale   | -               | -                | n.a.           | (561)            | -                | n.a.           |
| Acquisitions of securities   | (11,470)        | -                | n.a.           | (83,241)         | -                | n.a.           |
| Liquidation of securities  | 19,203          | -                | n.a.           | 115,338          | -                | n.a.           |
| Interests collected  | 1,109           | -                | n.a.           | 3,284            | -                | n.a.           |
| Other financial assets   | 5,556           | (182)            | n.a.           | (3,254)          | (1,140)          | 185.4%         |
| <b>Net cash flows used in investing activities</b>                               | <b>(34,995)</b> | <b>(143,268)</b> | <b>(75.6)%</b> | <b>(140,796)</b> | <b>(248,544)</b> | <b>(43.4)%</b> |
| <b>FINANCING ACTIVITIES</b>  |                 |                  |                |                  |                  |                |
| Proceeds from loans  | 7,426           | 111,835          | (93.4)%        | 95,218           | 111,835          | (14.9)%        |
| Proceeds from loans from assets held for sale                                    | 54,562          | -                | n.a.           | 54,562           | -                | n.a.           |
| Capital contributions and share premium collected                                | -               | -                | n.a.           | -                | 145,365          | (100.0)%       |
| Payments of loans  | (53,555)        | (21,606)         | 147.9%         | (80,228)         | (34,628)         | 131.7%         |
| Payments of leases liabilities   | (591)           | (697)            | (15.2)%        | (1,174)          | (1,412)          | (16.9)%        |
| Payment of interest and other financial costs                                    | (13,534)        | (11,120)         | 21.7%          | (43,609)         | (24,400)         | 78.7%          |
| <b>Net cash flows from financing activities</b>                                  | <b>(5,692)</b>  | <b>78,412</b>    | <b>n.a.</b>    | <b>24,769</b>    | <b>196,760</b>   | <b>(87.4)%</b> |
| <b>Net (decrease)/increase in cash and cash equivalents</b>                      | <b>(725)</b>    | <b>(17,835)</b>  | <b>(95.9)%</b> | <b>(31,212)</b>  | <b>39,053</b>    | <b>n.a.</b>    |
| Traslation effect on financial statements  | 1,340           | 217              | 517.5%         | 1,029            | (5,225)          | n.a.           |
| Cash and cash equivalents of assets held for sale                                | 42,715          | -                | n.a.           | (3,991)          | -                | n.a.           |
| Cash and cash equivalents at the beginning of fiscal year <sup>2</sup>           | 168,365         | 176,482          | (4.6)%         | 245,869          | 125,036          | 96.6%          |
| <b>Cash and cash equivalents at the end of the fiscal year<sup>2</sup></b>       | <b>211,695</b>  | <b>158,864</b>   | <b>33.3%</b>   | <b>211,695</b>   | <b>158,864</b>   | <b>33.3%</b>   |

1. Argentine pesos have been converted to U.S. dollars considering the average exchange rate for each quarter, according to the average closing exchange rate quoted by Banco Nación: 1Q19: 39.1 ARS/USD; 2Q19: 43.8 ARS/USD; 1Q20: 61.3 ARS/USD; 2Q20: 67.5 ARS/USD.

2. Argentine pesos have been converted to U.S. dollars considering the closing exchange rate for each quarter, according to the average closing exchange rate quoted by Banco Nación: 12.31.18: 37.6 ARS/USD; 03.31.19: 43.3 ARS/USD; 06.30.19: 42.4 ARS/USD; 12.31.19: 59.8 ARS/USD; 03.31.20: 64.4 ARS/USD; 06.31.20: 70.4 ARS/USD.



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