

YPF
LUZ



Manantiales Behr Engines
Chubut

EARNINGS RELEASE
1st Quarter 2021

YPF Luz reached an EBITDA of US\$ 73 million in 1Q21, 43% higher than in 1Q20

Buenos Aires, May 10, 2021 - YPF Energía Eléctrica S.A. (YPF Luz), an Argentine leading electric power generation company, announced today its results for the first quarter of 2021, ended March 31, 2021.

Main Figures

Financial and Operational Performance ¹ (unaudited figures)			
	1Q21	1Q20	Chg %
Revenues (k USD)	98,443	72,525	35.7%
Adj. EBITDA (k USD) ²	72,330	52,541	37.7%
EBITDA (k USD)	73,039	51,198	42.7%
EBITDA Margin (%)	74.2%	70.6%	5.1%
Net Income (k USD)	18,437	24,303	(24.1)%
Investments (k USD)	72,457	123,530	(41.3)%
Installed Capacity EoP ³ (MW)	2,285	1,838	24.3%
Energy Sold (GWh) ⁴	2,411	1,739	38.7%
Thermal Energy	2,179	1,610	35.3%
Renewable Energy	232	129	79.9%
Steam Production (k tons)	630	418	50.8%
Availability Commercial Factor Thermal Energy	80.7%	83.9%	(3.8)%
Capacity Factor Renewable Energy ⁵	50.0%	60.4%	(17.2)%

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: 1Q20: 61.3 ARS/USD; 1Q21: 88.6 ARS/USD.

2. Reconciliation of adjusted EBITDA is included in page 5 of this report.

3. It includes a 30% indirect interest in CDS and 0.14%, 0.13% and 1.92% indirect interests in CTMB, CTSM, and VOSA, respectively.

4. Weighted by wind farms' installed capacity (MW).

- Total energy sold was 2,411 GWh, 38.7% higher than in 1Q20.
- Sales of steam in 1Q21 increased by 50.8% compared to 1Q20, totaling 630 thousand tons.
- Sales of renewable energy totaled 232 GWh, 79.9% higher than in the previous year.
- Sales amounted to US\$ 98.4 million, 35.7% higher than in 1Q20.
- In 1Q21, our EBITDA was US\$ 73 million, 42.7% higher than in the previous year.
- At the closing of 1Q21, our installed capacity reached 2,285 MW, 24.3% higher than in 1Q20.

CONFERENCE CALL 1Q21

Conference Call

May 11, 2021 9 a.m. (US EST) | 11 a.m. (Bs. As. time)

From Argentina: +5411 3984-5677

From the USA: +1 (844) 204-8586

From other countries: +1 (412) 317-6346

Conference ID: YPF LUZ

Webcast: <https://bit.ly/2RxXSno>

Investor Relations Contact

Martín Taraciuk

Telephone: +54911 3811-4385

Emails:

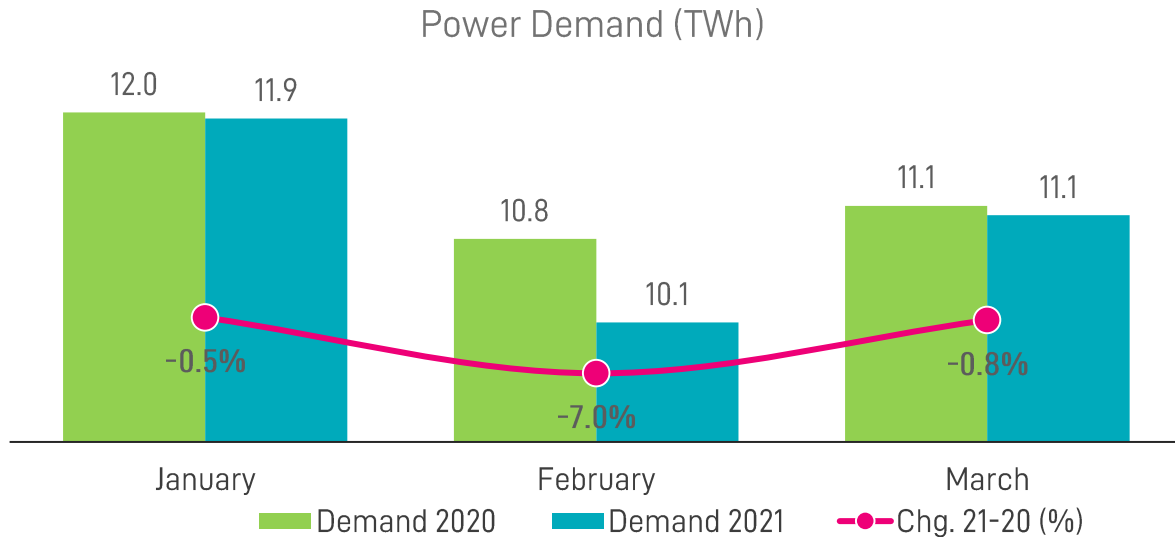
martin.h.taraciuk@ypf.com

Inversores.ypfee@ypf.com

Web: ypfluz.com/IR

Argentine Electricity Market Scenario

During the first quarter of 2021, electric power demand reached 33,082 GWh¹. This accounted for a 2.6% reduction as compared to the same period of 2020 (33,982 GWh). The main reason for this reduction was the decline in commercial activity caused by the Covid-19 pandemic, and specifically in the month of March, by the fact that temperatures were lower than those recorded in March 2020, impacting on the 4.5% fall of this demand.



Source: CAMMESA

On the one hand, demand for distribution, that includes Large Distribution Users (GUDIs), which accounted for 82% of the total system's demand in 1Q21, fell 4.0% vis-à-vis 1Q20. This is explained by a fall in residential demand of 3.7%, mainly due to lower demand in the months of February and March 2021, and a 4.4% fall in commercial demand as a result of the decline in economic activity.

Residential and commercial users' rates (supplied by distributors) with demands lower than 300 kW have been frozen in pesos since April 2019; therefore, rates fell 30% in terms of dollars. In the case of GUDIs, in February the Secretary of Energy issued Resolution SE 131/2021, which approved the new stabilized energy prices effective March 2021, causing rates to increase 30% year-on-year in terms of dollars. These rates set for March 2021 were 5% higher than the mean costs of energy for such month.

On the other hand, WEM large users (GUMAs and GUMEs), who accounted for the remaining 18% of total demand, recorded a 4.4% increase in consumption, reflecting the recovery of certain industries as compared to the start of 2020.

As of March 31, 2021, Argentina had an installed capacity of 42,286 MW, an increase of 5.3% compared to the same period of the previous year. 59.9% of the installed capacity derives from thermal power plants; 25.6% from hydroelectric plants; 4.2% from nuclear power plants; and 10.4% from non-conventional renewable energies (which grew 45% as compared to March 31, 2020).

During 1Q21, 382 MW were added to the system, all from renewable sources (367 MW from wind power; 14 MW from biogas; 0.5 MW from small hydroelectric projects; and 0.5 MW from solar power)², related to projects awarded as a result of tenders under the RenovAr program and agreements entered into within the Argentine Renewable Energy Term Market (MATER). On the other hand, 47 MW from inefficient thermal power plants (diesel generators and steam turbines) were discontinued.

In 1Q21, generation fell 0.1% as compared to 1Q20, reaching 35,326 GWh. The fall in generation is smaller than the fall in demand due to the growth of exports, mainly explained by a significant increase in exports to Brazil during

¹According to CAMMESA's most recent information available, published on April 15, 2021. This information is not final and will be revised in the next months.

²Additionally, 35.1 MW were added from the Manantiales Behr generators in March 2021 as self-generator for the local demand of the oil and gas fields.

the first two months of the year, due to the drought in southern Brazil. In 1Q21, 1,093 GWh were exported, i.e., four times the exports recorded in the same period of 2020.

Thermal generation and hydroelectric generation continued to be the major sources of energy used to meet demand, accounting for 64.5% and 18%, respectively, of total demand. Although the Paraná River's flow was lower than its historical mean, it was similar to the one recorded in 1Q20, and Yacretá's generation decreased 4% as compared to the same period of 2020. In contrast, the Uruguay River had a higher average flow than in 1Q20 (mainly in February 2021), and Salto Grande's generation increased 66%.

Nuclear power accounted for 5.4% of total generation in 1Q21, i.e., a 24% fall as compared to 1Q20, mainly due to the fact that Atucha II was down for maintenance until mid March 2021 (since October 2020). NCREs accounted for 11.2% of the output, with generated energy increasing by 42% as compared to 1Q20.

Wind generation is the main source of NCREs in Argentina (71.9%), followed by solar power (13.4%), renewable hydroelectric power (9.3%), and biofuels (5.5%). The capacity factor for each technology was 45.4% for wind power, 25.1% for solar power, 33.3% for renewable hydroelectric power, and 85.2% for biofuels.

Natural gas continued to be the main fuel used for generation, accounting for 91% of the thermal plants' total fuel consumption in 1Q21. Consumption reached 4,511 MMm³ or 50.12 MMm³/d, 6.7% lower than in the same period of the previous year. Generation was supplemented by an average consumption of 4.94 MMm³ of gas equivalent from liquid fuels and coal.

In 1Q21, power supply was completed with almost 77.8 GWh imported from Brazil, Uruguay and Paraguay from renewable and hydroelectric sources. This accounts for a 14.1% decrease in imports, since the contributions from the Uruguay and Paraguay rivers were lower, resulting in smaller energy surpluses in the binational plants.

As a result, the mean generation cost in 1Q21 was 57.8 USD/MWh³, 3.6% lower than in the same period of the previous year.

In 1Q21, the seasonal price, which has been fixed since April 2019 at the values set forth in Resolution SEE 14/2019, hit record lows in US dollars, averaging 20.9 USD/MWh and 23.8 USD/MWh for residential and non-residential demand, respectively, resulting in an average price weighted by demand of 22.3 USD/MWh. As a result, the level of subsidies for this demand was approximately 61.5% during the quarter, increasing by 15% as compared to 1Q20.

In the case of GUDIs, the price was approximately 43.1 USD/MWh, which implied a subsidy of approximately 26% in 1Q21. Anyhow, since the entry in effect of Resolution SE 131/2021 in March 2021, the GUDIs' price has been approximately 60.9 USD/MWh, 5% higher than the system's mean cost for such month.

³ Monthly mean price weighted by demand in each month of the quarter. Mean cost does not include transmission costs.

EBITDA

EBITDA by asset¹ (unaudited figures)

(In thousand USD)	1Q21	1Q20	Chg %
Tucumán Complex	7,877	13,940	(43.5)%
El Bracho GT + ST	39,732	15,687	153.3%
Loma Campana Este	160	373	(57.1)%
Loma Campana I	382	5,663	(93.2)%
Loma Campana II	4,720	9,020	(47.7)%
La Plata Cogeneración I	3,774	5,398	(30.1)%
La Plata Cogeneración II	6,181	-	n.a.
Manantiales Behr Engines	1,979	-	n.a.
PE Manantiales Behr	7,019	7,388	(5.0)%
PE Los Teros I	5,922	-	n.a.
Subtotal	77,746	57,469	35.3%
Corporate & eliminations ²	(4,707)	(6,271)	(24.9)%
Total	73,039	51,198	42.7%

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: 1Q20: 61.3 ARS/USD; 1Q21: 88.6 ARS/USD.

2 It includes corporate expenses.

The Company's total sales amounted to USD 98.4 million in 1Q21, up by 35.7% as compared to 1Q20. This is explained by the start of operations of the new projects whose COD occurred in 4Q20 and the end of 1Q21, partially offset by: (i) the fact that no adjustment for inflation was applied under Resolution No. 31/20, along with the depreciation of the Argentine Peso; (ii) the unavailability of Loma Campana I and II due to operating failures; and (iii) lower volume of energy sales in the Tucumán Complex.

Operating costs (excluding depreciation and fuel expenses) increased 20.9% in 1Q21 as compared to 1Q20, mainly due to: (i) higher salaries and social security expenses; (ii) an increase in maintenance and materials costs; and (iii) higher insurance expenses resulting from the start of operations of the new plants.

Therefore, the Company's EBITDA reached USD 73 million in 1Q21, 42.7% higher than in 1Q20.

The Tucumán Complex saw a 43.5% EBITDA reduction in 1Q21 as compared to the same period in the previous year, caused by the fact that no adjustment for inflation was applied under Resolution No. 31/20, along with the depreciation of the Argentine Peso, and the lower dispatch of energy from the plant and higher maintenance costs.

El Bracho thermal plant increased its EBITDA by 153.3% or US\$ 24 million in 1Q21 relative to 1Q20, mainly due to the start of operations of the new steam turbine in 4Q20, which increased dispatch from the gas turbine. In addition, insurance proceeds were recognized as a result of the delay in the start of commercial operations related to the closing of cycle of the El Bracho Thermal Plant caused by the sinking of the vessel that carried supplies for the plant in an amount of USD 7.2 million.

Loma Campana Este reduced its EBITDA by 57.1% in 1Q21 as compared to the previous year, as a result of the lower volume of energy sales and lower remuneration for capacity, partially offset by lower maintenance costs.

Loma Campana I had a 93.2% decrease in EBITDA during 1Q21, explained by a failure in the super-core unit that kept the plant out of service for 80 days during the quarter, along with the fact that in 1Q20 a penalty had been recognized from the turbine supplier due to the failures recorded in 2018 and 2019.

Loma Campana II saw its EBITDA decrease by 47.7%. The failure that kept the plant out of service until January 24, in addition to the lower dispatch motivated by the market conditions, adversely affected this quarter's results. Moreover, in 1Q20 a penalty had been recognized from the turbine supplier due to the failures recorded in 2018 and 2019.

La Plata Cogeneration I saw a reduction in EBITDA of 30.1% during 1Q21 as compared to 1Q20, as a result of the fact that no restatement for inflation was applied under Resolution No. 31/20, along with the depreciation of the Argentine Peso and the lower generation of energy and steam due to constraints in the incoming feedwater used to produce steam, as supply in LPC II was prioritized due to the need to complete pending assays.

The Manantiales Behr Wind Farm had an EBITDA of USD 7 million in 1Q21, slightly lower than in 1Q20, mainly due to a lower capacity factor.

In 1Q21, the new projects of La Plata Cogeneration II, Manantiales Behr Generators and Los Teros I Wind Farm contributed USD 14.1 million to EBITDA.

Reconciliation of adjusted EBITDA¹ (unaudited figures)

	1Q21	1Q20	Chg %
EBITDA	73,039	51,198	42.7%
Income from equity interest in joint ventures	(709)	1,343	n.a.
Adjusted EBITDA	72,330	52,541	37.7%

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: 1Q20: 61.3 ARS/USD; 1Q21: 88.6 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 - Dispatch (unaudited figures)				
	Unit	1Q21	1Q20	Chg %
Tucumán Complex	GWh	897.9	1,013.5	(11.4)%
El Bracho GT	GWh	512.1	44.0	1064.4%
El Bracho ST	GWh	367.5	-	n.a.
Loma Campana Este	GWh	9.9	10.8	(8.7)%
Loma Campana I	GWh	40.7	181.6	(77.6)%
Loma Campana II	GWh	29.1	150.3	(80.6)%
La Plata Cogeneración I	GWh	200.2	209.8	(4.6)%
	k Tn	392.7	418.1	(6.1)%
La Plata Cogeneración II	GWh	120.9	-	n.a.
	k Tn	237.7	-	n.a.
Manantiales Behr Engines	GWh	0.8	-	-
Manatiales Behr Wind Farm	GWh	118.1	129.2	(8.6)%
Los Teros I Wind Farm	GWh	114.3	-	n.a.
Total	GWh	2,411.3	1,739.1	38.7%
	k Tn	630.4	418.1	50.8%
Central Dock Sud	GWh	1,152.4	1,338.8	(13.9)%

Operational figures - Power (unaudited figures)				
	Unit	1Q21	1Q20	Chg %
Tucumán Complex ¹	MW-month	673.5	652.9	3.2%
El Bracho GT	MW-month	245.3	253.8	(3.3)%
El Bracho ST	MW-month	191.1	-	n.a.
Loma Campana Este	MW-month	5.0	12.0	(58.3)%
Loma Campana I	MW-month	18.2	84.1	(78.3)%
Loma Campana II	MW-month	74.0	103.4	(28.4)%
La Plata Cogeneración I ¹	MW-month	98.4	102.0	(3.5)%
La Plata Cogeneración II	MW-month	71.3	-	n.a.
Manantiales Behr Engines	MW-month	44.1	-	n.a.
Total	MW-month	1,420.9	1,208.1	17.6%
Central Dock Sud ¹	MW-month	646.7	714.8	(9.5)%

1. Does not include lost availability due to utilization factor.

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

Sales Breakdown by Offtaker¹ (unaudited figures)

(In thousand USD)	1Q21	1Q20	Chg %
CAMMESA Res. N°31/20	13,696	20,475	(33.1)%
CAMMESA Res. SGE 70/18	7,053	5,531	27.5%
PPA with CAMMESA	49,215	26,318	87.0%
PPA with YPF S.A.	19,981	17,516	14.1%
PPA other privates	7,362	2,224	231.0%
Subtotal	97,307	72,064	35.0%
Other services revenues	1,136	461	145.9%
Total	98,443	72,525	35.7%

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: 1Q20: 61.3 ARS/USD; 1Q21: 88.6 ARS/USD.

Sales Breakdown by Offtaker (%) (unaudited figures)

(In thousand USD)	1Q21	1Q20	Chg %
CAMMESA Res. N°31/20	13.9%	28.2%	(50.7)%
Gas recognition by CAMMESA	7.2%	7.6%	(6.1)%
PPA with CAMMESA	50.0%	36.3%	37.8%
PPA with YPF S.A.	20.3%	24.2%	(16.0)%
PPA other privates	7.5%	3.1%	143.9%
Subtotal	98.8%	99.4%	(0.5)%
Other services revenues	1.2%	0.6%	81.2%
Total	100.0%	100.0%	-

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

Commercial Availability Factor Thermal Energy¹ (%)

	1Q21	1Q20	Chg %
Tucumán Complex ³	81.2%	78.7%	3.2%
El Bracho GT	93.9%	97.1%	(3.3)%
El Bracho ST	96.5%	0.0%	n.a.
Loma Campana Este	100.0%	100.0%	-
Loma Campana I	17.4%	80.1%	(78.3)%
Loma Campana II	70.3%	98.2%	(28.4)%
La Plata Cogeneración I ³	76.9%	79.7%	(3.5)%
La Plata Cogeneración II	99.1%	0.0%	n.a.
Manantiales Behr Engines	76.3%	0.0%	n.a.
Total²	80.7%	83.9%	(3.8)%
Central Dock Sud ³	74.4%	82.2%	(9.5)%

1. Calculated as remunerated capacity/contracted capacity.

2. Weighted by total contracted capacity excluding CDS to the extent of the 30% interest held in it, Manantiales Behr Wind Farm and Los Teros I Wind Farm.

3. Does not include lost availability due to utilization factor.

Capacity Factor Renewable Energy (%) (unaudited figures)

		1Q21	1Q20	Chg %
Manantiales Behr Wind Farm	Capacity factor ¹	56.2%	60.4%	(7.0)%
	Availability factor	98.1%	99.4%	(1.3)%
Los Teros I Wind Farm	Capacity factor ¹	45.0%	-	n.a.
	Availability factor	97,1%	-	n.a.

1. Corresponds to the generated energy.

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

Mercado a Término de Energía Renovable Argentino (MATER)

	1Q21	1Q20	Chg %
Total installed capacity in MATER (MW)	777	512	51.8%
Total energy sold in MATER (GWh)	738	551	33.9%
YPF Luz Market share of installed capacity (%)	28%	19%	47.4%
YPF Luz Market share of energy sold (%)	32%	23%	39.1%

The Company's aggregate thermal generation commercial availability in 1Q21 reached 80.7%, 3.8% lower than in 1Q20.

The Tucumán Generation Complex experienced a 3.2% increase in commercial availability in 1Q21 relative to 1Q20, as during 1Q20 it went through maintenance tasks of GT No. 2 at the San Miguel Plant. Sales of energy decreased 11.4% in 1Q21 as compared to the previous year, as a result of lower demand from this plant.

El Bracho Thermal Plant significantly increased generation from 44 GWh in 1Q20 to 879.6 GWh in 1Q21, thanks to the start of operations of the ST, which naturally increased the facility's efficiency and thus favored dispatch. On the other hand, commercial availability of the GT decreased 3.3%, since longer operating hours led to a limitation in the GT's capacity based on the temperatures recorded on-site versus its stand-by condition.

As concerns Loma Campana Este, although its commercial availability remained in line with the figures recorded in the previous year, contracted capacity decreased due to the lower demand from the Loma Campana joint venture. Sales of energy decreased 8.7% in 1Q21, primarily as a result of lower demand from this joint venture.

Regarding Loma Campana I plant, it had a decrease in commercial availability and generation during 1Q21 of 78.3% and 77.6%, respectively, due to a failure in its super-core that kept the equipment out of service for 80 days during the quarter.

Loma Campana II plant decreased its commercial availability and generation by 28.4% and 80.6%, respectively, due to a failure in its super-core that kept the equipment out of service for 24 days. In addition, market conditions relating to gas costs and quotas limited dispatch during most part of the quarter.

La Plata Cogeneration I's availability was 3.5% lower than in 1Q20, while also displaying a decrease in energy and steam sales of 4.6% and 6.1%, respectively. The decrease was motivated by constraints in the incoming feedwater used to produce steam during the period, which impacted on energy, availability, and production of steam, as supply in LPCII was prioritized due to the need to complete pending assays.

Manantiales Behr Wind Farm showed a capacity factor of 56.2% in 1Q21, 7% lower than in the previous year, resulting in a reduction of 8.6% in energy sold, as a result of a lower capacity factor and higher dispatch restrictions in the transmission grid to which the farm is connected, caused by new generation added in the area.

The Los Teros I Wind Farm had a capacity factor of 45% in 1Q21. YPF Luz's share in the MATER in terms of installed capacity reached 28% in 1Q21, a year-on-year increase of 47.4%. YPF Luz's market share in terms of energy sold in 1Q21 reached 32%, showcasing its better use of the natural resource and higher efficiency resulting from applying cutting-edge technology in our wind farms as compared to the average of the rest of the renewable energy farms in the country.

Central Dock Sud saw a decrease in commercial availability and energy sales of 9.5% in 1Q21, due to scheduled maintenance tasks in the combined cycle.

CAPEX

Projects under Construction

Plant	Location	Installed Capacity (MW)	Offtaker	Technology	Commercial Operational Date (COD)	Estimated CAPEX (MM USD)	Progress ¹ (%)
Cañadón León	Santa Cruz Province	122	CAMMESA	Wind	3Q21	\$ 164	93%
Los Teros II	Buenos Aires Province	52	MATER	Wind	2Q21	\$ 70	95%
Total		174				\$ 234	

1. It refers to physical degree of progress as of April 2021.

On March 27, 2021, we achieved commercial operation of 3 of the 5 generators in Manantiales Behr with an installed capacity of 35 MW, and on April 6, 2021, we obtained commercial operation of the 2 remaining generators, reaching a total capacity of 58 MW.

Below is a detail of the activities developed during the first quarter of 2021 at each of the projects that are still under construction:

At Cañadón León Wind Farm we achieved mechanical completion of all the wind turbines, which are ready for commissioning. Installation of the equipment in the 132 KV yard started. Works in the electrical substation and high and medium voltage lines continue in progress.

In Los Teros II Wind Farm, assembly of the main components of 12 wind turbines was completed. Commissioning of one wind turbine was completed. Progress is being made in the substation's assemblies and substation commissioning has started. Moreover, the ENRE's certificate of public suitability and necessity was obtained.

Indebtedness

Financial Debt¹ (unaudited figures)

(In thousand USD)	03.31.2021			12.31.2020			Chg. q/q		
	Corp. + Restr. Subs. (a)	Unrestr. Subs. (b)	Consolidated (c)	Corp. + Restr. Subs. (a)	Unrestr. Subs. (b)	Consolidated (c)	Chg. q/q (a)	Chg. q/q (b)	Chg. q/q (c)
Short Term ²	293,107	3,668	296,775	343,212	3,087	346,299	(14.6)%	18.8%	(14.3)%
Long Term ³	621,442	57,694	679,136	643,059	60,004	703,063	(3.4)%	(3.8)%	(3.4)%
Gross Debt	914,549	61,362	975,911	986,271	63,091	1,049,362	(7.3)%	(2.7)%	(7.0)%
Cash & Eq. ⁴	130,818	10,943	141,761	203,488	23,084	226,572	(35.7)%	(52.6)%	(37.4)%
Net Debt	783,731	50,419	834,150	782,783	40,007	822,790	0.1%	26.0%	1.4%
Adj. EBITDA LTM ⁵	250,010	(768)	249,242	230,230	(777)	229,453	8.6%	(1.2)%	8.6%
Net Debt/EBITDA LTM	3.13x	N/D	3.35x	3.40x	N/D	3.59x	(7.8)%	n.a	(6.7)%

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: 12.31.2020: 84.1 ARS/USD; 03.31.2021: 91.9 ARS/USD.

2. Includes, as of December 31, 2020, USD k 902 and as of March 31, 2021, USD k 671 as other financial liabilities.

3. Includes, as of December 31, 2020, USD k 71 and as of March 31, 2021, USD k 3 as other financial liabilities. Includes, as of December 31, 2020, USD k 2,747 and as of March 31, 2021, USD k 2,365 as lease liabilities (Note 16 to the financial statements).

4. Includes, as of December 31, 2020, USD k 11,966 and as of March 31, 2021, USD k 3,908 as 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: 1Q20: 61.3 ARS/USD; 1Q21: 88.6 ARS/USD.

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

At a consolidated level, cash and cash equivalents as of March 2021 decreased 37.4% as compared to the previous quarter. This is mainly explained by the repayment of principal and payment of interest, as well as the CAPEX payments incurred for purposes of completing projects under construction. This was partially offset by a 316.4% increase in cash flows originated in operations.

The net debt-to-adjusted EBITDA ratio experienced a 7.8% decrease from 3.40 in 4Q20 to 3.13 in 1Q21. This is due to an increase of 9.9% in adjusted EBITDA during the last 12 months.

Environmental, Social & Governance (ESG)

Enviromental			
	1Q21	1Q20	Chg %
YPF Luz Renewable Energy(GWh)	232	129	79.9%
Renewable Energy/Total Energy ¹ (%)	9.6%	7.4%	29.7%
Direct emissions GEI (tCO ₂ e) ²	941,570	718,941	31.0%
Emission savings (tCO ₂) ³	119,310	101,831	17.2%
Water extraction (k ton) ²	2,870	1,357	111.5%
Total discharge of water effluent ¹	719	177	306.3%
Waste (kg)	50,649	52,162	(2.9)%

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 and Los Teros I Wind Farm in each period.

In connection with human resources management, in 1Q21 the results of the climate 2020 survey were presented. Employee training in the first quarter increased by over 100% compared to the same period in 2020, where virtual technical and inter-area training stands out.

Regarding the safety of our workers, this quarter there were no computable accidents with lost days. As a result of the Covid-19 situation, our Crisis Committee kept holding daily meetings to adopt timely decisions. Prevention protocols for projects and operations were updated, and procedures were published for adequate cleaning and disinfection of vehicles and common areas at the sites.

The Medical Service of YPF Luz delivered 28 disclosure and awareness talks during the first quarter. We continued using the app for follow-up and epidemiological recording of COVID at company level, and our corporate webpage and Intranet displayed revised protocols, links, recommendations, and news.

The pandemic challenged us to develop alternative schemes for rolling out our social investment activities. In 1Q21 we held 10 online meetings with community leaders and made donations of supplies, facemasks, face shields and obsolete furniture for 13 teaching and healthcare institutions located in the vicinity of our operations. Moreover, 26 inquiries and claims were received and addressed.

Social			
	1Q21	1Q20	Chg %
Employee training hours	7,128	2,935	142.8%
Accident Frequency Index ¹	0.86	-	n.a.
Volunteer hours	8	58	n.a.

1. Accident frequency Index=(computable accidents by work days lost x 10⁶)/man hours worked

Governance

In 1Q21, we published the Company's Risk and Control Matrix, which identifies risks inherent to the Company and associated control actions. Moreover, we started a procedure aimed at conforming all supporting documents in order to ensure traceability, backup and integrity of each of our processes. During this year, the rest of the identified controls will be conducted to verify their design and effectiveness.

In line with our Compliance Training Program, we continued providing training on Level 2 Corruption Prevention, with focus on compliance with applicable laws and the Company's prevention measures. In addition, we continued our training program to Critical Third Parties on YPF Luz's Code of Ethics and Conduct and Compliance Policies. Finally, we scheduled a series of specific training sessions on our "YPF Luz Compliance Channel" reporting line.

Material Facts of the Period

Pledge of the Company's shares

On February 12, 2021, YPF S.A. pledged a first-ranking security interest in 1,873,535,178 Class A common book-entry shares of stock of the Company in the name of Citibank, N.A., Argentine Branch, as collateral agent, for the benefit of certain beneficiaries under the Share Pledge and Collateral Fiduciary Assignment Agreement dated February 12, 2021, entered into by YPF S.A. Such shares represent 50% of the Company's stock capital and 50% of its voting power. The pledge in the shares is subject to the provisions contained in the Company's bylaws and shareholders' agreement.

Manantiales Behr Generators' Commercial Operation

On March 27, 2021, Compañía Administradora de Mercado Mayorista Eléctrico Sociedad Anónima (CAMMESA) granted its consent for commercial operation (COD) of 35 MW relating to 3 of the 5 generators in the Manantiales Behr Generator Project, located next to the Manantiales Behr Wind Farm in the Province of Chubut, Argentina. Moreover, on April 6, we achieved commercial operation of the 2 remaining generators, reaching a total capacity of 58 MW.

Offer to Exchange Series I Notes for Series VI Notes

On March 30, 2021, the Company's Board of Directors approved, as a result of the effectiveness of the provisions of Communication "A" 7230 of the Argentine Central Bank, and under the scope of its Global Program for the Issuance of Simple (Non-Convertible) Notes, an exchange offer addressed only to the holders of Series I Existing Notes, and the issuance of a new series of notes under the Program. The final consolidated result of the Public Offering and Exchange Offer implied the issuance USD 60 million in principal amount of Series VI Notes, with issue date on April 16, 2021, maturity date on April 16, 2023, and an interest coupon of 10.24%.

Annex: Balance Sheet¹ (unaudited figures)

(In thousand USD)	03.31.2021	12.31.2020	Chg %
ASSETS			
Non-Current Assets			
Property, plant & equipment	1,672,437	1,631,232	2.5%
Intangible assets	5,119	5,235	(2.2)%
Right of use assets	15,490	15,875	(2.4)%
Investments in joint ventures	65,428	64,371	1.6%
Other receivables	10,775	42,082	(74.4)%
Deferred income tax assets	8,289	6,634	24.9%
Total Non-Current Assets	1,777,538	1,765,429	0.7%
Current Assets			
Other receivables	40,889	42,109	(2.9)%
Trade receivable	128,030	108,059	18.5%
Restricted cash and cash equivalents	32,740	44,510	(26.4)%
Cash and cash equivalents	105,113	170,097	(38.2)%
Total Current Assets	306,772	364,775	(15.9)%
TOTAL ASSETS	2,084,310	2,130,204	(2.2)%
SHAREHOLDERS EQUITY			
Shareholders' contributions	91,534	100,083	(8.5)%
Reserves, other comprehensive income and non-retained earnings	769,895	742,211	3.7%
TOTAL SHAREHOLDERS EQUITY	861,429	842,294	2.3%
LIABILITIES			
Non-Current Liabilities			
Provisions	1,760	1,578	11.5%
Deferred income tax liabilities, net	119,942	122,948	(2.4)%
Leases liabilities	9,846	10,258	(4.0)%
Loans	676,768	700,245	(3.4)%
Other financial liabilities	3	71	(95.8)%
Taxes payable	11,201	-	n.a.
Total Non-Current Liabilities	819,520	835,100	(1.9)%
Current Liabilities			
Taxes payable	3,695	1,578	134.2%
Income tax payable	5,080	5,555	(8.6)%
Salaries and social security	5,286	5,451	(3.0)%
Leases liabilities	2,512	2,712	(7.4)%
Loans	296,104	345,397	(14.3)%
Other financial liabilities	671	902	(25.6)%
Trade payable	90,013	91,215	(1.3)%
Total Current Liabilities	403,361	452,810	(10.9)%
TOTAL LIABILITIES	1,222,881	1,287,910	(5.0)%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,084,310	2,130,204	(2.2)%

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: 12.31.2020: 84.1 ARS/USD; 03.31.2021: 91.9 ARS/USD.

Annex: Consolidated Income Statement¹ (unaudited figures)

(In thousand USD)	1Q21	1Q20	Chg %
Revenues	98,443	72,525	35.7%
Production costs	(48,231)	(32,907)	46.6%
Gross profit	50,212	39,618	26.7%
Administrative and selling expenses	(8,530)	(8,287)	2.9%
Other operating results, net	9,586	5,012	91.3%
Operating profit	51,268	36,343	41.1%
Income from equity interest in joint ventures	(709)	1,343	n.a.
Net financial results	(17,862)	4,214	n.a.
Profit before income tax	32,697	41,900	(22.0)%
Income tax	(14,260)	(17,597)	(19.0)%
Net profit for the period	18,437	24,303	(24.1)%

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: 1Q20: 61.3 ARS/USD; 1Q21: 88.6 ARS/USD.

Annex: Cash Flow Statement¹ (unaudited figures)

(In thousand dollars)	1Q21	1Q20	Chg %
OPERATING ACTIVITIES			
Net profit for the period	18,437	24,302	(24.1)%
Adjustments to reconcile net profit to net cash flows from operating activities:			
Income from equity interest in joint ventures	709	(1,343)	n.a.
Depreciation of property, plant and equipment	21,270	14,571	46.0%
Depreciation of right of use assets	385	284	35.6%
Amortization of intangible assets	116	-	-
Decreases of property, plant and equipment	694	120	478.3%
Net financial results	17,862	(4,214)	n.a.
Net increase in provisions	329	132	149.2%
Charge of income tax	14,260	19,120	(25.4)%
Charge of ncome tax related with assets held for sale	-	(1,523)	100.0%
Increase in provisoin for obsolescence	786	-	n.a.
Changes in operating assets and liabilities:			
Trade receivable	(23,089)	(6,102)	278.4%
Other receivable	(2,355)	(11,185)	(78.9)%
Trade payable	27,062	(5,688)	n.a.
Salaries and social security	312	(2,157)	n.a.
Taxes payable	13,962	1,193	1070.3%
Assets and liabilities held for disposal	-	(7,043)	100.0%
Collected interests	3,531	2,175	62.3%
Net cash flows from operating activities	94,271	22,642	316.4%
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	(72,390)	(103,153)	(29.8)%
Acquisition of property, plant and equipment related with assets held for disposal	-	(19,816)	100.0%
Advances to suppliers of property, plant and equipment	(67)	-	n.a.
Advances to suppliers of property, plant and equipment with assets held for disposal	-	(561)	100.0%
Acquisitions of financial assets	-	(77,139)	100.0%
Liquidation of financial assets	-	101,524	(100.0)%
Restricted cash and cash equivalents	11,774	(8,810)	n.a.
Net cash flows used in investing activities	(60,683)	(107,955)	(43.8)%
FINANCING ACTIVITIES			
Proceeds from loans	11	27,661	(100.0)%
Proceeds from loans from assets held for disposal	-	60,131	(100.0)%
Payments of loans	(61,351)	(26,673)	130.0%
Payments of leases liabilities	(673)	(583)	15.4%
Payment of interest and other financial costs	(30,073)	(30,075)	(0.0)%
Net cash flows from financing activities	(92,086)	30,461	n.a.
Net (decrease) increase in cash and cash equivalents	(58,498)	(54,852)	6.6%
Traslation effect on financial statements	(6,485)	24,054	n.a.
Reclassification of assets held for disposal	-	(46,706)	100.0%
Cash and cash equivalents at the beginning of fiscal year ²	170,096	245,869	(30.8)%
Cash and cash equivalents at the end of the period²	105,113	168,365	(37.6)%

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: 1Q20: 61.3 ARS/USD; 1Q21: 88.6 ARS/USD.

2. 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: 12.31.2019: 59.8 ARS/USD; 03.31.2020: 64.4 ARS/USD; 12.31.2020: 84.1 ARS/USD; 03.31.2021: 91.9 ARS/US.



YPF
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YPFLUZ.COM/IR
inversores.ypfee@ypf.com