

YPF LUZ

YPF ENERGÍA ELÉCTRICA S.A.

DIRECTORS' ANNUAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS AS OF
DECEMBER 31, 2022 AND 2021

YPF LUZ

YPF ENERGÍA ELÉCTRICA S.A.

ANNUAL REPORT

AS OF DECEMBER 31, 2022

Address: Macacha Güemes 515, 3rd Floor, Ciudad Autónoma de Buenos Aires
Fiscal Year No. 10 beginning on January 1, 2022.

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

(Unaudited)

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ANNUAL REPORT 2022

In compliance with current legal and statutory provisions, we are pleased to submit for your consideration the Annual Report and the Consolidated Financial Statements of YPF Energía Eléctrica S.A. (hereinafter “YPF Luz” or “the Company”) as of December 31, 2022.

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

1. OUR ACTIVITIES DURING 2022 AND OUTLOOKS

During the year, we continued to diversify our portfolio of renewable, efficient, and sustainable energy. We managed to maintain the operational excellence that characterizes our assets.

We position ourselves as the second renewable energy generator in Argentina and we occupy fifth place in the ranking of electricity producers in the general electricity market. This was possible thanks to the high level of efficiency of our wind farms and the availability of our thermal power plants. With load factors that exceeded 60% in a sustained manner and with months exceeding 70%, the Manantiales Behr wind farm, located in Chubut, positioned itself as the leader in the annual ranking of the Best Load Factors of the Argentine Interconnection System (SADI) prepared by CAMMESA, with an annual value of 61.9%.

We strengthened our portfolio in a sustainable manner, with a focus on renewable energy and gas as the fuel for the energy transition. Cañadón León wind farm began its operation in December 2021, consolidating its operation during 2022 first quarter. It is the third wind farm of the Company, located in the Northeast of the Province of Santa Cruz, in the town of Cañadón Seco and reaches an installed capacity of 123 MW of renewable, efficient and sustainable energy. That same month, we announced the construction of Zonda, the Company's first solar park, located in San Juan, whose first stage will have an initial power of 100 MW. The final project could be expanded in future stages subject to the availability of electric transport in the area.

In addition, YPF Luz has acquired Levalle 1 S.A and Levalle 2 S.A., companies that own wind projects, from which it will build a new wind farm in the town of General Levalle, in the south of the province of Córdoba. It will have an installed capacity of 155 MW and will be YPF Luz's fourth wind farm, adding to the three already in operation: Manantiales Behr, in Chubut; Cañadón León, in Santa Cruz; and Los Teros, in Azul, Buenos Aires, which together with the Zonda solar park in San Juan, soon to be inaugurated, will continue to increase our participation in the renewable energy segment.

At a financial level, we issued our first green bond whose funds were used for the construction and operation of the Zonda. This milestone reconfirmed the confidence that the market has in our Company and the growing interest of investors in sustainable projects.

On the other hand, to simplify the corporate and administrative structure, in September 2022 the Group resolved to initiate a corporate reorganization process whereby the subsidiaries Y-GEN S.A.U. and Y-GEN II S.A.U. will be merged by absorption into YPF Energía Eléctrica S.A., dissolving without being liquidated, and the latter being the absorbing and continuing company. The merger will have administrative effects from January 1, 2023, subject to administrative approval from the corresponding control agencies.

We published our fourth Sustainability Report, which brings together the environmental, social and governance results of the 2021 management. The report was prepared under the international guidelines of the Global Reporting Initiative (GRI) and the Sustainability Accounting standards for the Electric Companies and Electric Generators Sector Standard Board (SASB), the Sustainable Development Goals (SDG) and the Ten Principles of the United Nations Global Compact. We strengthen our Social Investment Program and continue to support the communities where we are present with our assets.

All this was possible due to the effort and commitment of our more than 370 collaborators and our value chain. We thank our investors and shareholders for the trust in each of our projects, which allow us to continue contributing to the growth of the national energy matrix.

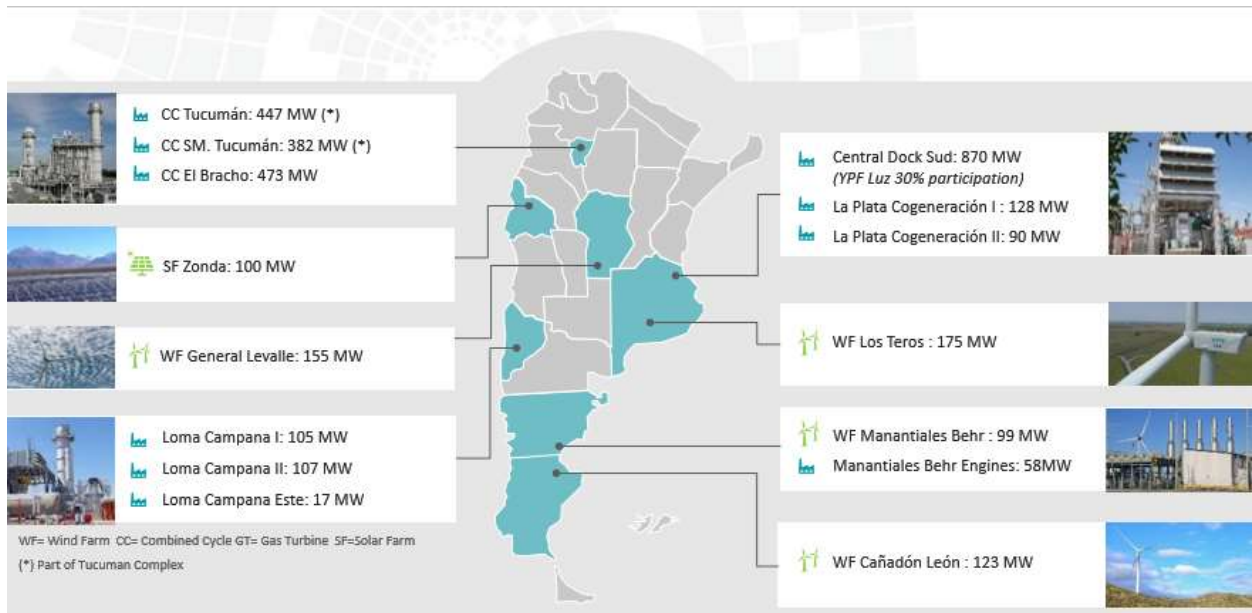
2. GENERAL

2.1. Characteristics of the Company

YPF Energía Eléctrica S.A. is a corporation organised under the laws of Argentina. Its registered domicile is Macacha Güemes 515, 3rd Floor, Autonomous City of Buenos Aires.

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

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



The generation capacity of the Group, of 2,483 MW, contributes about 5.8% of the total installed capacity, including the participation in Central Dock Sud. As of December 31, 2022, the Group generated 7.8% of the energy demanded, according to information issued by CAMMESA.

The Company's power generation plants generate conventional and renewable energy, and its supply is directed to supply Argentine electricity market through CAMMESA, YPF operations and other industries.

Projects

In February 2022, the Company started the construction of the first stage of the Zonda Solar Farm, located in the Iglesia department, province of San Juan.

In this first stage the Company will construct 100 MW single-axis solar tracked support structures, the solar farm substation and the high voltage line that will connect it to SADI, and it involves the installation of approximately 170,000 solar panels that will allow to generate energy for more than 300 GWh annually, to supply MATER.

The work is going to be carried out within 14 months and is expected to be generating energy since the second quarter of 2023. The final project could have an ampliation to more than 300 MW in further stages subject to the availability of electric transportation in the area.

During 2022 YPF Luz has acquired Levalle 1 S.A. and Levalle 2 S.A., companies that own wind projects, from which it will build a new wind farm in the south of the province of Córdoba, in the town of General Levalle. The park will have an installed capacity of 155 MW to be built in two stages, 65 MW (Levalle 1) and 90 MW (Levalle 2).

With an estimated investment of more than 260 million dollars, the park will have 25 installed wind turbines of 6.2 MW each, in a total area of 4,360 hectares. General Levalle will have an estimated capacity factor of more than 50% and will avoid the emission of more than 350,000 tons of carbon dioxide per year.

Construction will require approximately 20 months, creating employment for more than 300 people during construction and generating an increase in local economic activity through the demand for indirect services and local suppliers.

For management purposes, the Group is organised into a single business segment to carry out its core business of electricity generation and marketing. The Group presents only information on this activity in its Consolidated Statements of Comprehensive Income in its operating results.

2.2. Shareholding history

As of December 31, 2017, the Company's capital stock amounts to 2,506,556 represented by 2,506,555,895 book entry ordinary shares, with a par value of 1, with the right to one vote per share, which is subscribed, paid in, issued and registered.

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

On March 20, 2018, the Ordinary and Extraordinary General Shareholders' Meeting resolved to increase the capital stock by 936,767 from 2,810,303 to 3,747,070, setting a share premium of US\$ 0.243934955 per share. This increase was represented by 936,767,364 Class B book entry ordinary shares, with a par value 1 with the right to one vote per share. The total subscription price of the new shares amounts to US\$ 275,000,000 comprised as follows: a) US\$ 135,000,000 paid by GE EFS Power Investments B.V. on that date; and b) US\$ 140,000,000 on March 20, 2019.

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

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

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

3. MACROECONOMIC SITUATION AND CONTEXT

All of our revenues are derived from our operations in Argentina and are therefore subject to prevailing macroeconomic conditions in the country. Consequently, changes in economic, political and regulatory conditions in Argentina have had and are expected to continue to have a significant impact on us.

In recent years, the Argentine economy has experienced significant volatility characterized by periods of low or negative growth, macroeconomic instability, currency devaluations, and variable high levels of inflation. Externally, after the strong rebound registered in 2021 after the decrease in economic activity in 2020 as a consequence of the pandemic generated by the outbreak of the COVID-19 virus, the world economy has entered a stage of deceleration affected by the geopolitical conflict between Russia and Ukraine unleashed in February 2022. This conflict has had and will probably continue to have a significant impact on the prices of most commodities, inflation levels, and impact on supply chains in general and, particularly, on the energy sector, which could consequently lead to difficulties in supplying the local market. Consequently, due to the uncertainties inherent in the scale and duration of these events and their direct and indirect effects, it is not reasonably possible to estimate the final impact that this armed conflict could have on the world economy and international financial markets, on the economy Argentina and, consequently, on our business, financial condition and results of our operations.

According to the Monthly Estimation Report of Economic Activity published by INDEC in February 2023, economic activity in Argentina registered a positive variation of 5.2% for 2022 compared to 2021.

In terms of inflation, Argentina has faced and continues to experience significant inflationary pressures which accelerated in the second and third quarters of 2022. During 2022, both the Consumer Price Index ("CPI") and the Wholesale Domestic Price Index ("IPIM"), prepared by INDEC were 94.8%. During 2021, the accumulated increase in the CPI was 50.9%, while the IPIM increased 51.3%.

In terms of trade balance, according to the latest data published by INDEC in the Argentine Trade Exchange report, the surplus in the balance of Argentina's trade account amounted to US\$6,923 million during 2022, which represented a decrease of 53.1 % compared to 2021, explained by an increase in imports of 29.0% and an increase in exports of 13.5%, compared to the previous year.

Regarding the local market conditions in exchange matters, the peso/dollar exchange rate reached a value of 177.06 pesos per dollar as of December 31, 2022, having increased by 72.5% from its value of 102.62 pesos per dollar as of December 31, 2021, or 20.3% from its value of 147.22 pesos per dollar as of September 30, 2022. The average price for the fourth quarter of 2022 amounted to 162.44 pesos per dollar. dollar and was 61.8% higher than the average registered during the same period of 2021 of 100.38 pesos per dollar.

In relation to the sovereign debt, during 2021 the National Government held negotiations with the International Monetary Fund ("IMF") to refinance the debt of US\$ 44,000 million taken between 2018 and 2019 under the current Stand-by Agreement ("SBA" for its acronym in English), with the objective of achieving the sustainability of its external public debt.

On March 3, 2022, the National Government and the IMF announced that they had reached an agreement, which is based on an Extended Facilities Program ("Program"), which includes 10 reviews to be carried out quarterly for two and a half years. The first disbursement would be made after approval of the Program, at the IMF's request, by the Argentine Congress and later by the IMF Board of Directors. The remaining disbursements will be made after each review. The repayment term for each disbursement is 10 years, with a grace period of four and a half years, starting in 2026 and ending in 2034. On March 17, 2022, the Argentine Congress approved Law No. 27,668, enacted on March 18, 2022. March 2022 through Decree No. 130/2022. On March 25, 2022, the IMF Board of Directors approved a 30-month agreement within the framework of the Extended Facility ("EFF") in favor of Argentina for an amount of US\$ 44,000 million, which allowed the National Government receives an immediate disbursement of US\$ 9,656 million. The Program aims to improve public finances and begin to reduce persistently high inflation through a multi-pronged strategy, which includes phasing out monetary financing of the fiscal deficit and strengthening the monetary and exchange rate policy framework. The Program also seeks to strengthen the domestic debt market in pesos, improve the effectiveness and transparency of public spending, promote labour and gender inclusion, and improve the sustainability and efficiency of key sectors. During the months of June, October, and December 2022, the IMF Board of Directors approved the first, second, and third quarterly review, respectively, of the goals established in the Program for each review period to be met by the National Government, enabling disbursements. of US\$4,000, US\$3,800 and US\$6,000 million after each revision, respectively. The IMF is conducting the fourth quarterly review of the Program's goals, which if approved would enable a disbursement of US\$5.4 billion.

In relation to the debt with the Paris Club, on March 22, 2022, the National Government reached an agreement for a new extension of the understanding reached in June 2021, which includes financial guarantees from the Paris Club in support of the Program with the IMF, allowing Argentina to secure the financial sources identified in the agreement with the IMF. Said financial guarantees establish that, during the term of said Program, Argentina will make partial payments to the Paris Club in proportion to those made to other bilateral creditors, in accordance with the terms established in the understanding reached in June 2021. In May From 2022 the National Government and the Paris Club reached an agreement to defer debt payments until September 30, 2024, to finally renegotiate the refinancing of the debt in October 2022 by extending the terms and reducing the rates of interest.

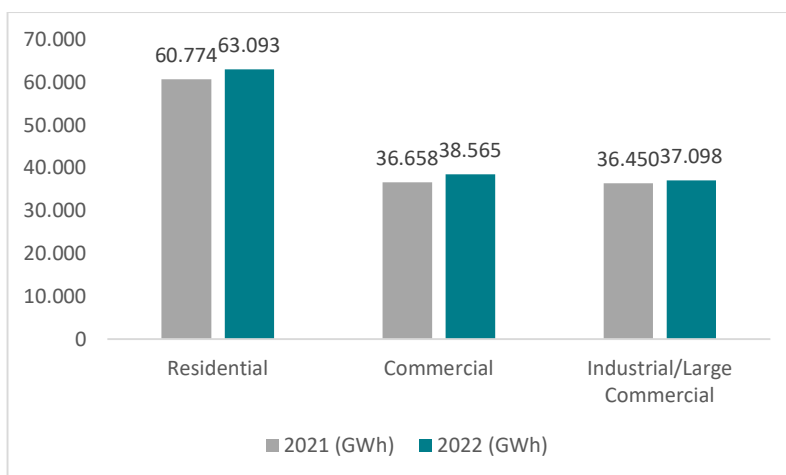
Although the goals agreed with the IMF have been met, we cannot guarantee that the conditions and goals of the coming quarters will continue to be met by Argentina and that they will not affect the ability of the National Government to implement reforms and public policies and boost economic growth. nor can we predict the impact of the outcome of the implementation of the Program on Argentina's (and indirectly ours) ability to access international capital markets. Likewise, the impact of any measure taken by the National Government in the future on the Argentine economy remains uncertain.

4. ELECTRICITY GENERATION MARKET

Demand

During the fiscal year ended December 31, 2022, the country's electricity demand increased 3.6% compared to the same period of the previous fiscal year. This is explained by an increase in the three demand segments (residential, commercial and large users) as compared to 2021. Large users in particular presented an increase in their electricity demand of 5.2% compared to the previous fiscal.

The consumption of electric energy in the MEM during the fiscal year ended December 31, 2022 and 2021 is as follows:

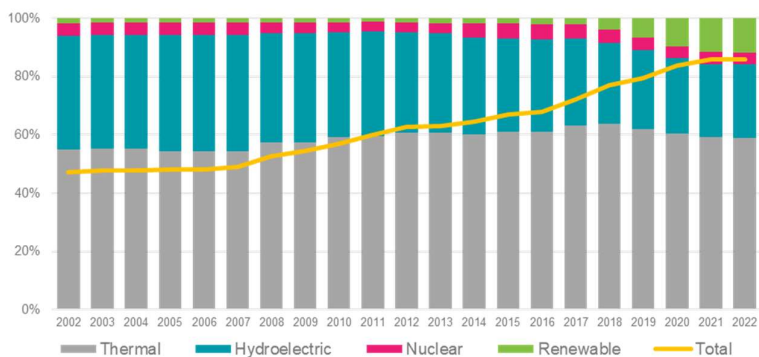


Installed capacity

As of December 31, 2022, and 2021, Argentina has an installed capacity of 42,927 MW, according to the following detail:

	December 2022 (MW)	December 2021 (MW)
Thermal	25,275	25,398
Hydro	10,834	10,834
Nuclear	1,755	1,755
Wind	3,309	3,291
Solar	1,086	1,060
Hydro renewable	524	511
Others renewable	144	140
Total	42,927	42,989

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



During the fiscal year ended December 31, 2022, the installed capacity has shown the following evolution:

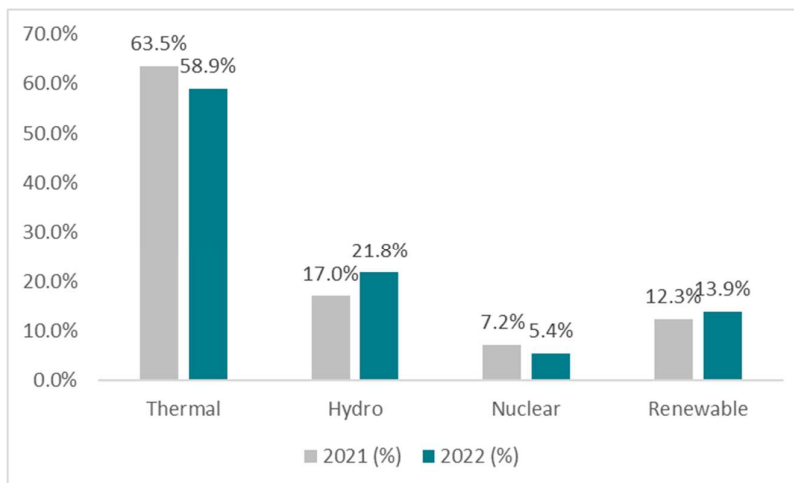
TYPE	2022 (MW)
Thermal	(123)
Wind	18
Solar	26
Other renewables	17
	(62)

Regarding 2022, the incorporation of 26 MW of photovoltaic solar plants stands out (Tinogasta Tozzi I, II and III – 10.6 MW, Helios Santa Rosa – 5 MW and La Cumbre III – 10 MW), 18 MW of wind farms (Pampa Energía III Wind Farm – 18 MW) and 17 MW of small hydroelectric projects (0.7 MW from Salto de la Loma, 0.5 MW from P.A.H Salto 11 and rehabilitation of Nihuales IV). Regarding the output of thermal machines, the output of diesel engines from EDEN generating 14.4 MW, the change to self-generating at the La Plata Cogeneration plant (128 MW) and repowering at the Barker and Terminal 6 thermal plants stand out.

Generation

The generation by source of the fiscal year ended December 31, 2022 is as follows:

	2022 (GWh)	2021 (GWh)	Variation 2022 vs. 2021
Thermal	81,746	90,073	-9.2%
Hydro	30,186	24,116	25.2%
Nuclear	7,469	10,170	-26.6%
Renewable	19,340	17,435	10.9%
Total	138,741	141,794	-2.2%



Thermal and hydroelectric generation continue to be the main sources of energy used to meet demand. This year had a considerable improvement in hydroelectric generation compared to the previous year, especially during the third and fourth quarters of the year. On an annual basis, during 2022, hydroelectric generation was 25.2% higher than in 2021, highlighting an improvement in all the plants, but mainly in Yacyretá (+27.8% vs. 2021), Salto Grande (+36.6% vs 2021) and Futaleufú (+98.5% vs 2021).

Nuclear generation was 26.6% below the previous year. This is mainly due to scheduled maintenance at the three plants: Atucha I, II and Embalse; as well as the forced exit of Atucha II in the last quarter of 2022 due to a break in one of the reactor supports.

As for renewable energies, although their participation continues to increase, the 16% generation established in Law No. 27,191 for 2022 is not being reached. During 2022, renewable energies generated 14% of the system's generation, and in the month of December it reached approximately 13.4% of the total generation.

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

	2022		2021		Variation
	Volume	[%]	Volume	[%]	
Natural gas [Mm3/day]	38.9	76,8%	44.8	82.2%	-13.2%
Fuel Oil [MM3/d gas eq.]	3.6	7,0%	2.4	4.4%	50.0%
Gas Oil [MM3/d gas eq.]	6.8	13,5%	5.6	10.3%	21.4%
Coal [MM3/d gas eq.]	1.4	2,7%	1.7	3.1%	-17.6%
Total	50.7	100,0%	54.5	100,0%	-7,0%

During 2022, the drop in thermal generation, mainly due to the high volumes of energy imports, resulted in lower fuel consumption compared to the previous year. Despite the lower consumption of fuels, during 2022 a total of 11.8 MMm3/d of liquid fuels were consumed, 23.2% more than the volume of the previous year. This is due to the lower availability of natural gas for plants.

Imports and exports

During 2022, 6,310 GWh were imported (670% higher than in 2021) mainly from Brazil and Uruguay, according to thermal opportunity offers and hydraulic or renewable surpluses, substituting marginal thermal generation at a higher cost due to high fuel prices. liquids. As far as Paraguay is concerned, it is due to local reasons in the Province of Misiones. The imports from Chile correspond to an agreement made between the two countries to receive surplus renewable energy from Chile at a lower price than the marginal price and with the possibility of selling energy to Chile in periods of low renewable technologies. During the year, a new interconnection with Bolivia was also set up to be able to import energy, mainly for local reasons in the north, with the aim of regulating voltage for system security.

Import (GWh)	1°Q 2021	2°Q 2021	3°Q 2021	4°Q 2021	2021	1°Q 2022	2°Q 2022	3°Q 2022	4°Q 2022	2022
Brazil	-	39.19	-	4.49	43.68	21.57	1.718.73	1.936.46	1.181.09	4,857.85
Paraguay	34.68	36.35	41.30	35.34	147.67	35.73	28.80	25.57	16.65	106.75
Uruguay	43.17	134.75	344.70	105.02	627.64	43.17	134.75	344.70	105.02	627.64
Chile	-	-	-	-	-	-	-	-	5.95	5.95
Bolivia	-	-	-	-	-	-	-	1.67	0.33	2.00
	77.85	210.29	386.00	144.85	818.99	100.47	1,882.28	2,308.4	1,309.04	5,600.19

Regarding exports, during 2022 there were practically no energy exports. Only 31 GWh were exported, with the main destination being Brazil.

Export (GWh)	1°Q 2021	2°Q 2021	3°Q 2021	4°Q 2021	2021	1°Q 2022	2°Q 2022	3°Q 2022	4°Q 2022	2022
Brazil	1,046.65	94.20	1,734.71	919.26	3,794.82	27.95	-	-	-	27.95
Uruguay	45.91	5.04	4.09	-	55.04	1.99	-	-	1.24	3.23
Bolivia	-	-	-	-	-	-	-	0.07	0.02	0.09
	1,092.56	99.24	1,738.80	919.26	3,849.86	29.94	-	0.07	1.26	31.27

Costs and prices

The rates of residential and commercial users (within distributors) with demands of less than 300 kW received different adjustments during the year 2022, through SE resolutions 105/2022, 405/2022 and 719/2022. The average price for the year 2022 for residential demand was US\$22.6/MWh (+15.1% compared to 2021) and for commercial demand US\$32.3/MWh (+44.6% compared to 2021). In the case of the GUDI, they have also received various increases during the year 2022, through resolutions SE 40/2022, 105/2022, 305/2022, 405/2022 and 719/2022 reaching an annual price of US\$ 85.6 /MWh (44.5% higher than in 2021), reaching levels similar to the average monomic price for the year, but still maintaining an average annual subsidy of 1.1%.

As a result of the operation, during the month of December 2022, the average cost of generation reached 78.1 US\$/MWh, being 10.5 US\$/MWh higher than the same month of the previous year (67.6 US\$/ MWh).

The marginal cost operated and the prices per end user for the months of December 2022 and December 2021 are detailed below:

	US\$ / MWh		
	December 2022	December 2021	Var. %
Marginal Cost Operated	184.9	126.0	46.7%
GUMA / GUME	78.1	67.6	15.5%
GUDI	63.5	67.3	-5.6%
Seasonal	31.1	19.2	62.0%
PLUS	59.6	52.7	13.1%
MATER	60.3	59.6	1.2%
RENOVAR	70.2	72.1	-2.6%

The total subsidy for electrical energy (not including transportation) represented 49.3% of the cost of the system in the year ended December 31, 2022, being approximately US\$ 6,294 million (without considering the margin for energy exports).

4.1. Main regulatory aspects

Main regulatory aspects of the electric industry were described in Note 30 to the Consolidated Financial Statements.

5. COMPANY'S MANAGEMENT AND INTERNAL CONTROL SYSTEM

5.1. Company's Management

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

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

As of December 31, 2022, the Company's Board of Directors was composed as follows:

Name	Position	Representing	Term of office	Term of office
Santiago Martínez Tanoira	Chairman	Class A	April 28, 2021	December 31, 2023
Patrick Leahy	Vice Chairman	Class B	May 28, 2021	December 31, 2023
Patricio Da Re	Director	Class A	April 28, 2021	December 31, 2023
Santiago Julio Fidalgo	Director	Class A	April 28, 2021	December 31, 2023
Mauricio Alejandro Martin	Director	Class A	April 28, 2021	December 31, 2023
Paula Dutto	Director	Class A	June 14, 2022	December 31, 2023
John Dewar	Director	Class B	May 28, 2021	December 31, 2023
Pedro Luis Kearney	Director	Class A	April 28, 2021	December 31, 2023
Ana Cecilia Patroni	Alternative Director	Class A	April 28, 2021	December 31, 2023
María Eugenia Bianchi Pintos	Alternative Director	Class A	April 28, 2021	December 31, 2023
Carlos Alberto San Juan	Alternative Director	Class A	April 28, 2021	December 31, 2023
Fernando Gómez Zanou	Alternative Director	Class A	April 28, 2021	December 31, 2023
Gastón Marcelo Laville Bisio	Alternative Director	Class A	April 28, 2021	December 31, 2023
Roberto Javier Arana	Alternative Director	Class A	April 28, 2021	December 31, 2023
Jonathan Zipp	Alternative Director	Class B	June 14, 2022	December 31, 2023
Gabriela Dietrich	Alternative Director	Class B	August 19, 2021	December 31, 2023

5.2. Internal Control System

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

In 2021, we published the Matrix of Risks and Associated Controls of YPF Luz. This contains the inherent risks of YPF Luz, divided into Strategic, Financial, Operational and Compliance risks. In terms of risk management, we established a series of processes that allow us to identify, analyse and evaluate the relevant risks that may affect the achievement of the Company's objectives, diagnosing all the actions that allow them to be mitigated in order to fulfil our purpose. This is a significant milestone that allows the constant evolution of the Matrix and greater visibility, management and mitigation of the Company's critical risks and processes.

Within the framework of the Comprehensive Compliance Program of YPF Luz: during 2022, maintenance of the ISO 37001:2016 International Certification (Anti-Bribery Management System) was carried out for 100% of the operations. As a result, no non-conformities were detected, which shows the high standards with which YPF Luz manages its management system.

6. QUALITY, ENVIRONMENT, HEALTH AND SAFETY MANAGEMENT

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

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

6.1. Quality management

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

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

The commitment to the policies of “Continuous Improvement” commits the Company to review the adequacy of this policy and the objectives for its permanent adaptation to the changes required by the market and current legislation.

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

Asset	ISO	Certificate N°	Valid until
El Bracho Thermal Power Plant	9001/2015	01 10006 1529715	October 12, 2024
San Miguel de Tucumán Thermal Power Plant	9001/2015	01 10006 1529715	October 12, 2024
Tucumán Thermal Power Plant	9001/2015	01 10006 1529715	October 12, 2024
La Plata Cogeneración I	9001/2015	01 10006 1629671	July 12, 2025
La Plata Cogeneración II	9001/2015	01 10006 1629671	July 12, 2025
Loma Campana I Thermal Power Plant	9001/2015	AR-0239349	January 21, 2025
	55001/2014	55000-003	June 26, 2023
Loma Campana II Thermal Power Plant	9001/2015	AR-0239349	January 21, 2025
	55001/2014	55000-003	June 26, 2023
Loma Campana Este Thermal Power Plant	9001/2015	AR-0239349	January 21, 2025
	55001/2014	55000-003	June 26, 2023
Manantiales Behr Thermal Power Plant	9001/2015	9000-9768	September 2, 2024
Manantiales Behr Wind Farm	9001/2015	9000-9768	September 2, 2024
Los Teros Wind Farm	9001/2015	10006 2029964	January 29, 2024
Cañadón León Wind Farm	9001/2015	9000-9768	September 2, 2024

6.2. Environment management

The Integrated Management of CMASS favours the optimization of resources and obtaining the best results to become one of the main companies in the electricity generation sector, leader in renewable energies, with safety, technology, efficiency and world reference quality standards.

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

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

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

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

Asset	ISO	Certificate N°	Valid until
El Bracho Thermal Power Plant	50001/2018	01 407 1829923	January 23, 2025
San Miguel de Tucumán Thermal Power Plant	50001/2018	01 407 1829923	January 23, 2025
	14001/2015	01 10406 105437	November 28, 2024
Tucumán Thermal Power Plant	14001/2015	01 10406 105437	November 28, 2024
La Plata Cogeneración I	14001/2015	01 10406 1629671	July 12, 2025
La Plata Cogeneración II	14001/2015	01 10406 1629671	July 12, 2025
	50001/2018	01 407 1929900	December 15, 2025
Loma Campana I Thermal Power Plant	14001	14000-1093	September 2, 2024
	14001	14000-1093/II	September 2, 2024
Loma Campana II Thermal Power Plant	14001	14000-1093	September 2, 2024
	14001	14000-1093/II	September 2, 2024
Loma Campana Este Thermal Power Plant	14001	14000-1093	September 2, 2024
	14001	14000-1093/II	September 2, 2024
Manantiales Behr Thermal Power Plant	14001	14000-1093	September 2, 2024
	14001	14000-1093/II	September 2, 2024
Manantiales Behr Wind Farm	14001	14000-1093	September 2, 2024
	14001	14000-1093/II	September 2, 2024
Los Teros Wind Farm	14001/2015	01 10406 2029964	January 30, 2024
Cañadón León Wind Farm	14001	14000-1093	September 2, 2024
	14001	14000-1093/II	September 2, 2024

6.3. Security and health management

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

- all occupational accidents and diseases can be avoided;
- compliance with the established occupational health, safety and hygiene standards is the responsibility of all those who carry out activities in the plants; and
- the awareness of individuals contributes to achieving well-being at work and a better personal and collective development of those who are part of the work community.

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

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

Asset	ISO	Certificate N°	Valid until
Central Generación Tucumán	45001/2018	01 113 2029907	June 1, 2024
La Plata Cogeneración I	45001/2018	01 113 1929842	September 7, 2025
La Plata Cogeneración II	45001/2018	01 113 1929842	September 7, 2025
Loma Campana I Thermal Power Plant	45001/2018	0237860	March 25, 2023
Loma Campana II Thermal Power Plant	45001/2018	0237860	March 25, 2023
Loma Campana Este Thermal Power Plant	45001/2018	0237860	March 25, 2023
Manantiales Behr Thermal Power Plant	45001/2018	45000-64	September 2, 2024
Manantiales Behr Wind Farm	45001/2018	45000-64	September 2, 2024
Los Teros Wind Farm	45001/2015	01 113 2029964	January 30, 2024
Cañadón León Wind Farm	45001/2018	45000-64	September 2, 2024

7. SUSTAINABILITY REPORT AND MANAGEMENT

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

In 2022, the fourth Sustainability Report of YPF Luz (available at <http://ypfluz.com/sustentabilidad>) was presented, reflecting the 2021 management in economic, social, environmental and governance matters of the Company. The report was prepared under the guidelines of the international standard Global Reporting Initiative (GRI) and the standards for the Electric Companies and Electric Generators Sector of the Sustainability Accounting Standard Board (SASB). In addition, we communicate our contribution to the Sustainable Development Goals (SDG) of the 2030 Agenda and the 10 Principles of the United Nations Global Compact. The Report was exposed to an external verification process by Deloitte & Co. S.A., of 12 ESG indicators, as a guarantee of transparency, precision and conformity of the data presented.

Regarding sustainability initiatives and their results in 2022, the following stand out:

- In 2022, YPF Luz led the generation of renewable energy for industrial customers, with a 38% market share in MATER, and consolidated itself as the main provider of efficient and sustainable energy for the Argentine industry.
- In terms of installed capacity, YPF Luz positioned itself as the second renewable energy generator in the country, and the fifth generator of the total electricity market.
- In February, we inaugurated the Cañadón León Wind Farm in Santa Cruz, reaching 397 MW of renewable electricity generation capacity, and we began construction of the Zonda, our first Solar Park, in San Juan.
- We issued our first green bond whose funds were allocated to the construction of the Zonda Solar Park.
- The Manantiales Behr Wind Farm and the Cañadón León Wind Farm have been among the wind farms with the highest generation levels in the country, reaching capacity factors and very high efficiency levels worldwide.
- We implemented a pilot for the generation of energy from flare gas for the mining of cryptocurrencies "Bajo del Toro", an innovative project for the industry and for the country.
- In economic-financial terms, YPF Luz was consolidated with a very good operating result that positions it as one of the main companies in the electricity sector, with financial strength that allows us to think about great plans and projects for the future.
- On the path to excellence, all YPF Luz operations have implemented an Integrated Management System. All our generation assets are certified under the ISO 14001, Environment, ISO 9001, Quality standards; and ISO 45001, Occupational Health and Safety.
- We achieved a substantial improvement in the availability of the Loma Campana Power Plant, with the support of new technologies for early detection of failures.
- We carried out 64 social investment activities, where 36% of Company volunteers joined, reaching more than 25,000 beneficiaries. We strengthened the commitment of the team of volunteers, with the design and creation of the #PoneteLaCamiseta campaign, achieving more than 570 hours in solidarity activities.
- The Company has a suggestions and complaints management system, which ensures the traceability, follow-up and response of each communication received, both internally and from third parties. In 2022, 133 inquiries and claims were received and answered within a maximum period of 10 days.
- We define the purpose of YPF Luz: Promote from Argentina the evolution of energy for the well-being of people.
- During 2022, work was done on the contents of a Sustainability Policy, which was approved and published in 2023.
- In the last quarter of 2022, we were able to successfully supply the La Plata refinery in the face of a collapse of the electrical grid in the area, through the operation of the LPC1 and LPC2 plants on an electrical island.

- We made progress in our commitment to operational excellence and continuous improvement, applying the Toyota Production Systems program to the Tucumán operation and our purchasing management, and we applied for the National Quality Award.
- We passed the external maintenance audit of the ISO 37001 certification (Anti-Bribery Management System), for 100% of our operations.
- We updated the Due Diligence of Critical Third Parties and the declarations of conflicts of interest of the entire Company. The 2022 Compliance Training Program was executed, with a special focus on Anti-Corruption and the Compliance and Risk Management Program.
- We made progress with the 2022 Internal Audit Plan and with the follow-up to the agreed mitigation plans to achieve their implementation.
- We carry out an evaluation and diagnosis of Human Rights taking as reference the guidelines of the Danish Institute, Sustainable Development Goals, ISO 26000 and the Principles of the United Nations Global Compact.

8. FINANCIAL AND OPERATING INFORMATION

The issuance of the Consolidated Financial Statements for the fiscal year ended on December 31, 2022 was approved by the Board of Directors on March 7, 2022.

8.1. Main changes in assets and liabilities

At the closing of fiscal year ended December 31, 2022, the Company's Assets amounted to ARS 373,800.3 million, which represented a 79.2% increase as compared to the balance as of December 31, 2021.

Non-current assets, which totalled ARS 325,583.9 million, show an increase of 77.2% with respect to the previous fiscal year. This is mainly due to an increase of ARS 128,199.4 million in Property, Plant and Equipment, as a consequence of the acquisitions of the present fiscal year amounting ARS 23,615.2 million, their appreciation in ARS 156,674.9 million taking into account US dollars translation to pesos, according to the Company's functional currency, which was partially set off by the corresponding depreciations of ARS 44,415.4 million, impairment of Parque Eólico Cañadón León of \$ 7.129,4 million and by write-offs and transfers of ARS 546.0 million. Major investments made during 2022 were focused on Solar Park Zonda, in the development of the Levalle Wind Farm and in major maintenance carried out at La Plata Cogeneration, Tucumán Thermal Power Plant and Loma Campana, as well as the purchase of spare parts and materials for future major maintenance.

Current assets totalled ARS 48,216.4 million, show an increase of 94% with respect to the previous fiscal year. This is mainly due to the increase in "Trade receivables" for a total amount of ARS 13,307.5 mainly as a consequence of the increase in prices expressed in pesos of our sales income denominated in dollars, as a result of the 37.5% devaluation registered between fiscal years, and the increases established by the Resolutions of the Secretaría de Energía No. 238/2022 and 826/2022 that impact our Base Energy revenues and an increase in "Cash and cash equivalents" for a total amount of ARS 5,588.1 million mainly due to greater holding of mutual funds..

The Company's Liabilities at the end of 2022 totalled ARS 190,980.6 million, which represented an increase of 67.8% with respect to the balance as of December 31, 2021.

Non-current liabilities, which totalled ARS 144,761.7 million, increased 79.5% with respect to the previous fiscal year, due to an increase in long-term loans of ARS 59,885.4 million, mainly because of the issuance of negotiable obligations in the local market and depreciation of Argentine peso.

Current liabilities amounted to ARS 46,219.0 million, which represented an increase of 39.2% as compared to the end of fiscal year 2021, as a consequence of "Trade Payables" of \$ 9,457.4 million, mainly related to the progress of the works of our Zonda project and to the major maintenance of the Tucumán Thermal Power Plant and an increase in short-term loans for \$6,453.4 million mainly due to the effect of the conversion to Argentine pesos of the amounts nominated in Dollars.

8.2. Main changes in assets and liabilities and generation and application of cash flows and ratios

Variations in results and in the generation and application of cash flows and ratios for the fiscal year ended December 31, 2022 compared to the fiscal year ended December 31, 2021 were described in Summary of events to the Consolidated Financial Statements.

8.3. Transactions with related parties

During 2022, purchases and/or sales and financing transactions were carried out with related parties, within general market conditions, which were described in Note 32 to the Consolidated Financial Statements and in Note 28 to Individual Financial Statements.

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

9.1. Board of Directors' Compensation

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

On April 28, 2022, the Company's Shareholders Meeting approved by unanimity vote the motion of the Company's Directors of waiving their fees as Directors for fiscal year 2020.

In that way, as of December 31, 2022, the Company have not recorded Managements' and Statutory auditor's fees.

9.2. Bonus and Incentive Plans

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

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

10. DIVIDEND POLICY

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

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

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

11. PROPOSAL FOR THE ALLOCATION OF EARNINGS

The net result of the fiscal year ended December 31, 2022, amounted ARS 17,519,993,000.

In line with established by General Resolution 941/2022 issued by the “Comisión Nacional de Valores”, the Company adopted a change in the accounting policy, appropriating the translation differences originated in the reserved earnings accounts and unallocated results to the items that gave rise to them (See Note 2.3.1 to the Audited Consolidated Financial Statements). Based on what has been described, the composition of reserves and retained earnings as of December 31, 2022, is as follows (amounts expressed in Argentine pesos):

	Amount before appropriation	Appropriated translation (*)	Total
Legal Reserve	749,414,000	7,070,030,000	7,819,444,000
Reserve for future dividends	-	4,962,376,000	4,962,376,000
Special reserve RG No. 609	11,532,000	176,758,000	188,290,000
Reserve for future investments	15,064,465,000	47,099,588,000	62,164,053,000
Non-retained earnings	17,519,993,000	6,150,821,000	23,670,814,000

(*) Includes accumulated translation as of December 31, 2022.

Based on all this, after the aforementioned appropriation, retained earnings as of December 31, 2022, amount to ARS 23,670,814,000.

The current legal rules require that at least 5% of the net profit for each fiscal year should be allocated to the Legal reserve until such reserve reaches an amount equal to 20% of the capital stock (section 70, Argentine General Associations Law No. 19,550 (T.O. 1984)).

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

- (i) ratify the appropriation of the accumulated translation as of December 31, 2022, to reserves and retained earnings according to the detail described;
- (ii) release completely the reserve for future investments for the sum of ARS 62,164,053,000;
- (iii) release completely the reserve for future dividends for the sum of ARS 4,962,376,000;
- (iv) allocate the sum of ARS 78,797,243,000 to create a facultative reserve for future investments pursuant to section 70, third paragraph of Argentine General Associations Law No. 19,550 (T.O. 1984), as amended; and
- (v) allocate the sum of ARS 12,000,000,000 to create a facultative reserve for future dividend distribution, delegating in the board of Directors up until the Ordinary General Shareholders' Meeting that treats the financial statement corresponding to the fiscal year ended December 31, 2023, the decision to determine, if it results convenient and according to the needs of the Company, the opportunity and amount to proceed to the distribution, considering financial and fund availability aspects, operating results, investments and every other aspect that is consider relevant to the development of the activity of the Company.

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

THE BOARD OF DIRECTORS
Buenos Aires, March 7, 2023

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

A) BOARD OF DIRECTORS’ ROLE

Principles

- I The Company shall be governed by a professional and trained Board of Directors, which shall be in charge of setting the necessary bases to ensure sustainable success of the Company. The Board of Directors protects the Company and protects the rights of the Company's Shareholders.
- II The Board of Directors shall be in charge of deciding and encouraging corporate culture and values. Through its actions, the Board of Directors shall ensure compliance with the highest ethical and integrity standards based on the Company's best interests.
- III. The Board of Directors shall be in charge of ensuring a strategy inspired in the Company's vision and mission, in line with the Company's values and culture. The Board of Directors shall be constructively involved with management to ensure proper development, execution, monitoring and changes of the Company's strategy.
- IV The Board of Directors shall continuously control and supervise the Company's administration, ensuring that management takes actions to implement the strategy and business plan approved by the Board of Directors.
- V The Board of Directors shall have the necessary mechanisms and policies in place to exercise its duties and the duties of each one of its members in an efficient and effective manner.

1. The Board of Directors creates a work ethics culture and establishes the company's vision, mission and values.

The Board of Directors of YPF ENERGÍA ELÉCTRICA S.A. (hereinafter, “YPF Luz” or the “Company”, indistinctly) sets forth the Company's strategic guidelines through the purpose, mission, vision, and corporate values.

YPF LUZ's purpose is “to promote from Argentina the development of energy for the welfare of people”.

Our mission is to be a profitable, efficient and sustainable electric power generation company, focused on streamlining natural resources and contributing to the energy development in the country and in the markets where it operates. In turn, our vision is to become one of the leading electric power companies and front-runner in the provision of integrated and sustainable power solutions, operating under internationally renowned safety, technology, efficiency, and quality standards.

Our purpose, mission and values are underpinned by our corporate values as defined by the Board of Directors and with the contribution of all our collaborators, and are jointly revised periodically in line with the company's strategic review.

YPF Luz's values are:

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

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

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

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

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

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

The Company's strategy is to be a profitable, efficient and sustainable energy generation company, focused on streamlining natural resources and contributing to the energy development in Argentina and the markets where it operates. The Company's 2023-2027 Strategic Plan is oriented towards significantly increasing the installed capacity of efficient and renewable thermal generation through new developments and acquisitions.

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

Financial:

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

Market and environment:

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

Internal processes:

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

Our people:

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

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

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

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

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

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

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

- 1) Leadership,
- 2) Management System,
- 3) Incident Management,
- 4) Audits,
- 5) Risk Management,
- 6) Regulatory Compliance,
- 7) Emergency Management,

- 8) Contractor Management,
- 9) Health,
- 10) Prevention of Negative Environmental & Social Impact
- 11) Training.

We have a sustained social investment program in place which encompasses the development of initiatives and an open and seamless dialogue with the several local players involved. The purpose is to identify the impacts resulting from our activities, address questions and complaints, and take social investment actions relevant to each community. Our Social Investment Plan is focused on education and the efficient use of energy, as well as on enhancing the quality of life and infrastructure of the communities where we operate.

Our Policy on Social Investment and Donations encompasses each and every donation, volunteer action, commitment and/or community relationship action and any other investment associated with social, community or institutional projects.

The management and approval of social investment actions is supervised by a Social Investment Committee composed of the Company's CEO, the Institutional Relations Manager, the Human Resources Manager, the Health, Environment and Safety Manager, the Chief Compliance Officer (CCO), and a representative from the Legal Counsel. This Committee approves the annual social investment action plan and assesses and approves all the donations made by the Company, ensuring that they comply with the guidelines set forth in the Social Investment and Donation Policy.

Our social investment strategy is aligned with the following Sustainable Development Goals of the United Nations:

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

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

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

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

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

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

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

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

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

The directors are elected as follows:

- Class A shares have the right to appoint 6 regular directors and up to 6 alternate directors; and
- Class B shares have the right to appoint 2 regular directors and up to 2 alternate directors.

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

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

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

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

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

Members of the Audit Committee are appointed as follows:

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

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

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

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

The Company also has a Steering Committee, comprising the Chief Executive Officer, the Chief

Operations Officer, the Chief Compliance Officer, the Chief Financial Officer, the Supply Chain Manager, the Institutional Relations Manager, the Electricity Business Manager, the Human Resources Manager, and the Legal Services Manager. The Steering Committee holds meetings when necessary. Steering Committee's meetings shall be notified to all its members sufficiently in advance for them to submit any issues deemed relevant for consideration by the Committee. Members of the Committee shall discuss each issue submitted for their consideration, ask questions, and, if applicable pursuant to the bylaws or the Shareholders' Agreement of the Company, see that the issue is submitted for consideration by the Board of Directors.

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

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

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

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

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

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

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

B) CHAIRMAN OF THE BOARD OF DIRECTORS AND CORPORATE SECRETARY

Principles

- VI. The Chairman of the Board of Directors is in charge of ensuring effective compliance of the Board of Directors' duties and leading its members. The Chairman of the Board of Directors shall create a positive work dynamic and encourage constructive participation of its members and shall ensure that members have the necessary elements and information to make decisions. The same applies to the Chairmen of each committee of the Board of Directors regarding their duties.
- VII. The Chairman of the Board of Directors shall lead processes and establish structures to ensure commitment, objectivity and competence of the members of the Board of Directors, and shall ensure the best operation of the body as a whole and its progress, based on the Company's needs.
- VIII. The Chairman of the Board of Directors shall ensure that the Board of Directors as a whole is involved and in charge of the succession of the general manager.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Principles

- IX. The Board of Directors shall have proper independence and diversity levels to make decisions that are in the Company's best interests, avoiding group thinking and the making of decisions by dominating individuals or groups within the Board of Directors.
- X. The Board of Directors shall ensure that the company has formal procedures in place to propose and nominate candidates for Board of Directors' positions in the framework of a succession plan.

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

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

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

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

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

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

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

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

When a new member joins the Board of Directors, that member is introduced to his/her colleagues and senior management makes a presentation of the Company and the business, economic and regulatory environment in Argentina. All Board members are professionals with vast experience in the market and the industry, and hold significant positions in its Shareholders YPF S.A. and the General Electric Company, which have their own training programs.

D) REMUNERATION

Principles

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

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

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

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

The Board of Directors, through the Remunerations Committee, sets forth the remunerations policy for the Chief Executive Officer, the Chief Operations Officer, the Chief Financial Officer, and the Chief Compliance Officer. Likewise, the Remunerations Committee shall set forth the variable compensation, bonuses and incentive plan of senior executives of the Company.

In turn, remuneration of the members of the Board of Directors is set forth by the Shareholders' Meeting.

E) CONTROL ENVIRONMENT

Principles

- XII. The Board of Directors shall ensure the existence of a control environment, composed of internal controls developed by management, internal audit, risks management, regulatory compliance and external audit, setting forth the necessary defense lines to ensure integrity of our transactions and financial reports.
- XIII. The Board of Directors shall ensure the existence of a comprehensive risk management system allowing management and the Board of Directors to efficiently achieve our strategic goals.
- XIV. The Board of Directors shall ensure the existence of an individual or department (based on the size and complexity of the business, the nature of its transactions and the risks faced) in charge of our internal audit. This audit, to assess and audit internal controls, corporate governance processes and our risk management, shall be independent and objective, and shall have clearly established reporting lines.
- XV. The Board of Directors' Audit Committee shall be composed of qualified and experienced members and shall fulfill its duties in a transparent and independent manner.
- XVI. The Board of Directors shall set forth proper procedures to ensure independent and effective performance of External Auditors.

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

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

In 2022, a second risk review was carried out, and risks associated with critical processes were updated. In addition, an integral review of the Risk Management Process was carried out, including controls by an external consultant, and an adequation was then implemented according to ISO 3100:2018 recommendations. Moreover, for continued improvement of the process, (i) a new approval structure was defined; and (ii) referents were appointed and training courses were imparted at different levels for each of the process leaders. Finally, the new Risk Management system was published, as a platform that allows to consolidate and publish the Corporate Risk Matrix, ensuring performance traceability.

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

reporting line to the Audit Committee.

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

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

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

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

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

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

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

F) ETHICS, INTEGRITY AND COMPLIANCE

Principles

- XVII. The Board of Directors shall design and establish proper structures and practices to promote a culture of ethics, integrity and compliance with all standards to prevent, detect and deal with serious corporate or personal breaches.
- XVIII. The Board of Directors shall ensure there are formal mechanisms in place to prevent and potentially deal with conflicts of interest which may arise in the administration and direction of the company. There shall be formal procedures in place to ensure that transactions between related parties are carried out in our best interest and to ensure equitable treatment of all shareholders.

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

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

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

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

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

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

The Program was designed based on the assessment of our activities and processes and the assessment of the inherent risks we are exposed to. Furthermore, the purpose of the Program is to prevent, detect

and correct irregularities or violations of the provisions of our Code of Ethics and Conduct, the applicable policies and procedures and regulations in force, and establishes a zero-tolerance policy regarding corruption.

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

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

- **Risk Management:** we have defined a Compliance Risks Matrix (the “Matrix”), which includes the risks inherent to our industry, including but not limited to corruption, fraud, assets laundering, fake accounting reports, among others. Risks are monitored daily. In any case, the risks and controls defined are validated by the managers of each area and approved by the CCO, the CEO and the Chairman of the Board of Directors.
- **Due Diligence Policy:** Through the Due Diligence Policy, we seek to effectively and efficiently manage our relationship with third parties, to prevent and/or mitigate risks related to corruption, among others, establishing the proper controls and monitoring for such purposes. To do so, we have adopted technological tools to ensure efficient management of such risks.
- **Training:** The Compliance Management has defined a Training Program, which includes the list of training programs to be provided on an annual basis at all Company levels. The training Program defines the subjects, modality, audience, time and contents of the training.
- **Communication:** Communication is subject to an annual plan prepared by the Compliance and Internal Audit Management, with contributions from our Communications and Institutional Relations Management. Furthermore, we have a Compliance Web Portal which includes, among others:
 - o Information on the “Compliance Channel” (Hotline/Ethics Line);
 - o Contact information of the members of the team of Compliance and Internal Audit;
 - o Direct access to the Code of Ethics and Conduct;
 - o Regulatory Repository;
 - o Compliance Policies and Procedures
 - o Form to report Conflicts of Interest
 - o Form to report events and gifts
 - o Newsletters
 - o News of the area
 - o Relevant news on communications media
 - o Links of interest

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

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

The Compliance Channel ensures:

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

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

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

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

G) PARTICIPATION OF SHAREHOLDERS AND STAKEHOLDERS

Principles

- XIX. The company shall provide equitable treatment to all Shareholders. We shall ensure equitable access to non-confidential information relevant to make decisions at shareholders' meetings.
- XX. We shall promote active participation with adequate information of all Shareholders, especially when appointing the Board of Directors.
- XXI. We shall have a transparent Dividend Distribution Policy that is in line with the strategy.
- XXII. We shall take into consideration the interests of our stakeholders.

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

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

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

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

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

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

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

These mainly include:

Web site ypfluz.com

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

Social Media

- [LinkedIn site](#) with news about the Company and career opportunities.

On-site information

- Regular meetings open to the community
- Participation in local trade shows and conferences, talks at universities and academic institutions
- Posters with contact information at community centers
- Delivery of data sheets (NTS) upon request (also available at the web site)

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

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

Spontaneous services or products offerings, or spontaneous submissions to work for the company shall not be considered enquiries. Such contacts are answered but not registered with a case number.

All questions or complaints received through social media or via the dedicated e-mail address, are recorded in a unique database, are registered and followed up until they are resolved.

The questions and complaints management system is confidential. It is managed by the Institutional Relations Management, providing access based on the case and the management/s that will intervene.

In 2022, YPF Luz submitted its fourth Sustainability Report for fiscal year 2021—a public, non-mandatory document reflecting our commitment to managing our business whilst ensuring sustainable development, financially, environmentally and socially. The report was prepared in accordance with the Global Reporting Initiative (GRI) Standards, and with the Sustainability Accounting Standard Board's (SASB) standards for Electric Utilities and Power Generators, in alignment with the 17 Sustainable Development Goals of the United Nations' 2030 Agenda.

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

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

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

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

Stakeholders:

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

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

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

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

26. The Board of Directors submits to Shareholders, prior to the holding of the Shareholders' Meeting, a "temporary information package" to allow Shareholders - through a formal communication channel- to make non-binding comments and share dissenting opinions with the recommendations made by the Board of Directors, and the Board of Directors shall, upon sending the final information package, expressly issue an opinion on the comments received, as deemed necessary.

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

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

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

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

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

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

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

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

YPF LUZ

YPF ENERGÍA ELÉCTRICA S.A.

SUMMARY OF EVENTS

DECEMBER 31, 2022

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

Fiscal year No. 10 beginning on January 1, 2022.

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

(Unaudited)

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1. CHARACTERISTICS OF THE COMPANY

YPF Energía Eléctrica S.A. (hereinafter “YPF Luz” or “the Company”) was created in 2013 and nowadays is one of the leading companies in the generation of electric energy. The Company and its subsidiaries (hereinafter, collectively, the “Group”) provide profitable, efficient and sustainable energy, optimizing the usage of natural resources, contributing to the country’s energetic development and granting competitive solutions to its clients. Nowadays, the Group is the second generator of renewable energy in Argentina and the main supplier of renewable energy to the country’s industries.

As of December 31, 2022, the generation capacity of the Group is 2,483 MW, that contributes about 5.8% of the total installed capacity, including the participation in Central Dock Sud. According to information issued by CAMMESA as of December 31, 2022, the Group generated 7.8% of the energy demanded in Argentina.

YPF Luz’s power generation plants and the wind farms generate conventional and renewable energy and its directed to supply Argentine electricity market through CAMMESA, YPF operations and other industries.

2. MAIN ACTIVITIES OF THE YEAR

During the fiscal year ended December 31, 2022, the energy generation produced by the Group amounted to 9,700.3 GWh, representing a slight decrease of 2.9% as compared to the fiscal year of 2021. Likewise, the available commercial power of the Group’s thermal energy increased approximately 6% reaching an average of 1,547.9 MW.

During the current year, the Manantiales Behr Wind Farm, the Cañadón León Wind Farm and Los Teros Wind Farm have been among the wind farms with the highest levels of generation in the country.

In relation to new projects, in February 2022, the Company started the construction of the first stage of the Zonda Solar Farm, located in the Iglesia department, province of San Juan. In this first stage the Company will construct 100 MW single-axis solar tracked support structures, the solar farm substation and the high voltage line that will connect it to SADI, and it involves the installation of approximately 170,000 solar panels that will allow to generate energy for more than 300 GWh annually, to supply MATER. The work is going to be carried out within 14 months and is expected to be generating energy since the second quarter of 2023. The final project could have an ampliation to more than 300 MW in further stages subject to the availability of electric transportation in the area.

During the fiscal year ended December 31, 2022, progress had been made regarding the work in the solar farm, such as the adaptation of the land, sinking of profiles for the photovoltaic plants structure, and the assembly of panels and the laying of power cables. Additionally, regarding transformer substation the construction of the building and the assembly of main equipment was completed.

In addition, YPF Luz acquired Levalle 1 S.A. and Levalle 2 S.A., owner companies of wind farm projects, from which it will be built a new wind farm in General Levalle, south of Province of Córdoba. It will have an installed capacity of 155 MW in two stages, 65 MW (Levalle 1) and 90 MW (Levalle 2).

The new project will be the Group’s fourth wind farm, adding to the three in operation: Manantiales Behr, in Chubut; Cañadón León, in Santa Cruz; and Los Teros, in Azul, Buenos Aires; which together with the Zonda solar park, in San Juan soon to be inaugurated, will continue to increase our participation in the renewable energy segment.

Comercial activity

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

Additionally, as of the date of issuance of this summary of events, the Group has committed most of the energy to be installed in the first construction stage of Zonda Solar Farm, through PPAs denominated in US dollars with several industrial users of the private sector, with terms between 5 and 10 years.

The main clients are CAMMESA, YPF S.A., Profertil S.A., Holcim Argentina S.A., Toyota Argentina S.A., Coca-Cola FEMSA de Buenos Aires S.A., among others.

Financing

On February 3, 2022, the Company issued the following financings whose funds will be destined to the construction and exploit of our first solar farm named Zonda, previously mentioned:

- Additional Class IX Negotiable Obligations for an amount of US\$ 10.9 million at a negative effective rate of 0.26% denominated in US dollars and payable in Argentine pesos at the applicable exchange rate, maturing in August 2024 and interests quarterly payable since February 28, 2022.
- Class X Negotiable Obligations, aligned to the principles of Green Bond (GBP) from the International Capital Market Association (ICMA), to generate a positive impact. This Negotiable Obligation was issued for an amount of US\$ 63.9 million at a fixed rate of 5% denominated in US dollars and payable in Argentine pesos at the applicable exchange rate maturing February 3, 2032 and interests payable every six months since August 3, 2022, being the bond with longest maturity issued by the Company.

On February 28, 2022, BNP made the last disbursement included in the loan contract with LDL for US\$ 15.4 million with a fix 3.31% rate, maturing on September 15, 2034.

On August 29, 2022, the Company issued the following Negotiable Obligations, which funds will be destined to the refinancing of Class IV and VIII Negotiable Obligations with maturities on October and August 2022, respectively, to works in progress and to working capital:

- Class XI Negotiable Obligations for an amount of US\$ 15 million at a negative rate of 4% and a fixed nominal rate of 0% denominated in US dollars and payable in Argentine pesos at the applicable exchange rate, maturing in August 2024.
- Class XII Negotiable Obligations for an amount of US\$ 85 million at a fixed rate of 0% denominated in US dollars and payable in Argentine pesos at the applicable exchange rate maturing on August 2026.

On October 24, 2022, the rating agency FIX SCR S.A., an affiliate of Fitch Ratings, decided to raise the long-term issuer rating of YPF Luz and its negotiable obligations (Non-Guaranteed Negotiable Obligations "Senior Unsecured") from AA+ (arg) to AAA (arg), implying an one step improvement regarding its individual credit quality. It also confirmed the A1+(arg) rating as a short-term issuer and its negotiable obligations.

On February 10, 2023, the Company issued the following negotiable obligations in the local capital market, wich funds will be destined to the construction and operation of our fourth Wind Farm, in General Levalle, Province of Córdoba, among others destinations:

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

Corporate Reorganization

In order to simplify the corporate and administrative structure, in September 2022 the Group resolved to initiate a corporate reorganization process whereby the subsidiaries Y-GEN S.A.U. and Y-GEN II S.A.U. will be merged by absorption into YPF Energía Eléctrica S.A., dissolving without being liquidated, and the latter being the absorbing and continuing company. The merger will have administrative effects from January 1, 2023, subject to administrative approval from the corresponding control agencies.

3. COMPARISON OF RESULTS

Revenues

Higher revenues of ARS 21,473.2 million, which represents an increase of 51.1%, as detailed in the table below:

	12/31/2022	12/31/2021
Revenues under PPA	49,797.7	29,303.0
Energía Base	8,768.3	8,735.7
Steam sales	4,378.1	3,702.8
Other income for services	551.8	281.2
Revenues	63,495.9	42,022.7

- Revenues from Long-term energy supply agreements (PPA): Higher revenues of ARS 20,494.7 million, which represents an increase of 69.9%. This variation contemplates an increase in the prices expressed in Argentine pesos due to the impact of a devaluation of 37.5% recorded between periods on the prices nominated in US dollars. Likewise, the variations respond to the following operational factors:
 - El Bracho Thermal Power Plant: The generation and power volumes were slightly higher than those registered in the previous fiscal year.
 - La Plata Cogeneration I: In December 2021, the Secretariat of Energy authorised YPF Energía Eléctrica S.A. the change in the category of MEM agent, from generator to autogenerator, starting a new contract with YPF S.A. with a price denominated in US dollars.
 - La Plata Cogeneration II: The generation and power volumes were similar to those registered in the previous fiscal year.
 - Loma Campana I and II: Both commercial availability and generation increased during the fiscal year 2022. The implementation of new technologies allowed the early detection of possible faults, such as those registered in the previous fiscal year.
 - Cañadón León Wind Farm: The wind farm began commercial operation in December 2021, consolidating its generation levels.
 - Los Teros Wind Farm: Generation volumes increased compared to the previous fiscal year due to the beginning of commercial operation of the farm second stage and to a higher capacity factor.
 - Manantiales Behr Wind Farm: The wind farm generation volumes were similar to the previous fiscal year.

- Revenues from Energía Base: During the fiscal year ended December 31, 2022, revenues from Energía Base stood at ARS 32.6 million, which represents a variation of 0.4% as compared to the the fiscal year 2021. This is mainly due to the remuneration adjustments established by SE-ME Resolutions No. 238/2022 and 826/2022 and to:
 - Tucumán Generation Complex: Higher sales mainly due to higher availability for the fiscal year 2022 compared to the previous fiscal year due to a major maintenance occurred on the San Miguel de Tucumán plant, leaving the steam turbine out of service from March 27, 2021 until July 5, 2021 and the TG01 until July 10, 2021.
 - La Plata Cogeneration I: Decrease in sales, given that during the first half of 2022 energy was lower compared to the fiscal year 2021, to a greater extent to the beginning in December 2021 of the operation as Autogenerator mentioned above, and to the beginning of the scheduled major maintenance started at the end of March 2022.
- Revenues from Steam sales: Higher revenues of ARS 675.3 million, which represents an increase of 18,2%, as compared to the previous fiscal year. This variation is mainly due higher prices in Argentine pesos because of devaluation. Higher sales were registered in La Plata Cogeneration II in 2022, due to lower revenues generated during first quarter of 2021, as a consequence of the maintenance carried out during that period. Such effect was partially offset by La Plata Cogeneración I, due to the beginning of the new contract with YPF S.A. mentioned before, in which there are no costs incurred related to gas provided by YPF S.A., and the lower volume generated mainly as a result of the plant shutdown carried out in the second quarter of 2022.

Production costs

Production costs for the fiscal year ended December 31, 2022, stood at ARS 27,409.0 million, an amount 36.5% higher than the ARS 20,076.6 million incurred in the previous fiscal year. This increase was mainly due to an ARS 4,629.5 million increase in the depreciation of PP&E and a \$ 1,190.7 million increase in preservation, repair and maintenance expenses, both mainly to the begging of operations of the second stage of Los Teros Wind Farm, the Manantiales Behr Thermal Plant and the Cañadón León Wind Farm. Likewise, it has influenced in the highest depreciation charge for the fiscal year ended December 31, 2022 the appreciation of assets expressed in Argentine pesos taking into account they are nominated in US dollars according to the Company's functional currency. Additionally, during the current year, higher personnel expenses were generated. These effects were partially offset by a decrease in purchases of fuel, gas, energy and miscellaneous by ARS 1,215.9 million, mainly due to the entry into force from December 2021 of the figure of autogenerator of the La Plata Cogeneration I Power Plant, which began a new contract with YPF S.A.

Administrative and selling expenses

Administrative and selling expenses corresponding to the fiscal year ended December 31, 2022 amounted to ARS 4,956.4 million, an increase of 80.5% as compared to the ARS 2,745.5 million registered in the previous fiscal year, mainly motivated by the increase in personnel and tax expenses.

Other operating result, net

The other operating result, net corresponding to the fiscal year ended December 31, 2022 amounted to ARS 7,159.4 million, a 231% ncrease compared to the ARS 2,163.2 million registered in the fiscal year 2021. This is mainly due to the profit generated by conciliation agreements detailed in Note 28 to the consolidated financial statements, that gave a final closure to the cross claims with GE corresponding to Los Teros, Loma Campana I, Loma Campana II and Cañadón León.

Impairment of property, plant and equipment

Impairment of property, plant and equipment for the fiscal year 2022 stood at ARS 5,986.0 million, due to the impairment registered in 2022 related to Cañadón León Wind Farm, as detailed in note 8 to the Consolidated Financial Statements.

Operating profit

Operating profit for the fiscal year ended December 31, 2022 stood at ARS 32,303.9 million due to the factors described above, a 51.2% higher as compared to the ARS 21,363,7 million operating profit for the fiscal year 2021.

(Loss)/Income from equity interest in joint ventures

Loss from equity interests in joint ventures for the fiscal year 2022 stood at ARS 1,076.0 million, compared to the loss of ARS 249.8 millions of the previous fiscal year, due to lower results reported by our related company Inversora Dock Sud, impacted by a significant loss in its controlled company Central Dock Sud in the "financial results" line due to the accounting inflation adjustment effect.

Net financial results

The net financial results for the fiscal year 2022, were a loss of ARS 12,239.9 million, compared to a loss of ARS 6,747.1 million for fiscal year 2021. This variation is mainly explained by higher loss of difference exchange due to our active monetary position in pesos. These losses are partially offset by higher results from holding mutual funds and higher interest incomes.

Income tax

The income tax charge for the current year was an income by ARS 1,468.0 million, as compared to a loss of ARS 8,048.7 million income tax charge for 2021. The variation is mainly due to the reduction in the deferred liability linked to the item "Properties, Plant and Equipment" where the update of the tax value (according to the behaviour of the consumer price index) is higher than to the book value resulting from the translation into pesos of the residual value expressed in dollars, the deferred asset income tax related to the impairment of property, plant and equipment registered during fiscal year ended December 31, 2022, to a greater tax exchange difference loss and the increase in the legal rate of income tax established by Law No. 27,630, which impacted the deferred tax in the second quarter of 2021. These effects were partially offset by the increase in current tax as a result of the increase in the result before income tax and the impact of the adjustment for tax inflation adjustment on monetary items.

Net income

Net income for the fiscal year 2022 amounted to ARS 17,520.4 million due to the aforementioned factors, as compared to the ARS 6,318.1 million net income generated in the previous fiscal year.

Comprehensive income

Other comprehensive income for the present fiscal year stood at ARS 76,520.2 million, as compared with the positive charge of ARS 17,666.5 million generated in 2021. This income mainly arises from the translation of Property, plant and equipment and from the translation of U.S. dollar nominated loans, because of the depreciation of the Argentine peso.

Based on all of the above, total comprehensive income for the fiscal year 2022 stood at ARS 94,040.2 million, as compared to the ARS 23,984.7 million income of the fiscal year 2021.

Liquidity and capital resources

During the fiscal year ended December 31, 2022, the operating cash flows amounted to ARS 32,238.3 million, which is 9.6% higher than the amount of the previous year. This ARS 2,816.4 million increase, resulted from the ARS 9,793.5 million increase in operating income (without considering depreciation, amortization or impairment), partially offset by the erosion in working capital of ARS 6,977.1 million.

The cash flow used in investing activities totalled ARS 20,078.8 million during the present fiscal year, a 119.7% higher than the previous fiscal year, with a level of investment on fixed assets, that totalized ARS 19,878.4 million (including advances to suppliers) which represents a higher level of investments as compared to the the previous year mainly due to the investments made in the construction of the Zonda Solar Farm.

Also, cash flow applied to financing activities totalized ARS 14,479.4 million, as compared to the cash ARS 28,122.0 million used in 2021. This variation was generated by the lower payments of loans for ARS 40,058.8 million, partially offset by lower borrowing by ARS 19,164.7 million and by dividend payments of ARS 6,000.0 million.

Additionally, in this fiscal year, as a consequence of the revaluation of the position of cash and cash equivalents nominated in dollars and financial results from cash and cash equivalents and the devaluation of 72,5%, such balances have increased in ARS 7,907.9 million.

The generation of resources explained above results in a position of cash and cash equivalents of ARS 14,577.2 million as of December 31, 2022. The Group's financial loans stood at ARS 151,916.0 million, which only 17.2% of the total amount is due and payable in the short term.

4. STATEMENTS OF FINANCIAL POSITION SUMMARY

Consolidated balance sheets as of December 31, 2022 , 2021, 2020, 2019 and 2018.

(Figures stated in thousands of Argentine pesos)

	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Assets					
Non-current assets	325,583,892	183,766,965	148,384,348	96,535,418	41,765,973
Current Assets	48,216,380	24,849,531	30,659,286	26,622,447	16,148,905
TOTAL ASSETS	373,800,272	208,616,496	179,043,634	123,157,865	57,914,878
Shareholders' equity					
Owners' contributions	8,411,982	8,411,982	8,411,982	8,411,982	8,411,982
Reserves, other comprehensive income and accumulated income	174,407,644	86,367,472	62,382,821	37,126,778	17,109,294
TOTAL SHAREHOLDERS' EQUITY	182,819,626	94,779,454	70,794,803	45,538,760	25,521,276
Liabilities					
Non-current Liabilities	144,761,655	80,626,403	70,190,152	58,061,762	20,722,614
Current Liabilities	46,218,991	33,210,639	38,058,679	19,557,343	11,670,988
TOTAL LIABILITIES	190,980,646	113,837,042	108,248,831	77,619,105	32,393,602
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	373,800,272	208,616,496	179,043,634	123,157,865	57,914,878

5. STATEMENTS OF COMPREHENSIVE INCOME SUMMARY

Consolidated statements of comprehensive income for the fiscal year ended December 31, 2022, 2021, 2020, 2019 and 2018.

(Figures stated in thousands of Argentine pesos)

	2022	2021	2020	2019	2018
Revenues	63,495,872	42,022,697	21,416,226	16,113,915	7,124,905
Production costs	(27,409,025)	(20,076,631)	(10,013,353)	(7,701,253)	(2,401,625)
Gross profit	36,086,847	21,946,066	11,402,873	8,412,662	4,723,280
Administrative and selling expenses	(4,956,421)	(2,745,536)	(2,104,737)	(1,329,280)	(544,414)
Remeasurement of pre-existing equity interest	-	-	-	-	1,785,033
Regulation of receivables	-	-	-	611,025	-
Other operating results, net	7,159,423	2,163,167	2,068,351	173,126	(292)
Impairment of property, plant and equipment	(5,985,965)	-	-	-	-
Operating profit	32,303,884	21,363,697	11,366,487	7,867,533	5,963,607
(Loss)/Income from equity interest in joint ventures	(1,075,956)	(249,803)	355,876	778,173	268,015
Net financial results	(12,239,939)	(6,747,085)	(2,014,783)	(2,060,161)	(1,322,522)
Profit before income tax from continuing operations	18,987,989	14,366,809	9,707,580	6,585,545	4,909,100
Income tax	(1,467,996)	(8,048,674)	(3,796,932)	(2,358,969)	(416,984)
Net profit for the fiscal year from continuing operations	17,519,993	6,318,135	5,910,648	4,226,576	4,492,116
Profit after income tax for the fiscal year from discontinued operations	-	-	-	-	13,296
Net profit for the fiscal year	17,519,993	6,318,135	5,910,648	4,226,576	4,505,412
Other comprehensive income for the fiscal year					
Other comprehensive income that will not be reclassified to net income in subsequent fiscal years	76,511,590	16,034,582	19,507,570	15,869,480	11,170,660
Other comprehensive income that will be reclassified to net income in subsequent fiscal years	8,589	1,631,934	(162,175)	(78,572)	26,391
Other comprehensive income for the fiscal year	76,520,179	17,666,516	19,345,395	15,790,908	11,197,051
Total comprehensive income for the fiscal year	94,040,172	23,984,651	25,256,043	20,017,484	15,702,463

6. STATEMENTS OF CASH FLOW SUMMARY

Consolidated statements of cash flows for the fiscal year ended December 31, 2022, 2021, 2020, 2019 and 2018.

(Figures stated in thousands of Argentine pesos)

	2022	2021	2020	2019	2018
Cash flows from operating activities	32,238,276	29,421,909	12,233,931	7,395,103	5,436,708
Cash flows from investing activities	(20,078,752)	(9,137,929)	(11,700,448)	(22,915,630)	(10,829,186)
Cash flows from financing activities	(14,479,358)	(28,121,988)	(4,409,305)	16,165,324	9,292,223
Increase (Decrease) in cash flows, net	(2,319,834)	(7,838,008)	(3,875,822)	644,797	3,899,745
Foreign exchange difference and other financial income, net	7,907,902	2,530,555	3,450,735	9,375,548	662,509
Cash and cash equivalents of assets held for sale	-	-	21,194	(21,194)	-
Cash and cash equivalents at the beginning of the fiscal year	8,989,141	14,296,594	14,700,487	4,701,336	139,082
Cash and cash equivalents at the year-end	14,577,209	8,989,141	14,296,594	14,700,487	4,701,336
Increase (Decrease) in cash flows, net	(2,319,834)	(7,838,008)	(3,875,822)	644,797	3,899,745

7. RATIOS

	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Current liquidity (Current assets to current liabilities)	1.04	0.75	0.81	1.36	1.38
Solvency ratio (Shareholders' equity to total liabilities)	0.96	0.83	0.65	0.59	0.79
Tied-up capital (Noncurrent assets to total assets)	0.87	0.88	0.83	0.78	0.72
Profitability (Net income to average Shareholders' equity)	12.62%	7.58%	10.2%	11.9%	30.6%

SUMMARY OF EVENTS AS OF DECEMBER 31, 2022

8. STATISTICAL DATA

Paid Electrical energy and Steam

Asset	Unit	2022	2021	2020	2019	2018
Central Generación Tucumán	GWh	1,518.1	3,239.2	4,021.8	3,710.2	5,247.0
Loma Campana I	GWh	660.8	200.0	628.9	715.1	452.0
Loma Campana Este	GWh	69.5	50.5	42.0	45.0	33.5
La Plata Cogeneración I	GWh	673.4	798.5	874.6	820.3	873.5
La Plata Cogeneración I	K Tn	1,225.1	1,459.0	1,687.3	1,599.4	1,621.9
La Plata Cogeneración II	GWh	587.7	577.4	4.9	-	-
La Plata Cogeneración II	K Tn	1,385.5	1,145.1	-	-	-
Manantiales Behr Wind Farm	GWh	509.5	508.4	518.1	517.3	140.5
Manantiales Behr Power Plant	GWh	381.7	181.3	-	-	-
Loma Campana II – Y-GEN	GWh	542.2	347.6	514.8	503.9	395.2
El Bracho – Y-GEN II Thermal Power Plant (Natural Gas Turbine)	GWh	2,035.0	1,988.8	479.6	136.9	499.4
El Bracho – Y-GEN II Thermal Power Plant (Steam Turbine)	GWh	1,414.6	1,403.1	182.2	-	-
Los Teros	GWh	797.1	674.3	163.8	-	-
Cañadón León Wind Farm	GWh	512.1	19.6	-	-	-
Total	GWh	9,701.7	9,988.7	7,430.7	6,448.7	7,641.1
Total	K Tn	2,610.6	2,604.2	1,687.3	1,599.4	1,621.9

Renewable energy load factor

Asset	Unit	2022	2021	2020	2019	2018
Manantiales Behr	%	59.8	59.9	60.3	61.7	-
Cañadón León	%	52.6	50.8	51.6	-	-
Los Teros	%	47.1	-	-	-	-

Paid System power

Asset	Unit	2022	2021	2020	2019	2018
Central Generación Tucumán	MW	755.7	676.8	718.7	682.7	700.3
Loma Campana I	MW	76.8	22.7	71.7	81.6	51.6
Loma Campana Este	MW	8.0	6.1	9.1	12.0	9.4
La Plata Cogeneración I	MW	76.0	98.1	107.9	100.1	107.6
La Plata Cogeneración II	MW	77.6	77.3	1.8	-	-
Manantiales Behr Power Plant	MW	38.1	47.1	-	-	-
Loma Campana II – Y-GEN	MW	96.5	91.5	96.8	92.9	93.7
El Bracho – Y-GEN II Thermal Power Plant (Natural Gas Turbine)	MW	249.5	249.8	257.2	256.4	232.6
El Bracho – Y-GEN II Thermal Power Plant (Steam Turbine)	MW	193.5	190.3	31.5	-	-

9. OUTLOOKS

Our strategic plan seeks to increase the installed capacity of efficient and renewable thermal generation through new developments and acquisitions.

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

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

Additionally, we want to ensure operational excellence with high standards, cost optimization and process improvement; efficiently manage the relationship with all stakeholders; efficiently manage, with integrity, complying with regulations, policies, processes and high standards and achieve excellence in social and environmental sustainability and corporate governance.

Regarding our people, we achieve to consolidate our team in an environment of diversity, maintaining a high level of technical knowledge and professionalism, strengthening leadership and the sense of belonging.

We are very proud of our results, since we are a young company within the electric energy market, but we had already become an important reference of the industry.

Patricio Da Re
Director as President-in-Office

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



YPF ENERGÍA ELÉCTRICA S.A.

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022 AND 2021

GLOSSARY OF TERMS

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

YPF ENERGÍA ELÉCTRICA S.A.

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022 AND 2021

LEGAL INFORMATION

Legal address

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

Fiscal year

N° 10 beginning on January 1, 2022.

Main business of the Company

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

Tax identification code (“CUIT”)

30-71412830-9.

Registration date with the Public Commerce Registry:

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

Registration with the IGJ

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

Duration of the company

Through August 26, 2112.

Capital Stock

(Amounts expressed in Argentine pesos - See Note 23)

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

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

YPF ENERGÍA ELÉCTRICA S.A.



CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2022 AND 2021

(Amounts expressed in thousands of Argentine pesos)

	Notes	December 31, 2022	December 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	8	300,299,387	172,666,612
Intangible assets	9	1,392,701	505,655
Right of use assets	10	3,034,408	1,671,866
Investments in joint ventures	11	13,206,314	7,332,158
Other receivables	12	2,187,548	362,071
Deferred income tax assets, net	15	5,463,534	1,228,603
Total non-current assets		325,583,892	183,766,965
Current assets			
Other receivables	12	6,606,572	3,696,160
Trade receivables	13	24,925,020	11,219,351
Restricted cash and cash equivalents	14	2,107,579	944,879
Cash and cash equivalents	14	14,577,209	8,989,141
Total current assets		48,216,380	24,849,531
TOTAL ASSETS		373,800,272	208,616,496
SHAREHOLDERS' EQUITY			
Shareholders' contributions		8,411,982	8,411,982
Reserves, other comprehensive income and non-retained earnings		174,407,644	86,367,472
TOTAL SHAREHOLDERS' EQUITY		182,819,626	94,779,454
LIABILITIES			
Non-current liabilities			
Provisions		553,108	308,693
Deferred income tax liability, net	15	16,550,042	13,400,498
Leases liabilities	16	1,919,202	1,063,309
Loans	17	125,739,303	65,853,903
Total non-current liabilities		144,761,655	80,626,403
Current liabilities			
Taxes payable		565,401	206,918
Income tax payable		1,031,935	5,248,145
Salaries and social security		1,775,293	985,975
Leases liabilities	16	414,380	241,409
Loans	17	26,176,683	19,723,237
Other financial liabilities		-	7,064
Trade payables	18	16,255,299	6,797,891
Total current liabilities		46,218,991	33,210,639
TOTAL LIABILITIES		190,980,646	113,837,042
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		373,800,272	208,616,496

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

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

YPF ENERGÍA ELÉCTRICA S.A.



CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR FISCAL YEARS ENDED DECEMBER 31, 2022 AND 2021

(Amounts expressed in thousands of Argentine pesos)

	Notes	For the fiscal years ended December 31,	
		2022	2021
Revenues	19	63,495,872	42,022,697
Production costs	20	(27,409,025)	(20,076,631)
Gross profit		36,086,847	21,946,066
Administrative and selling expenses	20	(4,956,421)	(2,745,536)
Other operating results, net	21	7,159,423	2,163,167
Impairment of property, plant and equipment		(5,985,965)	-
Operating profit		32,303,884	21,363,697
Income from equity interest in joint ventures	11	(1,075,956)	(249,803)
Net financial results			
- Financial income	22	15,477,383	5,984,687
- Financial costs	22	(27,717,322)	(12,731,772)
Net financial results	22	(12,239,939)	(6,747,085)
Profit before income tax		18,987,989	14,366,809
Income tax	15	(1,467,996)	(8,048,674)
Net profit for the fiscal year		17,519,993	6,318,135
Other comprehensive income for the fiscal year			
<i>Items that may not be reclassified to net income in subsequent fiscal years:</i>			
Translation differences	2.3.18	74,879,964	16,034,582
<i>Items that may be reclassified to net income in subsequent fiscal years:</i>			
Joint ventures' net monetary position results	2.3.18	6,950,164	2,756,042
Translation differences from joint ventures	2.3.18	(5,318,538)	(1,188,506)
Fair value changes on derivatives instruments, net of tax effect	2.3.18	8,589	64,398
Net variation of other comprehensive income for the fiscal year		76,520,179	17,666,516
Total comprehensive income for the fiscal year		94,040,172	23,984,651
Net income for the fiscal year attributable to shareholders		17,519,993	6,318,135
Total comprehensive income for the fiscal year attributable to shareholders		94,040,172	23,984,651
Earnings per share:			
- Basic and diluted (ARS)	24	4.676	1.686

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

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

YPF ENERGÍA ELÉCTRICA S.A.



CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE FISCAL YEARS ENDED DECEMBER 31, 2022 AND 2021

(Amounts expressed in thousands of Argentine pesos)

	For the fiscal year ended December 31, 2022										
	Shareholders' contributions				Reserves						Total
	Subscribed capital	Share premium	Other shareholders' contributions	Legal reserve	Reserve for future dividends	Special reserve RG No. 609 ⁽¹⁾	Reserve for future investments	Other comprehensive income	Retained earnings		
As of January 1, 2022	3,747,070	4,604,483	60,429	749,414	-	11,532	14,746,330	64,542,061	6,318,135	94,779,454	
Change in Accounting policy – Appropriation of translation effect (Note 2.3.1 to the consolidated financial statements)	-	-	-	3,782,242	-	97,589	20,942,127	(25,214,577)	392,619	-	
As of January 1, 2022 as modified	3,747,070	4,604,483	60,429	4,531,656	-	109,121	35,688,457	39,327,484	6,710,754	94,779,454	
As decided by the General Ordinary Shareholders' Meeting on April 28, 2022:											
- Appropriation to reserve for future dividends	-	-	-	-	6,000,000	-	-	-	(6,000,000)	-	
- Release of the reserve for future investments	-	-	-	-	-	-	(14,746,330)	-	14,746,330	-	
- Appropriation to reserve for future investments	-	-	-	-	-	-	15,064,465	-	(15,064,465)	-	
As decided by the Company's Board of Directors on December 28, 2022:											
- Payment of dividends	-	-	-	-	(6,000,000)	-	-	-	-	(6,000,000)	
Other comprehensive income for the period	-	-	-	-	-	-	-	76,520,179	-	76,520,179	
Net profit for the period	-	-	-	-	-	-	-	-	17,519,993	17,519,993	
Appropriation of translation effect	-	-	-	3,287,788	4,962,376	79,169	26,157,461	(40,244,996)	5,758,202	-	
As of December 31, 2022	3,747,070	4,604,483	60,429	7,819,444	4,962,376	188,290	62,164,053	75,602,667	23,670,814	182,819,626	

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

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

PATRICIO DA RE
Director as President-in-Office

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YPF ENERGÍA ELÉCTRICA S.A.



CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE FISCAL YEARS ENDED DECEMBER 31, 2022 AND 2021

(Amounts expressed in thousands of Argentine pesos)

	For the fiscal year ended December 31, 2021								
	Shareholders' contributions			Reserves					
	Subscribed capital	Share premium	Other shareholders' contributions	Legal reserve	Special reserve RG No. 609 ⁽¹⁾	Reserve for future investments	Other comprehensive income	Retained earnings	Total
As of January 1, 2021	3,747,070	4,604,483	60,429	489,355	11,532	9,095,741	46,875,545	5,910,648	70,794,803
Change in Accounting policy – Appropriation of translation effect (Note 2.3.1 to the consolidated financial statements)	-	-	-	1,934,387	77,847	14,475,662	(17,525,680)	1,037,784	-
As of January 1, 2021 as modified	3,747,070	4,604,483	60,429	2,423,742	89,379	23,571,403	29,349,865	6,948,432	70,794,803
As decided by the General Ordinary Shareholders' Meeting on April 28, 2021:									
- Appropriation to legal reserve	-	-	-	260,059	-	-	-	(260,059)	-
- Appropriation to reserve for future investments	-	-	-	-	-	5,650,589	-	(5,650,589)	-
Other comprehensive income for the fiscal year	-	-	-	-	-	-	17,666,516	-	17,666,516
Net profit for the fiscal year	-	-	-	-	-	-	-	6,318,135	6,318,135
Appropriation of translation effect	-	-	-	1,847,855	19,742	6,466,465	(7,688,897)	(645,165)	-
As of December 31, 2021 modified	3,747,070	4,604,483	60,429	4,531,656	109,121	35,688,457	39,327,484	6,710,754	94,779,454

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

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

PATRICIO DA RE
Director as President-in-Office

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YPF ENERGÍA ELÉCTRICA S.A.



CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE FISCAL YEARS ENDED DECEMBER 31, 2022 AND 2021

(Amounts expressed in thousands of Argentine pesos)

	For the fiscal years ended December 31,	
	2022	2021
OPERATING ACTIVITIES		
Net profit for the fiscal year	17,519,993	6,318,135
Adjustments to reconcile net profit to net cash flows from operating activities:		
Income from equity interest in joint ventures	1,075,956	249,803
Depreciation of property, plant and equipment	13,695,791	8,989,024
Depreciation of right of use assets	278,110	150,748
Amortization of intangible assets	34,377	29,233
Decreases of property, plant and equipment	545,993	394,169
Impairment of property, plant and equipment	5,985,965	-
Net financial results	12,239,939	6,747,085
Net increase in provisions	81,656	12,684
Charge on income tax	1,467,996	8,048,674
Provision of materials and equipment in warehouse	-	69,641
Contractual penalties	(3,686,703)	-
Dividends collected	-	584,503
Changes in operating assets and liabilities:		
Trade receivables	(6,886,259)	(1,651,086)
Other receivables	(2,576,634)	457,490
Trade payables	65,524	(1,086,864)
Salaries and social security	789,318	527,814
Taxes payable	(41,648)	(872,336)
Income tax payments	(10,030,854)	(766,042)
Interest collected	1,368,810	1,219,234
Net cash flows from operating activities	31,927,330	29,421,909
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(18,737,377)	(12,767,902)
Acquisition of intangible assets	(195,716)	-
Advances to suppliers of property, plant and equipment	(634,387)	(24,046)
Acquisition of financial assets	-	(471,969)
Settlements of financial assets	-	829,150
Restricted cash and cash equivalents	(200,326)	3,296,838
Net cash flows used in investing activities	(19,767,806)	(9,137,929)
FINANCING ACTIVITIES		
Proceeds from loans	20,377,154	39,541,924
Payments of loans	(19,879,947)	(59,938,796)
Payments of dividends	(6,000,000)	-
Payments of leases liabilities	(253,920)	(255,274)
Payment of interest and other financial costs	(8,722,645)	(7,469,842)
Net cash flows from financing activities	(14,479,358)	(28,121,988)
Net decrease in cash and cash equivalents	(2,319,834)	(7,838,008)
Effect of exchange difference variations and financial results on cash and cash equivalents	7,907,902	2,530,555
Cash and cash equivalents at the beginning of fiscal year (Note 14)	8,989,141	14,296,594
Cash and cash equivalents at the end of the fiscal year (Note 14)	14,577,209	8,989,141
Non-cash transactions		
	2022	2021
Acquisitions of property, plant and equipment payable at the end of the fiscal year	6,741,498	3,078,129
Acquisitions of property, plant and equipment related to dismantlement provisions	79,946	103,833
Transfers of advances to suppliers of property, plant and equipment	616,708	3,056,351
Capitalised borrowing cost	11,170	521,496
Negotiable Obligations paid in kind	3,005,873	6,615,069

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

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YPF ENERGÍA ELÉCTRICA S.A.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022 AND 2021

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

1. GENERAL INFORMATION AND MAIN ACTIVITIES

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

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

Power Plant	Location (Province)	Installed Capacity (MW)	Regulatory Framework	Technology
Tucumán Thermal Power Plant ⁽¹⁾	Tucumán	447	Energía Base	Combined Cycle
San Miguel de Tucumán ⁽¹⁾	Tucumán	382	Energía Base	Combined Cycle
El Bracho TG ⁽¹⁾	Tucumán	274	PPA with CAMMESA ⁽⁵⁾	Open Cycle
El Bracho TV ⁽¹⁾	Tucumán	199	PPA with CAMMESA	Steam Turbine
Loma Campana I	Neuquén	105	PPA with YPF ⁽⁶⁾	Open Cycle
Loma Campana II	Neuquén	107	PPA with CAMMESA ⁽⁵⁾	Open Cycle
Loma Campana Este ⁽²⁾	Neuquén	17	PPA with YPF	Moto Generators
La Plata Cogeneration I (“LPC”)	Buenos Aires	128	Energía Base / PPA with YPF ⁽³⁾	Cogeneration
La Plata Cogeneration II (“LPC II”)	Buenos Aires	90	CAMMESA / PPA with YPF ⁽³⁾	Cogeneration
Central Dock Sud ⁽⁴⁾	Buenos Aires	279	Energía Base	Combined Cycle / Open Cycle
Manantiales Behr Wind Farm	Chubut	99	PPA with YPF and other large users ⁽⁷⁾	Wind Farm
Los Teros Wind Farm	Buenos Aires	175	MATER	Wind Farm
Manantiales Behr Thermal Power Plant	Chubut	58	PPA with YPF	Moto Generators
Cañadón León Wind Farm	Santa Cruz	123	CAMMESA / MATER (YPF)	Wind Farm
Total		2,483		

(1) Part of Tucumán Generation Complex.

(2) Not connected to SADI.

(3) Steam sales are contracted with YPF.

(4) It represents our indirect participation of 30% in Central Dock Sud through Inversora Dock Sud S.A., that has a Combined Cycle with an installed capacity of 797.5 MW and two Open Cycle turbines with an installed capacity of 36 MW each, in addition to a participation of 0.13% in Termoeléctrica San Martín, 0.14% Termoeléctrica Manuel Belgrano and 1.92% in Central Vuelta de Obligado S.A.

(5) Resolution No. 21/2016.

(6) Distributed self-generator.

(7) This Wind Farm’s generation is under 10 PPA contracts with the private sector. The term of these contracts have effectiveness up to 21 years.

The Group’s generation capacity, at the date of issuance of these consolidated financial statements, represents 5.8% of the installed capacity, including the indirect participation in Central Dock Sud, and 7.8% of the energy demanded in Argentina, according to information published by CAMMESA.

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YPF ENERGÍA ELÉCTRICA S.A.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022 AND 2021

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

Additionally, the Group has the following project under construction:

Power Plant	Location (Province)	Installed Capacity (MW)	Buyers	Technology
Zonda Solar Farm	San Juan	100 ⁽¹⁾	MATER	Solar Farm
Total		100		

(1) Corresponds to the first stage of the project.

Finally, as of December 31, 2022, the Group has acquired Levalle 1 S.A. and Levalle 2 S.A., both owners of wind farms developments projects for a total of 155 MW, to be constructed in two stages of 65 MW and 90 WM each.

Thermal power stations

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

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

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

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

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

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

YPF ENERGÍA ELÉCTRICA S.A.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022 AND 2021

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

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

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

Renewable sources

The Company owns Manantiales Behr Wind Farm, with 99 MW of installed capacity, through 30 Vestas wind turbines of 3.3 MW of installed power each. On July 25, 2018 the first stage of the wind farm for the first 49.5 MW obtained the commercial operation permit and on December 22, 2018, the last commercial operation permit for the remaining 49.5 MW was obtained.

Approximately 79% of the energy generated is being delivered to YPF through a PPA for a term of 15 years with a price denominated in US dollars. The remaining energy generated is sold to private customers through PPAs denominated in US dollars for a term between 5 and 21 years. It should be noted that this project has dispatch priority in the MATER for 100% of its installed capacity.

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

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

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YPF ENERGÍA ELÉCTRICA S.A.

YPF LUZ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022 AND 2021

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

Projects

In February 2022, the Company started the construction of the first stage of the Zonda Solar Farm, located in the Iglesia department, province of San Juan. In this first stage the Company will construct 100 MW single-axis solar tracked support structures (E-W), the solar farm substation and the high voltage line that will connect it to SADI, and it involves the installation of approximately 170,000 solar panels that will allow to generate energy for more than 300 GWh annually, to supply MATER. The work is going to be carried out within 14 months and is expected to be generating energy since the second quarter of 2023. The final project could have an extension to more than 300 MW in further stages subject to the availability of electric transportation in the area.

During 2022 YPF Luz has acquired Levalle 1 S.A. and Levalle 2 S.A., companies that own wind projects, from which it will build a new wind farm in the town of General Levalle, in the south of the province of Córdoba. The park will have an installed capacity of 155 MW to be built in two stages, 65 MW (Levalle 1) and 90 MW (Levalle 2). The park will have 25 installed wind turbines of 6.2 MW each and its construction will require approximately 20 months.

Shareholders of the Company

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

As of December 31, 2022 and 2021, the Company’s Shareholders are:

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

Structure and organization of the economic group

The following chart shows the organizational structure, including the main companies of the Group, as of December 31, 2022:

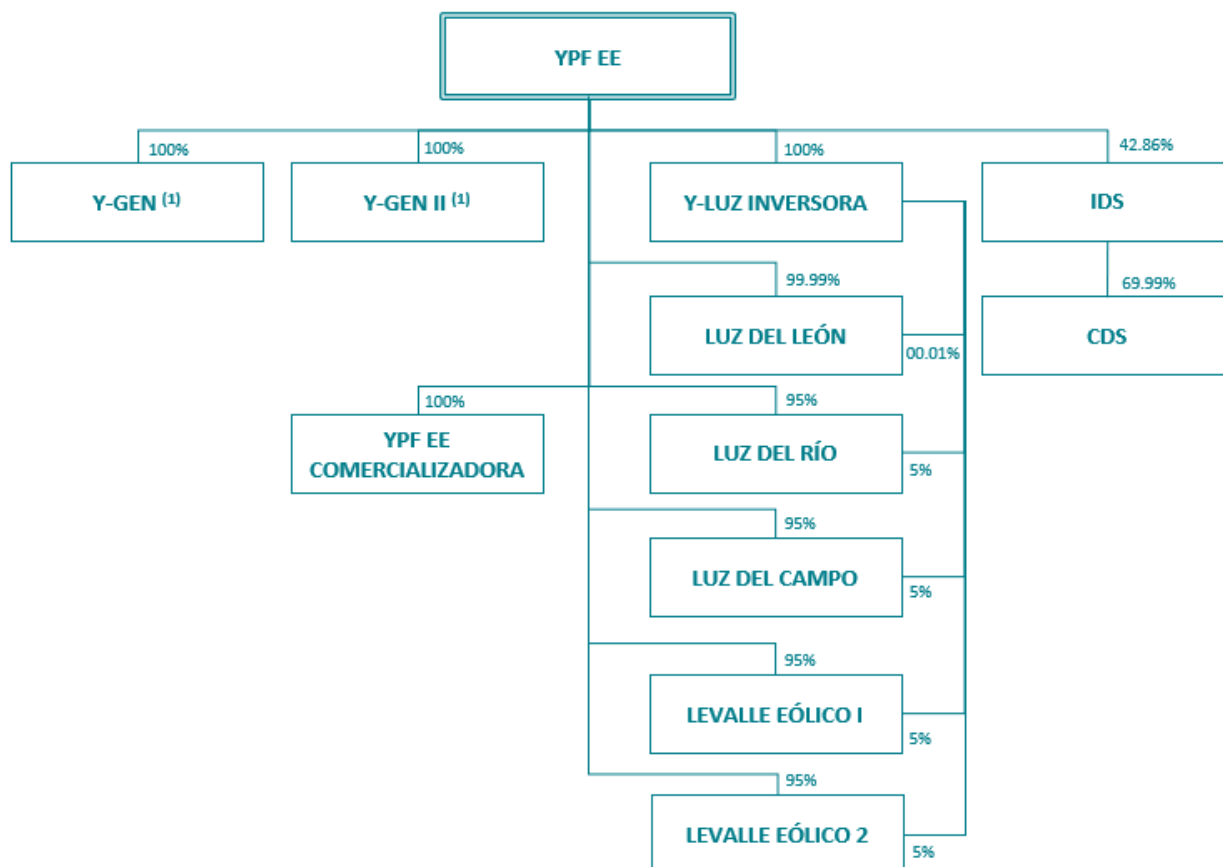
English translation of the consolidated financial statements originally filed in Spanish with the Argentine Securities Commission (“CNV”). In case of discrepancy, the consolidated financial statements filed with the CNV prevail over this translation.

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(1) In corporate reorganisation process (Note 24).

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1. Professional accounting standards

The Group prepares its consolidated financial statements in accordance with International Financial Reporting Standard (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and the interpretations of the International Financial Reporting Standards Committee (“IFRIC”).

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

The issuance of the consolidated financial statements for the fiscal year ended on December 31, 2022 was approved by the Board of Directors on March 7, 2023.

2.2. Basis of presentation and consolidation

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

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2.2.1. Consolidated financial statements

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

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

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

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

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

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

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

• Tax effect on Other Comprehensive Income

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

The Group holds a 100% interest in the consolidated companies' capital stock. Therefore, there are no non-controlling interests.

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2.2.2. Measurement unit

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

2.3. Summary of significant accounting policies

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

2.3.1. Functional and presentation currency

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

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

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

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

	12.31.2022	12.31.2021
Argentine peso (ARS)	177.06	102.62

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

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

For consistency purpose the comparative information of the statements of change in shareholders’ equity, the appropriation between accumulated other comprehensive income and Retained earnings and reserves has been made as of January 1, 2022 and 2021.

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

2.3.2. Foreign Currency

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

2.3.3. Classification of items as current and non-current

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

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

All other assets are classified as non-current.

An entity shall classify a liability as current when:

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

All other liabilities are classified as non-current.

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

2.3.4. Fair value measurement

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

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

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

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

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

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

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

- Level 1 input data: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2 input data: valuation techniques with input data other than quoted prices included in Level 1, but that are observable for the asset or liability, either directly or indirectly.
- Level 3 input data: valuation techniques for which input data are not observable for the asset or liability.

2.3.5. Revenue recognition

2.3.5.1. Revenues

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

An asset is transferred when (or as) the client obtains control of that asset, defined as the ability to direct the use and obtain substantially all the remaining benefits of the asset. IFRS 15 requires analysing:

- If the contract (or the combination of contracts) contains more than one promised good or service, when and how the goods or services should be granted.
- If the transaction price distributed to each performance obligation should be recognized as revenue over time or at a specific time. Under IFRS 15, an entity recognizes revenue when the obligation is satisfied, that is, when control of the goods and services that have a particular obligation is transferred to the customer. It requires entities to assess whether revenue should be recognized over time or at a specific time, regardless of whether the income includes "sale of goods" or "provision of services".
- When the transaction price includes an item for estimating variable payments, how will the amount and time for revenue recognition affect. The concept of variable payment estimation is broad. A transaction price is considered variable due to discounts, reimbursements, credits, price concessions, incentives, performance bonuses, penalties and contingency agreements. For a variable component to be recognized as revenue, it has to be very unlikely that a significant change in the amount of accumulated income will occur and the uncertainties inherent in the variable payment estimate have been resolved.
- When the costs incurred to finalize a contract and the costs to fulfil it can be recognized as an asset.

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

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

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

2.3.6. Net financial results

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

2.3.7. Taxes

2.3.7.1. Current income tax

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

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

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

2.3.7.2. Deferred income tax

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

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and;
- in respect of taxable temporary differences associated with investments in subsidiaries and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- where the deferred income tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future and taxable profit will be available against which those differences can be utilized.

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

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

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

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

Uncertainty about income tax treatment - IFRIC 23

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

IFRIC 23 is effective for annual periods beginning on or after January 1, 2019 and the application of the aforementioned amendment have not had a significant effect on the financial statements of the Company.

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

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

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

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

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

2.3.8. Property, plant and equipment

2.3.8.1. Generation and selling of electric energy

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

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

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

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

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

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

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

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

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

2.3.8.2. Impairment of property, plant and equipment

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

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

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

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

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

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

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

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

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

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

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During the fiscal year ended December 31, 2021, the Group registered 69,641 as a provision for materials and equipment in warehouse, presented within the caption “Other operating results, net” of the statements of comprehensive income, as a result of its obsolescence analysis.

2.3.9. Intangible Assets

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

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

2.3.10. Financial instruments

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

2.3.10.1. Financial assets

Classification

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

- **Financial assets at amortized cost**

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

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

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

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

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

As of December 31, 2022 and 2021, there are no financial assets at fair value with changes in other comprehensive income.

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

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

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As of December 31, 2022 and 2021, and during the fiscal years then ended, the Group’s financial assets at fair value through profit or loss include mutual funds, which are included within the caption “Cash and cash equivalents”.

Recognition and measurement

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

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

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

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

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

Derecognition of financial assets

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

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

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

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Impairment of financial assets

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

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

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

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

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

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

2.3.10.2. Financial liabilities - Recognition and measurement

- **Financial liabilities at amortized cost**

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

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

- **Financial liabilities at fair value through other comprehensive income**

Financial liabilities are measured at fair value through profit or loss if are maintained in a business model whose objective is achieved by obtaining contractual cash flows and selling financial assets.

As of December 31, 2021, the Group's financial liabilities at fair value through profit or loss include hedging instruments of Y-GEN and Y-GEN II included in the "Other financial liabilities" line item.

- **Derecognition of financial liabilities**

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

When one financial liability is replaced with another one with the same counterparty with substantially different conditions, or if the conditions of an existing liability change substantially, that exchange or modification is treated by derecognizing

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the original financial liability and recognizing a new financial liability, and the difference is recognized as financial income or expense in the statement of comprehensive income.

2.3.10.3. Offsetting financial assets and financial liabilities

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

2.3.10.4. Financial assets and liabilities with related parties

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

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

2.3.10.5. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

- fair value hedges;
- cash flow hedges.

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

Fair value hedge

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

Cash flow hedge

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

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

During the fiscal years ended December 31, 2022 and 2021, the Group maintained derivative hedging instruments in order to reduce the risk arising from variation in interest rates.

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

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

2.3.11. Cash and cash equivalents

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

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

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

2.3.12. Provisions

Provisions are recognized when the Group has a present obligation (legal or implied) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income under the item that better reflects the nature of the provision net of any reimbursement to the extent that the latter is virtually certain.

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

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- **Provision for lawsuits and claims**

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

- **Provision for assets retirement**

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

2.3.13. Contingent liabilities

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

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

2.3.14. Contingent assets

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

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

2.3.15. Employee benefits

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

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

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

2.3.16. Investment in joint ventures

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

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

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

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

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

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

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

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

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

2.3.17. Leases

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

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The Group as lessee:

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

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

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

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

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

The lease liabilities include:

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

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

The Group reviews the lease liability in the following cases:

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

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

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

The Group as lessor:

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

2.3.18. Shareholders' equity

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

Capital stock

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

Share premium

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

Other shareholders contributions

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

Legal reserve

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

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

Reserve for future investments

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

Special reserve RG No. 609

Corresponds to the reserve created in accordance with General Resolution 609/12 of the CNV (“Special reserve RG N° 609”), which contains the positive difference resultant of the initial balance of the accumulated results exposed in the financial statements of the first closing of the fiscal year of IFRS application and the final balance of the results not allocated at the end of the last fiscal year under the previous accounting standards. Special reserve RG N° 609 is not allowed to be distributed in cash or in kind and it can only be dipped into a capitalization or an absorption of any negative balances of retained earnings.

Other comprehensive income

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

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The evolution of the item is detailed below.

	Other comprehensive income			Total
	Currency adjustment translation	Joint ventures’ net monetary position results	Changes in derivative instruments’ fair value	
Balance as of December 31, 2020	45,595,840	1,365,095	(85,390)	46,875,545
Change in accounting policy – Appropriation of translation effect	(17,525,680)	-	-	(17,525,680)
Balance as of December 31, 2020 as modified	28,070,160	1,365,095	(85,390)	29,349,865
Currency adjustment translation	14,846,076	-	-	14,846,076
Joint ventures’ net monetary position results	-	2,756,042	-	2,756,042
Income from hedging instruments	-	-	175,370	175,370
Less: Income reclassification for valuation of hedging instruments charged to results of the fiscal year	-	-	(92,323)	(92,323)
Income tax related to components of other comprehensive results for the fiscal year	-	-	(18,649)	(18,649)
Net variation of the fiscal year	14,846,076	2,756,042	64,398	17,666,516
Appropriation of translation effect of the fiscal year	(7,688,897)	-	-	(7,688,897)
Balance as of December 31, 2021, as modified	35,227,339	4,121,137	(20,992)	39,327,484
Currency adjustment translation	69,561,426	-	-	69,561,426
Joint ventures’ net monetary position results	-	6,950,164	-	6,950,164
Income from hedging instruments	-	-	11,380	11,380
Less: Income reclassification for valuation of hedging instruments charged to results of the fiscal year	-	-	(288)	(288)
Income tax related to components of other comprehensive results for the fiscal year	-	-	(2,503)	(2,503)
Net variation of the fiscal year	69,561,426	6,950,164	8,589	76,520,179
Appropriation of translation effect of the fiscal year	(40,244,996)	-	-	(40,244,996)
Balance as of December 31, 2022	64,545,769	11,071,301	(12,403)	75,602,667

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

	Subscribed capital	Share premium	Other shareholders’	Total
			contributions	
As of January 1, 2021	3,747,070	4,604,483	60,429	8,411,982
Change in accounting policy – Appropriation of translation effect	14,811,941	14,600,320	203,720	29,615,981
As of January 1, 2021 as modified	18,559,011	19,204,803	264,149	38,027,963
Appropriation of translation effect	4,099,293	4,241,935	58,345	8,399,573
As of December 31, 2021 as modified	22,658,304	23,446,738	322,494	46,427,536
Appropriation of translation effect	16,438,955	17,010,976	233,975	33,683,906
As of December 31, 2022	39,097,259	40,457,714	556,469	80,111,442

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Retained earnings

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

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

2.3.19. Information by operating segment

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

2.4. Judgements, significant accounting estimates and assumptions

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

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

The significant estimates used by management are mentioned below:

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

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

- **Income tax and deferred income tax**

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

- **Functional Currency**

The Company’s Management applies its professional judgment to determine its functional currency and that of its subsidiaries. The judgment is made mainly with respect to the currency which influences and determines the sales prices,

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the generating costs, material, investment and other costs, as well as the financing and collections resulting from their operating activities.

2.5. IFRS issued

2.5.1. **New standards and interpretations issued by the IASB which are not effective as of December 31, 2022 and have not been early adopted by the Group**

The new and / or modified standards and interpretations issued by the IASB and approved by the FACPCE but which are not effective on the date of issuance of these financial statements are listed below. In this sense, only the new and / or modified standards and interpretations that the Group reasonably foresees will be applicable in the future are indicated. In general, the Group intends to adopt these standards, as appropriate, when they become effective.

- **Amendments of limited scope to the IFRS**

On February 12, 2021, the IASB issued a set of limited scope amendments to the IFRS.

The individual amendments are:

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

It amends IAS 1 in the following ways:

- An entity is now required to disclose its material accounting policy information instead of its significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- the amendments clarify that accounting policy information is material if users of an entity’s financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

Definition of Accounting Estimates (Amendments to IAS 8)

The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

- The definition of a change in accounting estimates is replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.
- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
- The Board clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
- A change in an accounting estimate may affect only the current period’s profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or

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expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The amendments are all effective for annual reporting periods beginning on or after January 1, 2023 and earlier application is permitted.

The Company's Board of Directors anticipates that the adoption of the aforementioned amendments will not have a significant impact on the financial statements of the Group.

- **Amendments to IAS 1 to clarify the classification of liabilities**

Classification of liabilities as current and non-current

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

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

- Should be based on rights that are in existence at the end of the reporting period to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability.
- Is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and will be applied retroactively. Early adoption is permitted.

Classification of liabilities that includes covenants as current and non-current

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

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

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

The Company's Board of Directors anticipates that the adoption of the aforementioned amendments will not have a significant impact on the financial statements of the Company.

- **Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)**

On May 7, 2021 was issued an amendment to IAS 12 "Income Tax" related to deferred tax from assets and liabilities arising from a single transaction.

The IFRS Interpretations Committee received a submission about the recognition of deferred tax in relation to leases (when a lessee recognises an asset and a liability at the lease commencement) and decommissioning obligations (when an entity recognises a liability and includes the decommissioning costs in the cost of the item of Property, plant and equipment). The submitted fact pattern assumed that lease payments and decommissioning costs were deductible for tax purposes when paid and identified different approaches in practice.

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Before the amendments, it was not clear whether IAS 12 required recognition of deferred taxes for these temporary differences or whether the initial recognition exemption applied. Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and early adoption is permitted. The amendment is applicable to transactions that occur on or after the beginning of the earliest comparative period presented. It also, at the beginning of the earliest comparative period presented, recognises deferred tax for all temporary differences related to leases and decommissioning obligations and recognises the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The Company’s Board of Directors anticipates that the adoption of the aforementioned amendments will not have a significant impact on the financial statements of the Company or the Group.

There are no other effective interpretations of IFRS or IFRIC which is expected to have a material effect on the financial statements of the Group.

- **Amendments to IFRS 16 – Leases**

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

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

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

The Company’s Board of Directors anticipates that the adoption of the aforementioned amendments will not have a significant impact on the financial statements of the Group.

2.5.2. Adoption of new standards and interpretations effective as of January 1, 2022

The Group has adopted all new and revised standards and interpretations, issued by the IASB, that are relevant to its operations and of mandatory effective **adoption as of December 31, 2022**

The new and revised rules and interpretations that have entered into force during the current period are as follows:

- Amendment to IFRS 3 – Business combinations.
- Amendments to IAS 16 – Property, plant and equipment.
- Amendments to IAS 37--Provisions, contingent liabilities and contingent assets.
- Annual improvements to IFRS standards 2018–2020.

The aforementioned amendments had no impact on the Group's consolidated financial statements as of December 31, 2022.

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3. SEASONALITY OF OPERATIONS

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

4. ACQUISITIONS AND DISPOSITIONS

The Company acquired 100% of the shares of Levalle Eólico 1 S.A. (“Levalle 1”) and 100% of the shares of Levalle Eólico 2 S.A. (“Levalle 2”), on August 12 and November 14, 2022, respectively, owners of wind farms developments, located in General Levalle, Province of Córdoba. The wind farm will have an installed capacity of 155 MW to be constructed in two stages, 65 MW (Levalle 1) and 90 MW (Levalle 2).

The acquired assets corresponds to intangible assets that include irrevocable option contracts for the constitution of the usufruct over a land where the project is located, feasibility studies previously carried out (electrical, environmental, etc.) and permits, licenses and pending authorisations corresponding to the wind farm.

5. FINANCIAL RISK MANAGEMENT

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

5.1. Market risk

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

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

Exchange rate risk

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

Balances of financial assets and liabilities denominated in Argentine pesos as of December 31, 2022, are as follows:

	December 31, 2022
Assets	27,672,648
Liabilities	(19,209,974)
Exchange rate exposure, net	8,462,674

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Exchange rate sensitivity

The following table shows the sensitivity of the net income before tax, as of December 31, 2022, in face of a devaluation of the Argentine peso with respect to its functional currency, considering that all other variables will remain constant (due to changes in the fair value of the monetary assets and liabilities).

Depreciation / (Appreciation) of Argentine peso	Net Income before tax, for the fiscal year ended December 31, 2022 (Losses) / Gains
+10%	(846,267)
-10%	846,267

Interest rate risk

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

The table below provides information about the financial liabilities as of December 31, 2022, that accrues interest considering the applicable rate:

Financial liabilities ⁽¹⁾	
Fixed interest rate	141,964,388
Variable interest rate	9,762,968
Total ⁽²⁾	151,727,356

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

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

The fixed and variable rate financial loans represent 94% and 6%, respectively, of the total loans as of December 31, 2022, and include, financial loans with local and international entities. The portion of the loan, which accrues variable interest rate, is mainly exposed to the fluctuations in LIBOR.

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

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

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

	Increase (+) / decrease (-) in the interest rates (basis points)	Income (loss) for the fiscal year ended December 31, 2022
Impact on net income (loss) before tax	+100	(97,630)
	-100	97,630

Price risk

The Group is not exposed to variations in prices in relation to sales made through the PPAs signed, which represent 79% of the Group's total revenues, given that they are made at fixed prices denominated in US dollars for periods between 5 and 15 years, which provide stability in operating cash flows. Sales under Resolution SEE No. 826/2022 represent 14% of revenues for the fiscal year ended December 31, 2022 (Note 30.1).

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5.2. Liquidity risk

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

As mentioned in previous paragraphs, the Group intends to align the maturity profile of its financial debt to be related to its ability to generate enough cash flows for its cancellation, as well as to finance the projected expenditures for each fiscal year. As of December 31, 2022, the cash and cash equivalents reached 16,685 million, considering cash and cash equivalents of 14,577 million and cash and cash equivalents restricted for 2,108 million.

The following table sets forth the maturity dates of the Group’s financial liabilities as of December 31, 2022:

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Loans	8,214,532	17,962,151	91,189,205	34,550,098	151,915,986
Leases liabilities	103,595	310,785	957,540	961,662	2,333,582
Trade payables	16,255,299	-	-	-	16,255,299
	24,573,426	18,272,936	92,146,745	35,511,760	170,504,867

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

Under the terms of the loan agreements, if the Group breached a covenant or if it could not remedy it within the stipulated period, it would default, a situation that would limit its liquidity and, given that the majority of its loans contain cross default provisions, it could result in an early enforceability of its obligations. As of December 31, 2022, the Group is in compliance with all the covenants established within the loan contracts.

5.3. Credit risk

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

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

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

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

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The maximum exposure to credit risk of the Group as of December 31, 2022, based on the type of its financial instruments and without excluding the amounts covered by guarantees is set forth below:

	Maximum exposure as of December 31, 2022
Trade receivables	24,925,020
Other receivables	8,794,120
Restricted cash and cash equivalents	2,107,579
Cash and cash equivalents	14,577,209
	50,403,928

Considering the maximum exposure to the risk, trade receivables and other receivables related to CAMMESA accounts for approximately 61% of these receivables. Financial assets past due as of December 31, 2022 are not significant. At such date, the provision for doubtful other receivables is not significant and includes certain tax credits.

As of December 31, 2022 the allowance for doubtful other receivables is not significant and it corresponds to tax credits.

6. FINANCIAL INSTRUMENTS BY CATEGORY

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

Financial Assets

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

	December 31, 2021			
	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Non-financial assets	Total
Other receivables	676,238	-	3,381,993	4,058,231
Trade receivables	11,219,351	-	-	11,219,351
Restricted cash and cash equivalents	944,879	-	-	944,879
Cash and cash equivalents	4,191,613	4,797,528	-	8,989,141
	17,032,081	4,797,528	3,381,993	25,211,602

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Financial Liabilities

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

December 31, 2021			
	Financial liabilities at amortized cost	Financial liabilities at fair value through comprehensive income	Total
Loans	85,577,140	-	85,577,140
Leases liabilities	1,304,718	-	1,304,718
Other financial liabilities	-	7,064	7,064
Trade payables	6,797,891	-	6,797,891
	93,679,749	7,064	93,686,813

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

For the fiscal year ended December 31, 2022				
	Financial assets / liabilities at amortized cost	Financial assets at fair value through profit or loss	Non-financial assets / liabilities	Total
Interest income and other	35,507	5,077,042	199,606	5,312,155
Interest loss and other	(8,928,668)	-	-	(8,928,668)
Net exchange differences	(2,216,399)	(5,909,961)	993,868	(7,132,492)
Finance accretion	(229,434)	-	-	(229,434)
Other financial income	(1,261,500)	-	-	(1,261,500)
	(12,600,494)	(832,919)	1,193,474	(12,239,939)

For the fiscal year ended December 31, 2021				
	Financial assets / liabilities at amortized cost	Financial assets at fair value through profit or loss	Non-financial assets / liabilities	Total
Interest income and other	18,352	1,569,882	139,617	1,727,851
Interest loss and other	(7,566,187)	-	-	(7,566,187)
Net exchange differences	(670,314)	(1,043,919)	1,119,276	(594,957)
Finance accretion	(192,958)	-	-	(192,958)
Other financial income	(478,015)	357,181	-	(120,834)
	(8,889,122)	883,144	1,258,893	(6,747,085)

7. QUANTITATIVE AND QUALITATIVE INFORMATION ON FAIR VALUES

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

7.1.1. Instruments at amortized cost

The estimated fair value of loans, considering interest rates offered to the Group for its financial loans, amounted approximately to 149,765,309 and 72,416,274 as of December 31, 2022 and 2021, respectively.

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

7.1.2. Instruments at fair value

As of December 31, 2022, fair value assets and liabilities comprise mutual funds. The fair value of mutual funds is determined based on the guidelines mentioned in Note 7.2.

7.2. Valuation techniques

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

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

7.3. Fair value hierarchy

7.3.1. Assets and liabilities at fair value

As of December 31, 2022 and 2021, the Group maintained the following financial assets and liabilities measured at fair value in its consolidated statement of financial position:

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

Financial assets	December 31, 2021	
	Level 1	Total
Cash and cash equivalents:		
- Mutual funds	4,797,528	4,797,528
	4,797,528	4,797,528

Financial liabilities	December 31, 2021	
	Level 3	Total
Other financial liabilities:		
- Hedging instruments	7,064	7,064
	7,064	7,064

There have been no transfers of financial assets between different fair value hierarchies during the fiscal years ended December 31, 2022 and 2021.

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8. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Production facilities, machinery, equipment and spare parts of power plants	Transportation equipment	Materials and equipment in ware house	Work in progress	Furniture, fixtures, computer and communication equipment	Total
Cost	146,044	132,077,381	93,574	3,939,140	21,621,457	84,984	157,962,580
Accumulated depreciation	(23,706)	(20,741,366)	(52,847)	-	-	(39,622)	(20,857,541)
Balances as of December 31, 2020	122,338	111,336,015	40,727	3,939,140	21,621,457	45,362	137,105,039
<u>Cost</u>							
Increases	-	544,632	14,934	1,907,991	12,000,027 ⁽¹⁾	15,135	14,482,719
Disposals and reclassifications	-	(168,751)	(6,936)	(221,350)	-	-	(397,037)
Transfers	93,707	36,768,778	-	(1,270,158)	(35,941,183)	348,856	-
Translation effect	32,267	30,747,332	21,018	940,611	4,119,575	19,763	35,880,566
<u>Accumulated depreciation</u>							
Increases	(2,723)	(8,951,702)	(17,956)	-	-	(16,643)	(8,989,024)
Disposals and reclassifications	-	-	2,868	-	-	-	2,868
Translation effect	(5,445)	(5,314,081)	(11,601)	-	-	(9,628)	(5,340,755)
Cost	272,018	199,969,372	122,590	5,296,234	1,799,876	468,738	207,928,828
Accumulated depreciation	(31,874)	(35,007,149)	(79,536)	-	-	(65,893)	(35,184,452)
Balances as of December 31, 2021	240,144	164,962,223	43,054	5,296,234	1,799,876	402,845	172,744,376
<u>Cost</u>							
Increases	-	4,862,469	43,851	2,835,778	15,321,253 ⁽¹⁾	45,219	23,108,570
Disposals and reclassifications	-	-	-	(545,993)	-	-	(545,993)
Transfers	13,244	5,510,014	-	(225,332)	(5,441,001)	143,075	-
Translation effect	198,103	147,212,000	89,624	4,327,768	4,429,684	357,820	156,614,999
<u>Accumulated depreciation</u>							
Increases	(6,205)	(13,699,215)	(21,843)	-	-	(94,831)	(13,822,094)
Translation effect	(25,250)	(30,422,145)	(65,726)	-	-	(80,219)	(30,593,340)
Cost	483,365	357,553,855	256,065	11,688,455	16,109,812	1,014,852	387,106,404
Accumulated depreciation	(63,329)	(79,128,509)	(167,105)	-	-	(240,943)	(79,599,886)
Balances as of December 31, 2022	420,036	278,425,346	88,960	11,688,455	16,109,812	773,909	307,506,518

(1) Includes 11,170 and 521,496 of financial cost related to financing from third parties for extended works in progress for fiscal years ended December 31, 2022 and 2021, respectively.

PATRICIO DA RE
Director as President-in-Office

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	December 31, 2022	December 31, 2021
Net book value of property, plant and equipment	307,506,518	172,744,376
Provision for materials and equipment in warehouse	(134,174)	(77,764)
Impairment of property, plant and equipment	(7,072,957)	-
	300,299,387	172,666,612

Set forth below is the evolution of the provision of materials and equipment in warehouse for the fiscal years ended December 31, 2022 and 2021:

	Provision for materials and equipment in warehouse
Balances as of December 31, 2020	-
Increase charged to profit or loss (Note 21)	69,641
Translation effect	8,123
Balances as of December 31, 2021	77,764
Translation effect	56,410
Balances as of December 31, 2022	134,174

Impairment of property, plant and equipment

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

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

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

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

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

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

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The discount rate represents the current market valuation of the Company's specific risks, taking into account both the time value of money and the individual risks of the underlying assets. The discount rate used is the weighted average cost of capital (CPPC or WACC). As of December 31, 2022, it was 11%.

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

	Impairment of property, plant and equipment
Balances as of December 31, 2021	-
<u>Cost</u>	
Increase charged to profit or loss	(5,985,965)
Translation effect	(1,213,295)
<u>Accumulated depreciation</u>	
Increases	126,303
Cost	(7,199,260)
Accumulated depreciation	126,303
Balances as of December 31, 2022	(7,072,957)

9. INTANGIBLE ASSETS

Changes in the Group's intangible assets for the fiscal years ended December 31, 2022 and 2021 are as follows:

	Intangible assets
Cost	440,000
Balances as of December 31, 2020	440,000
<u>Cost</u>	
Translation effect	97,212
<u>Accumulated amortization</u>	
Increases	(29,233)
Translation effect	(2,324)
Cost	537,212
Accumulated amortization	(31,557)
Balances as of December 31, 2021	505,655
<u>Cost</u>	
Increases	506,662
Translation effect	449,621
<u>Accumulated amortization</u>	
Increases	(34,377)
Translation effect	(34,860)
Cost	1,493,495
Accumulated amortization	(100,794)
Balances as of December 31, 2022	1,392,701

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10. RIGHT OF USE ASSETS

Changes in Group's right of use assets for the fiscal years ended December 31, 2022 and 2021 due to the application of IFRS 16 are as follows:

	Buildings	Land	Machinery and equipment	Total
Cost	125,879	429,123	1,076,039	1,631,041
Accumulated depreciation	(94,410)	(24,633)	(177,668)	(296,711)
Balances as of December 31, 2020	31,469	404,490	898,371	1,334,330
<u>Cost</u>				
Increases	191,665	-	-	191,665
Translation effect	41,843	94,811	237,741	374,395
<u>Accumulated depreciation</u>				
Increases	(57,670)	(18,727)	(74,351)	(150,748)
Translation effect	(25,609)	(6,945)	(45,222)	(77,776)
Cost	359,387	523,934	1,313,780	2,197,101
Accumulated depreciation	(177,689)	(50,305)	(297,241)	(525,235)
Balances as of December 31, 2021	181,698	473,629	1,016,539	1,671,866
<u>Cost</u>				
Increases	-	14,213	256,778	270,991
Translation effect	260,697	389,832	1,190,975	1,841,504
<u>Accumulated depreciation</u>				
Increases	(52,363)	(26,342)	(199,405)	(278,110)
Translation effect	(147,513)	(45,852)	(278,478)	(471,843)
Cost	620,084	927,979	2,761,533	4,309,596
Accumulated depreciation	(377,565)	(122,499)	(775,124)	(1,275,188)
Balances as of December 31, 2022	242,519	805,480	1,986,409	3,034,408

11. INVESTMENT IN JOINT VENTURES

The following table shows the value of the investments in joint ventures at an aggregate level, as of December 31, 2022 and 2021:

	December 31, 2022	December 31, 2021
Amount of investments in joint ventures	13,206,314	7,332,158

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The main movements during the fiscal years ended December 31, 2022 and 2021, which affected the value of the aforementioned investments, correspond to:

	Investments in joint ventures
Balance as of December 31, 2020	5,410,422
Income on investments in joint ventures	(249,803)
Dividend distribution	(584,503)
Other comprehensive income	2,756,042
Balance as of December 31, 2021	7,332,158
Income on investments in joint ventures	(1,075,956)
Other comprehensive income	6,950,112
Balance as of December 31, 2022	13,206,314

The following table shows the principal amounts of the results of the investments in joint ventures of the Group, calculated according to the equity method therein, for the fiscal years ended December 31, 2022 and 2021. The Group has adjusted, the figures reported by these companies to adapt them to the accounting principles used by the Group for the calculation of the equity method as of such dates:

	Joint ventures	
	For the fiscal years ended December 31,	
	2022	2021
Net profit for the fiscal year	(1,075,933)	(249,803)
Other comprehensive income for the fiscal year	6,950,164	2,756,042
Comprehensive income for the fiscal year	5,874,231	2,506,239

The Group does not have any significant joint venture, with the exception of Inversora Dock Sud investment.

Inversora Dock Sud S.A.

The following table presents summary financial information for investments in IDS under IFRS as of December 31, 2022 and 2021:

	December 31, 2022	December 31, 2021
Non-current assets	30,746,827	17,105,398
Current assets	111,878	51,175
Total assets	30,858,705	17,156,573
Non-current liabilities	35,272	40,190
Current liabilities	11,126	9,701
Total liabilities	46,398	49,891
Shareholders' equity	30,812,307	17,106,682
Investment book value	13,206,155	7,331,924

	For the fiscal years ended December 31,	
	2022	2021
Net (loss) income for the fiscal year	(2,510,343)	(582,834)
Share interest in net (loss) income of joint ventures	(1,075,933)	(249,803)

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The following table shows information of investment in joint ventures as of December 31, 2022 and 2021:

Name and issuer	Class	Face value	December 31, 2022			December 31, 2021	
			Amount	Book value	Cost	Book value	Cost
Investments under joint control:							
Inversora Dock Sud S.A.	Ordinary Shares	1	355,270,372	13,206,155	-	7,331,924	-
Other companies:							
Miscellaneous ⁽¹⁾				159	100	234	234
			13,206,314	100	7,332,158	234	

(1) Includes Luz del Campo S.A.

Name and issuer	Registered address	Main business	Issuers' information				Holding in capital stock
			Last available financial statements				
			Date	Capital stock	Net profit / (loss)	Shareholders' equity	
Investments under joint control:							
Inversora Dock Sud S.A.	San Martín 140, P.2°, Bs. Aires.	Realization of financial and investment operations.	12.31.2022	828,942	(2,904,213)	34,646,635	42.86%

12. OTHER RECEIVABLES

	December 31, 2022		December 31, 2021	
	Non-current	Current	Non-current	Current
Loans and advances to employees	-	81,962	-	34,353
Advances to suppliers of property, plant and equipment	781,073	-	310,517	-
Related parties (Note 31)	1,406,475	-	-	247,652
Tax credits	-	4,425,199	51,554	2,277,850
Advances to suppliers and custom agents	-	73,312	-	64,107
Trusts	-	-	-	376,158
Prepaid insurance	-	1,086,145	-	647,324
Insurances	-	867,252	-	-
Prepaid expenses	-	59,074	-	33,977
Miscellaneous	-	19,198	-	19,197
	2,187,548	6,612,142	362,071	3,700,618
Allowance for doubtful other receivables	-	(5,570)	-	(4,458)
	2,187,548	6,606,572	362,071	3,696,160

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13. TRADE RECEIVABLES

	December 31, 2022	December 31, 2021
	Current	Current
Trade receivables from third parties	1,715,686	591,873
Related parties (Note 31)	23,258,106	10,676,250
	24,973,792	11,268,123
Allowance for doubtful trade receivables	(48,772)	(48,772)
	24,925,020	11,219,351

14. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS

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

	December 31, 2022	December 31, 2021
Mutual funds	6,989,446	4,797,528
Fixed interest deposits	38,271	10,173
Cash and bank deposits	7,549,492	4,181,440
	14,577,209	8,989,141

Bank balances accrue interest at variable rates based on the bank deposits daily rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash needs of the Group and bear interest at the respective fixed rates for short-term deposits.

RESTRICTED CASH AND CASH EQUIVALENTS

	December 31, 2022	December 31, 2021
Cash and bank deposits ⁽¹⁾	2,107,579	944,879
	2,107,579	944,879

(1) Not considered cash and cash equivalents for the purposes of the consolidated statements of cash flow (Note 17).

15. INCOME TAX

The calculation of the income tax expense for the fiscal years ended December 31, 2022 and 2021 is as follows:

	For the fiscal years ended December 31,	
	2022	2021
Current income tax	(6,214,775)	(6,493,947)
Deferred income tax	4,746,779	(1,554,727)
Income Tax	(1,467,996)	(8,048,674)

The reconciliation between the charge to income tax expense for the fiscal years ended December 31, 2022 and 2021 and the one that would result from applying the prevailing tax rate on income before income tax arising from the consolidated statements of comprehensive income for those fiscal years is as follows:

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	December 31, 2022	December 31, 2021
Profit for the fiscal year before income tax	18,987,989	14,366,809
Statutory tax rate	35%	35%
At statutory tax rate	(6,645,796)	(5,028,383)
Effect by change of tax rate ⁽¹⁾	-	(1,103,103)
Income on investments in joint ventures	(376,585)	(87,431)
Effect of tax inflation adjustment in monetary assets and liabilities	(25,659,751)	(12,566,291)
Exchange differences	19,112,575	5,634,089
Effects of the valuation of non-monetary assets in its functional currency	12,242,191	5,462,478
Other	(140,630)	(360,033)
Income tax for the fiscal year	(1,467,996)	(8,048,674)

(1) Corresponds to the effect of applying the change of the tax rate established by Law No. 27,430 to the deferred assets and liabilities (as described in Note 30) according to the estimated term of realization or settlement, respectively.

Deferred income tax

Breakdown of deferred income tax is as follows:

	December 31, 2022	December 31, 2021
Deferred tax assets		
Provisions for doubtful receivables	18,140	18,140
Tax loss carryforwards	7,430,624	927,962
Subsidiaries hedging instruments	-	2,503
Right of use assets	357,644	174,955
Miscellaneous	541,010	38,805
Total deferred tax assets	8,347,418	1,162,365
Deferred tax liabilities		
Property, plant and equipment	(195,350)	(6,976,081)
Effect of tax inflation adjustment in monetary assets and liabilities	(19,238,576)	(6,358,179)
Total deferred tax liabilities	(19,433,926)	(13,334,260)
Total net deferred tax	(11,086,508)	(12,171,895)

As of December 31, 2022, the Group recorded deferred assets of 5,463,534 and deferred liabilities of 16,550,042. As of December 31, 2021, the Group recorded deferred assets of 1,228,603 and deferred liabilities of 13,400,498.

Deferred tax assets and liabilities are disclosed net when: a) a legal right to compensate asset and liabilities exists and; b) when tax assets and liabilities are against the same tax authority.

As of December 31, 2022 and 2021, the Group estimated an accumulated tax loss carryforward of 7,430,624 and 927,962 at the estimated recovery tax rate, respectively. Deferred income tax assets are recognized for tax loss carryforwards to the extent their set off through future taxable profits is probable. Tax loss carryforwards in Argentina expire within 5 years.

In order to fully realize the deferred income tax asset, the Group will need to generate taxable income. Based upon the projections for future over the years in which the deferred income tax are deductible, Management of the Company believes that as of December 31, 2022 it is probable that the Group will realize all of the deferred income tax assets.

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As of December 31, 2022, Group's tax loss carryforwards at the expected recovery rate were as follows:

Date of generation	Date of expiration	Amount
2022	2027	7,430,624
		7,430,624

The evolution of net deferred tax asset and liability as of December 31, 2022 and 2021 is as follows:

	Deferred income tax liability	Deferred income tax asset
Balance as of December 31, 2020	(10,333,778)	557,598
Other comprehensive income	(18,649)	-
Translation effect on business combination assets	(822,339)	-
Charge to net income of the fiscal year	(2,225,732)	671,005
Balance as of December 31, 2021	(13,400,498)	1,228,603
Other comprehensive income	(2,503)	-
Translation effect on business combination assets	(3,658,889)	-
Reclassification	(684,117)	684,117
Charge to net income of the fiscal year	1,195,965	3,550,814
Balance as of December 31, 2022	(16,550,042)	5,463,534

16. LEASES LIABILITIES

The evolution of the lease liability during the fiscal years ended December 31, 2022 and 2021 is as follows:

	Leases liabilities
Lease liability as of December 31, 2020	1,090,079
Increases	191,665
Finance accretion	133,418
Payments	(255,274)
Translation effect	144,830
Lease liability as of December 31, 2021	1,304,718
Increases	270,991
Finance accretion	146,621
Payments	(253,920)
Translation effect	865,172
Lease liability as of December 31, 2022	2,333,582

The following is a breakdown of the lease liabilities recorded by the Group as of December 31, 2022 and 2021, with identification of the term of the lease and each rates:

Lease term	Annual effective rate used	December 31, 2022	December 31, 2021
Two to three year	2.25% - 7.87%	403,751	5,589
Three to four year	7.75%	10,848	125,352
Four to five year	4.53%	257,711	190,258
More than five years	9.88% - 10.2%	1,661,272	983,519
Total		2,333,582	1,304,718

The financial accretion accrued in the fiscal years ended December 31, 2022 and 2021, arising from lease contracts is disclosed under "Financial accretion" in the line "Financial loss" included in "Net financial results" of the statements of comprehensive income.

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As of December 31, 2022 and 2021, the maturities of the liabilities related to lease agreements are:

	December 31, 2022	December 31, 2021
Up to one year	414,380	241,409
Current leases liabilities	414,380	241,409
One to five years	977,335	559,255
From the 6th year onwards	941,867	504,054
Non-current leases liabilities	1,919,202	1,063,309
Total	2,333,582	1,304,718

17. LOANS

	Interest rate ⁽¹⁾	December 31, 2022		December 31, 2021	
		Non-current	Current	Non-current	Current
Negotiable obligations	⁽²⁾	106,273,335	17,703,997	51,526,868	12,297,335
Loans	⁽³⁾	19,465,968	8,472,686	14,327,035	7,425,902
		125,739,303	26,176,683	65,853,903	19,723,237

(1) Applicable rate as of December 31, 2022.

(2) Corresponds to Negotiable Obligations in US dollars that accrue interest at a fixed rate between 0% and 10.24%.

(3) Corresponds to bank loans in US dollars that accrue interest at a fixed and variable rate, according to described within this note.

The breakdown of the Group's borrowings during the fiscal years ended on December 31, 2022 and 2021 is as follows:

	Loans
Amount as of December 31, 2020	87,886,276
Proceeds from loans ⁽²⁾	39,541,924
Payments of loans ⁽²⁾	(59,938,796)
Payments of interest	(6,991,827)
Accrued interest ⁽¹⁾	7,735,763
Translation effect	17,343,800
Amount as of December 31, 2021	85,577,140
Proceeds from loans ⁽³⁾	20,377,154
Payments of loans ⁽³⁾	(19,879,947)
Payments of interest	(7,461,145)
Accrued interest ⁽¹⁾	8,802,684
Translation effect	64,500,100
Amount as of December 31, 2022	151,915,986

(1) Includes transaction costs that amount 538,888 and 525,551, for the fiscal years ended December 31, 2022 and 2021, respectively, and capitalised financial costs.

(2) Net of 6,615,069 from the payment in kind of Class I and III Negotiable Obligations through the issuance of the Class VI and IX Negotiable Obligations, respectively.

(3) Net of 3,005,873 from the payment in kind of Class IV and VIII Negotiable Obligations through the issuance of the Class XI and XII Negotiable Obligations, respectively.

Main loans of the Group as of December 31, 2022

- Program for the Issuance of Negotiable Obligations

On March 16, 2018, the Shareholders' Meeting approved the general terms and conditions of the Program (the "Program") for the issuance of Simple Negotiable Obligations (not convertible into shares) in accordance with the Negotiable Obligations Law (Ley de Obligaciones Negociables) as amended, for an aggregate nominal value of up to US\$ 1,500 million (or its equivalent in other currencies).

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On April 17, 2019, the Board of Directors of National Securities Commission (CNV) approved the YPF EE registration into the Public Offering regime for securities, and the launch of the Program. On April 30, 2019, the Board of Directors of YPF EE approved, within the framework of the Global Program, the issuance and placement by public offering of negotiable obligations for an amount of up to US\$ 100 million (or its equivalent in other currencies), in one or more classes and / or series, in the terms that are determined in the respective price supplements.

- **Local issuance**

On May 7, 2019 and June 12, 2019, the Company issued Class I Negotiable Obligations, under the mentioned Global Program. The placements reached a total amount of US\$ 100 million, at a 10.24% fixed rate with a maturity date on May 2021 and interest payable quarterly since August 10, 2019.

The obtained financing from both emissions was allocated to the investments the Group was developing.

On June 24, 2020, the Company issued Class III Negotiable Obligations, under the Global Program for the issuance of Negotiable Obligations. The placement reached US\$ 50 million, at a 1.49% fixed rate with a maturity date on December 2021 and interest payable quarterly since September 24, 2020.

The obtained financing from the issuance was allocated to the investments the Group was developing.

On October 28, 2020, the Company issued Class IV and V Negotiable Obligations, under the Global Program for the issuance of Negotiable Obligations. The placements reached US\$ 30 million and US\$ 20 million, at a 0% and 1% fixed rate with a maturity date on October 2022 and October 2023, respectively. Interest is payable quarterly since January 28, 2021.

The financing obtained from the issuance will be allocated to the investments the Group is currently developing and/or the refinancing of liabilities, including the cancellation of the loan entered into with Inter-American Investment Corporation (IIC) e Inter-American Development Bank (IDB) on December 2, 2016 by an amount of US\$ 200 million.

In compliance with the provisions of point 1 of Communication "A" 7230 of the BCRA, on April 9, 2021, the Company was able to refinance 60% of its maturity required by current regulations, accepting all offers of the Par option for approximately US\$ 45.3 million, which consisted of the exchange of 100% of the Class I Negotiable Obligations for Class VI Negotiable Obligations, and approximately US\$ 14.7 million which corresponds to 83.16% of the total of new cash offers received.

Consequently, on April 16, 2021, the Company issued the new Class VI Negotiable Obligations for a nominal value of US\$ 60 million at a fixed rate of 10.24% maturing in April 2023 and quarterly interest payable since July 16, 2021.

The remaining amount of Class I Negotiable Obligations that was not exchanged was paid upon maturity with its respective interests accrued.

Subsequently, on May 20, 2021, the Company issued Additional Class IV Negotiable Obligations for an amount of US\$ 16.9 million at a fixed rate of 0% denominated in US dollars and payable in Argentine pesos at the applicable exchange rate maturing in October 2022 and interests quarterly payable since July 2021. Likewise, in the same date a new Class VII Negotiable Obligation was issued for a nominal value of ARS 1,755 million at a Badlar rate + 4.5% maturing in May 2022 and interests quarterly payable since August 20, 2021.

On August 30, 2021, the Company issued additional Class VIII Negotiable Obligations for an amount of US\$ 36.9 million at a fixed rate of 0%, denominated in US dollars and payable in Argentine pesos at the applicable

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exchange rate with maturity in August 2022. Likewise, on the same date a new Class IX Negotiable Obligations was issued for a face value of US\$ 27.7 million payable in pesos at the applicable exchange rate maturing in February (33%), May (33%) and August (34%) of 2024 that accrue interest at a fixed rate of 3.5% and interest payable quarterly from November 30, 2021 thereon. Approximately US\$ 11 million and US\$ 13.6 million of the aforementioned Class VIII and IX Negotiable Obligations, respectively, were exchanged for Class III Negotiable Obligations of the Company.

The Company assessed for both Class I and III Negotiable Obligations refinancing if the conditions were substantially different, considering both qualitative aspects (for example, currency, term and interest rate) and quantitative aspects (if the present value of the cash flows discounted under the new conditions, including any commission paid net of any commission received, and using the original effective interest rate to make the discount, differs by at least 10% from the discounted present value of the cash flows that still remain from the original financial liabilities). Based on this analysis, the Company has not recognized the refinancing as an extinguishment in accordance with IFRS 9 "Financial Instruments".

On February 3, 2022, the Company reopened the Class IX Negotiable Obligation by issuing Additional Class IX Negotiable Obligations for an amount of US\$ 10.9 million at an effective negative rate of 0.26% denominated in US dollars and payable in Argentine pesos at the applicable exchange rate maturing in August 2024 and interests quarterly payable since February 28, 2022.

Additionally, on February 3, 2022, the Company issued a Green Bond (GBP) as defined by the International Capital Market Association (ICMA), through Class X Negotiable Obligations, for an amount of US\$ 63.9 million at a fixed rate of 5% denominated in US dollars and payable in Argentine pesos at the applicable exchange with 10 equal semi-annual amortizations beginning on August 3, 2027 and ending due February 3, 2032 and interest payable semi-annually since of August 3, 2022.

On May 20, 2022, the Group had cancelled the total amount of 1,755,000 of Class VII Negotiable Obligation, according to its terms and conditions.

On August 29, 2022, the Company issued Class XI and XII Negotiable Obligations for a nominal value of US\$ 15 million and US\$ 85 million, at a negative effective rate of 4% and 0% respectively, and both at a nominal fixed rate of 0%. The maturity is August 2024 for Class XI Negotiable Notes and August 2026 for Class XII. Likewise, 32.79% of the Class IV Negotiable Notes and 17.83% of the Class VIII Negotiable Notes maturing in October and August 2022, respectively, were also refinanced.

On August 30, 2022, the Group had cancelled the total amount of US\$ 36,886,709 of Class VIII Negotiable Obligation, according to its terms and conditions.

On October 28, 2022, the Group had cancelled the total amount of US\$ 46,894,104 of Class IV Negotiable Obligation, according to its terms and conditions.

The Company assessed for each of the refinancing of the aforementioned Class IV and VIII Negotiable Notes whether the conditions were materially different, considering both qualitative aspects (e.g. currency, term and rate) and quantitative aspects (if the present value of the cash flows discounted under the new conditions, including any fees paid net of any fees received, and using the original effective interest rate to make the discount, it differs by at least 10% from the discounted present value of the remaining cash flows of the original financial liabilities). Based on this analysis, the Company has not recognized any of the refinancing as an extinction in accordance with IFRS 9 "Financial Instruments".

On February 10, 2023, the Company issued Class XI and XIII Negotiable Obligations for a nominal value of US\$ 20 million and US\$ 130 million, at a negative effective rate of 1,15% and 0,05% respectively, and both at a

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nominal fixed rate of 0%. The maturity is August 2024 for Class XI Negotiable Obligations and February 2025 for Class XIII Negotiable Obligations.

The payments of capital, interest services and other sums that correspond under the Negotiable Obligations will be made in pesos at the applicable exchange rate, as defined in the price supplement.

- **International issuance**

On July 25, 2019, the Company made an international issuance of negotiable obligations Class II for an amount of US\$ 400 million which pay a 10% coupon semi-annually and which capital will be amortized in a single payment on July 25, 2026. The semi-annual interest payment dates will be July 25 and January 25 of each year, beginning in January 2020 and ending in July 2026.

At any time or periodically before July 25, 2023, the Company, at its option, may allocate net cash funds obtained from one or more Share Offers to redeem up to 35% of the total face value of the Negotiable Obligations in circulation, at a redemption price of 110% plus interest accrued, if any.

Such financing have clauses of financial commitments (covenants) throughout their term that include interest coverage and leverage ratios, among others usual for this type of issuances.

- **Inter-American Investment Corporation Loan**

In December 2016, the Company and the Inter-American Investment Corporation (IIC), on behalf of the Inter-American Development Bank (IDB), signed an agreement to fund the construction of Manantiales Behr Wind Farm. The aggregate loan amount is US\$ 200 million. The capital amortization will be performed in two quarterly payments beginning in February 2020 and is structured in two tranches of US\$ 100 million, maturing in December 2023 and 2025, respectively, according to the following detail:

Tranche	Amount in US\$	Rate
A	31,075,076	3 month Libor + 5.125%
A	12,539,359	7.16%
A	18,000,032	7.05%
A	19,506,895	7.27%
A	18,878,638	7.87%
B	100,000,000	3 month Libor + 4.8%
Total	200,000,000	

On November 15, 2022, the Group had cancelled the total amount of US\$ 100,000,000 of tranche B, according to its terms and conditions.

As of December 31, 2022, there is still a remaining balance corresponding to tranche A of US\$ 49,960,000 with the final maturity date on December 15, 2025.

- **Citibank NY Loans**

In March 2018, the Company took out a loan from Citibank NY for a total amount of US\$ 30 million with quarterly interest at 3-month LIBOR rate + 1.6%, and principal bullet repayment at maturity, on August 28, 2018. After such date, the Company extended the maturity of the loan through February 28, 2019, at 3-month LIBOR rate + 2.25%. On the due date, the Company renewed such loan up to February 26, 2021 at 3-month LIBOR rate + 4.875%. Finally, on February 26, 2021 the due date was extended to March 5, 2021 and has already been agreed with the bank the payment as of that date of US\$ 12 million, corresponding to 40% of the

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outstanding balance, and the extension of US\$ 18 million, corresponding to 60% of the outstanding balance, until March 6, 2023.

The funds of the loan are intended to finance working capital. Related contracts have clauses of financial commitments (covenants) throughout their term that include interest coverage and leverage ratios.

- HSBC Loan

On March 2 and 18, 2020, HSBC USA N.A. granted a loan for a total amount of US\$ 27.4 million with quarterly interest at a variable rate of Libor 6M + 1.10% and final maturity on September 27, 2025. The principal of such loan amortizes in ten semi-annual installments beginning on March 27, 2021. The funds from such loan were used to finance the Manantiales Behr Thermal Power Plant project.

The loan agreement has financial commitments (covenants) throughout its term, which include interest coverage ratios and a leverage ratio.

- DFC – BNP Paribas loan

On January 14, 2020 Luz de León S.A. entered into a financial agreement with DFC and BNP Paribas Fortis SA/NV (hereinafter "BNP Paribas") for up to US\$ 150 million. Under this contract DFC would disburse, subject to the compliance of certain conditions, US\$ 50 million and BNP Paribas, also subject to certain conditions, up to US\$ 100 million. This contract is under the framework of a "Project Finance" modality and the tranche corresponding to BNP Paribas is guaranteed by the German export credit agency Euler Hermes Aktiengesellschaft. BNP's first disbursement by approximately US\$ 80.5 million was received during February 2020.

The loan accrues a fixed interest rate of 3.31% with final maturity on September 15, 2034. Principal will be amortized semi-annually beginning on March 15, 2021. The funds from such loan were used to finance the Cañadón León Wind Farm project.

The loan agreement has financial commitments (covenants) throughout its term, which include interest coverage ratios and a leverage ratio, as well as standard guarantees for this type of financing. In this sense, YPF EE maintains a reserve account for the amount of 913,645 (USD 8.9 million) as of December 31, 2022 related to this guarantee. Additionally, LDL maintains restricted cash (until the fulfilment of certain conditions) in virtue of the commitments assumed for the Project Completion Date ("PCD"), that as of December 31, 2022 amounted 531,180.

The amortization of capital was due to begin in March 2021 and debt services will be cancelled semi-annually beginning in March 2020. Regarding the interest payment scheduled for September 15, 2020 for an approximate amount of US\$ 1.4 million, due to the new exchange regulations issued by the BCRA mentioned in Note 29, on October 15, 2020 LDL signed a "Standstill Agreement" with DFC and BNP and, thus, did not make the aforementioned payment. On December 12, 2020, LDL agreed an amendment to the loan that deferred the interest payment to March 2021 and the first capital amortization to September 2021. Likewise, on September 15, 2021, LDL agreed an amendment to the loan to defer the first capital payment to March 2022.

Finally, on December 15, 2021, LDL negotiated a new amendment to the loan contract. The main modifications established by this amendment correspond to the commercial operation date to December 15, 2021, the constructions contracts and the loan amortization schedule, subject to certain conditions that are fulfilled as of the date of issuance of these consolidated financial statements.

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The Group assessed for these obligations if the refinancing conditions were substantially different, considering both qualitative aspects (for example, currency, term and interest rate) and quantitative aspects (if the present value of the cash flows discounted under the new conditions, including any commission paid net of any commission received, and using the original effective interest rate to make the discount, differs by at least 10% from the discounted present value of the cash flows that still remain from the original financial liabilities). Based on this analysis, LDL has not recognised the refinancing as an extinguishment in accordance with IFRS 9 "Financial Instruments".

On February 28, 2022, BNP Paribas made the last disbursement according to the loan contract of LDL for US\$ 15.4 million, with a fixed interest rate of 3.31% and a maturity on September 15, 2034.

Main loans of the Group subsequent to December 31, 2022

- Loan with GE EFS Power Investments B.V.

On February 27, 2023, the Company entered into a financial agreement with GE EFS Power Investments B.V. (hereinafter "GE EFS") for US\$ 7.3 million, with a fixed interest rate of 0% and a maturity on December 16, 2023.

Main loans of the Group cancelled during the fiscal year ended December 31, 2022

- Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC and Export Development Canada Loan

On June 14, 2017, Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC and Export Development Canada, approved the granting of a loan for Y-GEN to carry out a construction project of Loma Campana II Thermal Power Plant in the province of Neuquén; and for Y-GEN II to undertake a construction project of El Bracho Thermal Power Plant with an installed capacity of 267 MW in the province of Tucumán.

The committed amount of the aforementioned loan was US\$ 219.5 million (US\$ 70 million destined to Y-GEN and the remaining amount of US\$ 149.5 million to Y-GEN II). However, disbursements currently made totalled US\$ 211,973,875 (US\$ 70,000,000 for Y-GEN and US\$ 141,973,875 for Y-GEN II).

The agreed interest rate is 3-month LIBOR + 4.00% until the construction completion date and, thereafter, 3-month LIBOR + 5.75% until maturity and the term for principal repayment is 5 years (includes a 15-month grace period) with repayment of principal in 15 quarterly installments beginning on September 30, 2018, and one installment for the remaining balance of principal at the end of a 5-year term on June 30, 2022.

In connection with the loan, Y-GEN and Y-GEN II have agreed, among other things, to contract hedging instruments as a means of protection against LIBOR fluctuations. As a result, in June 2017, the said companies executed an interest rate hedge agreement with Citibank N.A., London Branch for a 5-year term, coverage that started to apply since December 31, 2017, over an initial notional amount of approximately US\$ 156 million (US\$ 106 million corresponding to Y-GEN II, and the remaining amount of US\$ 50 million to Y-GEN). The interest rate hedge provides that the companies will pay fixed amounts over the mentioned notional amount at a rate set at 1.947% and they will receive variable amounts subject to 3-months LIBOR.

As of December 31, 2022 and 2021, the Company had booked a result, net of income tax, of 8,589 and 64,398 respectively as Other Comprehensive Income, included in the Statements of Comprehensive Income, generated by the measurement of the mentioned hedging instruments at fair value.

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Regarding the foreign reserve accounts, exposed within the caption "Restricted cash and cash equivalents", during the fiscal year ended December 31, 2021 and subsequent to this date, the funds were used to cancel the total pending amount of this loan, according to what was established by this contract.

In this sense, on February 10, 2022, the Group has paid the total amount of the loan. As a consequence of this payment, this reserve account as well as the related guarantees, will be cancelled, leaving without any effect the financial structure of the Project Finance initially implemented.

18. TRADE PAYABLES

	December 31, 2022	December 31, 2021
	Current	Current
Trade ⁽¹⁾	8,353,990	1,672,196
Related parties (Note 31) ⁽¹⁾	7,901,309	5,125,695
	16,255,299	6,797,891

(1) Trade payables are non-interest bearing and are normally settled within the quarter.

19. REVENUES

Type of good or services	For the fiscal years ended December 31,	
	2022	2021
Energía Base ⁽¹⁾	8,768,285	8,735,676
Revenues under PPA	49,797,667	29,303,009
Steam sales	4,378,078	3,702,782
Other income for services	551,842	281,230
	63,495,872	42,022,697

(1) Includes 1,963,204 and 3,056,409 related to fuel costs and other production cost recognition corresponding to the fiscal years ended December 31, 2022 and 2021, respectively, according to the current regulatory framework.

By Customer	For the fiscal years ended December 31,	
	2022	2021
CAMMESA ⁽¹⁾	39,305,759	28,685,183
YPF S.A. ⁽¹⁾	17,301,639	9,450,439
U.T. Loma Campana ⁽¹⁾	223,731	126,131
Profertil S.A. ⁽¹⁾	1,709,553	849,770
Coca-Cola FEMSA de Buenos Aires S.A.	380,668	244,762
Toyota Argentina S.A.	667,411	414,069
CT Barragán S.A. ⁽¹⁾	242,781	172,493
CAF S.A.	309,061	108,737
Holcim Argentina S.A.	1,178,832	699,876
Nestlé Argentina S.A.	392,468	291,188
Ford Argentina S.C.A.	261,976	129,327
Other	1,521,993	850,722
	63,495,872	42,022,697

(1) Related parties (Note 31).

Target Market

The Group's revenues are aimed at the domestic market as a whole.

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20. EXPENSES BY NATURE

The Group presents the statement of comprehensive income by classifying expenses according to their function as part of the "Production costs" and "Administrative and selling expenses" lines. The following additional information is disclosed as required, on the nature of the expenses and their relation to the function within the Group for the fiscal years ended December 31, 2022 and 2021:

For the fiscal year ended December 31, 2022			
	Production costs	Administrative and selling expenses	Total
Depreciation of property, plant and equipment	13,597,855	97,936	13,695,791
Depreciation of right of use assets	207,528	70,582	278,110
Amortization of intangible assets	34,377	-	34,377
Consumable materials and supplies	750,926	18,408	769,334
Banking expenses	-	13,727	13,727
Rentals	8,851	10,283	19,134
Fees and compensation for services	25,753	321,019	346,772
Other personnel expenses	49,154	507,589	556,743
Preservation, repair and maintenance	2,647,238	64,596	2,711,834
Insurance	1,125,365	9,062	1,134,427
Salaries and social security taxes	2,515,985	2,025,583	4,541,568
Operation services and other contracts	519,441	437,748	957,189
Transportation, products and charges	1,600,041 ⁽¹⁾	7,639	1,607,680
Fuel, gas, energy and miscellaneous	4,241,284 ⁽¹⁾	-	4,241,284
Taxes, rates and contributions	62,745	1,233,596	1,296,341
Publicity and advertising expenses	1,883	87,366	89,249
Miscellaneous	20,599	51,287	71,886
Total	27,409,025	4,956,421	32,365,446

For the fiscal year ended December 31, 2021			
	Production costs	Administrative and selling expenses	Total
Depreciation of property, plant and equipment	8,968,345	20,679	8,989,024
Depreciation of right of use assets	80,259	70,489	150,748
Amortization of intangible assets	29,233	-	29,233
Consumable materials and supplies	402,756	15,234	417,990
Banking expenses	-	11,290	11,290
Rentals	6,060	9,332	15,392
Fees and compensation for services	14,617	159,302	173,919
Other personnel expenses	42,646	236,885	279,531
Preservation, repair and maintenance	1,456,535	20,291	1,476,826
Insurance	735,918	7,069	742,987
Salaries and social security taxes	1,657,080	972,140	2,629,220
Operation services and other contracts	229,833	239,332	469,165
Transportation, products and charges	953,300 ⁽¹⁾	8,194	961,494
Fuel, gas, energy and miscellaneous	5,457,191 ⁽¹⁾	-	5,457,191
Taxes, rates and contributions	29,624	928,029	957,653
Publicity and advertising expenses	7	26,873	26,880
Miscellaneous	13,227	20,397	33,624
Total	20,076,631	2,745,536	22,822,167

(1) Includes 1,963,204 and 3,056,409 related to fuel costs and other production cost recognition corresponding to the fiscal years ended December 31, 2022 and 2021, respectively, according to the current regulatory framework.

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21. OTHER OPERATING RESULTS, NET

	For the fiscal years ended December 31,	
	2022	2021
Commercial interests - CAMMESA (Note 32)	1,981,860	1,211,000
Penalties ⁽³⁾	3,745,745	247,524
Provision for materials and equipment in warehouse	-	(69,641)
Insurance	1,508,808 ⁽²⁾	722,681 ⁽¹⁾
Miscellaneous	(76,990)	51,603
	7,159,423	2,163,167

(1) On March 31, 2021 YPF EE, Y-GEN Eléctrica II S.A.U. and Allianz Argentina Cía. de Seguros S.A. reached a conciliatory agreement through which the latter on April 15, 2021, paid a single, total and definitive compensation for the delay in the COD of the El Bracho cycle closure caused by the sinking of the ship that transported equipment necessary for said project.

(2) Mainly corresponds to the recovery of events covered by insurance policies related to LC I and PELT.

(3) Includes contractual penalties with related parties (Notes 29 and 32).

22. NET FINANCIAL RESULTS

	For the fiscal years ended December 31,	
	2022	2021
Finance income		
Interest income and others	5,312,155	1,727,851
Exchange rate differences	10,165,228	3,899,655
Other finance income	-	357,181
Total finance income	15,477,383	5,984,687
Finance loss		
Interest loss and others	(8,928,668)	(7,566,187)
Exchange rate differences	(17,297,720)	(4,494,612)
Finance accretion	(229,434)	(192,958)
Other finance expense	(1,261,500)	(478,015)
Total finance loss	(27,717,322)	(12,731,772)
Total net financial results	(12,239,939)	(6,747,085)

23. SHAREHOLDERS' EQUITY

On March 20, 2018, the Ordinary and Extraordinary General Shareholders' Meeting resolved to increase the capital stock by 936,767 from 2,810,303 to 3,747,070, setting a share premium of US\$ 0.243934955 per share. This increase was represented by 936,767,364 Class B book entry ordinary shares, with a par value 1 with the right to one vote per share. The total subscription price of the new shares by GE EFS Power Investment B.V amounts to US\$ 275 million comprised as follows: a) US\$ 135 million paid on that date, and b) US\$ 140 million on March 20, 2019.

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In this way, as of December 31, 2022 the shareholders of YPF EE after the issuance of shares is as follows:

Shareholder	Number of Shares	Participation in the capital stock	Class of Share
YPF	2,723,826,879	72.69218%	A
OPESSA	86,476,112	2.30783%	A
GE EFS Power Investment B.V.	936,767,364	24.99999%	B
Total	3,747,070,355	100.00000%	

Pledge of the Company's shares

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

24. MERGER

On September 23, 2022, the Company's Board of Directors resolved to initiate a corporate reorganisation by which, the subsidiaries Y-GEN and Y-GEN II, will be merged into YPF EE, dissolving without liquidating, and being the latter the absorbing and continuing company.

In case the process of corporate reorganisation and the merge are approved by their respective shareholders' meeting and inscribed in the corresponding registers, it will be effective since January 1, 2023, prior approval of the corresponding registry.

The transfer in favour of the Company of the assets, liabilities, right and obligations of the absorbed companies will be upheld against third parties only since the date of inscription of the corresponding Final Merger Agreement in the corresponding registry.

25. EARNINGS PER SHARE

Earnings per share amounts are calculated by dividing net income for the fiscal year attributable to equity holders of the parent by the weighted average number of ordinary shares during the period. There are no transactions or items generating a dilution effect.

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The following reflects information on income and the number of shares used in the earnings per share computations:

	For the fiscal years ended	
	December 31,	
	2022	2021
Net profit for the fiscal year attributable to holders of the parent company:	17,519,993	6,318,135
Weighted average number per share (in thousands)	3,747,070	3,747,070
Earnings per share:		
- Basic and diluted (ARS)	4.676	1.686

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

26. RESTRICTION ON RETAINED EARNINGS

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

In this sense, the General Ordinary Shareholders' Meeting held on April 28, 2021, allocated 260,059 to constitute the legal reserve in the terms of Art. 70 of the LGS, reaching an amount equal to 20% of the capital stock.

In accordance with General Resolution 609 of the CNV the Special reserve RG N° 609 was created, which contains the positive difference resultant of the initial balance of the accumulated results exposed in the financial statements of the first closing of the fiscal year of IFRS application and the final balance of the results not allocated at the end of the last fiscal year under the previous accounting standards. Special reserve RG N° 609 is not allowed to be distributed in cash or in kind and it can only be dipped into a capitalization or an absorption of any negative balances of retained earnings.

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27. ASSETS AND LIABILITIES IN CURRENCY IN CURRENCIES OTHER THAN THE ARGENTINE PESO

The following table provides the assets and liabilities in currencies other than the Argentine peso for the financial statement as of December 31, 2022 and 2021:

Account	December 31, 2022			December 31, 2021		
	Class & amount of currencies other than AR\$ (in thousands)	Exchange rate ⁽¹⁾	Booked amount in pesos	Class & amount of currencies other than AR\$ (in thousands)	Booked amount in pesos	
CURRENT ASSETS						
Other receivables	US\$	7,948	176.96	1,406,475	US\$	-
Total of current assets				1,406,475		-
CURRENT ASSETS						
Trade receivables	US\$	93,629	176.96	16,568,588	US\$	88,505
Restricted cash and cash equivalents	US\$	11,910	176.96	2,107,579	US\$	9,217
Cash and cash equivalents	US\$	41,428	176.96	7,331,099	US\$	40,072
Total of current assets				26,007,266		14,126,593
Total of assets				27,413,741		14,126,593
NON-CURRENT LIABILITIES						
Loans	US\$	729,243	177.16	129,192,690 ⁽²⁾	US\$	664,755
Leases liabilities	US\$	10,833	177.16	1,919,202	US\$	10,352
Provisions	US\$	1,352	177.16	239,567	US\$	1,639
Total of non-current liabilities				131,351,459		69,515,301
CURRENT LIABILITIES						
Trade payables	US\$	68,450	177.16	12,126,602	US\$	48,643
	€	7,107	189.92	1,349,761	€	532
Loans	US\$	149,745	177.16	26,528,824 ⁽³⁾	US\$	177,873
Leases liabilities	US\$	2,339	177.16	414,380	US\$	2,350
Other financial liabilities	US\$	-	177.16	-	US\$	69
Total of current liabilities				40,419,567		23,578,107
Total of liabilities				171,771,026		93,093,408

(1) At the Banco de la Nación Argentina exchange rate prevailing as of December 31, 2022.

(2) Corresponds to the nominal amount owed, which is disclosed under loans for the amount of 125,739,303 and 65,853,903 as of December 31, 2022 and 2021, respectively, net of transaction fees and cost.

(3) Corresponds to the nominal amount owed, which is disclosed under loans for the amount of 26,176,683 and 19,723,237 as of December 31, 2022 and 2021, respectively, net of transaction fees and cost.

28. MAIN CONTRACTUAL COMMITMENTS AND GUARANTEES GRANTED

The main contractual commitments assumed and guarantees granted by the Group are disclosed below:

a) Manantiales Behr Wind Farm

The energy generated is mainly made available to YPF through a power supply contract denominated in US dollars, for a 15-year term which will allow YPF to meet its regulatory obligations regarding the percentage of renewable energy required under Law No 27,191. The remaining generation will be sold on the MATER to specific industries.

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b) Loma Campana II and El Bracho

On May 13, 2016, the companies Y-GEN and Y-GEN II were organized to make a tender in the bidding process published by the Resolution 21/2016 of Ministry of Energy and Mining, which called for bids to generate thermal energy and power, which, if awarded, would sign a power sales agreement with CAMMESA for a 10-year term each, as offered, and with a price stated in US dollars. The companies organized made bids to build new thermal generation plants in Neuquén (Loma Campana, Añelo) and in Tucumán (El Bracho), which were finally awarded.

As of December 31, 2022 and 2021, 100% of both companies' capital stock is related to the Company.

In the bidding process launched by Resolution SEE No. 287/2017, Y-GEN II was awarded a new PPA for 15 years with CAMMESA, for the closing of the gas turbine cycle of thermal plant El Bracho resulting from the previous bidding process called under SEE Resolution No. 21/2016, which added 199 MW of installed capacity to the already operative 274 MW (Note 1). A remunerative price denominated in US Dollars is fixed for the generated power and energy.

c) La Plata Co-generation I

With the purchase from Central Puerto S.A. of the 128 MW co-generation plant located in La Plata Industrial Complex, owned by YPF, the Company is committed under a 15-year steam supply contract to deliver between 190 and 210 tons per hour. The electric power generated by this plant will be delivered to the MEM and its price is established in accordance with SEE Resolution No. 31/2020.

d) La Plata Co-generation II

Also, under the bidding process decided by SEE Resolution No. 287/2017, YPF EE was awarded a 15-year PPA with CAMMESA through the construction project of a new co-generation power plant in La Plata Refinery, owned by YPF. The price for the generated power and energy is stated in US dollars.

e) The Cañadón León Wind Farm

In the second bidding process known as "Renovar 2.0", the Group was awarded a 20-year PPA with CAMMESA through the construction of Cañadón León Wind Farm with an installed capacity of 102 MW, located in the Province of Santa Cruz, 25 kilometers away from the City of Caleta Olivia. This PPA with CAMMESA, for 102 MW, is for a 20 years term and has a price denominated in US dollars. Additionally, the wind farm has an extension of 21 MW, that will be delivered to YPF S.A., under a PPA in the MATER for a period of 15 years, also denominated in US dollars, reaching a total installed power of 123 MW.

f) Los Teros Wind Farm

During the fiscal year ended December 31, 2020, the Company has ended the construction of the first stage of Los Teros Wind Farm. This wind farm has an installed capacity of 123 MW and has obtained priority dispatch in the MATER for its whole capacity. The Company has signed contracts for 100% of the energy generated by the wind farm, through PPAs, denominated in US dollars, with YPF S.A. (approximately 25%) and with other industrial users of private sector, with terms between 5 and 20 years.

During the fiscal year ended December 31, 2021, the Company has ended the construction of the second stage of Los Teros Wind Farm. This wind farm has an installed capacity of 52 MW and has obtained priority dispatch in the MATER for its whole capacity.

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The Company has signed contracts for 100% of the energy generated by the wind farm, through PPAs denominated in US dollars with YPF S.A. (approximately 56%) and with different industrial users from the private sector, with terms between 10 and 15 years.

g) Zonda Solar Farm

During the fiscal year ended December 31, 2022, the Company has reached contracts with Trina Solar Energy Development PTE. LTD., Nextracker Inc., Huawei International Co. Limited, Distrocuyo S.A. and 360 Energy Solar S.A. related to the construction of the Zonda Solar Farm, located in the Iglesia department of the province of San Juan.

h) Levalle Wind Farm

Subsequently to December 31, 2022, the Company has reached contracts with Vestas Mediterranean A/S, Vestas Argentina S.A., Distrocuyo S.A. and José J. Chediack S.A.I.C.A. related to the project of Levalle Wind Farm, located in the General Levalle Department, province of Córdoba.

29. CONTINGENT LIABILITIES

a) Cross claims related to Loma Campana I and Loma Campana II Power Plants, Wind Farm Los Teros I and Wind Farm Cañadón León

• Loma Campana I and Loma Campana II Power Plants

In relation to Loma Campana I Power Plant, on November 2, 2015, the Company entered into an Equipment Supply and Repair Contract with GE Packaged Power Inc. ("GEPP"), a Service Contract with General Electric International Inc. ("GEII") for maintenance of Loma Campana I Power Plant and an Integration Agreement entered into with such companies in order to coordinate the Supply and Repair Contract and Construction Contract dated December 23, 2019.

On the other hand, in relation to Loma Campana II Power Plant, on December 21, 2016, Y-GEN entered into an Equipment Supply and Repair Contract with GEPP, a Service Contract with GEII and an Integration Agreement entered into with such companies in order to coordinate the Supply and Repair Contract and the Service Contract for maintenance of Loma Campana II Power Plant.

The Company and YGEN maintained cross-claims with GE product of, among other reasons, the repeated and untimely out of service of the thermal plants; damages by the partial ruin made by the Company and YGEN; unpaid invoices by the Company and YGEN to GE by various concepts; unpaid penalties for unavailability by GE; and claims to the insurance company for events occurred during the fiscal years 2020 and 2021.

• Los Teros I Wind Farm

On July 4, 2018, the Company entered into a contract for the assembly and start-up of Los Teros I Wind Farm with General Electric International Inc. Sucursal Argentina ("GESA"), an Equipment Supply Contract with GE Wind Energy Equipment Manufacturing Co., Ltd ("GEWE") and an Integration Agreement entered into with such companies in order to coordinate the Construction Contract and Supply Contract.

On October 2, 2020, the Provisional Reception of the Work was reached, with the Parties maintaining various cross-claims linked to the events that caused the delay in the completion of the works within the promised

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deadlines, such as the situation related to COVID-19. In virtue of that, the Company proceeded to the application of the penalties provided in the Contract for the total months of delay of the project corresponds.

- **Cañadón León Wind Farm**

On February 27, 2019, LDL entered into a Contract for the Assembly and Start-up of the Cañadón León Wind Farm and Services with General Electric International Inc. Suc. Arg. ("GESA"), an Equipment Supply Contract with GE Wind Energy GmbH ("GEWE") and an Integration Agreement entered into with such companies in order to coordinate the Construction Contract and Supply Contract.

Within the framework of the Construction Contract, Supply Contract and the Integration Agreement, since March 20, 2020, GESA, GEWE and LDL exchanged several letters related to the effects of COVID-19.

In those letters, GESA and GEWE argued that the COVID-19 situation might constitute a change of law and/or force majeure event under the Construction Contract and Supply Contract, respectively, and, therefore, LDL was bound to bear the higher costs and larger terms arising from such situation. LDL rejected that such situations might constitute a change of law event under the corresponding contracts and stated, among other arguments, that GESA and GEWE had to prove compliance with the legal and contractual requirements for such circumstances to constitute an event of force majeure under their corresponding contracts. Besides, LDL stated that should the situation constitute a force majeure event, each party had to afford its own costs.

On January 8, 2021, GESA notified LDL of the termination of the Construction Contract for alleged essential and deliberate breach of the Construction Contract by LDL derived from the non-approval of certain change orders in relation to the recognition of higher costs caused as a result of the COVID-19 pandemic, climate issues and other pending claims regarding the project.

Given this notification, LDL considers that the intimations made by GE are completely without grounds and inadmissible, rejecting any breach of its contractual obligations and any responsibility related to these cross-claims, claiming in turn an compensation for loss of profit.

- **Settlement agreements**

As a final closure of the cross claims described in the previously mentioned paragraphs, on September 30, 2022, YPF EE, Y-GEN, LDL and GE reached to two settlement agreements through which GE recognises in favour of the Group a total amount of US\$ 24.1 million, detailed as follows: (i) US\$ 4.2 million in virtue of sudden and repeated out of services of Loma Campana I and Loma Campana II Thermal Plants, and the claim for damages because of the partial ruin claim made by the Company and YGEN; (ii) US\$ 9.9 million as penalties for the delay of the committed commercial operation date of Los Teros I Wind Farm; (iii) US\$ 10 million as compensation for loss of profit incurred in the Cañadón León Wind Farm because of the delay of the committed commercial operation date.

Through these settlements, the Group and GE agreed to definitively waive all and any type of claims associated with the cross-claims referred to above.

Consequently, the Group has recognised an income of 3,552,237 within the line Other operating results, net, of the Statement of Comprehensive income for fiscal year ended December 31, 2022.

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b) High Voltage Line 132kV Santa Cruz Norte Caleta Olivia

The Cañadón León Wind Farm is connected to the Argentine Distribution System through the a 132-kV-line and the expansion of Santa Cruz Norte – Caleta Olivia Transformer Station.

The work for the expansion of the Santa Cruz Norte Caleta-Olivia 132-kV line, located in the Province of Santa Cruz (the "Work"), was originally awarded to CPC S.A. under the National Bidding Process No. 01/2017. Later, due to CPC S.A.'s financial and economic problems, CPC S.A. informed the Management Committee of the Trust Fund for Federal Electric Transportation ("CAF") on the impossibility to continue the Work and proposed assigning the contract in question.

On April 4, 2019, the contract entered into between CAF and CPC S.A. for the execution of the Work on May 30, 2017 was assigned to the Company so that the latter may continue with the execution of the Work.

Therefore, on May 21, 2019, the Company entered into a construction and expansion contract with TEL3 S.A. ("TEL3") for the construction of the Work.

On March 20, 2020, TEL3 notified the Company about a force majeure event as a consequence of the coronavirus pandemic and the restrictions imposed under national, provincial and municipal regulations. It also informed that for such reasons, the performance of on-site works and the construction schedule might be affected and that, due to the health requirements ordered by government authorities, the costs established in the contracts might be modified, claiming the higher costs incurred as a consequence thereof.

On January 29, 2021, the Company and TEL3 reached an agreement by means of which the parties reconciled all pending disputes among themselves regarding claims derived from the COVID-19 pandemic, TEL3 waived to make any claim in relation to what exposed.

On September 13, 2021, an amendment of the construction contract was signed, through which the Company will pay TEL3 the amount of US\$ 1,700,000 for variation and change orders.

On June 15, 2022, the Company, CAF and TRANSPA S.A. (in its capacity of supervisor of the work) signed the commercial operation certificate of the Work, concluding satisfactorily the stage of minimal operating trials and tests for the energisation of the Line in 132kV Santa Cruz Norte Caleta-Olivia, and agreeing as a new date for the end of the work in August, 2021 and as a commercial operation date November 26, 2021.

As agreed in the certificate of commercial operation certificate, the Company, presented a request of redetermination of prices based in the new schedule of the work. Consequently, on November 26, 2022, the Secretariat of Energy of the Nation issued the Resolution No. 789/2022, through which it approved the final redetermination of the prices of the contract, establishing that its total amount thereof amounts to 576,922.

In virtue of the aforementioned, on December 26, 2022, CAF paid the remaining of the price, that amounted to 366,704, and, therefore, all the credits pending of payment by that principal were considered settled, giving a total closure of the Work.

c) Manantiales Behr Thermal Power Plant

Under the framework of energy sales contract signed with YPF S.A. ("YPF"), it was timely notified of the existence of a force majeure event as a consequence of the sanitary crisis from the coronavirus pandemic and that, because of that, the programmed commercial operation date of the thermal plant would be affected. Likewise, under this contract YPF notified the invocation of the force majeure event generated by the

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coronavirus and the consequent change of commercial operation date of the energisation of the network frontier and the date of availability of gas oil, both obligations under its charge, estimating new dates according to the situation and information available at the time, and being subject to possible modifications in virtue of how the sanitary situation would evolve, estimating that finally the new COD would be March 2021.

On January 12, 2022, YPF and the Company signed an amendment to the contract or energy sales through which, without recognising facts nor rights and only to the transactional effect, the pending cross-claims were resolved and the differences of interpretations related to this contract were sorted out, allowing its entry to force. In virtue of this, it was defined the COD, a penalty for delays and overruns for US\$ 1,500,000 and the final payments for the available power related to the sales of the fiscal year ended December 31, 2021, which were booked within the line "Revenues" of the Statement of Comprehensive income for the mentioned fiscal year.

30. REGULATORY FRAMEWORK

30.1. Regulatory framework for the electric industry

Law No. 24,065, passed in 1992 and regulated by Executive Order No. 1,398/92, has established the current basic regulatory framework for the electricity sector (the "Regulatory Framework"). This Regulatory Framework is supplemented by the SE's regulations for the generation and commercialization of electric power, including the former SEE Resolution No. 61/1992 "Procedures for Operations Scheduling, Load Dispatch and Price Calculation", as amended and supplemented.

The ENRE is the agency that regulates, oversees and controls the electric power industry and, in such capacity, it is responsible for the enforcement of Law No. 24,065.

CAMMESA is responsible for the technical dispatch, planning and economic organization of the SADI and the MEM that also acts as a collection agency for all MEM agents.

By the end of 2015, Decree No. 134/2015 was enacted, in which, given the situation of the Argentine electricity system, the PEN declared the Emergency of the National Electricity Sector. This Decree instructs the MEM to prepare and put into effect an action plan in relation to the segments of generation, transport and distribution of electrical energy in order to adapt the quality and safety of the electricity supply and guarantee the provision of the service public of electricity in adequate technical and economic conditions.

On March 10, 2021, through Resolution SE 169/2021, the Secretariat of Energy resolved the award of bids in Round II of the GasAr Plan to deliver natural gas during the winter months for the period 2021-2024, for a price of 4.73 US\$/MMBTU. Likewise, by means of the clarifying Circular No. 1 it had been defined that for the buyer the amount of the Take or Pay will be 75% per month, multiplied by the number of days of the month. Gas that could not be made available or that was not taken due to a major cause, or those that the supplier has not been able to make available due to force majeure or unscheduled maintenance, must be deducted from these quantities. On November 14, 2022, through Resolution No. 770/2022, the in force period was extended up until 2028.

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Among the main amending and supplementing regulations governing the sector, the following resolutions are noteworthy, with regard to the electric power generation business:

- **SEE Resolution No. 21/2016:** convenes Generators, Self-Generators and Co-Generators to bid for the provision of additional thermal generation and associated electric power production capacity, with the commitment to make it available at the MEM in summer (2016/2017 and 2017/2018) and winter 2017.
- **SEE Resolution No. 287-E/2017:** under this resolution an open call for tenders was launched to incorporate new efficient electric energy generation through the Closing of Open Cycles and Co-Generation, where 40 offers were received for more than 3,300 MWs of power.
- **SEE Resolution No 820-E/2017:** under this resolution, 3 co-generation projects were awarded for 506 MWs corresponding to the first round. Subsequently, in October, by Resolution No. 926/17, 9 additional projects were awarded (1 Co-generation + 8 Closing of Cycles) for a total of 1,304 MWs corresponding to the second round.
- **Resolution No. 1,085-E/2017:** issued in November 2017, sets forth that as from December 2017, Transmission System-related costs will be distributed according to demand, deducting costs allocated to Generators: Connection and Transformation Costs. Transmission prices are stabilized and payable by Distributors and calculated in the Seasonal Tariff Schedules and Quarterly Tariff Reschedules. Each Distributor will have a stabilized price for Transmission by Extra-High Voltage Lines and for Transmission by Trunk Distribution.
- **Resolution 1-E/2018:** in January 2018, that introduces changes in the dispatch priority allocation mechanism and determines that projects where purchase orders have already been issued for all the electromechanical items of equipment —prior to issuance of Resolution No. 281/2017— will be given priority for dispatch.
- **Resolution No. 46-E/2018:** establishes the new prices at the entry point into the transportation system for natural gas, for each basin of origin, which will be related to natural gas purchases used for the power generation to be commercialized within the MEM or, in general, used for the power distribution public service. Average maximum price 4.2US\$/MMBtu.
- **Resolution 25-SGE/2018:** Through this Resolution IEASA is instructed to sell to CAMMESA the fuels required by the latter to supply the demand, at the acquisition and commercialization cost of such fuels, declaring to CAMMESA such costs on the same dates on which generators have to declare the Production Variable Costs.
- **Resolution No. 551/2021:** Under the framework of MATER there are projects in execution with assigned dispatch priority that present delays or does not show any advance at all. As a consequence of this, on June 15, 2021, the Resolution No. 551/2021 was issued and it establishes measures that tend to the conclusion of the projects that are not yet operative, so they do not retain any dispatch priority, enabling the transport capacity to be assigned to other projects.
- **Resolution SE 742/2021:** On July 30, 2021, Resolution SE 742/2021 is published, within the framework of Laws 26,190 and 27,191, with the objective of gradually increase the participation of renewable energies in the Argentine electricity matrix, until reaching a target of 20% participation in 2025, RenovAr 1, 1.5, 2

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and 3 (miniRen) projects were awarded, as well as the conditions of previous projects to be developed to the RenovAr contract conditions, through tender 202/2016. With the objective that the projects committed in the aforementioned contracts are completed, through Resolution SE 742/2021, an additional period is granted to achieve commercial operation and a new method of payment of penalties and a reduction in the amounts is established. of the fines to be applied due to non-compliance with the Scheduled Date of Commercial Authorization and the Supply of Committed Energy.

- **Resolution No. 1037/2021:** In order to guarantee the supply of additional energy for export purposes and preserve the availability of Generating Agents, on October 31, 2021, the Secretariat of Energy issued Resolution No. 1037/2021 that establishes an additional and transitory increase in remuneration to Generating Agents included in Resolution No. 440 of the Secretariat of Energy, among which is the Company, which will be effective for economic transactions from September 1, 2021 to February 28, 2022, and that will be defined by said Secretariat through the corresponding regulatory instructions.

Remuneration of generators

Through Resolutions SE No. 95/2013, 529/14 and 482/2015; SEE N° 22/2016; SE N° 19/2017; MDP 12/2019 and N° 1-SRRyME/2019, SE N° 31/2020 adjustments to the remuneration of generators were updated. During the fiscal years ended December 31, 2022 and 2021, the following resolutions were established:

- **Resolution SE-MEC No. 440/2021:** On May 21, 2021 the Resolution No. 440/2021 of the Secretariat of Energy was published in the Official Gazette in which the remuneration established by Resolution No. 31/2020 is adjusted in approximately 29% with effectiveness since the economic transactions corresponding to February, 2021.

In order to perceive the remuneration defined in the mentioned regulation, the Generation Agents that are reached by it, had to abandon through Note to CAMMESA any administrative claim or legal process in course raised by them against the National State, the Secretariat of Energy and/or CAMMESA and any related administrative and/or legal claim and resign to any future claim in this regard.

On June 11, 2021, the Company presented the Note mentioned in the previous paragraph. The retroactive effect corresponding to the elapsed period between February to May 2021 for the application of Resolution No. 440/2021 rises to approximately 355,794 and was accounted in the Energía Base line within the item Revenues of the consolidated statements of comprehensive income for the year ended December 31, 2022.

- **Resolution No. 1037/2021:** It establishes an additional and transitory increase in remuneration to Generating Agents included in Resolution No. 440 of the Secretariat of Energy, among which is the Company, which will be effective for economic transactions from September 1, 2021 to February 28, 2022, and that will be defined by said Secretariat through the corresponding regulatory instructions.
- **Resolution SE-MEC No. 238/2022:** On April 21, 2022 the Resolution No. 238/2022 of the Secretariat of Energy was published in the Official Gazette which established the following:
 - Adjust the remuneration established by Resolution No. 440/2021 in approximately 30% and an additional 10%, with effectiveness since the economic transactions corresponding to February 2022 and June 2022, respectively.
 - The Use Factor for generating units, which affected as a penalty within the calculation of the total remuneration, is no longer considered.

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- **Resolution SE-MEC No. 238/2022:** On April 21, 2022 the Resolution No. 238/2022 of the Secretariat of Energy was published in the Official Gazette in which the remuneration established by Resolution No. 440/2021 is adjusted in approximately 30% and an additional 10%, with effectiveness since the economic
- **Resolution SE-MEC No. 826/2022:** On December 14, 2022, the Resolution No. 826/2022 of the Secretariat of Energy was published in the Official Gazette through which the following is established:
 - Adjust the remuneration established by Resolution No. 238/2022 in approximately 20% with effectiveness since the economic transactions corresponding to September 2022, an additional 10% since December 2022, an additional 25% since February 2023 and an additional 28% since August 2023.
 - Replace the maximum performance hours by a new concept called "remuneration un peak hour", where the 5 peak hours of each day (18hs to 23hs) are remunerated double or triple (depending on the season of the year).
 - The formula through which the DIGO power is calculated is updated.
 - The Price difference of power to thermal machines lower than 42 MW is eliminated. All machines that declare DIGO are remunerated the same DIGO Price and those that do not do so, the base prices of power.
 - CAMMESA is instructed to perform availability controls to verify the effective operation of the machines in case of being summoned to dispatch. In case a machine has not been summoned to charge dispatch, CAMMESA will have to perform commissioning and operation tests after 4,380 hours without operation.
- **Resolution SE-MEC No. 59/2023:** On February 5, 2023, the Resolution No. 59/2023 of the Secretariat of Energy was published in the Official Gazette, whose objective is to sign supply contracts with CAMMESA to those closed cycles that are under the spot remuneration scheme, with the goal of encouraging the necessary investments to the execution of programmed maintenance, and thus improving the thermal availability of MEM:
 - The 85% of the unit's installed capacity will have to be committed under the contract.
 - The contracts will have a maximum maturity of 5 years.
 - The DIGO power will be remunerated by a price reduced by 35% in the summer and winter months and by 15% the rest of the months, besides an additional of 2,000 US\$/MW – month that will linearly decrease if the availability is lower than 85%.
 - It will be remunerated as generated energy a total of 3.5 US\$/MWh for the energy generated with natural gas and 6.1 US\$/MWh for the energy generated with fuel oil or gas oil.
 - The remuneration for the operated energy and the peak hours will continue to be remunerated according to Resolution No. 826/2022 or any amendment.

Renewable energy sources

In 2006, Law No. 26,190 was enacted, which established a National Promotion Regime for the use of renewable energy sources for the production of electricity, complementary to the regime established by Law No. 25,019 and its regulatory standards, which had already declared of national interest wind and solar power generation.

In October 2015, Law No. 27,191 was enacted, which amended Law No. 26,190, " National Scheme for Promotion of the Use of Renewable Energy Sources for Electric Power Production ". Amendments to this law seek to establish a legal framework encouraging investments in renewable energies and promoting the diversification of the national energy matrix, increasing the share of renewable sources in the Argentine

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electricity market. Additionally, this law that, among other measures, requires Large Users to reach a minimum 8% of their electricity energy consumption with energy from renewable sources in 2018 and 20% in 2025. The laws are regulated in 2016 by a PEN Executive Order No. 53 establishing that, those who elect to comply by purchasing or by through self-generation or cogeneration, must expressly express their decision before the Application Authority in terms the latest determines. Otherwise, they will automatically be included in the joint purchase mechanism that CAMMESA will carry out.

Among the main provisions of Law No. 27,191 and its regulations, the following can be highlighted:

- Projects entitled, including self-generators and co-generators (non-fossil), will be able to access the promotion scheme.
- A public trust fund called the Fund for the Development of Renewable Energies will be created, which will be constituted, among other trust assets, by resources from the National Treasury (not less than 50% of the savings in fossil fuels due to the incorporation of renewable sources).
- A specific charge will be applied to the users to guarantee the fulfillment of the contracts, in \$ / MWh, being excepted those Large Users (GU) that acquire the renewable energy by means of contracts with a generator, marketer or distributor (not CAMMESA) or by own generation.
- Those users that have one or multiple electric power demand points with independent meters are all registered, all registered with the same CUIT in the MEM or with the distributors, if in the sum of all the demand points they reach or exceed 300 kW of average power contracted in the calendar year, even if, in all or some of the demand points considered individually, they do not reach this value. The obligation governs as a percentage (%) of the total sum of their consumption.
- Only security and quality charges will be incorporated to the renewable's energy price. The price will not incorporate transitory cost of dispatch (STD), additional transitory cost of dispatch (ad STD), cost of fuel (SC), etc.
- Can be met through: Individual contracting, self-generation or Cogeneration of renewable sources.
- The price will be established by CAMMESA as prorated by the total amount of the contracts and is reached by the price limit set in the Law (113 US\$ / MWh).

Resolution 281-E/2017: This Resolution issued in August 2017 regulates the Renewable Energy Term Market (MATER) for MEM Large Users, setting forth the guidelines for self-generation and the agreements for the purchase of electric energy from renewable sources; the Resolution applies to Large Users with an average annual demand per connection point above 300 kW, and to generators, co-generators and self-generators entering the MEM as from January 2017.

The Forward Market regulation sets forth the following noteworthy provisions:

- It establishes dispatch priorities and an allocation mechanism.
- It creates commercialization and administration positions for Large Users intending to participate in CAMMESA's joint purchase scheme.
- It sets forth that Large Users opting out of CAMMESA's joint purchase scheme:

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- shall be subject to monitoring of their compliance with Law No. 27,191.
- shall no longer pay for the renewable source generation acquired by CAMMESA.
- shall no longer pay for Commercialization and Administration charges.
- shall be entitled to discounts in capacity charges.
- No reserve power capacity is required for power purchase agreements executed within this scheme.
- It defines that the exclusion of joint purchases will have a minimum term of 5 years from the date the exclusion was declared.
- Allows the entitlement of renewable contracts to base or surplus demand.
- Defines that transport charges and those of primary frequency regulation will be recognized and absorbed by CAMMESA.
- It establishes the methodology for monitoring compliance and the imposition of penalties for breach, based on Gas Oil generation costs.

30.2. Exchange Market Regulation

On September 1, 2019, the Argentine Government issued Executive Decree No. 609/2019 ("Decree 609") which established certain restrictions in the foreign exchange currency market. Decree 609 was further regulated by Communication "A" 6770 of the Argentine Central Bank ("BCRA"), also issued on September 1, 2019, which was amended and supplemented by subsequent Communications (jointly "Communication 6770").

Communication 6770 regulates the inflow and outflow of foreign exchange currencies in the market.

This new regulation states, among other measures, that:

- BCRA prior approval will be required for access to the local foreign currency exchange market for transfer of earnings and dividends abroad and build-up foreign assets in the case of legal entities.
- New financial debts contracted abroad that are disbursed later than September 1, 2019 must be settled in the local exchange market.
- BCRA's previous approval will be required to access the local foreign currency exchange market in order to repay debts with foreign related parties.

Later the BCRA through the Communication "A" 7001 of April 30, 2020, (and its amendments) established that in transactions corresponding to remittances by the exchange market, it will be necessary to present an affidavit stating that during the 90 days previous to the date of access to the exchange market and committing to not do during the 90 days after requiring the access to the exchange market:

- i) there were no sales within the country of securities with liquidation in foreign currency;
- ii) there were no exchange of securities issued by residents for foreign assets;
- iii) there were no transfers of securities to depository entities based abroad;
- iv) there were no acquisitions within the country of securities issued by non-residents with liquidation in Argentine pesos;
- v) there were no acquisitions of certificates of Argentine deposits representative of foreign shares;
- vi) there were no acquisitions of securities representative of private debt in foreign jurisdiction;

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vii) there were no delivery of funds in local currency nor of other local assets (except for foreign currency funds deposited in local financial entities) to any human or legal person, resident or non-resident, affiliates or not, receiving as previous or later compensation, directly or indirectly, by itself or through an affiliate, controlling or controlled, external assets, cryptoassets or securities deposited abroad.

Additionally, at the moment of access to the exchange market: the total of foreign currency holding within the country are deposited in financial entities accounts and at the beginning of the day in which the access to the exchange market is required, there are no certificates for Argentine deposits representative of foreign shares and/or liquid external assets available that jointly have a higher value than the equivalent of US\$ 100,000 (US dollars one hundred thousands).

The BCRA, through Communication "A" 7106 dated September 15, 2020 (the "Communication 7106"), established new restrictions to access to the Argentine exchange market for (i) cancellation of principal owed under financial indebtedness abroad; (ii) debt securities denominated in foreign currency and (iii) foreign payments for the use of credit cards, debit cards and prepaid cards for residential natural persons.

For their part, the CNV and the AFIP, through General Resolution No. 856/2020 (the "Resolution 856") and the General Resolution No. 4815/2020, respectively, issued regulations in line with the measures included in the Communication 7106.

Subsequently, through Communication "A" 7142 dated October 19, 2020 ("Communication 7142") and the CNV through General Resolution No. 862/2020 ("Resolution 862") established new regulations aimed to make operations with negotiable securities more flexible.

In this regard, the following restrictions were imposed:

- **Cancellation of principal derived from financial indebtedness abroad and debt securities denominated in foreign currency**

Communication 7106 established that legal entities from the non-financial private sector and financial entities with principal payments scheduled between October 15, 2020 and March 31, 2021 derived from (i) financial indebtedness incurred with creditors abroad, which do not qualify as related party of the debtor; and (ii) debt securities denominated in foreign currency, must file with the Central Bank a refinancing plan based on the following criteria:

(a) the net amount for which access to the local exchange market will be granted, in the original terms of such indebtedness, will not exceed 40% of the principal amount becoming due.

(b) the remaining principal amount must be refinanced with new foreign indebtedness with an average life of at least 2 years.

In relation to the refinancing granted by the original creditor, it is admitted the computation of new financial indebtedness abroad granted by other creditors, which, in turn, it must be settled in the local exchange market. In the case of debt securities issued in foreign currency with public registration in Argentina, new issuances of securities also be admitted to the extent that the proceeds are settled in the local exchange market.

The foregoing does not apply when: (i) indebtedness incurred with international organizations or their associated agencies or guaranteed by them; (ii) indebtedness granted to the debtor by official credit agencies or guaranteed by them; (iii) the amount by which the debtor would access to the local exchange market for the payment of principal shall not exceed the equivalent of US\$ 1 million per month.

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Later, the BCRA, through Communication "A" 7133, dated October 9, 2020 (the "Communication 7133"), established new measures to access to the Argentine exchange market for pre-payment of financial indebtedness incurred with creditors abroad and debt securities denominated in foreign currency, stating that:

- In case of pre-payments of principal and interests derived from financial indebtedness incurred with creditors abroad and debt securities denominated in foreign currency reached by the debt refinancing process, access to the local exchange market may be granted up to 30 calendar days prior to the maturity date of the principal and interest, to the extent that: (i) the amount of interest paid does not exceed the amount of interest accrued for the refinanced indebtedness until the date the refinancing was executed; and; (ii) the aggregate principal amount of new indebtedness may not exceed the aggregate principal amount of the refinanced debt.
- In case of pre-payments of principal and interests derived from financial indebtedness incurred with creditors abroad and debt securities denominated in foreign currency under the framework of exchange offers, access to the local exchange market may be granted prior to the maturity date of such interests, to the extent that: (i) the amounts paid before maturity corresponds to interest accrued at the closing date of the exchange offer; (ii) the average life of the new securities will be greater than the remaining average life of the exchanged securities; and (iii) the aggregate principal amount of the new securities may under no circumstances exceed the aggregate principal amount of the exchanged securities.
- The refinancing process established by Communication 7106 will be considered duly completed when the debtor accesses the local exchange market to cancel principal in an amount exceeding 40% of the principal amount due, to the extent that the debtor registers settlements in the local foreign exchange market as of October 9, 2020, for an amount equal to or exceeding the 40%, by way of: a) new financial indebtedness abroad; (b) new issuance of securities in international capital markets; and (c) new issuance of securities in foreign currency with public registration in Argentina to the extent that the proceeds are settled in the local exchange market to Argentine pesos.

Likewise, the CNV through General Resolution No. 861/2020 of October 8, 2020, (i) modified the regulations on primary placement of negotiable securities in order to allow the issuance of new negotiable obligations, the subscription price of which is integrated in kind with negotiable securities (previously privately placed or other pre-existing credits) up to a percentage of the issue amount of the new negotiable obligations; and (ii) regulated debt refinancing through swaps.

On February 25, 2021, the BCRA issued Communication "A" 7230, extending point 7 of Communication 7106 for those with capital maturities scheduled between April 1 and December 31, 2021. The refinancing plan must be submitted to the BCRA by March 15, 2021 for capital maturities scheduled between April 1 and April 15, 2021. In all other cases, it must be presented at least 30 days before the maturity of capital to be refinanced.

Likewise, since April 1, 2021, the amount per calendar month by which the debtor would access the foreign exchange currency market for the cancellation of principal of indebtedness covered by point 7 of Communication 7106 rises from US\$ 1 million to US\$ 2 million.

The presentation of the restructuring plan will not be necessary to cancel:

- Indebtedness originated since January 1, 2020 and whose funds have been deposited and settled on the local exchange market.,
- Indebtedness originated since January 1, 2020 and constituting refinancing of capital maturities after that date, to the extent that refinancing has enabled to achieve the parameters of point 7 of Communication 7106.

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- The remaining maturities already refinanced while such refinancing has enabled to reach the parameters set out in point 7 of Communication 7106.

On December 9, 2021, the BCRA issued the Communication "A" 7416, extending the point 3.5.8 of Exterior and Exchange laws for those who have programmed capital maturities up to June 30, 2022. On October 13, 2022, this regulation was extended through Communication 7621 up until December 31, 2023. This regulation also establishes that the dispositions mentioned in 3.5.7. of "Exterior and exchange" regulations, referred to the access to the exchange market to make payments of financial debt abroad to affiliates, will keep the effectiveness up until December 31, 2023, which implies that it will only allowed to perform a payments with previous authorisation of BCRA.

Nevertheless, the Group does not anticipate any negative impact by the extension of this communication, given that the previously mentioned will not be applicable when: (i) capital maturities correspond to indebtedness with international entities or its associated agencies, o granted by them; (ii) indebtedness given by official credit agencies or granted by them; or (iii) indebtedness originated since January 1, 2020 and that constitute refinancing of capital maturities that had already been refinanced by the parameters defined in the refinancing plan.

- **Payments of earnings and dividends**

Communication "A" 7422 (and its amendments) regulates the payments or earnings abroad to non-residents shareholders. To this effect, it is allowed the access of exchange market and fulfilling certain additional conditions when: contributions in related parties are registered since January 17, 2020; or the earnings are generated by projects under "PLAN GAS" framework; have a certificate of increase of goods export; or have a certificate of contributions in related parties under the framework of Regime of knowledge economy.

- **Payments of imports of goods and services**

The exchange regulations and controls will also reach the access of exchange market related to import of goods and services establishing certain minimum terms of payment, like it regulates advanced payments of imports of goods and term of entry of goods within the country, of among others. This type of transactions is regulated by Communications "A" 7272; "A" 6844; "A" 7516; "A" 7622; "A" 7490; among others.

30.3. Other Regulations

- CNV Regulatory Framework (N.T. 2013)

By Resolution No. 622/2013 issued on September 5, 2013, the CNV approved the RULES (N.T. 2013) applicable to companies that are subject to CNV's control, pursuant to the provisions of the Capital Markets Law No. 26,831, and Regulatory Decree No. 1,023 dated August 1, 2013. This Resolution overrides previous CNV rules (N.T. 2001 as amended) and General Resolutions No. 615/2013 and No. 621/2013, as from the effective date of the RULES (N.T. 2013).

In accordance with section 1, Chapter III, Title IV of the General Resolution, the notes to the consolidated financial statements for the fiscal year ended December, 31 2021, disclosing the information required by the Resolution in the form of exhibits, are detailed below.

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Exhibit A – Fixed Assets	Note 8 Property, plant and equipment
Exhibit B – Intangible assets	Note 9 Intangible assets
Exhibit C – Investments in shares	Note 11 Investments in joint ventures
Exhibit D – Other Investments	Note 6 Financial instruments by category
Exhibit E – Provisions	Note 8 Property, plant and equipment
Exhibit G – Assets and liabilities in foreign currency	Note 26 Assets and liabilities in other currencies than Argentine peso
Exhibit H – Costs of sales and services	Note 20 Expenses by nature

31. CHANGES IN TAX REGULATION

On June 16, 2021, Law No. 27,630 was issued, approved by the National Executive Branch through the Decree No. 387. One of the main changes is the instauration of a progressive scale of income tax based on accumulated net taxable income of the Company. The amounts of this scale will be adjusted annually, since January 1, 2022 according to the variations of IPC provided by INDEC corresponding to October of the fiscal year prior to the adjustment. The adjusted amounts will be applicable for subsequent fiscal years beginning after this. The progressive scale is applicable also for permanent establishments, notwithstanding the additional rate of 7% at the moment of remitting incomes to their parent company.

This dispositions of this Law are applicable since June 16, 2021 and are effective for fiscal years beginning since January 1, 2021, inclusively.

The main impact of this legal change is (i) the measurement of deferred income tax assets and liabilities (including accumulated tax loss carryforward), since they have to be recognised applying the tax rate in force at the date in which the differences between accounting and fiscal values and tax loss carryforward will be reverted or used; and (ii) the estimate of the provision for income tax payable. The impact of the regulatory change has been recognized in the fiscal year ended December 31, 2021 in the consolidated statements of comprehensive income.

Hereinafter, the net deferred income tax assets and liabilities, and the current income tax, as of December 31, 2021, is measured at an approximate rate of 35%.

- **Advanced payments of income tax**

On August 16, 2022, the General Resolution 5248 was published in Official Gazette . Resolution regulated the advanced payments of income tax applicable to some taxpayers and responsible detailed in the article 73 of the Income tax law ("LIG"). This law established, an extraordinary one-time advanced payment for income tax ("IG") to companies whose capital fulfils some the following parameters:

i. The amount of the "determined tax" of the IG affidavit corresponding to the fiscal period 2021 or 2022, as applicable, is equal to or greater than \$ 100,000,000.

ii. The amount of the "tax result" that arises from the IG affidavit, without applying the deduction of tax carryforward of previous years, is equal to or greater than ARS 300,000,000.

The extraordinary payment on account will be computable in the fiscal period following the one taken as the basis for calculation, according to the following detail:

a) With year-end operated between the months of August and December 2021, both inclusive: fiscal period 2022.

b) With year-end operated between the months of January and July 2022, both inclusive: fiscal period 2023.

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For the purposes of fixing the amount of the payment on account, the following two situations are foreseen:

(i) Subjects for whom the amount determined in accordance with the procedure laid down for the calculation of advances from the IG (conf. General Resolution 5211) -for the fiscal period immediately prior to that to which the payment on account will correspond- is greater than zero pesos, the payment on account will be calculated as 25% of said amount.

(ii) For the rest of the subjects with respect to which the parameter set in the previous point is not verified, the payment on account will be 15% on "Tax result" of the fiscal period immediately preceding that to which the payment on account will correspond, without the tax loss carryforwards of previous years being applied.

The extraordinary advance will be paid in three equal and consecutive instalments, on the 22nd of each month of the last quarter of the fiscal year.

This extraordinary payment on account may not be cancelled through the compensation mechanism, and may not be considered in the estimate made by taxpayers and responsible persons within the framework of the option of reducing advances.

The Group has evaluated the applicability of this extraordinary payment on account to its companies, being applicable to YPF EE, YGEN, YGEN II and LDL.

- **Tax inflation adjustment**

The Law No. 27,468, published in the Official Gazette on December 4, 2018, established that the tax inflation adjustment procedure is in force for the fiscal years that began on January 1, 2018. Since the fiscal year 2021 the tax inflation adjustment is applicable in case that the accumulated variation of the CPI surpass 100% during the last three years. Considering that the mentioned rate has been verified, as of December 31, 2022 and 2021, the Group has applied the tax inflation adjustment procedure in the estimation of annual effective rate. The effect of tax inflation adjustment for fiscal year 2020 is taxed as follows: 1/6 in that same fiscal year and the remaining 5/6 in equal parts during the following five fiscal years. Starting fiscal year 2021, the impact of tax inflation adjustment is completely recognized on the fiscal year.

On December 1, 2022, Law N° 27,701 approving the national budget for the fiscal year 2023 was issued. In its article 118, it establishes that those tax payers that determine a positive tax inflation during the first and second fiscal years beginning on January 1, 2022 inclusive, will be able to allocate a third (1/3) in that fiscal period and the remaining two thirds (2/3 in equal parts, in the two (2) immediate following fiscal periods. It is worth mention that it will only be granted access to this), those tax payers that make investments for 30 billion of Argentine pesos in the purchase, construction, fabrication, elaboration or definitive import of fixed assets during the two fiscal years following to the fiscal year of the allocation of the first third. Under this framework, the Group has applied the mentioned deferral for YPF EE.

- **Value added tax**

The Group had requested refunds regarding the tax credits, receiving refunds for 1,204,760 and 524,750 during the fiscal years ended December 31, 2022 and 2021, respectively. As of December 31, 2022, there are no pending refunds to collect.

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32. RELATED PARTIES INFORMATION

The following table show the balances with related parties as of December 31, 2022 and 2021:

	December 31, 2022		
	Other receivables	Trade receivables	Trade payables
	Non-Current	Current	Current
Joint controlling shareholder:			
YPF S.A.	-	7,498,205	2,530,473
Associates:			
Refinería del Norte S.A.	-	42,633	-
Metroenergía S.A.	-	4,588	-
A-Evangelista S.A.	-	-	51,966
U.T. Loma Campana	-	31,113	54
C.T. Barragán S.A.	-	64,558	-
GE Energy Parts	-	-	6,617
GE Global Parts and Products GmbH	-	-	760,192
GE International Inc. Sucursal Argentina	1,406,475	-	901,227
GE Packaged Power Inc.	-	-	3,468,747
GE Water & Process Technologies SC	-	-	35,317
GE Sensing & Inspection Technologies	-	-	922
Innio Jenbacher GmbH & CO. OG.	-	-	101,632
Profertil S.A.	-	441,754	-
Alstom Power Service S.A.	-	-	4
Alstom Power Systems	-	-	7
Grid Solutions Argentina S.A.	-	-	19,171
Jenbacher International B.V.	-	-	24,980
Argentine federal government-controlled entities:			
CAMMESA	-	15,175,255	-
Total	1,406,475	23,258,106	7,901,309

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	December 31, 2021		
	Other receivables	Trade receivables	Trade payables
	Current	Current	Current
Joint controlling shareholder:			
YPF S.A.	-	3,755,831	1,744,256
Associates:			
Refinería del Norte S.A.	-	42,633	-
Metroenergía S.A.	-	4,588	-
A-Evangelista S.A.	-	-	39,003
U.T. Loma Campana	-	16,430	54
C.T. Barragán S.A.	-	37,536	-
GE Energy Parts	-	-	11,678
GE Global Parts and Products GmbH	-	-	268,135
GE International Inc. Sucursal Argentina	-	-	1,841,608
GE Packaged Power Inc.	247,652	-	755,207
GE Water & Process Technologies SC	-	-	12,111
GE Wind Energy Equipment	-	-	388,251
GE Sensing & Inspection Technologies	-	-	6,539
Innio Jenbacher GmbH & CO. OG.	-	-	9,585
Profertil S.A.	-	315,278	-
Alstom Power Service S.A.	-	-	2
Alstom Power Systems	-	-	4
Grid Solutions Argentina S.A.	-	-	46,261
Jenbacher International B.V.	-	-	3,001
Argentine federal government-controlled entities:			
CAMMESA	-	6,503,954	-
Total	247,652	10,676,250	5,125,695

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The following table shows transactions with related parties for the fiscal years ended December 31, 2022 and 2021:

	For the fiscal years ended December 31,					
	2022			2021		
	Revenues	Purchases of goods and services	Other operating results, net	Revenues	Purchases of goods and services	Other operating results, net
Joint controlling shareholder:						
YPF S.A.	17,301,639	4,726,586 ⁽¹⁾	-	9,450,439	5,654,896 ⁽¹⁾	-
Associates:						
A-Evangelista S.A.	-	51,281	-	-	119,186	-
U.T. Loma Campana	223,731	-	-	126,131	-	-
C.T. Barragán S.A.	242,781	-	-	172,493	-	-
GE International Inc.	-	-	-	-	264	-
GE Global Parts and Products GmbH	-	976,467	-	-	1,155,972	-
GE Water & Process Technologies S.C.	-	51,149	179	-	26,770	-
GE Wind GmbH	-	-	-	-	108,672	-
GE Packaged Power Inc.	-	1,094,211	752,790	-	291,015	247,524
GE International Inc. Suc. Argentina	-	2,742,952	2,933,913	-	4,107,224	-
GE Senging & Inspection Technologies	-	650	-	-	22,983	-
Innio Jenbacher GmbH & CO. OG.	-	67,954	1,521	-	13,601	-
YPF Tecnología S.A.	-	-	-	-	449	-
Profertil S.A.	1,709,553	-	-	849,770	-	-
Alstom Power Inc.	-	-	-	-	15,071	-
Grid Solutions Argentina S.A.	-	64,453	-	-	492,859	-
Jenbacher International B.V.	-	20,831	-	-	11,761	-
Baker Hughes Digital Solutions GmbH	-	801	-	-	-	-
Argentine federal government-controlled entities:						
CAMMESA	39,305,759	206,414	1,981,860	28,685,183	177,655	1,211,000
Total	58,783,463	10,003,749	5,670,263	39,284,016	12,198,378	1,458,524

Regarding the business of generation and sale of electricity, the Company's main customer is CAMMESA, an entity controlled by National Government. Taking into consideration that National Government is also YPF's controlling shareholder, CAMMESA is considered a related party.

Remuneration of the Administration

During the fiscal years ended December 31, 2022 and 2021, the remuneration to key executives amounted to 505,437 and 255,700, respectively, including short-term benefits and the only benefits granted to key executives.

33. SUBSEQUENT EVENTS

As of the date of issuance of these consolidated financial statements, there have not been other subsequent events whose effect on the financial position or results of operations as of December 31, 2022, or its exposure in a note to these consolidated financial statements, if corresponds, have not been considered in them according to IFRS.