June 12, 2026

YPF Energía Eléctrica S.A.

Originally founded by YPF, the company later incorporated General Electric, which currently holds a 24.9% stake. YPF holds 72.7% of the company, while OPESSA owns the remaining 2.3%. Today, YPF Luz is Argentina's leading power generation company, operating a portfolio of 18 assets fueled by natural gas and renewable energy sources across eight provinces.

It has a total installed capacity of 3.7 GW and supplies 10% of Argentina's electricity demand. It is the leading participant in the MATER[1] market, holding 23% of installed capacity and serving a portfolio of more than 90 industrial customers. YPF Luz is also the country's second-largest renewable energy generator and the third-largest electricity generator overall.

Generation Portfolio

The company owns and operates 11 thermal power plants, which account for 75% of its installed capacity. It is a leader in renewable energy, with renewable assets representing 25% of installed capacity, currently distributed across five wind farms and two solar farms. During 1Q26, CAMMESA[2] authorized the commercial operation of the CASA Wind Farm and the partial commissioning of the El Quemado Solar Farm. As a result, installed capacity increased by 8% year-over-year (YoY), reaching 3,660 MW.

Finally, all generation contracts are payable in U.S. dollars, with a weighted average remaining term of seven years. In addition, the company has successfully diversified its credit risk in recent years, with 54% of revenues backed by Power Purchase Agreements (PPAs) and the remaining 46% exposed to the spot market, sales that include revenue from fuel handling (under Resolution 400/2025) otherwise, it would be even lower. Furthermore, collection periods have remained at historically low levels, averaging 51 days, in line with the payment terms established under contracts with both CAMMESA and private counterparties. The company's asset portfolio is detailed below:

Power Plant	Province	Capacity (MW)	Regulatory Framework	Technology	USD Contract Maturity
Tucumán Thermal Power Plant	Tucumán	447	Res. 400/2025	Combined Cycle	2028
San Miguel de Tucumán	Tucumán	382	Res. 400/2025	Combined Cycle	2028
El Bracho TG	Tucumán	274	PPA with CAMMESA	Open Cycle	2028
El Bracho TV	Tucumán	199	PPA with CAMMESA	Steam Turbine	2028
Loma Campana I	Neuquén	105	PPA with YPF	Open Cycle	2032
Loma Campana II	Neuquén	107	PPA with CAMMESA	Open Cycle	2027
Loma Campana Este	Neuquén	17	PPA with YPF	Engine Generators	2027
La Plata Cogeneración I	Buenos Aires	128	CAMMESA Base Energy / PPA with YPF	Cogeneration	2033
La Plata Cogeneración II	Buenos Aires	90	CAMMESA / PPA with YPF	Cogeneration	2035
Central Dock Sud	Buenos Aires	933	Resolution 400/2025	Combined Cycle / Open Cycle	2028
Manantiales Behr Wind Farm	Chubut	104	PPA with YPF and others	Wind Power	2036
Los Teros I and II Wind Farm	Buenos Aires	175	MATER (YPF and others)	Wind Power	2040
Manantiales Behr Thermal Power Plant	Chubut	58	PPA with YPF	Engine Generators	2041
Cañadón León Wind Farm	Santa Cruz	123	CAMMESA / MATER (YPF)	Wind Power	2041
Zonda Solar Farm	San Juan	100	MATER	Solar Power	2033
Gral Lavalle Wind Farm	Córdoba	155	MATER	Wind Power	2034
Cementos Avellaneda Wind Farm	Buenos Aires	63	MATER	Wind Power	2040
El Quemado Solar Farm	Mendoza	200	MATER	Solar Power	Construction progress: 95%
Current Generation		3.660	Average Contract Maturity		2033

Source: Sekoia Research based on Financial Statements.

Energy Market Overview

According to data provided by CAMMESA, electricity demand totaled 36,828 GWh in 1Q26, representing a 3.5% decline compared to 1Q25. During the quarter, residential demand was 0.9% above 1Q25 levels due to higher

[1] Renewable Energy Term Market.

[2] Wholesale Electricity Market Administration Company (see).

temperatures, while commercial and industrial demand fell 6.7% and 8.4%, respectively, compared to the same period of the previous year. On the supply side, electricity generation declined by 1.7% YoY to 38,111 GWh in 1Q26, due to lower demand volumes relative to the prior year.

Meanwhile, the electricity market's spot price declined YoY to 64.6 USD/MWh in 1Q26 (-5.5%). However, this decrease was not driven by a structural reduction in generation costs, but rather by a regulatory change introduced under Resolution 400/2025, which modified the allocation of generation costs within the electricity system. Part of the energy supplied through CAMMESA contracts, nuclear power plants, hydroelectric facilities, and imports was allocated to the so-called "seasonalized demand" (mainly regulated users), while large users without specific contracts became more exposed to the spot price.

The decline in spot prices does not necessarily imply a deterioration in the company's revenues, as it merely reflects a change in the methodology used to allocate generation costs within the electricity system. More importantly, the actual cost of generation remains close to 80 USD/MWh, reflecting a market with relatively solid pricing dynamics.

Results

The company's revenues are generated almost entirely from the domestic market, primarily through long-term PPAs that are fully linked to the U.S. dollar exchange rate. YPF Luz has adopted the U.S. dollar as its functional currency, translating inventories at the closing exchange rate and operating flows at the exchange rate prevailing on the transaction date. Accordingly, the company's financial statements will be analyzed in U.S. dollars, using the official exchange rate (BCRA A3500), either at the average or closing rate, as appropriate.

Despite the increase in the company's installed capacity, electricity generation declined by 8% YoY in 1Q26, mainly due to lower dispatch from the Tucumán Complex and the Central Dock Sud thermal power plant. This was partially offset by the commissioning of new renewable assets and higher dispatch from the El Bracho thermal power plant.

As a result, total revenues reached USD 222 million in 1Q26, up 50% compared to 1Q25. The growth was primarily driven by higher revenues from assets exposed to the spot market, increased renewable generation, and stronger revenues from the El Bracho thermal power plant as a result of improved availability and dispatch levels.

During the same period, production costs reached USD 127 million, a 84% YoY increase. This mainly reflects the regulatory change that incorporated fuel costs into production costs, partially offset by lower labor expenses.

As a result, EBITDA reached USD 129 million in the quarter, up 26% YoY, supported by the strong performance of the company's thermal assets whose EBITDA increased 20.6% YoY, driven by higher availability and dispatch at El Bracho, as well as stronger spot prices. Meanwhile, EBITDA from renewable assets rose 16.7% YoY, supported by the contribution of the new wind and solar farms mentioned above.

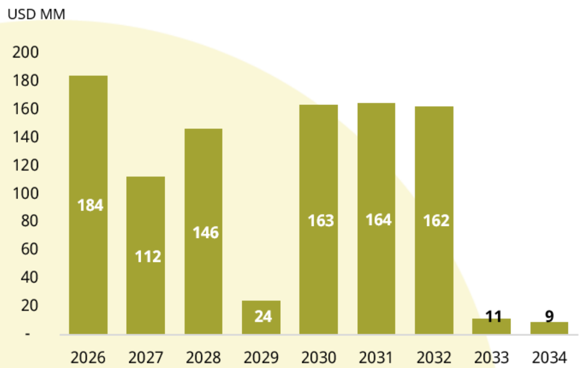
YPF LUZ (USD MM)	1Q26	1Q25	Var	1Q24	Var
Revenue	222	148	50%	119	87%
Production Costs	127	69	84%	58	120%
SG&A Expenses	7	14	-49%	28	-75%
Prod Costs / Revenue	57%	47%	23%	49%	18%
Operating Income	88	65	35%	33	164%
Operating Margin	40%	44%	-400bp	28%	1200bp
Adjusted EBITDA	129	102	26%	59	117%
EBITDA Margin	58%	69%	-1100bp	50%	800bp

Source: Sekoia Research based on Financial Statements.

Debt Profile

As we always highlight, the company maintains strong access to debt capital markets, supported by both domestic and international investors. As of the latest reporting period, total financial debt stood at USD 1,004 MM, of which 17% consisted of bank loans and 83% of corporate bonds. Of these, 13% are denominated in Argentine pesos and adjusted by the exchange rate, while the remaining 87% are U.S. dollar-denominated, with 58% corresponding to the company's only bond issued under foreign law. The company's current cost of debt stands at 6.5%, while its weighted average debt maturity is 3.5 years.

Maturity Profile



Source: Sekoia Research based on Institutional Presentation.

On the other hand, the company reported cash and cash equivalents of USD 228 million, representing an 82% increase compared to 1Q24. In addition, as LTM EBITDA increased by 13%, the company's leverage ratio declined to 1.7x. As shown in the table below, the company maintains a highly conservative leverage profile.

YPF LUZ (USD MM)	1Q26	1Q25	Var	1Q24	Var
Total Debt	1.004	959	5%	892	13%
Cash&Equivalents	228	257	-11%	125	82%
Net Debt	776	703	10%	766	1%
Adj. LTM EBITDA	460	408	13%	349	32%
Net Leverage	1,7	1,7	0,0	2,2	-0,5
Current Ratio	1,1	1,0	0,1	0,8	0,3
Interest Expense	65	52	25%	79	-18%
Interest Coverage	7,1	7,9	-0,8	4,4	-5,2

Source: Sekoia Research based on Financial Statements.

NY Law Bonds

YPF Luz has three dollar-linked bonds and eight hard-currency U.S. dollar bonds. Of these, only one is governed by international law. The bond is unsecured and has USD 420 million outstanding, with maturity in October 2032 and a 7.875% coupon paid semiannually. Principal amortization is structured in three equal annual installments, with the first payment due in October 2030.

Bond	Price	YTM	MD	Min.	Amou Out	R
YPFLUZ 7 ⅞ 10/16/32	103,5	7,07%	4,3	1.000	420	B2

Source: Sekoia Research based on Bloomberg.

Outlook

The company benefits from an enviable stream of exchange rate-linked revenues, providing the bond with strong currency protection. Revenue has grown steadily over the years, while maintaining a high and stable EBITDA margin, reflecting a balanced approach between growth and financial sustainability. For these reasons, we remain comfortable with the company's New York law 2032 bond. Although its yield has compressed over recent quarters, we continue to favor the name given the strength of its balance sheet and its intermediate duration.

Thanks,

Sekoia Research
research@sekoia.com.uy