

Free translation from the original prepared in Spanish for publication in Argentina

## **Generación Mediterránea S.A.**

### **Condensed Interim Financial Statements**

At March 31, 2020 and for the three-month periods  
ended March 31, 2020 and 2019  
presented in comparative format

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## Generación Mediterránea S.A.

### GLOSSARY OF TECHNICAL TERMS

The following are not technical definitions, but they are helpful for the reader's understanding of some terms used in the notes to the condensed interim financial statements of the Company.

<b>Terms</b>	<b>Definitions</b>
/day	Per day
AESA	Albanesi Energía S.A.
AFIP	Federal Administration of Public Revenue
AJSA	Alba Jet S.A.
ASA	Albanesi S.A.
AVRC	Alto Valle Río Colorado S.A.
BADCOR	Adjusted BADLAR rate
BADLAR	Average interest rate paid by financial institutions on time deposits for over one million pesos.
BCRA	Central Bank of Argentina
BDD	Bodega del Desierto S.A.
CAMMESA	Compañía Administradora del Mercado Mayorista Eléctrico S.A. (Wholesale Electricity Market Management Company)
CC	Combined cycle
IFRIC	International Financial Reporting Interpretations Committee
CNV	National Securities Commission
CTE	Central Térmica Ezeiza located in Ezeiza, Buenos Aires
CTF	Central Térmica Frías, located in Frías, Santiago del Estero
CTI	Central Térmica Independencia located in San Miguel de Tucumán, Tucumán.
CTLB	Central Térmica La Banda located in La Banda, Santiago del Estero.
CTMM	Central Térmica Modesto Maranzana located in Río Cuarto, Córdoba
CTR	Central Térmica Roca S.A./The Company
CTRi	Central Térmica Riojana located in La Rioja, La Rioja
CVP	Variable Production Cost
Dam3	Cubic decameter. Volume equivalent to 1,000 (one thousand) cubic meters
DH	Historical Availability
DIGO	Offered guaranteed Availability
Availability	Percentage of time in which the power plant or machinery, as applicable, is in operation (generating power) or available for power generation, but not called by CAMMESA
DMC	Minimum Availability Committed
DO	Target Availability
DR	Registered Availability
The Group	Albanesi S.A. jointly with its subsidiaries and other related companies
ENARSA	Energía Argentina S.A.
Energía Plus	Plan created under ES Resolution No. 1281/06
ENRE	National Electricity Regulatory Authority
EPEC	Empresa Provincial de Energía de Córdoba
FACPCE	Argentine Federation of Professional Councils in Economic Sciences
FONINVEMEM	Fund for investments required to increase the electric power supply in the WEM
GE	General Electric
GEcen	Generación Centro S.A.
GLSA	Generación Litoral S.A.
GMSA	Generación Mediterránea S.A.
Large Users	WEM agents classified according to their consumption into: GUMAs, GUMEs, GUPAs and GUDIs
GROSA	Generación Rosario S.A.

**GLOSSARY OF TECHNICAL TERMS (Cont'd)**

<b>Terms</b>	<b>Definitions</b>
GUDIs	Large Demand from Distributors' customers, with declared or demanded supply of over 300kW
GUMAs	Major Large Users
GUMEs	Minor Large Users
GUPAs	Large Users - Individuals
GW	Gigawatt Unit of power equivalent to 1,000,000,000 watts
GWh	Gigawatt-hour Unit of energy equivalent to 1,000,000,000 watts hour
HRSG	Heat recovery steam generator
IASB	International Accounting Standards Board
IGJ	Legal Entities Regulator
CPI	Consumer Price Index
WPI	Wholesale Price Index
kV	Kilovolt Unit of electromotive force which is equal to 1,000 volts
kW	Kilowatt Unit of power equivalent to 1,000 watts
kWh	Kilowatt-hour Unit of energy equivalent to 1,000 watts hour
LGS	General Companies Law
LVFVD	Sales liquidations with maturity date to be defined
MAPRO	Major Scheduled Maintenance
MAT	Futures market
WEM	Wholesale Electric Market
MMm3	Million cubic meters
MVA	Mega-volt ampere, unit of energy equivalent to 1 volt x 1 ampere x 106
MW	Megawatt Unit of power equivalent to 1,000,000 watts
MWh	Megawatt hour Unit of energy equivalent to 1,000,000 watts hour
ARG GAAP	Argentine Generally Accepted Accounting Principles
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
NAUDCO	New Agreed Upon Date for Commercial Operation
SDG	Sustainable Development Goals
ON	Negotiable Obligations
GDP	Gross Domestic Product
PWPS	Pratt & Whitney Power System Inc
Gain/loss on purchasing power parity (RECPAM)	Result of exposure to changes in the purchasing power of the currency
Resolution No. 220/07	Regulatory framework for the sale of energy to CAMMESA through the "WEM Supply Contracts" under Energy Secretariat Resolution No. 220/07
GR	General Resolution
RGA	Rafael G. Albanesi S.A.
Corporate social responsibility	Corporate social responsibility
RT	Technical Pronouncements
SADI	Argentine Interconnection System
ES	Energy Secretariat
SEK	Swedish crowns
GSE	Government Secretariat of Energy
SHCT	Health, Safety and Hygiene at work
TRASNOA S.A.	Empresa de Transporte de Energía Eléctrica por Distribución Troncal del Noroeste Argentino S.A.
GU	Generating unit
CGU	Cash Generating Unit
USD	US Dollars

# **Generación Mediterránea S.A.**

## **Composition of the Board of Directors and Syndics' Committee**

### **President**

Armando Losón (Jr.)

### **1st Vice President**

Guillermo G. Brun

### **2nd Vice President**

Julián P. Sarti

### **Full Directors**

Carlos A. Bauzas

Sebastián A. Sánchez Ramos

Oscar C. De Luise

Juan Carlos Collin

Jorge Hilario Schneider

Ricardo Martín López

### **Alternate Directors**

José Leonel Sarti

Juan G. Daly

Romina S. Kelleyian

Darío Sebastián Silberstein

Oswaldo Enrique Alberto Cado

### **Full Syndics**

Enrique O. Rucq

Marcelo P. Lerner

Francisco A. Landó

### **Alternate Syndics**

Juan Cruz Nocciolino

Carlos I. Vela

Marcelo Claudio Barattieri

## Legal information

Company Name:	Generación Mediterránea S.A.
Legal address:	Av. L. N. Alem 855, Floor 14, City of Buenos Aires.
Main business activity:	Generation and sale of electric energy Development of energy projects, execution of projects, advisory services, provision of services, management, administration and performance of works of any kind. Investments and financial operations of any kind, except those established by Law No. 21526
Tax ID:	30-68243472-0
Date of registration with the Public Registry of Commerce:	
By-laws:	January 28, 1993
Latest amendment:	March 17, 2017
Registration with the Legal Entities Regulator under number:	644 of Book 112, Volume A of Corporations
Expiration date of Company By-laws:	January 28, 2092
Parent company:	Albanesi S.A.
Legal address:	Av. L. N. Alem 855, Floor 14, City of Buenos Aires.
Main line of business of Parent Company:	Investment and financial activities
Percentage of equity interest held by Parent Company:	95%
Percentage of voting rights of Parent Company:	95%

<b>CAPITAL STATUS (Note 14)</b>	
<b>Class of shares</b>	<b>Subscribed, paid-in and registered</b>
	<b>\$</b>
Ordinary, registered, non-endorsable shares of \$1 par value each and entitled to 1 vote per share.	138,172,150

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**Generación Mediterránea S.A.**  
**Condensed Interim Statement of Financial Position**  
at March 31, 2020 and December 31, 2019  
Stated in pesos

	<u>Note</u>	<u>3/31/2020</u>	<u>12/31/2019</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	<b>12</b>	42,708,409,268	42,396,159,279
Investments in companies		129,861	139,992
Other receivables		3,368,373,865	3,000,622,087
<b>Total non-current assets</b>		<b>46,076,912,994</b>	<b>45,396,921,358</b>
<b>CURRENT ASSETS</b>			
Spare parts and materials		233,859,199	233,209,116
Other receivables		1,930,972,099	2,111,843,011
Trade receivables		3,074,141,914	3,275,256,708
Cash and cash equivalents	<b>13</b>	570,828,938	947,744,359
<b>Total current assets</b>		<b>5,809,802,150</b>	<b>6,568,053,194</b>
<b>Total Assets</b>		<b>51,886,715,144</b>	<b>51,964,974,552</b>
<b>EQUITY</b>			
Share capital	<b>14</b>	138,172,150	138,172,150
Capital adjustment		1,307,274,346	1,307,274,346
Additional paid-in capital		1,319,906,742	1,319,906,742
Legal reserve		59,857,344	59,857,344
Optional reserve		996,491,704	996,491,704
Technical revaluation reserve		3,355,393,635	3,391,364,688
Special Reserve GR No. 777/18		3,431,430,569	3,468,216,766
Other comprehensive income/(loss)		(4,660,927)	(4,660,927)
Unappropriated retained earnings		126,571,014	(695,453,611)
<b>TOTAL EQUITY</b>		<b>10,730,436,577</b>	<b>9,981,169,202</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities, net		6,886,555,800	6,260,243,888
Defined benefit plan		29,154,168	26,827,708
Loans	<b>16</b>	22,593,591,134	24,706,680,908
Trade payables		1,067,648,326	1,580,448,159
<b>Total non-current liabilities</b>		<b>30,576,949,428</b>	<b>32,574,200,663</b>
<b>CURRENT LIABILITIES</b>			
Other debts		-	397,582
Tax payables		361,921,337	176,894,074
Salaries and social security liabilities		78,528,888	85,146,396
Defined benefit plan		2,878,301	3,102,795
Loans	<b>16</b>	5,396,544,498	4,170,255,199
Trade payables		4,739,456,115	4,973,808,641
<b>Total current liabilities</b>		<b>10,579,329,139</b>	<b>9,409,604,687</b>
<b>Total liabilities</b>		<b>41,156,278,567</b>	<b>41,983,805,350</b>
<b>Total liabilities and equity</b>		<b>51,886,715,144</b>	<b>51,964,974,552</b>

The accompanying notes form an integral part of these condensed interim Financial Statements.

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## Generación Mediterránea S.A.

### Condensed Interim Statement of Comprehensive Income

For the three-month periods ended March 31, 2020 and 2019

Stated in pesos

	Note	3/31/2020	3/31/2019
Sales revenue	7	2,640,629,815	2,874,817,718
Cost of sales	8	(1,025,213,171)	(1,068,864,256)
<b>Gross income/(loss)</b>		<b>1,615,416,644</b>	<b>1,805,953,462</b>
Selling expenses	9	(124,739)	(1,620,983)
Administrative expenses	10	(73,788,814)	(60,492,753)
Other income		6,248,486	259,208
<b>Operating income</b>		<b>1,547,751,577</b>	<b>1,744,098,934</b>
Financial income	11	358,893,088	164,506,344
Financial expenses	11	(804,731,789)	(567,129,298)
Other financial results	11	273,666,412	(974,469,328)
<b>Financial results, net</b>		<b>(172,172,289)</b>	<b>(1,377,092,282)</b>
<b>Pre-tax profit/(loss)</b>		<b>1,375,579,288</b>	<b>367,006,652</b>
Income tax		(626,311,913)	(31,474,234)
<b>Income for the period</b>		<b>749,267,375</b>	<b>335,532,418</b>
Revaluation of property, plant and equipment		-	(319,242,950)
Impact on income tax		-	79,810,738
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>(239,432,212)</b>
<b>Total comprehensive income/(loss) for the period</b>		<b>749,267,375</b>	<b>96,100,206</b>
<b>Earnings/(losses) per share</b>			
Basic and diluted earnings per share	15	5.42	2.43

The accompanying notes form an integral part of these condensed interim Financial Statements.

## Generación Mediterránea S.A.

### Condensed Interim Statement of Changes in Equity For the three-month periods ended March 31, 2020 and 2019 Stated in pesos

	Share capital (Note 14)	Capital Adjustment	Additional paid-in capital	Legal reserve	Optional reserve	Special Reserve GR No. 777/18	Special Reserve	Technical revaluation reserve	Other comprehensive income for the year	Unappropriated retained earnings	Total equity
<b>Balances at December 31, 2018</b>	<u>138,172,150</u>	<u>1,307,274,346</u>	<u>1,319,906,742</u>	<u>59,857,344</u>	<u>996,491,704</u>	<u>3,605,263,640</u>	<u>3,897,679</u>	<u>5,701,590,742</u>	<u>(1,403,915)</u>	<u>(2,279,740,451)</u>	<u>10,851,309,981</u>
Other comprehensive income for the three-month period	-	-	-	-	-	-	-	(239,432,212)	-	-	(239,432,212)
Reversal of technical revaluation reserve	-	-	-	-	-	(40,124,670)	-	(40,976,143)	-	81,100,813	-
Income for the three-month period	-	-	-	-	-	-	-	-	-	335,532,418	335,532,418
<b>Balances at March 31, 2019</b>	<u>138,172,150</u>	<u>1,307,274,346</u>	<u>1,319,906,742</u>	<u>59,857,344</u>	<u>996,491,704</u>	<u>3,565,138,970</u>	<u>3,897,679</u>	<u>5,421,182,387</u>	<u>(1,403,915)</u>	<u>(1,863,107,220)</u>	<u>10,947,410,187</u>
Shareholders' Meeting Minutes of April 18, 2019:											
- Reversal of special reserve	-	-	-	-	-	-	(3,897,679)	-	-	3,897,679	-
Other comprehensive income/(loss)	-	-	-	-	-	-	-	(1,854,059,293)	(3,257,012)	-	(1,857,316,305)
Reversal of technical revaluation reserve	-	-	-	-	-	(96,922,204)	-	(175,758,406)	-	272,680,610	-
Income for the supplementary nine-month period	-	-	-	-	-	-	-	-	-	891,075,320	891,075,320
<b>Balances at December 31, 2019</b>	<u>138,172,150</u>	<u>1,307,274,346</u>	<u>1,319,906,742</u>	<u>59,857,344</u>	<u>996,491,704</u>	<u>3,468,216,766</u>	<u>-</u>	<u>3,391,364,688</u>	<u>(4,660,927)</u>	<u>(695,453,611)</u>	<u>9,981,169,202</u>
Reversal of technical revaluation reserve	-	-	-	-	-	(36,786,197)	-	(35,971,053)	-	72,757,250	-
Income for the three-month period	-	-	-	-	-	-	-	-	-	749,267,375	749,267,375
<b>Balances at March 31, 2020</b>	<u>138,172,150</u>	<u>1,307,274,346</u>	<u>1,319,906,742</u>	<u>59,857,344</u>	<u>996,491,704</u>	<u>3,431,430,569</u>	<u>-</u>	<u>3,355,393,635</u>	<u>(4,660,927)</u>	<u>126,571,014</u>	<u>10,730,436,577</u>

The accompanying notes form an integral part of these condensed interim Financial Statements.

## Generación Mediterránea S.A.

### Condensed Interim Statement of Cash Flows

For the three-month periods ended March 31, 2020 and 2019

Stated in pesos

	Notes	3/31/2020	3/31/2019
<b>Cash flow provided by operating activities:</b>			
Income for the period		749,267,375	335,532,418
<b>Adjustments to arrive at net cash flows provided by operating activities:</b>			
Income tax		626,311,913	31,474,234
Accrued interest, net	11	443,973,317	401,745,060
Depreciation of property, plant and equipment	8 and 12	452,993,589	442,607,480
Income/(loss) from changes in the fair value of financial instruments	11	1,941,963	24,166,430
(Decrease) in provision for contingencies		-	(2,918,056)
Allowance for bad debts		-	(87,928)
Present value		11,633,723	15,268,463
Exchange differences, net	11	1,711,297,095	3,603,142,083
Other financial results		1,062,334	-
Employee benefit plans	8	1,039,632	774,506
RECPAM (Purchasing Power Parity)	11	(2,033,565,142)	(2,710,906,683)
<b>Changes in operating assets and liabilities:</b>			
Decrease/ (Increase) in trade receivables		321,301,083	(198,608,935)
Decrease in other receivables (1)		278,398,480	204,222,702
(Increase) in inventories		(1,476,321)	(26,414,878)
(Decrease) in trade payables (2)		(765,088,941)	(224,452,820)
(Decrease) in other liabilities		(394,773)	(1,571,604)
(Decrease) in salaries and social security liabilities		(6,194,981)	(31,041,241)
Employee benefit plans		-	-
Increase in tax payables		188,419,710	217,086,152
<b>Net cash flow provided by operating activities</b>		<b>1,980,920,056</b>	<b>2,080,017,383</b>
<b>Cash flow provided by investing activities:</b>			
Acquisition of property, plant and equipment	12	(497,056,897)	(475,592,886)
(Subscription) of mutual funds, net		-	(20,248,667)
Loans collected		-	37,475,946
Loans granted		(239,421,216)	(526,343,639)
<b>Net cash flows (used in) investing activities</b>		<b>(736,478,113)</b>	<b>(984,709,246)</b>
<b>Cash flow from financing activities:</b>			
Collection of financial instruments		-	361,690,639
Borrowings	16	842,121,846	414,590,681
Payment of loans	16	(1,221,496,869)	(1,046,713,459)
Payment of interest	16	(1,176,788,853)	(1,250,631,541)
<b>Net cash flows applied to financing activities</b>		<b>(1,556,163,876)</b>	<b>(1,521,063,680)</b>
<b>NET (DECREASE) IN CASH</b>		<b>(311,721,933)</b>	<b>(425,755,543)</b>
Cash and cash equivalents at the beginning of the period		947,744,359	512,268,958
Financial results of cash and cash equivalents		300,058	32,927,464
Gain/loss on purchasing power parity (RECPAM) of cash and cash equivalents		(65,493,546)	53,978,278
Cash and cash equivalents at the end of the period	13	570,828,938	173,419,157
		<b>(311,721,933)</b>	<b>(425,755,543)</b>

(1) Includes payments to suppliers for the purchase of property, plant and equipment for \$1,604,443,213 and \$622,315,076 at March 31, 2020 and 2019, respectively.

(2) Includes commercial payments for works financing. See Note 23.

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## **Generación Mediterránea S.A.**

**Condensed Interim Statement of Cash Flows (Cont'd)**  
For the three-month periods ended March 31, 2020 and 2019  
Stated in pesos

	<u>Notes</u>	<u>3/31/2020</u>	<u>3/31/2019</u>
<b>Material transactions not entailing changes in cash</b>			
Decrease/(Increase) resulting from technical revaluation		-	(239,432,212)
Interest and exchange difference capitalized in property, plant and equipment	<b>12</b>	(268,186,681)	(217,939,060)

## Generación Mediterránea S.A.

### Notes to the Condensed Interim Financial Statements

For the three-month periods ended March 31, 2020 and 2019  
and the fiscal year ended December 31, 2019  
Stated in pesos

#### NOTE 1: GENERAL INFORMATION

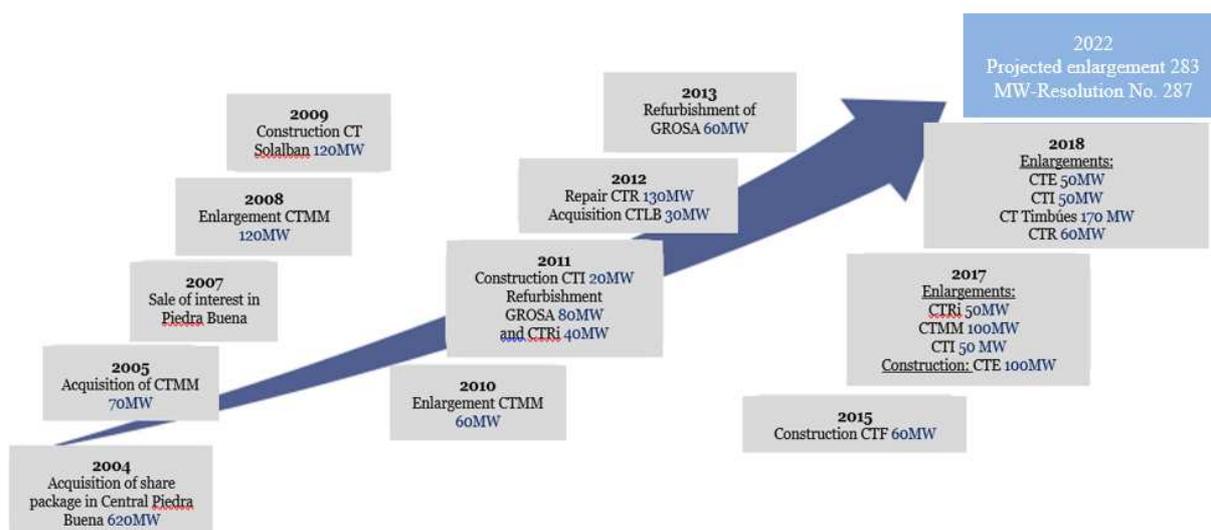
GMSA's main line of business is the conventional thermal power generation. It has six thermal power plants operating throughout the whole country fed with natural gas as well as diesel as alternative fuel. They sell the energy generated in accordance with different regulatory frameworks. GMSA's nominal installed capacity is 900 MW.

Power Plant	Nominal installed capacity	Resolution	Location
Central Térmica Modesto Maranzana (CTMM)	350 MW	ES Nos. 220/07, 1281/06 Plus and ES 31/2020	Río Cuarto, Córdoba
Central Térmica Independencia (CTI)	220 MW	ES Nos. 220/07, 1281/06 Plus, SEE 21/16 and ES 31/2020	San Miguel de Tucumán, Tucumán
Central Térmica Frías (CTF)	60 MW	ES No. 220/07 and ES 31/2020	Frías, Santiago del Estero
Central Térmica Riojana (CTRI)	90 MW	ES No. 220/07 and ES 31/2020	La Rioja, La Rioja
Central Térmica La Banda (CTLB)	30 MW	SE 31/2020	La Banda, Santiago del Estero
Central Térmica Ezeiza (CTE)	150 MW	SEE 21/16	Ezeiza, Buenos Aires
<b>Total nominal installed capacity</b>	<b>900 MW</b>		

GMSA is controlled by Albanesi S.A., an investing and financing company, which holds 95% of its capital and votes. ASA was established in 1994. Through its subsidiaries and related entities, the Company has invested in the energy market, in the power generation and commercialization segment, its main line of business to date.

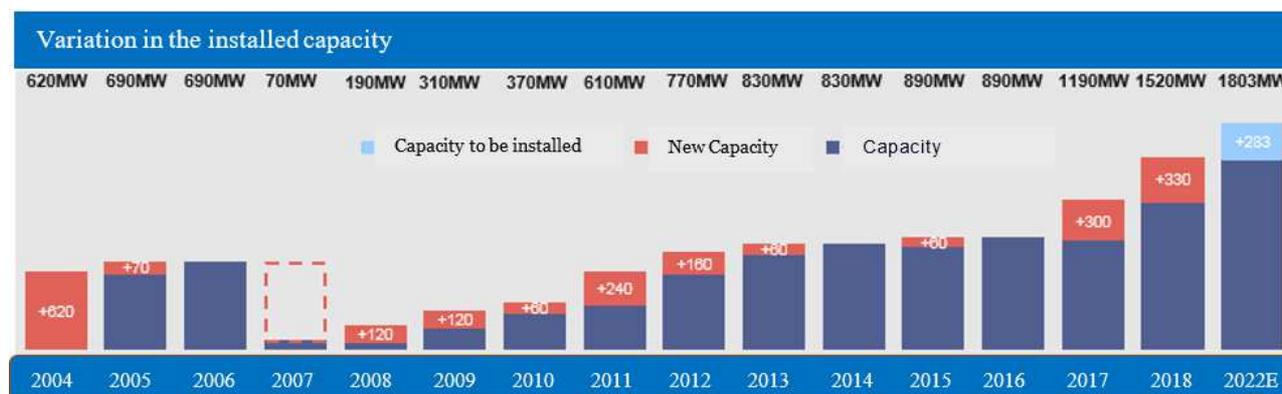
Albanesi Group had at the date these financial statements were signed a total installed capacity of 1,520 MW, representing 6.1% of the total installed thermoelectric capacity in Argentina, it being expanded with additional 283 MW with all the new projects awarded and currently under way.

Albanesi Group entered the electricity market in 2004 with the purchase of the power plant Luis Piedra Buena S.A. In this way the development of the electricity market became one of the main purposes of the Group.



**Generación Mediterránea S.A.**  
Notes to the Condensed Interim Financial Statements (Cont'd)

**NOTE 1: GENERAL INFORMATION (Cont'd)**



Through EES Resolution No. 287 - E/2017 of May 10, 2017, the EES instructed CAMMESA to call for those interested parties to offer new thermal generation focused on closure of combined cycles and co-generation technology, with the commitment to install and start up new generation to meet the demand in the WEM.

GMSA participated in that call and was awarded two projects for closure of combined cycles through SEE Resolution 926 – E/2017.

One of those projects is the closure of the combined cycle of the TG06 and TG07 units at CTMM, located in Río Cuarto, Province of Córdoba. The project consists in the installation of a new 54 MW Siemens SGT800 gas turbine (with a guaranteed power of 47.5 MW) and the conversion into combined cycle of the three gas turbines (3x1 configuration). For such conversion, a heat recovery steam generator that will generate steam at two pressures will be installed at the outflow of the gas turbines to feed a steam turbine SST-600 that will supply an additional 65 MW to the network, as well as the necessary infrastructure for its operation and maintenance. The project for the closure of CTMM combined cycle will enable contributing a further 112.5 MW to SADI. The addition of the new gas turbine will demand more fuel for the system. The addition of the steam turbine will contribute 65 MW, without additional consumption of fuel, with the complete cycle recording a specific consumption of 1,590 Kcal/KWh.

Another awarded project was the closure of the combined cycle of CTE TG01, TG02 and TG03 units. The project related to this bidding process consists in i) the installation of a fourth Siemens SGT-800 gas turbine of 54 MW and ii) the conversion into combined cycle of the four gas turbines. For the conversion into combined cycle, a steam recovery boiler will be installed at the gas exhaust of each of the gas turbines, which will produce steam in two pressures to feed two steam turbines (2x1 configuration) that will deliver 44 MW each to the network. The project for the closure of CTE combined cycle will enable contributing a further 138 MW to SADI. Although the new gas turbine to be installed will consume additional fuel, the inclusion of two steam turbines will contribute a further 88 MW without additional fuel consumption, and the two full cycles will have a specific consumption of 1,590 Kcal/KWh.

## **Generación Mediterránea S.A.**

### **Notes to the Condensed Interim Financial Statements (Cont'd)**

#### **NOTE 1: GENERAL INFORMATION (Cont'd)**

On September 2, 2019, the SRRYME Resolution No. 25/2019 was published whereby the generating agents awarded projects under ESS Resolution No. 287/2017 were authorized to extend the commercial authorization term.

On October 2, 2019, the Company used the option established in the Resolution to formally state a New Date for the Commercial Authorization Committed (NFHCC) under the wholesale demand agreements entered into in accordance with ESS Resolution No. 287/2017 belonging to CTE and CTMM, respectively.

For this purpose, the Company has stated as NFHCC December 6, 2022, for both agreements.

#### **Maintenance contract**

GMSA and PWPS entered into a global service agreement (Long Term Service Agreement), for the power plants CTMM, CTI and CTF. As set forth in the agreement, PWPS must provide on-site technical assistance on a permanent basis, a remote monitoring system to follow up on the efficient performance of the turbines, 24-hour assistance from the engineering department in the USA, original spare parts in a timely manner and repairs for planned and corrective maintenance. GMSA entered into an equipment lease agreement whereby PWPS must make available to GMSA under EXW conditions replacement equipment (Gas Generator/Power Turbine) for 72 hours, in case of unplanned placing of equipment out of service. PWPS thus guarantees availability of not less than ninety five percent (95%) to the Power Plants for a contractual year. Also, the Power Plants have their own repair shop with tools and stocks of spare parts to perform on-site repairs without having to send the equipment to the shop in the USA. The gas turbine equipment can be sent by plane, thus reducing the transportation time.

In addition, GMSA signed with Siemens S.A. and Siemens Industrial Turbomachinery AB a global service and spare part agreement for the power plants CTRi, CTMM, CTI and CTE. As set forth in the agreements, Siemens must provide on-site technical assistance on a permanent basis, a remote monitoring system to follow up on the performance of the turbines, 24-hour assistance from the engineering department, original spare parts in a timely manner and repairs for planned and corrective maintenance. In addition, the agreement establishes that Siemens will make available for GMSA replacement equipment (engine gas generator), if necessary, for CTRi, CTMM, CTI and CTE. Siemens thus guarantees an average availability of not less than ninety six percent (96%) to the above mentioned power plants for each biannual measurement period. In addition, the power plants have their own repair shop with tools and spare parts in stock to make on-site repairs. Compliance with the energy sale agreement with CAMMESA under Resolution No. 220/07 (for power plants CTRi and CTMM) and Resolution No. 21/16 (for power plants CTI and CTE) is thus guaranteed.

**Generación Mediterránea S.A.**  
**Notes to the Condensed Interim Financial Statements (Cont'd)**

**NOTE 1: GENERAL INFORMATION (Cont'd)**

**Maintenance contract (Cont'd)**



The high availability percentages shown in the graphic above ensure to a great extent the estimated operating income/(loss) of the business and the compliance with the goals established by the Board.

**The environment**

CTMM has maintained certification of an Integrated Management System under ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007. The pertinent documentation has been updated in compliance with the new management requirements, as a result of the enlargement of its electric power generation process.

In July 2017, the Environmental and Quality Management Systems were migrated to the new 2015 version and placed in production, upon completion of the respective in-house training and distance learning.

CTI, CTLB, CTRi and CTF have maintained certification of an Environmental Management System under ISO 14001:2015, developed and implemented within the corporation. The pertinent documentation has been updated in compliance with the new management requirements of the organization, as a result of the changes introduced with the updated version of the Standard and the field realities in view of the project development related to the expansion of the existing processes and the installation of new generation sites.

In July 2017, the Environmental Management System was migrated to the new 2015 version and placed in production, upon completion of the respective in-house training and distance learning.

The staff has been trained according to the training needs identified for a correct performance of duties, and the controls and preventative follow-ups undertaken have been performed as planned.

**Generación Mediterránea S.A.**  
**Notes to the Condensed Interim Financial Statements (Cont'd)**

**NOTE 1: GENERAL INFORMATION (Cont'd)**

**The environment (Cont'd)**

During the period from October to November 2017, a new external audit on maintenance control of the Integrated Management System was conducted by IRAM as the certification agency, with a positive outcome.

**NOTE 2: REGULATORY ASPECTS RELATED TO THE COMPANY'S POWER GENERATION ACTIVITIES**

The regulatory aspects related to electricity generation for these Condensed Interim Financial Statements are consistent with those used in the financial information for the last fiscal year, except for the amendments included below:

**Resolution ES No. 31/2020**

ES Resolution 31/2020 was published on February 27, 2020, repealing SRRYME Resolution No. 1/2019

Firstly, the Guaranteed Availability for Power is maintained of thermal generators and adds that the operation of the generating park will be evaluated during 50 hours each month in which the maximum thermal requirement is recorded, that is, in the 50 hours in which the highest dispatch of thermal generation is recorded in the month.

Secondly, it maintains the same remuneration items until now in effect: available power (actual power availability and DIGO) and energy (energy generated, operated energy and energy generated in the maximum thermal requirement hours).

The following table shows the Base Price for the Power, according to the technology and scale (PrecBasePot):

1. Power prices:

a. Base Power (for those generators not guaranteeing any availability)

Technology/Scale	PrecBasePot [\$/MW-month]
CC large P > 150 MW	100,650
CC small P ≤ 150 MW	112,200
TV large P > 100 MW	143,500
TV small P ≤ 100 MW	171,600
TG large P > 50 MW	117,150
TG small P ≤ 50 MW	151,800
Internal combustion engines > 42 MW	171,600
CC small P ≤ 15 MW	204,000
TV small P ≤ 15 MW	312,000
TG small P ≤ 15 MW	276,000
Internal combustion engines ≤ 42 MW	312,000

## Generación Mediterránea S.A.

### Notes to the Condensed Interim Financial Statements (Cont'd)

#### **NOTE 2: REGULATORY ASPECTS RELATED TO THE COMPANY'S POWER GENERATION ACTIVITIES (Cont'd)**

##### **ES Resolution No. 31/2020 (Cont'd)**

##### b. DIGO Guaranteed Power

Period	PrecPotDIGO [\$/MW-month]
<b>Summer:</b> December - January - February	360,000
<b>Winter:</b> June - July - August	360,000
<b>Rest of the year:</b> March - April - May - September - October - November	270,000

Further, they add a DIGO power remuneration for Internal Combustion Engines < 42 MW.

All thermal units will be remunerated in accordance with their average monthly availability when not under maintenance. The DIGO unavailability will be recorded for any own flaw or due to the failure to consume fuel allocated in the economic dispatch.

In addition, power remuneration will be affected by the use factor. If the use factor of the generation unit is lower than 30%, the remuneration of the Base Power or DIGO will be affected by 60%.

Finally, generators will receive a monthly remuneration for the average power effectively delivered in the Maximum Thermal Requirement hours at the price of the Power in Hours of Maximum Thermal Requirement: 37,500 \$/MW (590 US\$/MW).

#### 2. Energy prices

##### a. Operation and maintenance

Technology/Scale	Natural gas	Fuel Oil/ Gas Oil
	\$/MWh	\$/MWh
CC large P > 150 MW	240	420
CC small P ≤ 150 MW	240	420
TV large P > 100 MW	240	420
TV small P ≤ 100 MW	240	420
TG large P > 50 MW	240	420
TG small P ≤ 50 MW	240	420
Internal combustion engines	240	420

## **Generación Mediterránea S.A.**

### **Notes to the Condensed Interim Financial Statements (Cont'd)**

#### **NOTE 2: REGULATORY ASPECTS RELATED TO THE COMPANY'S POWER GENERATION ACTIVITIES** **(Cont'd)**

##### **ES Resolution No. 31/2020 (Cont'd)**

- b. It will receive \$ 84/Mwh for Operated Energy.

Resolution applied as from the transaction in February 2020. All values stated in Argentine Pesos in this Resolution are updated every month 60% CPI / 40% WPI, taking the March transaction as basis.

The transactional adjustment index is temporarily suspended.

#### **NOTE 3: BASIS FOR PRESENTATION**

The interim condensed Financial Statements for the three-month periods ended March 31, 2020 and 2019 have been prepared in accordance with IAS 34. This condensed interim financial information must be read jointly with the Company's Financial Statements for the year ended December 31, 2019.

The presentation in the condensed interim statement of financial position segregates current and non-current assets and liabilities. Current assets and liabilities are those which are expected to be recovered or settled within twelve months following the end of the reporting period. In addition, the Company reports on the cash flows from operating activities using the indirect method.

The fiscal year commences on January 1 and ends December 31 of each year.

Economic and financial results are presented on the basis of the fiscal year, in proportion to the elapsed period.

The interim condensed Financial Statements for the three-month period ended March 31, 2020 and 2019 have not been audited. Company Management considers that they include all the necessary adjustments to reasonably present the results for each period. The results for the three-month periods ended March 31, 2020 and 2019 do not necessary reflect the proportion of the Company's results for full fiscal years.

These condensed interim Financial Statements are stated in pesos, without cents, the same as the notes, except for the net earnings per share.

These condensed interim Financial Statements were approved for issuance by the Company's Board of Directors on May 12, 2020.

**Generación Mediterránea S.A.**  
**Notes to the Condensed Interim Financial Statements (Cont'd)**

**NOTE 3: BASIS FOR PRESENTATION (Cont'd)**

**Going concern principle**

At the date of these condensed interim Financial Statements, there is no uncertainty as to events or conditions that could raise doubt about the Company's ability to continue operating normally as a going concern.

**Comparative information**

Balances at December 31, 2019 and for the three-month period ended March 31, 2019, disclosed for comparative purposes in these Interim Condensed Financial Statements, arise from financial statements at that date, restated in constant currency at March 31, 2020. Certain reclassifications have been included in the financial statement figures presented for comparative purposes to conform them to the current period presentation.

**Financial reporting in hyperinflationary economies**

These condensed interim Financial Statements are stated in constant currency as established by IAS 29. See a description of the procedure for the adjustment for inflation in Note 3 to the December 31, 2019 Financial Statements.

**Tax inflation adjustment**

To determine the net taxable income, an adjustment for inflation computed according to Sections 95 to 98 of Income Tax Law must be deducted from or added to the tax result of the fiscal period being calculated. This will be applicable in the fiscal year in which the variation percentage of the General Consumer Price Index (CPI) accumulated over the 36 months prior to the year end is higher than 100%. These provisions are applicable for fiscal years commencing on or after January 1, 2018. For the first, second and third fiscal years following its effective date, it will be applicable when the index variation, calculated from the beginning to the end of each year, exceeds 55%, 30% and 15% in the first, second and third year of application, respectively. The inflation adjustment for the fiscal year under calculation will have effect either as a negative or positive adjustment, as applicable; 1/3 will be allocated in the relevant fiscal period and the remaining 5/6, in two equal parts, in the two immediately following fiscal years.

The company estimated that by March 31, 2020, CPI variation will exceed the index mentioned in the paragraph above; accordingly, the Company included this adjustment in the determination of the taxable income for the current year.

## **Generación Mediterránea S.A.**

### **Notes to the Condensed Interim Financial Statements (Cont'd)**

#### **NOTE 4: ACCOUNTING POLICIES**

The accounting policies adopted for these condensed interim Financial Statements are consistent with those used in the audited financial information corresponding to the last fiscal year, which ended on December 31, 2019, except for those mentioned below.

There are no new IFRS or IFRIC applicable as from the current period which have a material impact on the condensed interim Financial Statements of the Company.

These condensed interim Financial Statements must be read together with the audited Financial Statements at December 31, 2019 prepared under IFRS.

The Company measures facilities, machinery and buildings at fair value less accumulated depreciation and impairment losses recognized at the date of revaluation, if any. Land is measured at fair value and is not depreciated. (See accounting policy of property, plant and equipment in Note 4 to the Financial Statements at December 31, 2019). Revaluations are made frequently enough to make sure that the fair value of a revalued asset does not differ significantly from its carrying amount.

At March 31, 2020, the Company has not revalued land, buildings, facilities and machinery, for there have not been important changes in the fair values of those assets caused by macroeconomic fluctuations.

#### **NOTE 5: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of Financial Statements requires Company Management to make estimates and assessments concerning the future, apply critical judgments and establish premises that affect application of the accounting policies and the reported amounts of assets, liabilities, income and expenses.

These estimates and judgments are continually evaluated and are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual future results may differ from those estimates and assessments made at the date these condensed interim Financial Statements were prepared.

In preparing these condensed interim Financial Statements, the critical judgments delivered by the Management to apply the Company's accounting policies and the sources of information used for the related estimates are the same as those delivered in the Financial Statements for the fiscal year ended December 31, 2019.

**Generación Mediterránea S.A.**  
**Notes to the Condensed Interim Financial Statements (Cont'd)**

**NOTE 5: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)**

**5.1) Fair value of property, plant and equipment**

The Company has opted to value land, buildings, facilities, machinery and turbines at fair value applying discounted cash flows or comparable techniques.

The fair value calculated by means of the discounted cash flow was used to value facilities, machinery and turbines. This cash flow was prepared on the basis of estimates with an approach to consider different scenarios according to their probability of occurrence.

The following variables have been taken into account in relation to the estimates made: (i) exchange rate fluctuations; (ii) availability and dispatch of turbines associated with demand projections according to vegetative growth; (iii) operating and maintenance cost; (iv) number of employees; (v) discount rate used, among others. Each of these scenarios contemplate different assumptions regarding the critical variables used.

The discounted cash flows at December 31, 2019 considered two scenarios (pessimistic and basic scenarios) with different probabilities of occurrence. The two scenarios arose from rate schedules in force at that date and were combined with different turbine dispatch alternatives.

The criteria considered in each scenario were the following:

1. Base scenario: in this case the Company considers a historical average availability and an expected dispatch according to projections of the demand for energy with a vegetative growth. Probability of occurrence: 70%.
2. Pessimistic scenario: in this case the Company considers a historical average availability and a dispatch of less than expected of the demand for energy. Probability of occurrence: 30%.

**Generación Mediterránea S.A.**  
**Notes to the Condensed Interim Financial Statements (Cont'd)**

**NOTE 5: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)**

**5.1) Fair value of property, plant and equipment (Cont'd)**

In all scenarios a discount rate in dollars of approximately 11.51% was used, which contemplates the future scenarios.

The percentages of probability of occurrence assigned were mainly based on the occurrence of different past events (experience).

Actual results could differ from the estimates, so the projected cash flows might be badly affected if any of the above-mentioned factors changes in the near future.

The Company cannot assure that the future behavior of those variables will be in line with projections, and differences might arise between the estimated cash flows and the ones really obtained.

The fair value determination of property, plant and equipment is significantly affected by the dollar exchange rate. This situation, valuation processes and results are discussed and approved by the Board of the Companies at least once a year.

However, if the discounted cash flow differs by 10% from Management estimates, the Company will need:

To increase the fair value of land, buildings, facilities and machinery by \$ 3,228 million, if it were favorable; or

To reduce the fair value of land, buildings, facilities and machinery by \$ 3,228 million, if it were not favorable.

At March 31, 2020, the Company performed an analysis of the variables that are considered for the calculation of the recoverable value of property, plant and equipment and concluded that there were no significant changes in such variables.

**NOTE 6: FINANCIAL RISK MANAGEMENT**

The Company's activities are disclosed under sundry financial risks: market risk (including the foreign exchange risk, fair value interest rate risk and price risk), credit risk and liquidity risk.

**Generación Mediterránea S.A.**  
**Notes to the Condensed Interim Financial Statements (Cont'd)**

**NOTE 6: FINANCIAL RISK MANAGEMENT (Cont'd)**

These condensed interim Financial Statements do not include all the information required for the annual Financial Statements regarding risk management. They must be read jointly with the Financial Statements for the year ended December 31, 2019. No significant changes have been made to risk management policies since the last annual closing.

**NOTE 7: SALES REVENUE**

	<u>3/31/2020</u>	<u>3/31/2019</u>
Sale of electricity Res. No. No. 95, as amended, plus spot	120,983,535	103,395,871
Energy Plus sales	465,502,130	588,268,286
Sale of electricity Res. No. 220	1,101,954,926	900,642,913
Sale of electricity Res. No. 21	952,189,224	1,282,510,648
	<u><b>2,640,629,815</b></u>	<u><b>2,874,817,718</b></u>

**NOTE 8: COST OF SALES**

	<u>3/31/2020</u>	<u>3/31/2019</u>
Purchase of electric energy	(129,016,056)	(246,132,716)
Gas and diesel consumption at the plant	(112,350,901)	-
Fees and compensation for services	(9,114,480)	(4,563,233)
Salaries and social security contributions	(76,623,490)	(86,743,472)
Defined benefit plan	(1,039,632)	(774,506)
Other employee benefits	(3,820,956)	(5,898,319)
Taxes, rates and contributions	(10,499,556)	(15,386,546)
Maintenance services	(202,448,288)	(233,259,797)
Depreciation of property, plant and equipment	(452,993,589)	(442,607,480)
Per diem, travel and representation expenses	(53,210)	(11,476,024)
Insurance	(20,717,676)	(14,990,682)
Communication expenses	(5,151,516)	(4,436,667)
Sundry	(1,383,821)	(2,594,814)
	<u><b>(1,025,213,171)</b></u>	<u><b>(1,068,864,256)</b></u>

**NOTE 9: SELLING EXPENSES**

	<u>3/31/2020</u>	<u>3/31/2019</u>
Taxes, rates and contributions	(124,739)	(1,533,055)
Bad debts	-	(87,928)
	<u><b>(124,739)</b></u>	<u><b>(1,620,983)</b></u>

## Generación Mediterránea S.A.

### Notes to the Condensed Interim Financial Statements (Cont'd)

#### **NOTE 10: ADMINISTRATIVE EXPENSES**

	<u>3/31/2020</u>	<u>3/31/2019</u>
Fees and compensation for services	(56,352,783)	(44,711,104)
Salaries and social security contributions	(9,995,715)	(11,828,655)
Taxes, rates and contributions	(1,939,831)	(666,121)
Per diem, travel and representation expenses	(263,265)	-
Office expenses	(1,222,831)	(404,210)
Communication expenses	(929,518)	(57,987)
Rental	(2,180,889)	(2,188,666)
Donations	(178,775)	(113,938)
Sundry	(725,207)	(522,072)
	<u><b>(73,788,814)</b></u>	<u><b>(60,492,753)</b></u>

#### **NOTE 11: FINANCIAL RESULTS**

	<u>3/31/2020</u>	<u>3/31/2019</u>
<u>Financial income</u>		
Commercial interest	113,656,119	13,879,389
Interest on loans granted	245,236,969	150,626,955
<b>Total financial income</b>	<u><b>358,893,088</b></u>	<u><b>164,506,344</b></u>
<u>Financial expenses</u>		
Interest on loans	(776,536,451)	(546,522,056)
Commercial and other interest	(26,329,954)	(19,729,348)
Bank expenses and commissions	(1,865,384)	(877,894)
<b>Total financial expenses</b>	<u><b>(804,731,789)</b></u>	<u><b>(567,129,298)</b></u>
<u>Other financial results</u>		
Exchange differences, net	(1,711,297,095)	(3,603,142,083)
Changes in the fair value of financial instruments	(11,411,280)	(24,166,430)
RECPAM (Purchasing Power Parity)	2,033,565,142	2,710,906,683
Other financial results	(37,190,355)	(58,067,498)
<b>Total other financial results</b>	<u><b>273,666,412</b></u>	<u><b>(974,469,328)</b></u>
<b>Total financial results, net</b>	<u><b>(172,172,289)</b></u>	<u><b>(1,377,092,282)</b></u>

**Generación Mediterránea S.A.**  
**Notes to the Condensed Interim Financial Statements (Cont'd)**

**NOTE 12: PROPERTY, PLANT AND EQUIPMENT**

Type of asset	Original values					Depreciation				Net amount at end of period/year	
	At beginning of period/year	Increases	Transfers/ withdrawals	Technical revaluation	At the end of period/year	Accumulated at beginning of period/year	For the period/year (1)	Technical revaluation	Accumulated at the end of period/year	At 3/31/2020	At 12/31/2019
Land	1,006,719,222	2,898,538	-	-	1,009,617,760	-	-	-	-	1,009,617,760	1,006,719,222
Buildings	1,518,803,661	-	-	-	1,518,803,661	-	8,158,671	-	8,158,671	1,510,644,990	1,518,803,661
Facilities	3,485,422,982	180,977	-	-	3,485,603,959	-	63,944,389	-	63,944,389	3,421,659,570	3,485,422,982
Machinery	26,717,558,363	2,877,066	-	-	26,720,435,429	-	377,516,385	-	377,516,385	26,342,919,044	26,717,558,363
Works in progress - Extension of Plant	9,341,971,528	759,160,025	-	-	10,101,131,553	-	-	-	-	10,101,131,553	9,341,971,528
Computer and office equipment	59,197,349	126,972	-	-	59,324,321	45,713,093	2,060,271	-	47,773,364	11,550,957	13,484,256
Vehicles	37,121,717	-	-	-	37,121,717	21,129,312	1,313,873	-	22,443,185	14,678,532	15,992,405
Spare parts and materials	296,206,862	-	-	-	296,206,862	-	-	-	-	296,206,862	296,206,862
<b>Total at 3/31/2020</b>	<b>42,463,001,684</b>	<b>765,243,578</b>	<b>-</b>	<b>-</b>	<b>43,228,245,262</b>	<b>66,842,405</b>	<b>452,993,589</b>	<b>-</b>	<b>519,835,994</b>	<b>42,708,409,268</b>	<b>-</b>
<b>Total at 12/31/2019</b>	<b>40,371,918,707</b>	<b>6,961,922,749</b>	<b>(121,015)</b>	<b>(4,870,718,757)</b>	<b>42,463,001,684</b>	<b>534,634,104</b>	<b>1,611,605,055</b>	<b>(2,079,396,754)</b>	<b>66,842,405</b>	<b>-</b>	<b>42,396,159,279</b>
<b>Total at 3/31/2019</b>	<b>40,371,918,707</b>	<b>693,531,946</b>	<b>-</b>	<b>(1,237,134,300)</b>	<b>39,828,316,353</b>	<b>534,634,104</b>	<b>442,607,480</b>	<b>(917,891,350)</b>	<b>59,350,234</b>	<b>39,768,966,119</b>	<b>-</b>

(1) Depreciation charges for the three-month period ended March 31, 2020 and for the fiscal year ended December 31, 2019 were allocated to cost of sales.

**Generación Mediterránea S.A.**  
**Notes to the Condensed Interim Financial Statements (Cont'd)**

**NOTE 13: CASH AND CASH EQUIVALENTS**

	<u>3/31/2020</u>	<u>12/31/2019</u>
Cash	470,258	500,031
Banks in local currency	20,558,586	29,932,916
Banks in foreign currency	392,386,308	762,123,610
Mutual funds	95,321,225	154,475,552
Checks to be deposited	62,092,561	712,250
	<u><b>570,828,938</b></u>	<u><b>947,744,359</b></u>

For the purposes of the cash flow statement, cash, cash equivalents and bank overdraft facilities include:

	<u>3/31/2020</u>	<u>3/31/2019</u>
Cash and cash equivalents	570,828,938	173,419,157
<b>Cash and cash equivalents (bank overdraft included)</b>	<u><b>570,828,938</b></u>	<u><b>173,419,157</b></u>

**NOTE 14: CAPITAL STATUS**

Share capital subscribed at March 31, 2020 amounted to \$ 138,172,150.

**NOTE 15: EARNINGS (LOSSES) PER SHARE**

*Basic*

The basic earnings per share are calculated by dividing the income attributable to the holders of the Company's equity instruments by the weighted average number of ordinary shares outstanding during the period.

	<u>3/31/2020</u>	<u>3/31/2019</u>
Income for the period	749,267,375	335,532,418
Weighted average of outstanding ordinary shares	138,172,150	138,172,150
<b>Basic earnings per share</b>	<b>5.42</b>	<b>2.43</b>

There are no differences in the calculation of the basic earnings per share and the diluted earnings per share, as there are no preferred shares or negotiable obligations convertible into ordinary shares.

Free translation from the original prepared in Spanish for publication in Argentina

**Generación Mediterránea S.A.**  
Notes to the Condensed Interim Financial Statements (Cont'd)

**NOTE 16: LOANS**

<u>Non-Current</u>	<u>3/31/2020</u>	<u>12/31/2019</u>
International bond	17,154,756,426	17,180,425,844
Foreign loan debt	-	322,597,114
Negotiable obligations	5,382,752,662	7,116,566,438
Other bank debts	-	21,520,378
Finance lease debts	56,082,046	65,571,134
	<b><u>22,593,591,134</u></b>	<b><u>24,706,680,908</u></b>
<u>Current</u>		
International bond	273,818,126	689,218,329
Related companies	916,905,624	333,289,052
Foreign loan debt	707,936,901	730,300,909
Syndicated loans	424,296,210	430,324,151
Negotiable obligations	2,458,303,513	1,357,052,832
Other bank debts	573,651,502	584,740,382
Finance lease debts	41,632,622	45,329,544
	<b><u>5,396,544,498</u></b>	<b><u>4,170,255,199</u></b>

At March 31, 2020, the total financial debt amounts to \$27,990 million. The following table shows the total debt at that date.

	<u>Principal</u>	<u>Balances at March 31, 2020</u>	<u>Interest rate</u>	<u>Currency</u>	<u>Date of Issue</u>	<u>Maturity date</u>
		(Pesos)	(%)			
<u>Loan agreement</u>						
Cargill	USD 10,000,000	707,936,901	LIBOR + 4.25%	USD	February 16, 2018	January 29, 2021
<b>Subtotal</b>		<b>707,936,901</b>				
<u>Debt securities</u>						
International Bond	USD 266,000,000	17,428,574,552	9.625%	USD	July 27, 2016	July 27, 2023
Class VIII Negotiable Obligations	\$ 312,884,660	297,674,259	BADLAR + 5%	ARS	August 28, 2017	August 28, 2021
Class X Negotiable Obligations	USD 25,333,506	1,626,119,435	8.50% until the first date of amortization, 10.50% until the second amortization date, 13.00% until the third amortization date.	USD	December 4, 2019	February 16, 2021
Class I Negotiable Obligation co-issuance	USD 3,014,000	209,772,948	6.68%	USD	October 11, 2017	October 11, 2020
Class II Negotiable Obligation co-issuance	USD 72,000,000	4,601,758,902	15.00%	USD	August 5, 2019	May 5, 2023
Class III Negotiable Obligation co-issuance	USD 17,153,855	1,105,730,631	8.00% until the first date of amortization, 13.00% until the second date of amortization	USD	December 4, 2019	April 12, 2021
<b>Subtotal</b>		<b>25,269,630,727</b>				
<u>Syndicated loan</u>						
ICBC / Hipotecario / Citibank	\$ 396,500,000	424,296,210	TM20 + 8.00%	ARS	December 27, 2019	December 27, 2020
<b>Subtotal</b>		<b>424,296,210</b>				
<u>Other liabilities</u>						
Banco Macro loan	USD 3,333,333	221,373,005	10.00%	USD	August 30, 2018	January 12, 2021
Banco Chubut loan	USD 170,490	11,037,717	11.00%	USD	October 18, 2019	April 16, 2020
Banco Chubut loan	USD 507,002	33,030,707	11.00%	USD	November 25, 2019	May 25, 2020
Banco Chubut loan	USD 673,018	43,859,560	11.00%	USD	December 23, 2019	June 23, 2020
Banco Chubut loan	USD 1,000,000	64,993,583	11.00%	USD	March 4, 2020	March 4, 2020
Banco Supervielle loan	\$ 55,761,854	58,971,725	54.50%	ARS	January 22, 2020	May 22, 2020
Banco Supervielle loan	\$ 135,000,000	140,385,205	52.00%	ARS	March 3, 2020	April 2, 2020
Related companies (Note 18)	\$916,905,624	916,905,624	35.00%	ARS	June 28, 2019	June 28, 2020
Finance lease		97,714,668				
<b>Subtotal</b>		<b>1,588,271,794</b>				
<b>Total financial debt</b>		<b><u>27,990,135,632</u></b>				

**Generación Mediterránea S.A.**  
**Notes to the Condensed Interim Financial Statements (Cont'd)**

**NOTE 16: LOANS (Cont'd)**

The due dates of Company loans and their exposure to interest rates are as follows:

	<u>3/31/2020</u>	<u>12/31/2019</u>
<b>Fixed rate</b>		
Less than 1 year	4,236,961,383	2,946,970,248
Between 1 and 2 years	2,805,515,685	4,089,930,446
Between 2 and 3 years	1,811,053,230	1,810,145,933
More than 3 years	17,608,983,296	18,082,898,360
	<u><b>26,462,513,594</b></u>	<u><b>26,929,944,987</b></u>
<b>Floating rate</b>		
Less than 1 year	1,159,583,115	1,223,284,951
Between 1 and 2 years	352,266,384	698,241,441
Between 2 and 3 years	15,772,539	25,434,570
More than 3 years	-	30,158
	<u><b>1,527,622,038</b></u>	<u><b>1,946,991,120</b></u>
	<u><b>27,990,135,632</b></u>	<u><b>28,876,936,107</b></u>

The fair value of Company's international bonds at March 31, 2020 and December 31, 2019 amounts to approximately \$7,224 million and \$10,905 million, respectively. Fair value was calculated based on the estimated market price of the Company's international bonds at the end of each fiscal year/period. The applicable fair value category would be Level 1.

The other loans at variable rates have been stated at fair value. Fixed-rate loans do not differ significantly from their fair value, as they were issued at a near date.

Fair values are based on the present value of contractual cash flows, applying a discount rate derived from observable market prices of other similar debt instruments, plus the respective credit risk.

**Generación Mediterránea S.A.**  
**Notes to the Condensed Interim Financial Statements (Cont'd)**

**NOTE 16: LOANS (Cont'd)**

As a result of the issue of International Bonds, the Company has undertaken standard commitments for this type of issue, whose specific conditions are detailed in the pertinent public prospectus. At the date of these condensed interim Financial Statements, the Company is in compliance with all commitments undertaken.

Company loans are denominated in the following currencies:

	<u>3/31/2020</u>	<u>12/31/2019</u>
Argentine pesos	1,840,274,077	1,273,599,398
US dollars	26,149,861,555	27,603,336,709
	<u><b>27,990,135,632</b></u>	<u><b>28,876,936,107</b></u>

Changes in Company loans were as follows:

	<u>3/31/2020</u>	<u>3/31/2019</u>
Loans at beginning of the period	28,876,936,107	25,910,806,627
Loans received	842,121,846	414,590,681
Loans paid	(1,221,496,869)	(1,046,713,459)
Accrued interest	867,089,046	654,651,735
Interest paid	(1,176,788,853)	(1,250,631,541)
Exchange difference	1,879,062,251	3,196,278,539
Capitalized expenses	4,444,169	(10,089,915)
RECPAM (Purchasing Power Parity)	(2,081,232,065)	(2,763,382,197)
<b>Loans at year end</b>	<u><b>27,990,135,632</b></u>	<u><b>25,105,510,470</b></u>

**NOTE 17: PROVISIONS**

	<u>For trade receivables</u>
<b>Balances at December 31, 2019</b>	2,862,901
RECPAM (Purchasing Power Parity)	(207,137)
<b>Balances at March 31, 2020</b>	<u><b>2,655,764</b></u>

Provisions cover contingencies arising in the ordinary course of business and other sundry risks that could create obligations for the Company. In estimating the amounts and probabilities of occurrence, the opinion of the Company's legal advisors has been considered.

**Generación Mediterránea S.A.**  
Notes to the Condensed Interim Financial Statements (Cont'd)

**NOTE 18: TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

	Gain / (loss)	
	\$	
	3/31/2020	3/31/2019
<i>a) Sales of energy</i>		
<b>Other related parties:</b>		
Solaban Energía S.A.	-	259,859
RGA	13,057,244	38,983,571
	<b>13,057,244</b>	<b>39,243,430</b>
<i>b) Purchase of gas and energy</i>		
<b>Other related parties:</b>		
Solaban Energía S.A.	(508,482)	36,448
RGA (*)	(295,869,405)	(1,538,374,551)
	<b>(296,377,887)</b>	<b>(1,538,338,103)</b>
<i>c) Administrative services and management</i>		
<b>Other related parties:</b>		
RGA	(103,749,881)	(108,196,814)
	<b>(103,749,881)</b>	<b>(108,196,814)</b>
<i>d) Rental</i>		
<b>Other related parties:</b>		
RGA	(2,180,889)	(2,188,666)
	<b>(2,180,889)</b>	<b>(2,188,666)</b>
<i>e) Other purchases and services received</i>		
<b>Other related parties:</b>		
AJSA - Flights made	-	(47,501,005)
ASA - guarantee	(997,410)	(1,501,450)
	<b>(997,410)</b>	<b>(49,002,455)</b>
<i>f) Recovery of expenses</i>		
<b>Other related parties:</b>		
RGA	678,478	628,874
GROSA	275,861	346,410
CTR	195,980	5,365,209
AESA	631,543	33,178
	<b>1,781,862</b>	<b>6,373,671</b>

(\*) Correspond to gas purchases, which are partly assigned to CAMMESA within the framework of the Natural Gas Dispatch Procedure for power generation.

**Generación Mediterránea S.A.**  
Notes to the Condensed Interim Financial Statements (Cont'd)

**NOTE 18: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)**

	Gain / (loss)	
	\$	
	3/31/2020	3/31/2019
<i>g) Interest generated due to loans obtained</i>		
<b><u>Other related parties:</u></b>		
CTR	(63,346,946)	-
	<b>(63,346,946)</b>	-
 <i>h) Interest generated due to loans granted</i>		
<b><u>Other related parties:</u></b>		
CTR	-	34,109,390
GROSA	924,457	-
Directors/Shareholders	2,530,185	2,048,455
ASA	241,782,327	114,469,109
	<b>245,236,969</b>	<b>150,626,954</b>
 <i>i) Gas pipeline works</i>		
<b><u>Other related parties:</u></b>		
RGA	-	(1,306,269)
	-	<b>(1,306,269)</b>
 <i>j) Construction work management service</i>		
<b><u>Other related parties:</u></b>		
RGA	-	(30,123,791)
	-	<b>(30,123,791)</b>
 <i>K) Other services rendered</i>		
<b><u>Other related parties:</u></b>		
RGA - guarantee	1,827,014	-
	<b>1,827,014</b>	-

*l) Remuneration of key managerial staff*

The senior management includes directors (executive and non-executive). Managerial staff's fees at March 31, 2020 and 2019 amounted to \$7,438,087 and \$17,790,892, respectively.

	3/31/2020	3/31/2019
<b><u>Other related parties:</u></b>		
Salaries	(7,438,087)	(17,790,892)
	<b>(7,438,087)</b>	<b>(17,790,892)</b>

**Generación Mediterránea S.A.**  
Notes to the Condensed Interim Financial Statements (Cont'd)

**NOTE 18: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)**

*m) Balances at the date of the statements of financial position*

	<u>3/31/2020</u>	<u>12/31/2019</u>
<u>Other current receivables with other related parties</u>		
AESA	11,003,936	11,081,237
AJSA	28,834,522	-
CTR	21,763	9,448,539
GROSA	30,842,409	31,935,280
Directors/Shareholders	36,654,090	31,961,604
	<u><b>107,356,720</b></u>	<u><b>84,426,660</b></u>
<u>Other non-current receivables with other related parties</u>		
ASA	3,188,340,837	2,932,923,244
	<u><b>3,188,340,837</b></u>	<u><b>2,932,923,244</b></u>
<u>Current trade payables with other related parties</u>		
RGA	856,841,280	1,420,204,830
AJSA	-	178,384
	<u><b>955,648,280</b></u>	<u><b>1,420,383,214</b></u>
<u>Other current debts with other related parties</u>		
BDD	-	397,582
	<u><b>-</b></u>	<u><b>397,582</b></u>
<u>Current loans with other parties related parties</u>		
CTR	916,905,624	333,289,052
	<u><b>916,905,624</b></u>	<u><b>333,289,052</b></u>

*n) Loans granted to related parties*

	<u>3/31/2020</u>	<u>3/31/2019</u>
<b>Loans to ASA</b>		
Opening balance	2,932,923,244	1,327,324,531
Loans granted	234,823,223	511,624,931
Accrued interest	241,782,327	114,469,109
RECPAM (Purchasing Power Parity)	(221,187,957)	(161,870,161)
<b>Closing balance</b>	<u><b>3,188,340,837</b></u>	<u><b>1,791,548,410</b></u>

<u>Entity</u>	<u>Amount</u>	<u>Interest rate</u>	<u>Conditions</u>
<b>At 3/31/2020</b>			
ASA	2,222,582,684	45%	Maturity date: 1 year, renewable automatically for up to 5 years
<b>Total in pesos</b>	<u><b>2,222,582,684</b></u>		

**Generación Mediterránea S.A.****Notes to the Condensed Interim Financial Statements (Cont'd)****NOTE 18: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)***n) Loans granted to related parties (Cont'd)*

	<u>3/31/2020</u>	<u>3/31/2019</u>
<b>Loans to Directors/Shareholders</b>		
Opening balances	31,961,604	25,133,104
Loans granted	4,597,993	1,825,315
Accrued interest	2,530,185	2,048,455
RECPAM (Purchasing Power Parity)	(2,435,692)	(2,610,517)
<b>Closing balances</b>	<b><u>36,654,090</u></b>	<b><u>26,396,357</u></b>

<u>Entity</u>	<u>Amount</u>	<u>Interest rate</u>	<u>Conditions</u>
<b>At 3/31/2020</b>			
Directors/Shareholders	26,299,032	BADLAR + 3%	Maturity date: 1 year
<b>Total in pesos</b>	<b><u>26,299,032</u></b>		

	<u>3/31/2020</u>	<u>3/31/2019</u>
<b>Loans to GROSA</b>		
Balances at beginning of year	11,792,757	39,190,994
Loans collected	-	(37,475,946)
Accrued interest	924,457	-
RECPAM (Purchasing Power Parity)	(879,402)	(1,715,048)
<b>Closing balances</b>	<b><u>11,837,812</u></b>	<b><u>-</u></b>

<u>Entity</u>	<u>Amount</u>	<u>Interest rate</u>	<u>Conditions</u>
<b>At 3/31/2020</b>			
GROSA	10,294,335	35%	Maturity date: 1 year
<b>Total in pesos</b>	<b><u>10,294,335</u></b>		

	<u>3/31/2020</u>	<u>3/31/2019</u>
<b>Loans to CTR</b>		
Balances at beginning of year	(333,289,052)	465,244,537
Loans granted	-	12,893,393
Interest paid	9,000,610	-
Loans received	(580,007,210)	(42,095,316)
Accrued interest	(63,346,946)	-
Interest collected	-	34,109,390
RECPAM (Purchasing Power Parity)	50,736,974	(50,988,312)
<b>Closing balances</b>	<b><u>(916,905,624)</u></b>	<b><u>419,163,692</u></b>

<u>Entity</u>	<u>Amount</u>	<u>Interest rate</u>	<u>Conditions</u>
<b>At 3/31/2020</b>			
CTR	(790,900,900)	35%	Maturity date: 1 year
<b>Total in pesos</b>	<b><u>(790,900,900)</u></b>		

Receivables from related parties arise mainly from transactions of services provided and fall due in the month following the transaction date. No provisions have been recorded for these receivables from related parties in any of the periods covered by these condensed interim Financial Statements. Trade payables with related parties arise mainly from gas purchase transactions and fall due in the month following the transaction date. Transactions with related parties are performed under similar conditions to those carried out with independent parties.

**Generación Mediterránea S.A.**  
**Notes to the Condensed Interim Financial Statements (Cont'd)**

**NOTE 19: OTHER COMMITMENTS**

**Other commitments**

Some of the contractual obligations relating to the supply of electric energy to large customers of the MAT at March 31, 2020 and periods in which those obligations must be fulfilled are detailed below. These commitments are originated in supply contracts (energy and power) entered into between the Company and large users on the Forward Market in accordance with regulations set forth by the Energy Secretariat under Resolution 1281/06 (Energy Plus). They are contracts denominated in United States dollars, entered into with private customers.

	<u>Total</u>	<u>Up to 1 year</u>	<u>From 1 to 3 years</u>
<i>Sale commitments</i> <sup>(1)</sup>			
Electric energy and power - Plus	2,156,008,104	704,728,782	1,451,279,322

- (1) Commitments are denominated in pesos and have been valued considering estimated market prices, based on the particular conditions of each contract. They reflect the valuation of the contracts with private customers in force at March 31, 2020, under ES Resolution No. 1281/06.

**NOTE 20: WORKING CAPITAL**

The Company reports at March 31, 2020 a deficit of \$4,769,526,989 in its working capital (calculated as current assets less current liabilities), which means an increase of \$ 1,927,975,496, compared to the deficit in working capital at December 31, 2019. The Company is performing an adjustment to its short-term liabilities. The variation is mainly due to the application of funds due to the progress of investment projects developed by the Company.

With the aim of reversing the current deficit in its working capital, GMSA and its shareholders are expecting to execute a plan for refinancing liabilities in the short term.

**NOTE 21: STORAGE OF DOCUMENTATION**

On August 14, 2014, the CNV adopted General Resolution No. 629 introducing amendments to its regulations on storage and preservation of corporate books, accounting records and business documents.

It is informed that the Company has sent for storage its work papers and non-sensitive information for the not yet statute-barred fiscal years to the following supplier:

Entity responsible for warehousing of information - Domicile  
Iron Mountain Argentina S.A. – Av. Amancio Alcorta 2482, City of Buenos Aires  
Iron Mountain Argentina S.A. - San Miguel de Tucumán 601, Spegazzini, Ezeiza.

A detail of the documentation sent for preservation is available at the registered office of that entity, as well as the documentation referred to by article 5, clause a.3), Section I of Chapter V of Title II of the REGULATIONS (N.T. 2013 as amended).

## **Generación Mediterránea S.A.**

### **Notes to the Condensed Interim Financial Statements (Cont'd)**

#### **NOTE 22: SEGMENT REPORTING**

The information on exploitation segments is presented in accordance with the interim information furnished to the chief operating decision maker (CODM). The Board of Directors of the Company has been identified as the highest authority in decision-making, responsible for allocating resources and assessing the performance of the operating segments.

The Management has determined the operating segment based on reports reviewed by the Board of Directors and used for strategic decision making.

The Board of Directors considers the business as having a single segment, the generation and sale of electricity.

The information used by the Board of Directors for decision-making is based primarily on operating indicators of the business. Considering that the adjustments between the prior accounting standards and IFRS refer to non-operating items, such information is not substantially affected by the application of the new standards.

#### **NOTE 23: EXECUTION OF CONTRACTS TO PURCHASE MACHINERY**

##### *BLC Asset Solutions B.V.*

On February 21, 2018, GMSA signed an agreement with BLC Asset Solutions B.V. (BLC) for the purchase of equipment to be installed at the electric power generation plants located in Río Cuarto, Province of Córdoba, and in Ezeiza, Province of Buenos Aires, for expansion through cycle closures at the two power plants. The purchase agreement sets forth financing by BLC for USD 61,200,000, according to the irrevocable commitment signed on July 22, 2019. At the date of signing these Financial Statements, machinery amounting to USD 29.5 million was received.

BLC Asset Solutions BV (BLC) expresses its will to amend the documents so as to reschedule the payments related to the Contracts for the Purchase of Equipment. Under such commitment, an additional year was added for the payment of the mentioned equipment, with the expiration date being March 2023, which significantly reduces the payments for 2020.

**Generación Mediterránea S.A.**  
**Notes to the Condensed Interim Financial Statements (Cont'd)**

**NOTE 23: EXECUTION OF CONTRACTS TO PURCHASE MACHINERY (Cont'd)**

*Siemens Industrial Turbomachinery AB*

On June 14, 2016 a Deferred Payment Agreement was entered into with Siemens Industrial Turbomachinery AB, by means of which, upon compliance of the preceding conditions set forth in the agreement, the Company obtained commercial financing for 50% of the amount of the contract signed for the CTMM plant enlargement, equivalent to SEK 177,000,000.

The commercial financing granted will be repaid in installments, with the first installment being payable in August 2017. Payments shall be made in SEK.

On September 13, 2016, four Deferred Payment Agreements were executed with Siemens Industrial Turbomachinery AB for the turbines to be installed in CTE and CTI whereby, once fulfilled the preceding conditions fixed in the agreements, the Company will be granted a commercial financing of 50% of the amount of the agreement signed for the enlargement of CTI and the work of Ezeiza, equivalent to SEK 438,960,000.

The commercial financing granted will be repaid in installments, with the first installment of two of the agreements mentioned being payable in September 2017. Payments shall be made in SEK.

Future contractual obligations related to the contract with Siemens Industrial Turbomachinery AB are shown below by calendar year:

<i>Commitments (1)</i>		SEK Total financing	Total	2020
			USD	
Siemens Industrial Turbomachinery AB for the purchase of two turbines Siemens SGT 800	CTE	177,000,000	4,828,425	4,828,425

(1) The commitment is stated in US dollars, on the basis of the time of payment according to the particular conditions of the contract.

In July 2019, the last installment of the deferred payment agreement signed for CTMM was paid. Additionally, with the proceeds from the issuance of Negotiable Obligations that took place on August 5, 2019, the deferred payment agreements signed for CTI and CTE, Stage II, were prepaid for a total of SEK 142,370,364. The payment of such agreements implies the release of the guarantees associated with those agreements. An agreement is being negotiated for the reallocation of payments made for new pieces of equipment, thus compensating the total amount due at March 31, 2020.

At March 31, 2020 the debt amounts to SEK 48,152,043, which is equivalent to USD 4.8 MM.

**Generación Mediterránea S.A.**  
**Notes to the Condensed Interim Financial Statements (Cont'd)**

**NOTE 23: EXECUTION OF CONTRACTS TO PURCHASE MACHINERY (Cont'd)**

*Pratt & Whitney Power System Inc*

Generación Frías S.A. signed an agreement with Pratt & Whitney Power System Inc. for the purchase of the FT4000™ SwiftPac® 60 turbine, including whatever is necessary for its installation and start-up. The purchase agreement sets out 4-year financing for USD 12 million by PWPS, upon provisional acceptance by Generación Frías S.A. This amount is disclosed under current trade payables for the equivalent to \$824,558,510. (USD 12,790,000 at the exchange rate prevailing at period end). Financing will accrue annual interest at a rate of 7.67% and will be calculated on a monthly/annual basis of 30 days/360 days, with interest capitalized on a quarterly basis.

At the date of presentation of the condensed interim financial statements, an agreement is being renegotiated for the full payment of the debt.

**NOTE 24: COMMITMENTS UNDER FINANCIAL TRANSACTIONS WITH RELATED PARTIES**

On March 7, 2019, GECEN reached an agreement with creditors for the repayment of its debt for USD 12,800,000, which was signed jointly by ASA and GMSA, as co-debtors. This debt will accrue interest on a quarterly basis at an annual rate of 13.09% and will mature on March 20, 2023.

The balance at March 31, 2020 is USD 7,800,000.

A new supplementary agreement has been executed on October 23, 2019 for the remaining balance of USD 15,798,563, with the following payment schedule: USD 15,798,563 accrue an annual interest rate of 13.09%. Interest accrued from March 8, 2019 to September 20, 2020 will be capitalized in December 2020. Principal will be repaid in nine quarterly installments starting in March 2021. This agreement was executed by GECEN and secured by ASA and GMSA.

**NOTE 25: ECONOMIC CONTEXT IN WHICH THE COMPANY OPERATES**

The Company has been operating in a complex economic environment whose main variables have recently been affected by a strong volatility, both nationally and internationally.

The following circumstances occurred locally in 2019 and in the first quarter of 2020:

- GDP fell 2.2% in 2019, compared to the previous year. According to government projections, GDP would fall by 6.5%.
- Cumulative inflation for the year 2019 was 53.8% (as measured by the CPI), while cumulative inflation for the last 12 months ended on March 31, 2020 was 48.4%.
- The significant peso devaluation since August has led to an unexpected withdrawal of deposits in dollars from the financial system, thereby eroding the Central Bank reserves, and to an increase in the reference interest rate, which during the year stood above 80%. At year end, the reference interest rate was close to 60%.

**Generación Mediterránea S.A.**  
**Notes to the Condensed Interim Financial Statements (Cont'd)**

**NOTE 25: ECONOMIC CONTEXT IN WHICH THE COMPANY OPERATES (Cont'd)**

On December 10, 2019, a new national government administration took office. In view of these circumstances, the government decided to implement certain measures, which are summarized below:

- A system was implemented for the regularization of tax, social security and customs debts for micro, small and medium-sized enterprises;
- The employer contributions rate unification schedule was suspended;
- Power to the National Executive Branch to determine mandatory minimum salary increases for workers in the private sector (with temporary exemption from employee withholdings and employer contributions to the Argentine Integrated Social Security System of the salary increases resulting from this power or a collective bargaining).
- Suspension, for the financial years starting on or after January 1, 2021, inclusive, of the tax rate reduction stated by Law No. 27430, keeping the 30% rate and the 7% rate for the dividends for those years.
- Regarding the tax inflation adjustment, it was decided that the amount determined for the first and second year starting on or after January 1, 2019 has to be allocated as follows: 1/6 during those fiscal years and the remaining 5/6 in equal parts in the immediate next five fiscal years. Likewise, such provision does not prevent the calculation of the remaining thirds for prior years, calculated pursuant to the previous version of Section 194 of the Income Tax Law.
- A decree was issued establishing increases in export taxes (except for hydrocarbons and mining) and in Tax on Personal Assets.
- Value Added Tax on basic food basket products was re-established and the variability of pension benefits was suspended.

Additionally, the national government is preparing a Bill to be sent to the National Congress with a proposal for the renegotiation of the external debt with international creditors.

This context of volatility and uncertainty still persists at the date of issuance of these condensed interim consolidated Financial Statements at March 31, 2020.

Company Management permanently monitors the performance of variables affecting its business, to define the course of action and identify the potential impact on its economic and financial position.

The condensed interim consolidated financial statements of the Company ended March 31, 2020 must be read in light of these circumstances.

## **Generación Mediterránea S.A.**

### **Notes to the Condensed Interim Financial Statements (Cont'd)**

#### **NOTE 26: IMPACT OF COVID-19**

The outbreak and spread of a virus causing coronavirus disease (or COVID-19) by the end of 2019 has had various consequences on business and economic activities worldwide. A significant global economic downturn is expected, the impacts and scope of which are still unknown. In addition, the market has suffered the collapse of demand, which has led to a drop in the prices of commodities, including oil, compounded by disagreement between producers members of the Organization of the Petroleum Exporting Countries ("OPEC") and non-OPEC producers.

The World Health Organization (WHO) declared COVID-19 a pandemic on March 11. In light of the virus spread, in March 2020, various governments around the world implemented drastic measures to control it, including, but not limited to, closing borders and the mandatory isolation of the population together with the cease of non-essential commercial activities. The full scope and duration of such containment measures, and their impact on the world economy are still unclear.

In Argentina, the National Government imposed a series of measures aimed at reducing the circulation of the population and implemented the social, preventive and mandatory isolation from March 20 to May 24, 2020, with only individuals engaged in essential activities and services being exempted from isolation. The isolation term may be extended for as long as necessary in light of the epidemiological situation.

The aforementioned situations have affected the energy industry in Argentina, in relation to the generation market, the SADI electricity demand has diminished 26% on average since the beginning of the isolation. In addition, as a result of significant delays in the collections from distributors, large users and National Treasury contributions, CAMMESA has increased the payment terms for hydrocarbon generators and producers by more than 30 days, and it is possible that it will continue to do so. Furthermore, the Energy Secretariat instructed CAMMESA to suspend the automatic adjustment mechanism for spot remuneration laid down by ES Resolution No. 31/20. These measures directly impact on the financial situation of the power generation sector, and if they become aggravated, they could affect not only the payment chain, but also maintenance with the availability of the installed power plants being jeopardized.

The Company's management is controlling the situation and taking measures to ensure the health integrity of its staff, maintain operations and preserve its financial situation. These actions include the adoption of a remote work schedule for all positions allowing to do so, the reinforcement of health prevention protocols in those assets that necessarily require the presence of operating staff to ensure the proper performance of operation and maintenance work, the rescheduling of investments and the identification of financing opportunities under reasonable market conditions, as mentioned in Note 20, among others.

The extent of the COVID-19 outbreak and its final impact on the Argentine economy is unknown and may not be reasonably predicted to date. However, although there have been some significant short-term negative events, they are not expected to affect Company's business continuity. In light of the current financial soundness, the Company expects to continue complying with its financial commitments within the next twelve months.

## **Generación Mediterránea S.A.**

### **Notes to the Condensed Interim Financial Statements (Cont'd)**

#### **NOTE 27: SUBSEQUENT EVENTS**

##### **COMMUNICATION “A” 6949**

On April 1, 2020 the BCRA issued Communication “A” 6949, whereby it established that unpaid balances for credit assistance granted by financial institutions, falling due between April 1, 2020 and June 30, 2020, will only accrue compensatory interest at the interest rate agreed upon by contract.

In the case of unpaid balances for financing granted by financial institutions, falling due within the above-mentioned period, the financial institution must add such installment to the month following the end of the loan term, considering the accrued compensatory interest.

#### **NOTE 28: FINANCIAL STATEMENTS TRANSLATION INTO ENGLISH LANGUAGE**

These financial statements are the English translation of those originally prepared by the Company in Spanish and presented in accordance with accounting principles generally accepted in Argentina. The effects of the differences between the accounting principles generally accepted in Argentina and the accounting principles generally accepted in the countries in which the financial statements are to be used have not been quantified. Accordingly, the accompanying financial statements are not intended to present the financial position, statements of comprehensive income, changes in equity or cash flows in accordance with accounting principles generally accepted in the countries of users of the financial statements, other than Argentina.

## Summary of Activity at March 31, 2020 and 2019

1. A brief description of the activities of the issuing company, including reference to relevant circumstances subsequent to the period closing date.

In accordance with the provisions of CNV General Resolution No. 368/01, and subsequent amendments, we present below an analysis of the results of the operations of GMSA and its financial position, which must be read together with the interim condensed financial statements attached.

Three-month period ended March 31:

	2020	2019	Variation	Variation %
	GW			
<b>Sales by type of market</b>				
Sale of electricity Res. No. 220	55	137	(82)	(60%)
Energía Plus sales	119	135	(16)	(12%)
Sale of electricity Res. No. 95, as amended, plus spot	65	110	(45)	(41%)
Sale of electricity Res. No. 21	40	176	(136)	(77%)
	<b>279</b>	<b>558</b>	<b>(279)</b>	<b>(50%)</b>

Sales by type of market (in millions of pesos):

Three-month period ended March 31:

	2020	2019	Variation	Variation %
	(in millions of pesos)			
<b>Sales by type of market</b>				
Sale of electricity Res. No. 220	1,102.0	900.7	201.3	22%
Energía Plus sales	465.5	588.2	(122.7)	(21%)
Sale of electricity Res. No. 95, as amended, plus spot	121.0	103.4	17.6	17%
Sale of electricity Res. No. 21	952.1	1,282.5	(330.4)	(26%)
	<b>2,640.6</b>	<b>2,874.8</b>	<b>(234.2)</b>	<b>(8%)</b>

### Summary of Activity at March 31, 2020 and 2019

Profit/Loss for the three-month period ended March 31, 2020 and 2019 (in millions of pesos):

	Three-month period ended March 31:			
	2020	2019	Variation	Variation %
Sale of energy	2,640.6	2,874.8	(234.2)	(8%)
<b>Net sales</b>	<b>2,640.6</b>	<b>2,874.8</b>	<b>(234.2)</b>	<b>(8%)</b>
Purchase of electric energy	(129.0)	(246.1)	117.1	(48%)
Gas and diesel consumption at the plant	(112.4)	-	(112.4)	100%
Salaries, social security charges and employee benefits	(80.4)	(92.6)	12.2	(13%)
Defined benefit plan	(1.0)	(0.8)	(0.2)	25%
Maintenance services	(202.4)	(233.3)	30.9	(13%)
Depreciation of property, plant and equipment	(453.0)	(442.6)	(10.4)	2%
Insurance	(20.7)	(15.0)	(5.7)	38%
Taxes, rates and contributions	(10.5)	(15.4)	4.9	(32%)
Other	(15.7)	(23.1)	7.4	(32%)
<b>Cost of sales</b>	<b>(1,025.2)</b>	<b>(1,068.9)</b>	<b>43.7</b>	<b>(4%)</b>
<b>Gross income/(loss)</b>	<b>1,615.4</b>	<b>1,805.9</b>	<b>(190.5)</b>	<b>(11%)</b>
Taxes, rates and contributions	(0.1)	(1.6)	1.5	(94%)
<b>Selling expenses</b>	<b>(0.1)</b>	<b>(1.6)</b>	<b>1.5</b>	<b>(94%)</b>
Salaries, social security charges and employee benefits	(10.0)	(11.8)	1.8	(15%)
Fees and compensation for services	(56.4)	(44.7)	(11.7)	26%
Per diem, travel and representation expenses	(0.3)	-	(0.3)	100%
Leases	(2.2)	(2.2)	0.0	0%
Office expenses	(1.2)	(0.4)	(0.8)	200%
Gifts	(0.2)	(0.1)	(0.1)	100%
Other	(3.6)	(1.2)	(2.4)	200%
<b>Administrative expenses</b>	<b>(73.9)</b>	<b>(60.4)</b>	<b>(13.3)</b>	<b>22%</b>
Other income	6.2	0.3	5.9	1967%
<b>Operating income</b>	<b>1,547.8</b>	<b>1,744.1</b>	<b>(196.3)</b>	<b>(11%)</b>
Commercial interest earned	113.7	13.9	99.8	718%
Loan interest	(531.3)	(395.9)	(135.4)	34%
Commercial and fiscal interest paid	(26.3)	(19.7)	(6.6)	34%
Bank expenses and commissions	(1.9)	(0.9)	(1.0)	111%
Exchange difference, net	(1,711.3)	(3,603.1)	1,891.8	(53%)
Gain/loss on purchasing power parity	2,033.6	2,710.9	(677.3)	(25%)
Other financial results	(48.6)	(82.2)	33.6	(41%)
<b>Financial and holding results, net</b>	<b>(172.2)</b>	<b>(1,377.1)</b>	<b>1,204.9</b>	<b>(87%)</b>
<b>Pre-tax profit/(loss)</b>	<b>1,375.6</b>	<b>367.0</b>	<b>1,008.6</b>	<b>275%</b>
Income tax	(626.3)	(31.5)	(594.8)	1,888%
<b>Income/(loss) for the period:</b>	<b>749.3</b>	<b>335.5</b>	<b>413.8</b>	<b>123%</b>

### Summary of Activity at March 31, 2020 and 2019

	Three-month period ended March 31:			
	2020	2019	Variation	Variation %
<b>Other comprehensive income for the period</b>				
Revaluation of property, plant and equipment	-	(319.3)	319.3	(100%)
Impact on income tax	-	79.8	(79.8)	(100%)
<b>Other comprehensive income for the period</b>	<u>-</u>	<u>(239.5)</u>	<u>239.5</u>	<u>(100%)</u>
<b>Total comprehensive income/(loss) for the period</b>	<u><b>749.3</b></u>	<u><b>95.9</b></u>	<u><b>653.4</b></u>	<u><b>681%</b></u>

#### Sales:

Net sales for the three-month period ended March 31, 2020 amounted to \$2,640.6 million, compared to \$ 2,874.8 million for the same period in 2019, showing a decrease of \$ 234.2 million (or 8%).

During the first three months of 2020, energy dispatch reached 279 GW, 50% lower than the 558 GW for the same period in 2019.

Below we discuss the major income sources of the Company and their performance in the three-month period ended March 31, 2020 as compared with the same period of the prior year:

- (i) \$ 465.5 million from sales under Energía Plus, a 21% decrease from the \$ 588.2 million sold in the same period of 2019.
- (ii) \$ 1,102 million from sales of energy Resolutions No. 220/07, which accounted for an increase of 22% from the \$ 900.7 million for the same period in 2019.
- (iii) \$ 121.0 million from sales of energy under Resolution No. 95 as amended plus spot market, accounting for a 17% increase with regard to the \$ 103.4 million for the same period of 2019.
- (iv) \$ 952.1 million from sales under Resolution No. 21, down 26% from the \$ 1,282.5 million sold in the same period of 2019.

#### Cost of sales:

The total cost of sales for the three-month period ended March 31, 2020 reached \$ 1,025.2 million, compared with \$ 1,068.9 million for the same period in 2019, reflecting a \$ 43.7 million (4%) decrease.

Below is a description of the main costs of sales of the Company, in millions of pesos, and their performance during the current period, compared with the same period of the previous fiscal year:

- (i) \$ 129.0 million from purchases of electric energy, a decrease of 48% from the \$ 246.1 million sold in the same period of 2019.

### **Summary of Activity at March 31, 2020 and 2019**

(ii) \$ 202.4 million in maintenance services, up 13% from the \$ 233.2 million for the same period of 2019.

(iii) \$ 453.0 million for depreciation of PP&E, up 2% from the \$ 442.6 million for the same period of 2019.

(iv) \$ 80.4 million for salaries and social security contributions, down 13% from the \$ 92.6 million recorded in 2019.

#### Gross income/(loss):

Gross profit recorded for the three-month period ended March 31, 2020 was \$ 1,615.4 million, compared with a profit of \$ 1,805.9 million for the same period in 2019, accounting for a 11% decrease.

#### Selling expenses:

Selling expenses for the three-month period ended March 31, 2020 amounted \$ 0.1 million, compared with \$ 1.6 million for the same period of 2019, reflecting a decrease of \$ 1.5 million (or 94%).

#### Administrative expenses:

The administrative expenses for the three-month period ended March 31, 2020 amounted to \$ 73.8 million, compared with \$ 60.5 million for the same period of 2019, reflecting an increase of \$ 13.3 million (or 22%).

The main components of the Company's administrative expenses are listed below:

(i) \$ 56.4 million in fees and compensation for services, up 26% from the \$ 44.7 million for the same period of the previous year.

(ii) \$ 2.2 million in rentals, with no variation for the same period of the previous year.

(iii) \$ 10 million for salaries and social security contributions, a 15% decrease from the \$ 11.8 million recorded for the same period in 2019.

#### Other income and expenses:

(iv) Other operating expenses for the three-month period ended March 31, 2020 amounted to \$ 6.2 million, which accounted for a 1967% increase, compared to the \$ 0.3 for the same period in 2019.

#### Operating income/(loss):

Gross income for the three-month period ended March 31, 2020 was \$ 1,547.8 million, compared to a profit of \$ 1,744.1 million for the same period in 2019, accounting for a 11% decrease.

## Summary of Activity at March 31, 2020 and 2019

### Financial results:

Financial results for the three-month period ended March 31, 2020 amounted to a total loss of \$ 172.2 million, compared with a loss of \$ 1,377.1 million for the same period in 2019, accounting for an 87% decrease.

The most noticeable aspects of the variation are:

- (i) \$ 531.3 million loss for financial interest, a 34% increase from the \$ 395.9 million loss for the same period in 2019.
- (ii) \$ 48.6 million loss for other financial results, a 41% decrease from the \$ 82.2 million loss for the same period in 2019.
- (iii) \$ 1,711.3 million loss due to net exchange differences, reflecting a decrease of 53% compared to \$ 3,603.1 million loss for the same period in the previous year.
- (iv) \$ 2,033.6 million income due to RECPAM, reflecting a decrease of 25% compared to \$ 2,710.9 million income for the same period in the previous year.

### Income/(loss) for the period:

The Company reported income before tax for \$ 1,375.6 million for the three-month period ended March 31, 2020, as against \$ 367.0 million for the same period of the previous year, which accounted for an increase of 275%. This variation is mainly due to the changes in the exchange rate, changes in loan interest and increment in the gross profit/(loss).

Income Tax for the current period amounted to \$ 626.3 million loss, compared to \$ 31.5 million loss for the same period in the previous year, thus obtaining an income after tax for \$ 749.3 million, compared with \$ 335.5 million for the same period of 2019.

### 2. Comparative Balance Sheet figures: (in millions of pesos)

	3/31/2020	3/31/2019	3/31/2018
Non-Current Assets	46,076.9	39,960.7	40,038.6
Current assets	5,809.8	6,367.6	6,370.3
<b>Total assets</b>	<b>51,886.7</b>	<b>46,328.3</b>	<b>46,408.9</b>
Equity	10,730.4	10,947.4	10,851.3
<b>Total equity</b>	<b>10,730.4</b>	<b>10,947.4</b>	<b>10,851.3</b>
Non-current Liabilities	30,576.9	25,894.4	27,076.8
Current liabilities	10,579.3	9,486.5	8,480.8
<b>Total liabilities</b>	<b>41,156.3</b>	<b>35,380.9</b>	<b>35,557.6</b>
<b>Total Liabilities and Shareholders' equity</b>	<b>51,886.7</b>	<b>46,328.3</b>	<b>46,408.9</b>

### Summary of Activity at March 31, 2020 and 2019

3. Comparative income statement figures:  
(in millions of pesos)

	3/31/2020	3/31/2019	3/31/2018
Ordinary operating income	1,547.8	1,744.1	1,105.7
Financial and holding results	(172.2)	(1,377.1)	(553.1)
<b>Ordinary net income/(loss)</b>	<b>1,375.6</b>	<b>367.0</b>	<b>552.6</b>
Income tax	(626.3)	(31.5)	(154.4)
<b>Net income/loss</b>	<b>749.3</b>	<b>335.5</b>	<b>398.2</b>
Other comprehensive income/loss	-	(239.5)	-
<b>Total comprehensive income</b>	<b>749.3</b>	<b>96.0</b>	<b>398.2</b>

4. Comparative cash flow figures:  
(in millions of pesos)

	3/31/2020	3/31/2019	3/31/2018
Cash generated by operating activities	1,980.9	2,080.0	71.1
Cash (used in) investing activities	(736.5)	(984.7)	(970.7)
Cash (applied to) generated by financing activities	(1,556.2)	(1,521.1)	1,408.4
<b>(Decrease)/Increase in cash and cash equivalents</b>	<b>(311.7)</b>	<b>(425,8)</b>	<b>508.8</b>

## Summary of Activity at March 31, 2020 and 2019

5. Ratios presented comparatively with the previous period:

	3/31/2020	3/31/2019
Liquidity (1)	0.55	0.70
Solvency (2)	0.26	0.24
Tied-up capital (3)	0.89	0.87
Indebtedness ratio (4)	3.41	3.65
Interest coverage ratio (5)	4.58	4.64
Return on equity (6)	0.07	0.03

(1) Current Assets / Current Liabilities

(2) Equity /Total Liabilities

(3) Non-current Assets / Total Assets

(4) Financial debt / annual EBITDA (\*)

(5) Annual EBITDA (\*) / accrued annual financial interest

(6) Net Income/(loss) for the year/Total average Shareholders' Equity

(\*) Amount not covered in the Limited Review Report.

6. Brief comment on the 2020 outlook

### Commercial and operating sectors

Company's management expects to continue operating and normally maintaining the various generating units to maintain high levels of availability in 2020. The fact of introducing more efficient group machines to the Electricity System would imply obtaining higher levels of dispatch, and thus, increasing the generation of electricity.

### Financial situation

In fiscal year 2020, the Company aims at optimizing its financing structure, ensuring the proper operation of power plants, and obtaining financing for the closing to cycle projects awarded under Resolution No. 287/17.

**ADDITIONAL INFORMATION REQUIRED BY SECTION 12, CHAPTER III, TITLE IV, OF THE NATIONAL SECURITIES COMMISSION REGULATIONS, FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020**

General matters referred to the activity of GMSA

1. Specific and significant legal systems that imply contingent extinguishment or inception of benefits included in those provisions.

There are none.

2. Significant changes in the company activities or similar circumstances that took place during the periods covered by the financial statements that affect their comparability with those presented in previous periods, or that could affect comparability with those to be presented in future periods.

There are none.

3. Breakdown of receivables and liabilities balances according to their age and due date

	Trade receivables	Other receivables	Trade payables	Loans	Salaries and social security liabilities	Tax payables and deferred tax liability	Defined benefit plan
	\$						
Falling due within							
First quarter	2,281,440,391	478,889,340	2,602,681,466	1,143,719,913	75,993,705	361,921,337	719,576
2nd quarter	-	448,242,013	253,749,510	1,181,978,477	845,061	-	719,575
3rd quarter	-	448,242,013	451,283,000	607,283,596	845,061	-	719,575
4th quarter	-	555,598,733	-	2,460,483,075	845,061	-	719,575
After 1 year	-	3,368,373,865	1,067,648,326	22,593,591,134	-	6,886,555,800	29,154,168
<b>Subtotal</b>	<b>2,281,440,391</b>	<b>5,299,345,964</b>	<b>4,375,362,302</b>	<b>27,987,056,195</b>	<b>78,528,888</b>	<b>7,248,477,137</b>	<b>32,032,469</b>
Past due	792,701,523	-	1,431,742,139	3,079,437	-	-	-
Without stated term	-	-	-	-	-	-	-
<b>Total at 3/31/2020</b>	<b>3,074,141,914</b>	<b>5,299,345,964</b>	<b>5,807,104,441</b>	<b>27,990,135,632</b>	<b>78,528,888</b>	<b>7,248,477,137</b>	<b>32,032,469</b>
Non-interest bearing	2,281,440,391	2,062,513,225	4,509,053,564	-	78,528,888	7,045,916,459	32,032,469
At fixed rate	-	3,200,178,649	1,298,050,877	(1) 26,462,513,594	-	202,560,678	-
At floating rate	792,701,523	36,654,090	-	(1) 1,527,622,038	-	-	-
<b>Total at 3/31/2020</b>	<b>3,074,141,914</b>	<b>5,299,345,964</b>	<b>5,807,104,441</b>	<b>27,990,135,632</b>	<b>78,528,888</b>	<b>7,248,477,137</b>	<b>32,032,469</b>

(1) See Note 16 to the condensed interim financial statements at March 31, 2020.

4. Breakdown of receivables and debts according to the financial impact of maintaining the balances.

Captions	Type and amount of foreign currency	Closing exchange rate (1)	Amount recorded at 3/31/2020	Amount recorded at 12/31/2019
\$				
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents				
Cash	USD 1,400	64.27	89,977	90,084
Banks	USD 6,105,374	64.27	392,386,308	762,123,610
Trade receivables				
Trade receivables - Energía Plus	USD 6,871,682	64.27	441,636,147	440,857,591
Trade receivables - Res. No. 220/07 - Res. No. 1/19 - Res. No. 21/17	USD 38,749,485	64.27	2,490,390,649	2,660,126,339
Trade receivables - Rental of tanks	USD 641,404	64.27	41,222,366	41,271,457
<b>Total current assets</b>			<b>3,365,725,447</b>	<b>3,904,469,081</b>
<b>Total Assets</b>			<b>3,365,725,447</b>	<b>3,904,469,081</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Trade payables				
Related parties	USD 14,846,406	64.37	955,648,280	1,420,383,214
Suppliers	USD 44,722,818	64.47	2,883,235,333	2,493,637,622
Suppliers	SEK 76,437,584	6.46	494,138,407	505,033,510
Financial debt				
Loan	USD 60,006,922	64.47	3,868,586,268	3,232,963,498
<b>Total current liabilities</b>			<b>8,201,608,288</b>	<b>7,652,017,844</b>
<b>NON-CURRENT LIABILITIES</b>				
Trade payables				
Suppliers	USD 16,560,647	64.47	1,067,648,326	1,580,448,159
Suppliers	SEK -	6.46	-	-
Financial debt				
Loan	USD 345,612,237	64.47	22,281,275,287	24,370,373,211
<b>Total non-current liabilities</b>			<b>23,348,923,613</b>	<b>25,950,821,370</b>
<b>Total liabilities</b>			<b>31,550,531,901</b>	<b>33,602,839,214</b>

(1) Banco Nación exchange rate prevailing at year-end. An average exchange rate is applied to intercompany balances.

5. Intercompany:

Participation percentage in intercompany:

There are no interests in intercompany.

Accounts payable and receivable with intercompany:

See Note 18 to the condensed interim financial statements at March 31, 2020.

6. Trade receivables or loans against directors, syndics, members of the syndics' committee or their relatives in the second degree inclusive.

See Note 18 to the condensed interim financial statements at March 31, 2020.

7. Frequency and scope of the physical inventory of materials and spare parts.

The Company keeps a permanent record of its inventories, verifying it on a yearly basis.

There are no impaired, damaged, out of service or idle assets.

#### Current values

8. Source of the data used in calculating the current values for the valuation of inventories, property, plant and equipment, and other significant assets.

See Note 6 to the financial statements at December 31, 2019 and Note 4 to the condensed interim financial statements at March 31, 2020.

#### Property, plant and equipment

9. Release of the Reserve for technical revaluation when part of it had been previously reduced to absorb losses.

There are none.

10. Value of unused Property, plant and equipment due to obsolescence.

There are none.

#### Equity interest in other companies

11. Interests in other companies in excess of the limit authorized by Section 31 of Law No. 19550.

There are none.

#### Recoverable values

12. Criteria followed to determine significant recoverable values of the headings Property, plant and equipment and Material and spare parts, applied as the limit to their accounting valuation.

See Note 4 to the financial statements at December 31, 2019.

Insurance

Kind of risk	Insured amount 2020	Insured amount 2019
Operational all-risk - material damages	USD 539,980,000	USD 539,980,000
Operational all-risk - loss of profit	USD 137,179,863	USD 137,179,863
Contractors' all-risk - enlargement of power plants - material damages	USD 337,000,000	USD 337,000,000
Contractors' all-risk - enlargement of power plants - advance loss of profit (alop)	USD 116,986,000	USD 116,986,000
Civil liability (primary)	USD 6,000,000	USD 6,000,000
Civil liability (excess coverage)	USD 9,000,000	USD 9,000,000
Directors and Officers liability insurance	USD 15,000,000	USD 15,000,000
Transportation insurance for turbines	USD 133,000,000	USD 133,000,000
Automobile	\$ 14,165,000	\$ 7,329,000
Personal accidents	\$ 750,000	\$ 750,000
Personal accidents	USD 1,000,000	USD 1,000,000
Transport insurance, Argentine and international market	USD 10,000,000	USD 10,000,000
Directors' bond	\$ 450,000	\$ 450,000
Customs bond	\$ 698,503,263	\$ 152,389,251
Contract execution bond	\$ 450,000	\$ 450,000
ENES Bond	\$ 199,539,033	\$ 263,500,345
Bond for commercial authorization of projects	\$ 2,204,641,357	\$ 1,409,456,286
Judicial bond	\$ 5,000,000	\$ 5,000,000
Environmental insurance	\$ 158,505,687	\$ 90,476,474
Equipment technical insurance	USD 345,354	USD 305,234
Life insurance - mandatory life insurance	\$ 92,813	\$ 68,750
Life - mandatory group life insurance (LCT, employment contract law)	Disability: 1 salary per year Death: 1/2 salary per year	Disability: 1 salary per year Death: 1/2 salary per year
Life - Additional group life insurance	24 salaries	24 salaries

Insurance is bought at market values, which widely cover accounting values.

**Operational all-risk:**

All-risk insurance covers all the risks of loss or physical damage caused to property owned by or under the charge of the insured while situated in the place(s) described in the policy, provided that such damage occurs accidentally, suddenly or unexpectedly, and makes it necessary to repair and/or replace such property as a direct consequence of any of the risks covered by the policy. This policy includes coverage for loss of profit, with the aim of covering the losses caused by the interruption of the activities as a result of the accident, both as regards the profit that is no longer obtained and the expenses the Company continues to bear despite its inactivity, such that the insured may be in the same financial situation as if the accident had not occurred.

**Construction all-risk and ALOP:**

Contractors' all-risk insurance covers all accidental or unforeseeable damages occurred during the execution of a civil work, including damages caused by acts of God, provided they are not expressly excluded in the policy.

Regarding coverage for delay in start-up (Alop), the expected margin of the business for the sale of energy and power is insured, discounting variable costs during the period of repair or replacement of the event occurred.

**Civil liability:**

These policies cover underlying civil liability of the insured, as a result of injuries and/or death of third parties and/or damages to property of third parties, caused and /or derived from the development of the insured activity and product liability, subject to the terms, conditions, limitations and exclusions contained in the policy.

They are structured as follows:

An individual policy for each of the Group companies was taken out, with a compensation limit of USD 1,000,000 - per event and two reinstatements during the effective term of the policy.

In addition, an insurance policy common to all companies has been taken out with a compensation limit of USD 9,000,000- per event and during the effective term of the policy in excess of USD 1,000,000 - (individual policies), with two reinstatements exclusively for operations liability and without reinstatement for product liability.

**Directors and Officers (D&O) liability insurance:**

This policy covers all actions or decision making of directors and/or executives as such, outside the professional service or company where they work; for example, dismissal of employees, hirings, financial decisions, advertising and marketing, merger or acquisitions, shareholders' statements, accounting records, which may be performed with negligence or fault, error or imprudence and cause an economic damage to an employee, shareholder or third party. It does not cover fraudulent activities.

It also covers the company in case of stock-exchange claims or from holders of bonds or securities.

It covers the personal equity of present, past or future directors and/or executives, and the company's exposure to capital market issues.

**Automobile insurance:**

This insurance covers the damage to own vehicles as well as extra-contractual civil liability of the owner, user or driver of the automobile involved in an accident where third parties are injured or die.

**Personal accidents insurance:**

Covers death and disability risks and medical attention and pharmaceutical expenses resulting from work-related accidents.

**Transport insurance:**

The Company has an insurance policy that covers transportation of all generators of Grupo Albanesi under the modality of sworn statement to be presented monthly in arrears. It covers losses or damages of goods of the insured as a result of its mobilization during transportation, which may be international, national or urban, either by land, air or sea.

**Directors' bond:**

This guarantee is required by the General Companies Law (Law 19550, Section 256, paragraph 2) from directors of corporations and members of the administrative bodies of other companies (LLC, joint stock company). This guarantee covers the Company in case of non-compliance with obligations by Directors or Managing partners while performing their duties.

**Customs Guarantees:**

Temporary imports: this guarantee avoids the payment of pertinent duties for the entry of goods into the country, provided that they are exported in a term determined, at which time the guarantee is released.

Temporary export: the amount of pertinent duties are guaranteed for the export of those exported goods which will be re-imported.

**Financial bond:**

It guarantees that the money received by the customer on account of advance, will be applied to the effective compliance with the contract agreed upon.

**Contract execution bond:**

It guarantees the compliance with all the obligations established in the contract and in the specifications of the call for bids. This policy has unlimited duration; it is released when returned or upon the provisional reception of the work without observations.

**ENES Bond:**

Staggered shipping: Import or export of goods by means of the staggered shipping system. This bond covers eventual differences arising from the tax treatment of partial shipments as compared to one global shipment.

**Judicial bond:**

Insurance bond for judicial guarantees provides litigants with an appropriate means to guarantee their procedural obligations when the respective Code so requires.

These coverages apply both in cases in which the judge hearing the case has ordered the lock of a provisional remedy, and in those in which the constitution of a counterbond has been arranged. Replacement of provisional remedies: the provisional remedy can be substituted by the defendant in a lawsuit through this policy, thereby releasing the equity affected by such measure.

Counterbond: it is the guarantee that must be provided by the person who has requested the lock of a provisional remedy to guarantee the damages that may arise in case of having requested it without right.

**Environmental bond:**

The environmental bond for damage with group incidence covers the environmental bond established by the General Environmental Law No. 25675, Section 22, as required by the enforcement authorities.

**Technical insurance for contractors' equipment:**

It covers the damage that machinery and equipment might suffer from the moment they enter into use for their specific function and/or are placed in storage, including any transportation by land.

**Mandatory life insurance:**

Mandatory life insurance is a coverage that the employer is obliged to take out on behalf of its employees. It covers the risk of death of worker in an employment relationship, for any cause, without limitations of any kind, 24 hours a day, in or outside the country.

The insured amount is \$ 92,812.50, as established by the National Insurance Superintendency.

**Life insurance (LCT):**

This insurance covers underlying obligations from the Employment Contract Law, if the company has to pay compensation in case of a total and permanent disability or death of the employee, whichever the cause.

**Group Life insurance:**

The Company has taken out a group life insurance policy, on behalf of all Group employees. It grants compensation in case of death, double severance pay in case of accidental death, partial losses due to accident, advances for terminal diseases, organ transplant and birth of child after the employee's death.

**Automobile insurance:**

This insurance covers the damage to own vehicles as well as extra-contractual civil liability of the owner, user or driver of the automobile involved in an accident where third parties are injured or die.

**Customs Guarantees:**

- Temporary imports: this guarantee avoids the payment of pertinent duties for the entry of goods into the country, provided that they are exported in a term determined, at which time the guarantee is released.
- Temporary export: the amount of pertinent duties are guaranteed for the export of those exported goods which will be re-imported.

**Directors' bond:**

This guarantee is required by the General Companies Law (Law 19550, Section 256, paragraph 2) from directors of corporations and members of the administrative bodies of other companies (LLC, joint stock company). This guarantee covers the Company in case of non-compliance with obligations by Directors or Managing partners while performing their duties.

**Environmental bond:**

The environmental bond for damage with group incidence covers the environmental bond established by the General Environmental Law No. 25675, Section 22, as required by the enforcement authorities.

**Financial bond:**

It guarantees that the money received by the customer on account of advance, will be applied to the effective compliance with the contract agreed upon.

**Technical equipment insurance**

This insurance covers the risks suffered by fixed or mobile electronic equipment for data processing and/or office equipment such as PCs, notebooks, photocopiers, telephone exchanges, among others according to the detail provided by the insured in case of accidental, sudden and unforeseen events.

Positive and negative contingencies

13. Elements considered to calculate provisions whose balances, considered individually or in the aggregate, exceed 2% of the equity.

Allowances and provisions were recognized in the cases in which, considering a present obligation on the Company, whether legal or constructive, arising from a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate could be made of its amount.

The amount recorded as allowances and provisions was the best estimate of the resource outflow necessary to settle the present obligation, at the end of the reporting period, considering the pertinent risks and uncertainties. When a provision is measured using the estimated cash outflow for settling the present obligation, the amount recorded represents the present value of that cash flow.

The following allowances and provisions have been set up:

**a. Allowances (deducted) from assets:**

The allowance for bad debts has been set up based on a historical analysis of accounts receivable to assess the recoverability of the receivables portfolio.

**b. Provisions included in liabilities:**

These provisions have been set up to cover potential contingent situations that could give rise to future obligations of payment. In estimating the amounts and probabilities of occurrence, the opinion of the Company's legal advisors has been considered.

14. Contingent situations not accounted for at the date of the Financial Statements.

See Note 22 to the condensed interim Financial Statements at December 31, 2019.

Irrevocable advances on account of future subscriptions

15. Status of the capitalization procedure.  
There are none.
16. Unpaid cumulative dividends on preferred shares  
There are none.
17. Conditions, circumstances or terms for the removal of restrictions on the distribution of unappropriated earnings.

See Note 14 to the financial statements at December 31, 2019. There are no changes as to the information timely provided.

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## **REVIEW REPORT ON THE CONDENSED INTERIM FINANCIAL STATEMENTS**

To the Shareholders, President and Directors of  
Generación Mediterránea S.A.  
Legal address: Leandro N. Alem 855 - 14th Floor  
City of Buenos Aires  
Tax Registration Number: 30-68243472-0

### **Introduction**

We have reviewed the accompanying condensed interim financial statements of Generación Mediterránea S.A. ("the Company"), including the statement of financial position at March 31, 2020, the statement of comprehensive income for the three-month period ended March 31, 2020, the Statements of changes in equity and of cash flows for the three-month period then ended, and the selected explanatory notes.

The balances and other information for the fiscal year 2019 and its interim periods are an integral part of the Financial Statements mentioned above; therefore, they must be considered in connection with those Financial Statements.

### **Board's responsibility**

The Board of Directors of the Company is responsible for the preparation and presentation of the financial statements in accordance with International Financial Reporting Standards, adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards and included by the National Securities Commission (CNV) in its regulations, as approved by the International Accounting Standards Board (IASB), and is therefore responsible for the preparation and presentation of the condensed interim financial statements mentioned in the first paragraph, in accordance with International Accounting Standard 34 *Interim Financial Information* (IAS 34).

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### **Scope of our review**

Our review was limited to the application of the procedures established under International Standards on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity, adopted as a review standard in Argentina by Technical Pronouncement No. 33 of the FACPCE and approved by the International Auditing and Assurance Standards Board (IAASB). A review of interim financial information consists of inquiries of Company staff responsible for preparing the information included in the condensed interim Financial Statements and of analytical and other review procedures. This review is substantially less in scope than an audit examination conducted in accordance with international standards on auditing and consequently it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the financial position, the comprehensive income, or the cash flows of the Company.

### **Conclusion**

On the basis of our review, nothing has come to our attention that make us think that the condensed interim financial statements mentioned in the first paragraph of this report have not been prepared, in all material respects, in accordance with International Accounting Standard 34.

### **Emphasis of matter paragraph**

#### Impact of COVID-19 on the Company's business

Without modifying our conclusion, we emphasize the information contained in Note 26 to the condensed interim financial statements, in which management has detailed the uncertainties in connection with the impact of the COVID-19 virus (Coronavirus disease) on the Company's business; as well as the measures laid down by management to face this situation.

### **Report on compliance with current regulations**

In accordance with current regulations, we report, in connection with Generación Mediterránea S.A., that:

- a) the financial statements of Generación Mediterránea S.A. have not yet been transcribed into the Inventory and Balance Sheet book and as regards those matters that are within our field of competence, they are in compliance with the provisions of the General Companies Law and pertinent resolutions of the National Securities Commission;
- b) the condensed interim financial statements of Generación Mediterránea S.A. have not yet been transcribed into the Inventory and Balance Sheet book for the period ended March 31, 2020 and the accounting entries for December 2019, and January, February and March 2020 have not yet been transcribed into the Journal Book, and arise from accounting records carried in all formal respects in accordance with legal requirements; The financial statements are transcribed in CD ROM.

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- c) we have read the Summary of Activity and the additional information to the Notes to the condensed interim financial statements required by Section 12, Chapter III, Title IV of the National Securities Commission regulations, on which, as regards those matters that are within our competence, we have no observations to make;
- d) at March 31, 2020 the debt accrued by Generación Mediterránea S.A. in favor of the Argentine Integrated Social Security System according to the Company's accounting records amounted to \$ 6,679.351, none of which was claimable at that date.

City of Buenos Aires, May 12, 2020

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

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Raúl Leonardo Viglione

## **Report of the Syndics' Committee**

To the Shareholders of  
Generación Mediterránea S.A.

1. In accordance with Section 294 of Law No. 19550 and the standards issued by the National Securities Commission (CNV), we have examined the attached condensed interim financial statements of Generación Mediterránea S.A. (the "Company") which comprise the statement of financial position at March 31, 2020, the statement of comprehensive income for the three-month period ended March 31, 2020, statement of changes in equity and of cash flows for the three-month period then ended, and the selected explanatory notes. The balances and other information corresponding to the fiscal year 2019 are an integral part of the financial statements mentioned above; therefore, they must be considered in connection with these financial statements.
2. The Board of Directors of the Company is responsible for the preparation and presentation of the financial statements in accordance with International Financial Reporting Standards, adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards and included by the National Securities Commission (CNV) in its regulations, as approved by the International Accounting Standards Board (IASB), and is therefore responsible for the preparation and presentation of the condensed interim Financial Statements mentioned in the first paragraph, in accordance with International Accounting Standard 34 Interim Financial Information (IAS 34). Our responsibility is to express a conclusion based on the review that we have performed with the scope detailed in paragraph 3.
3. Our review was carried out in accordance with standards applicable to syndics. Those standards require the application of the procedures established by Technical Pronouncement No. 33 of the Argentine Federation of Professional Councils in Economic Sciences for limited reviews of interim financial statements, and include verifying the consistency of the documents reviewed with the information on corporate decisions, as disclosed in minutes and the conformity of those decisions to the law and by-laws insofar as concerns formal and documentary aspects. For the purposes of our professional work, we have reviewed the work carried out by the Company's external auditors, Price Waterhouse & Co. S.R.L., who issued their Review Report on the condensed interim Financial Statements with an emphasis of matter paragraph relating to the information contained in Note 26 on the same date of this report. A review of interim financial information consists of inquiries of Company staff responsible for preparing the information included in the condensed interim financial statements and of analytical and other review procedures. This review is substantially less in scope than an audit examination conducted in accordance with international standards on auditing and consequently it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the financial position, the comprehensive income, and the cash flows of the Company.

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We have not assessed the administrative, financing, marketing and operating business criteria as these matters fall within the exclusive competence of the Board of Directors and Shareholders' meeting.

4. As stated in Note 3, the condensed interim financial statements mentioned in paragraph 1. have been prepared in accordance with International Accounting Standard 34.

5. Based on our review, we are not aware of any significant changes that should be made to the condensed interim Financial Statements mentioned in paragraph 1. for their presentation in accordance with the relevant provisions of Law No. 19550, the rules of the National Securities Commission and the standards mentioned in paragraph 2.

6. The provisions of Section 294 of the Law No. 19550 have been duly fulfilled.

City of Buenos Aires, May 12, 2020

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For the Syndics' Committee  
Marcelo P. Lerner  
Full Syndic