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

Generación Mediterránea S.A.

Financial Statements

At December 31, 2020
presented in comparative format

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Contents

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 Financial Statements of the Company.

Terms	**Definitions**
/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 IV, Córdoba
CTR	Central Térmica Roca S.A.
CTRi	Central Térmica Riojana located in La Rioja, province of 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
Grupo Albanesi	Albanesi S.A., 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./the Company
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)

Terms	Definitions
GUDIs	Large Demand from Distributors' customers, with declared or demanded power of over 300 kW
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 (one thousand) 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
NFHCC	New Agreed Upon Date for Commercial Operation
SDG	Sustainable Development Goals
NO	Negotiable Obligations
GDP	Gross Domestic Product
PWPS	Pratt & Whitney Power System Inc
RECPAM (Purchasing Power Parity)	Gain/loss on purchasing power parity
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.
RSE	Corporate social responsibility
TP	Technical Pronouncements
SADI	Argentine Interconnection System
ES	Energy Secretariat
SEK	Swedish crowns
GSE	Government Secretariat of Energy
OHHS	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

Generación Mediterránea S.A.

Annual Report for Fiscal Year 2020

Contents

Annual Report for Fiscal Year 2020

To the Shareholders of GMSA,

In compliance with current legal and regulatory provisions, the Board of Directors submits for your consideration this Annual Report, the Summary of Activity, the Financial Statements, Statements of Comprehensive Income, Statements of Changes in Equity, Statements of Cash Flows, and Notes to the Financial Statements for the year ended December 31, 2020.

1. ACTIVITY OF THE COMPANY

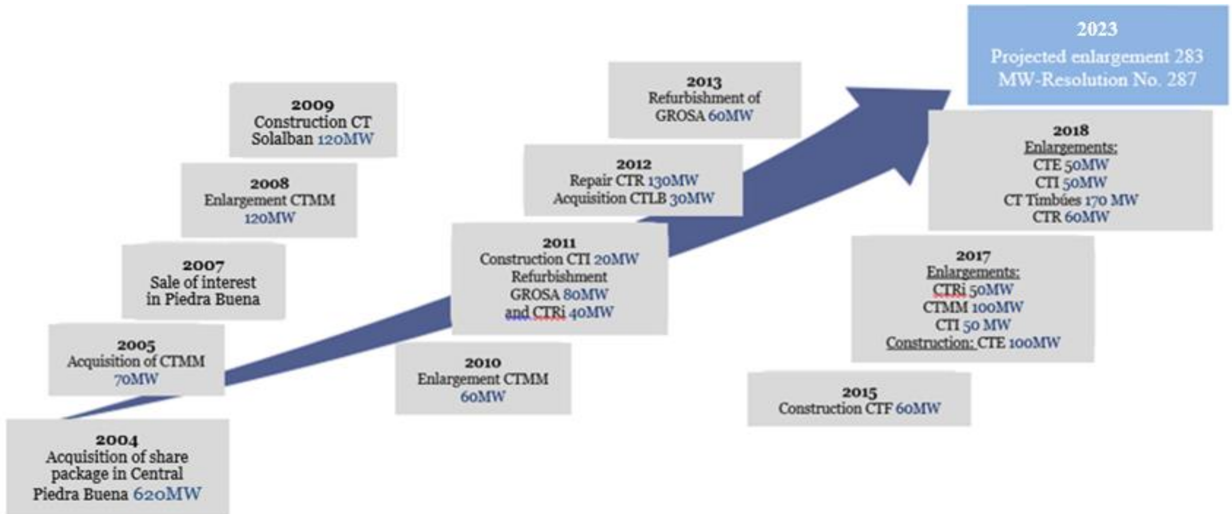
GMSA's main line of business is the conventional thermal power generation. It has six thermal power plants operating throughout the whole country fed with natural gas as well as diesel as alternative fuel. They sell the energy generated in accordance with different regulatory frameworks. GMSA's nominal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

Power Plant	Nominal installed capacity	Resolution	Location
Central Térmica Modesto Maranzana (CTMM)	350 MW	Resolutions Nos. 220/07, 1281/06 Plus and ES No. 31/2020	Río Cuarto, Córdoba
Central Térmica Independencia (CTI)	220 MW	ES Resolutions Nos. 220/07, 1281/06 Plus, EES Resolution No. 21/16 and ES No. 31/2020	San Miguel de Tucumán, Tucumán
Central Térmica Frías (CTF)	60 MW	ES Resolutions Nos. 22/07 and 31/2020	Frías, Santiago del Estero
Central Térmica Riojana (CTRi)	90 MW	ES Resolutions Nos. 22/07 and 31/2020	La Rioja, La Rioja
Central Térmica La Banda (CTLB)	30 MW	ES No. 31/2020	La Banda, Santiago del Estero
Central Térmica Ezeiza (CTE)	150 MW	EES Resolution No. 21/16	Ezeiza, Buenos Aires
Total nominal installed capacity	**900 MW**		

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.

Grupo Albanesi, at the date these financial statements were signed, had a total installed capacity of 1,520 MW, being expanded with additional 283 MW with all the new projects awarded and currently under way.

Grupo Albanesi 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.



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 EES Resolution No. 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.

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.

On June 10, 2020, the Energy Secretariat by means of Note No. NO-2020-37458730-APN-SE#MDP temporarily suspended the computing of the period for the performance of the contracts under former EES Resolution No. 287/2017 as to the cases that did not obtain the commercial authorization at the time the pertinent Note was published. This suspension is based on the circumstances occurring as from the COVID-19 pandemic and social, preventive and mandatory isolation imposed by Emergency Decree (DNU) No. 297 dated March 19, 2020. The suspension of the term computing is effective for 180 days as from the date of publication of the Emergency Decree (DNU) No. 260 dated March 12, 2020.

On September 25, 2020, a Note was sent to CAMMESA with the acceptance of the terms described in Note NO-2020-60366379-APN-SSEE#MEC, which extends the suspension of the computing of the period mentioned in the above paragraph until November 15, 2020.

The progress on projects has been limited for prudence reasons until the financing ensuring the completion of the works required for the start of commercial operations is obtained, with only minor payments under the main equipment purchase contracts being made.

2. MACROECONOMIC CONTEXT

International context

According to IMF's World Economic Outlook report issued in January 2021, contraction of global growth in 2020 has been estimated at -3.5%, as a result of the global pandemic with impact throughout 2020.

The recent authorization of vaccines raises hopes that the pandemic reaches an inflexion point further this year, but new waves and virus variations create concern about future perspectives. In this context of exceptional uncertainty, global economy is expected to grow 5.5% in 2021 and 4.2% in 2022.

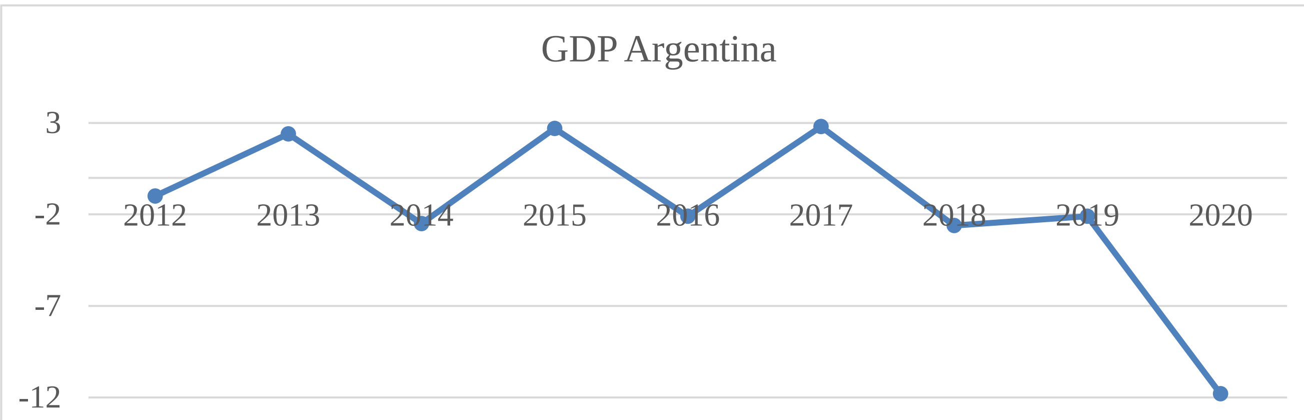
According to IMF projections, the strength of recovery varies considerably among countries, depending on access to medical procedures, the effective support of policies, exposure to cross-border economic repercussions and the structural characteristics of each economy at the inception of the crisis.

Regional context

Many Latin American countries, severely hit by the pandemic, now face a major slowdown. GDP contraction for 2020 is estimated at -7.4%, while a 4.1% recovery is projected in 2021 and 2.9% in 2022. The rebound projected for 2021 will not be enough to return to the 2019 activity levels.

Argentina

The estimated contraction in Argentina for 2020 was around -10.4%, according to the IMF's World Economic Outlook report dated January 2021. After three consecutive years of recession, including the historical collapse of 2020 associated with the impact of coronavirus, the IMF projects 4.5% growth in 2021 and 2.7% in 2022.



The cumulative economic activity for Argentina up to November 2020 – measured by the EMAE (Monthly Economic Activity Estimator) – showed a 10.6% decrease with regard to the cumulative economic activity for the same period of 2019.

According to the Level of Activity Progress Report prepared by the INDEC, cumulative GDP for the first three quarters of 2020 showed a decrease of 10.2% compared to the same period of 2019.

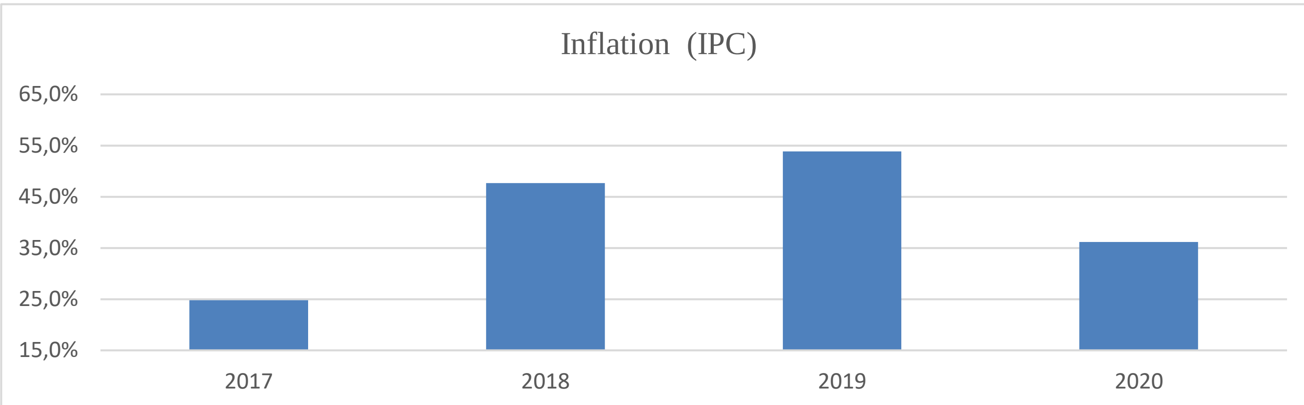
The macroeconomic evolution for the third quarter of 2020 resulted in a -12.6% variation in global supply vis-à-vis the same period of the previous year, according to preliminary estimates and measured at 2004 prices as a result of a 10.2% decrease in GDP and a -22.0% variation in real imports of goods and services.

The global demand showed a 10.3% decrease in gross fixed capital formation, a 14.7% decrease in private consumption, a 6.5% decrease in public consumption, and a 17.0% decrease in real exports of goods and services.

In seasonally adjusted terms with respect to the second quarter of 2020, imports grew by 10.9%, private consumption increased by 10.2%, public consumption increased by 2.7%, gross fixed capital formation recorded a variation of 42.9%, while exports shrank by 1.4%.

The industrial activity measured by the Manufacturing Industrial Production Index (Manufacturing IPI) increased by 4.9% in December 2020 compared to the same month of 2019. The cumulative for the period January-December 2020 shows a decrease of 7.6% compared to the same period of 2019. In turn, the index for the seasonally adjusted series shows a positive variation of 0.9% as against the previous month, and the series trend-cycle index records a positive variation of 1.1% as against the previous month.

According to the Consumer Price Index (CPI), prices showed a cumulative increase of 36.1% in 2020 (INDEC), compared to 53.8% for 2019. Inflation rates for the last 4 years are shown below.



According to INDEC's report on Argentine foreign trade, in the twelve-month period of 2020, exports reached USD 54.884 billion and imports, USD 42.356 billion. International trade (exports plus imports) decreased by 14.9% and reached USD 97.24 billion. The trade balance registered a surplus of USD 12.528 billion. Exports in 2020 decreased by 15.7% (USD -10.231 billion) as compared to 2019, due to a 13.2% decrease in volumes and 2.9% in prices. Imports in 2020 decreased by 13.8% (USD -6.769 billion) as compared to 2019, due to a 10.7% drop in volumes and 3.5% in prices. In the twelve-month period of 2020, the main trade partners (considering the total sum of both exports and imports) were Brazil, China and the United States, in this order. Exports to Brazil reached USD 7.956 billion, while imports reached USD 8.685 billion. The trade balance recorded a deficit of USD 729 million. Exports to China amounted to USD 5.394 billion, while imports reached USD 8.664 billion. In this case, trade deficit was USD 3.270 billion. Exports to the United States amounted to USD 3.313 billion, while imports reached USD 4.414 billion. Deficit with that country was USD 1.101 billion. These three partners in the aggregate absorbed 30.4% of Argentine exports and supplied 51.4% of imports.

The official foreign exchange rate (wholesale) at the closing of 2020 recorded $84.15, which implies a devaluation accumulated over 2020 of 40.5%.

The Central Bank of Argentina was a clear purchaser of foreign currency in December 2020, after gradually reducing its selling position as from September. This allowed the balance of International Reserves to accumulate an increase of USD 758 million as compared to the end of the previous month, closing the year with USD 39.41 billion.

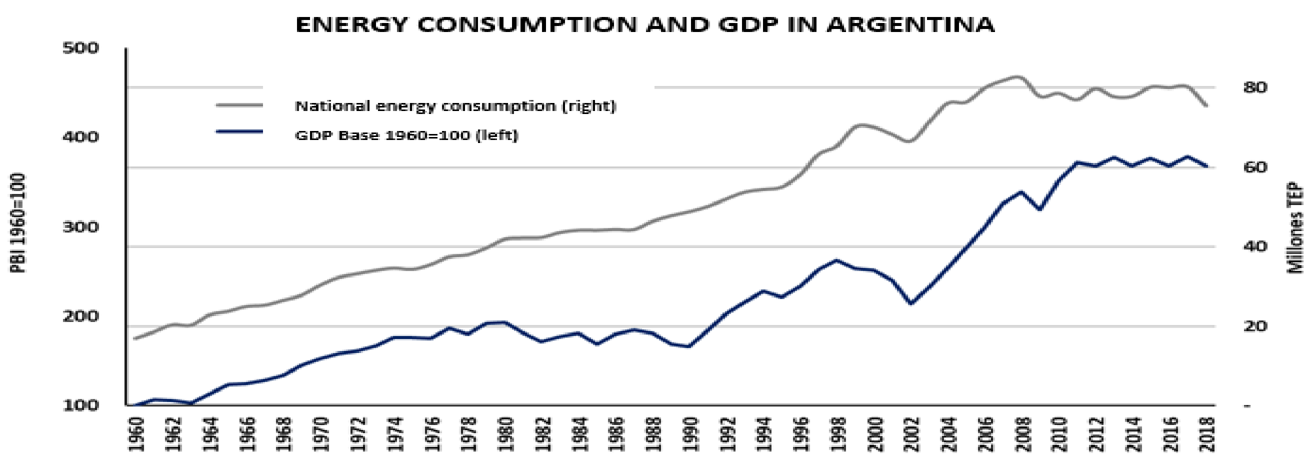
The monetary base for December 2020 was $ 2.425 billion on average, compared to $ 1.734 billion, representing an increase of 39.8%.

Structure of the energy sector

Energy demand and consumption in Argentina is positively related to Gross Domestic Product, which means that the greater the economic growth, the greater the consolidated demand for all energy products. The reverse is also verified with less intensity, as the decrease in economic activity is linked to a reduction in energy consumption of a lesser magnitude.

In the last 61 years, energy consumption has shown a historical annual average growth of 2.5%[1], with a normalized average of only 0.3% per year[2] since the Great Crisis of 2002. The significant drop in energy consumption and GDP in 2020 – estimated at -8.7% and -12.0%, respectively – has incidence in the reduction of averages.

The correlation between evolution of GDP and electricity demand shows a significant dispersion; however, it may be



concluded that when there is a significant reduction in GDP, the electricity demand falls relatively moderately. It should also be considered that, in a context of low economic growth, electricity demand increases at rates higher than GDP.

The economic recession in 2018 – a -2.6% contraction from the good economic level of 2017 – and the summer months with lower temperatures than those of the previous year had a minimal impact on the energy demand, of 0.4% compared to 2017.

In 2019, the new fall of the GDP, of -2.1% compared to 2018, caused a 3% decrease in energy consumption with respect to 2018. The first estimates for 2020, as a result of the economic crisis and strict isolation measures due to COVID-19 – with a historical economic contraction estimated in -10.4% – could record a minimal reduction of -1,6% in energy consumption compared to 2019.

The growth in energy consumption during several years of the first decade of the 21st century resulted from high economic growth, which was driven mainly by the demand of energy products from the Residential and Commercial sectors, and to a lesser extent by the growth in Industrial sector consumption, as shown by the levels of gas, gasoline and, in particular, electricity consumption. The economic stagnation of the Argentine economy since 2011 has reduced energy consumption

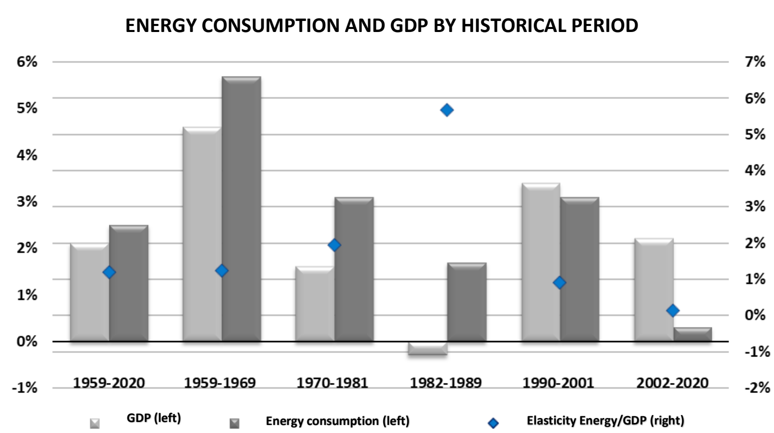
[1] Official data from 1959 to 2019 and preliminary estimate for 2020 prepared by G&G Energy Consultants.
[2] Official data on energy consumption from the Energy Secretariat until 2019, using 2020 preliminary estimates published by G&G Energy Consultants.

growth rates, which had shown significant increases above the historical median between 2003 and 2011, in part as a result of the low rates that proved to be unsustainable for the Argentine economy.

The elasticity of energy consumption in relation to GDP in the last two political-economic cycles has been lower than in previous decades. The restrictions on energy demand due to insufficient supply and the need to import energy to supplement domestic supply had an impact on the economy, and on the Industrial sector in particular. If industrial development effectively expands, there will be greater energy supply needs.

HISTORICAL-ECONOMIC PERIOD	ANNUAL GDP	ENERGY CONSUMPTION	ELASTICITY ENERGY/GDP
1959-2020	2.1%	2.5%	1.19
1959-1969	4.6%	5.7%	1.24
1970-1981	1.6%	3.1%	1.94
1982-1989	-0.3%	1.7%	5.67
1990-2001	3.4%	3.1%	0.91
2002-2020	2.2%	0.3%	0.14

The restrictions on the supply of energy products, such as natural gas, in the last cycle of economic growth through to 2011 and the relatively moderate growth in energy demand in broad terms[3] are due to problems in the supply of these energy products, and to the growth in demand from the Residential-Commercial segment in a context of a slight to modest industrial recovery rather than from large energy consumers.

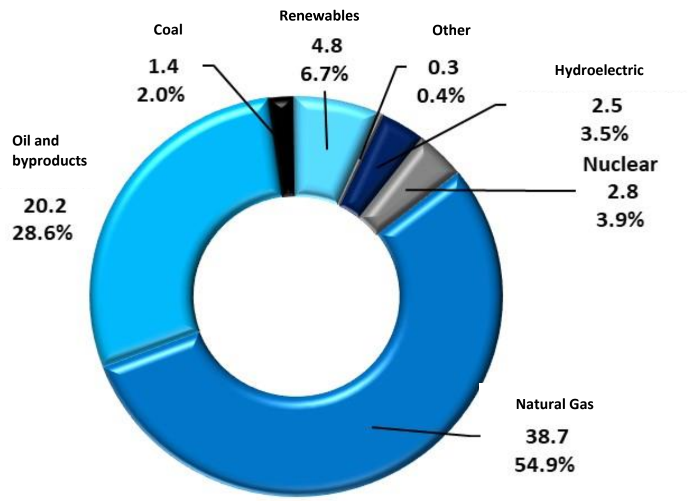


Argentine primary energy consumption is dependent upon hydrocarbons, which accounted for 86.8% in 2016, 86.5% in 2017, 85.8% in 2018 and 86.1% in 2019. Few changes are estimated for 2020, probably, 85.4%, due to the significant relative increase in renewable energy sources[4]. This percentage of fossil-fuel sources has dropped slightly in the last years as a result of the obligation imposed on fuel supplying refineries to incorporate increasing ratios of biodiesel and bioethanol in their production of fossil fuels, such as diesel and gasoline, and also of renewable sources of electric power, especially in 2019 and 2020.

[3]From the analysis of a specific sector such as electricity, it may be observed that the demand growth rate for this energy product is higher than the GDP growth rate.

[4] Latest official data for 2019. Estimate for 2020 by G&G Energy Consultants, expressed in million Tons of Oil Equivalent (TOE) for Primary Energy Consumption.

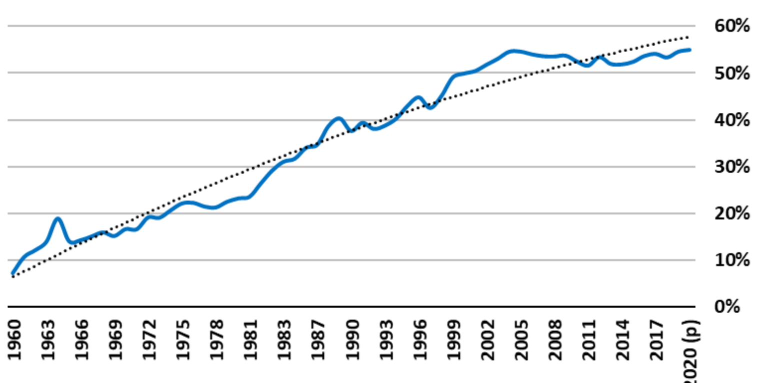
PRIMARY ENERGY CONSUMPTION IN ARGENTINA 2020 (70.5 million TOE)



Few countries show this structure of heavy reliance on oil and natural gas byproducts, in coincidence with significant oil and gas reserves. Although Argentina does not have large conventional oil and natural gas reserves in relation to its domestic demand, it has relevant potential in terms of unconventional gas and oil resources. Due to the nature, features and costs of the investments required, there are difficulties in modifying the current energy primary consumption structure in the short term in favor of hydroelectric or renewable sources. Likewise, different governments have ambitious self-set goals of increasing renewable sources in electric power supply, already facing limitations to electricity transmission.

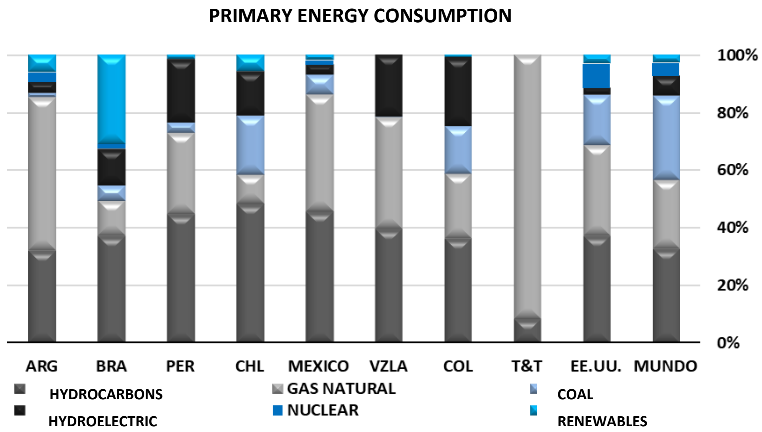
The high reliance on natural gas – 53.2% in 2018, 54.5% in 2019 and an estimated 54.9% in 2020 – fluctuates annually based on imports of natural gas from Bolivia and liquefied natural gas (LNG) from various sources, and on local production from different basins to meet the demand. Despite the increase in domestic production that was observed in the 2018 winter season and, particularly, in 2019, and the imports of gas from Bolivia and LNG, the potential demand of natural gas is partially unsatisfied in winter in the industrial segment and in the thermoelectric generation segment[5]. The 2020 winter season witnessed a situation of highest deficit in supply due to a significant reduction in local gas supply, as described in the specific sections of this report.

SHARE OF NATURAL GAS IN DOMESTIC ENERGY CONSUMPTION

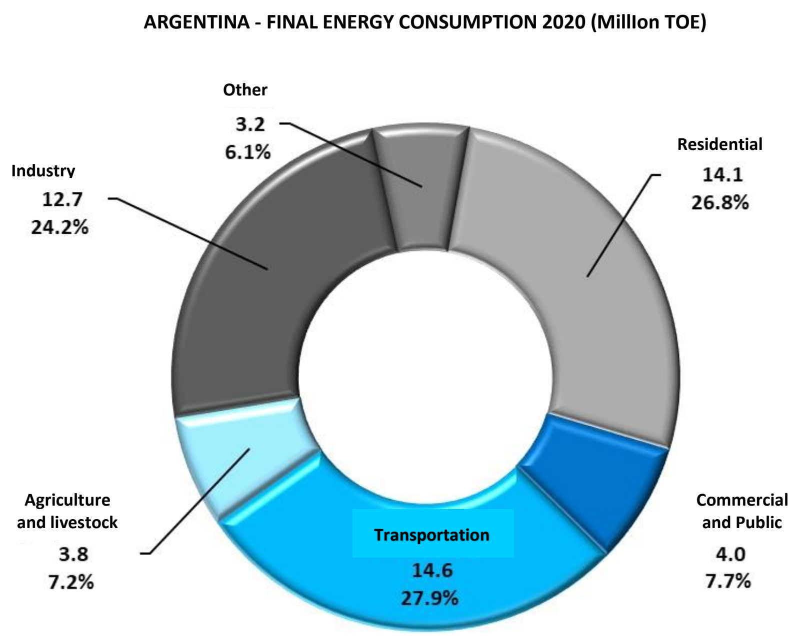


[5] In the absence of restrictions on gas demand, the share of this product in the primary matrix would be even higher.

The countries within the region do not have a structure so biased towards hydrocarbons, although they do show a bias in the global average and in the USA.



Final energy consumption in Argentina – net of losses and transformation – is evenly distributed between the transport, industrial and residential/commercial segments. This distribution is similar to that in other developing countries with a vast territory and medium sized population.



The characteristics of the Argentine energy supply and demand are summarized below:

- An atypical breakdown featuring Oil and Gas as the predominant energy sources, typical only of large hydrocarbon exporters such as countries in the Middle East, Russia, African LNG exporters, or Venezuela.
- In addition, between 54% and 55% of internal primary energy consumption relies on natural gas with penetrating consumption, despite restrictions to discourage potential demand for this energy source in winter, which lead to substitution

with alternate fuel sources for electric power generation, and to direct restrictions on industrial demand in certain branches of industry, surpassed by few countries with significant excess natural gas production.

- Reduction of local energy supply of natural gas and oil in 2020, in agreement with the additional reduction in domestic demand after several years' stagnation. The strong decrease in hydrocarbons supply reverted the recovery experienced in 2018 and particularly in 2019, which had allowed to reduce unsatisfied demand. The decline in investments, affected by the economic and health crisis, led to the implementation of an incentive plan for the production of gas in late 2020, making it possible to expect a halt in the production drop.

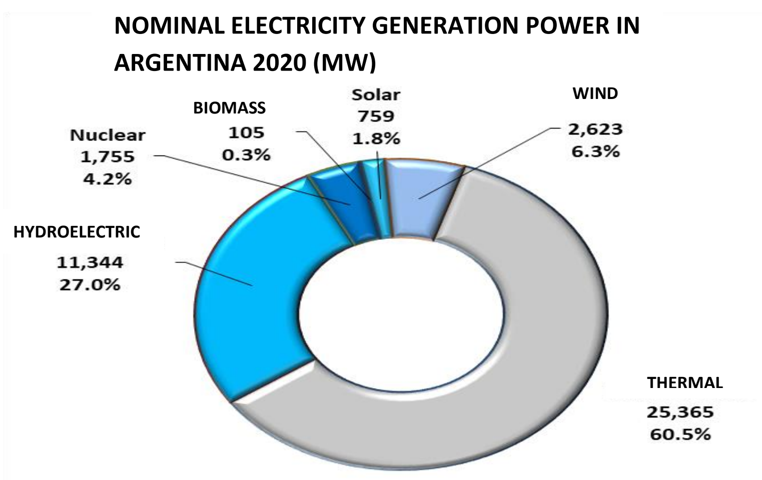
- Demand in 2020 lower than the historical trend in the Industrial, Transport and Commercial segments, both in natural gas and electric power, due to economic crisis and isolation measures. The rate freeze in place since the beginning of 2019 enabled a recovery in residential demand, with a higher demand of gas and electricity in the winter months as a result of the stay-at-home lockdown of a large part of the population. The freezing of gas and electricity rates, declared by Emergency Decrees (DNU) dated December 2019 – renewed throughout 2020 – could trigger a new increase in demand, if the economy recovers in 2021 as forecast by specialists.

SUPPLY OF ELECTRICITY AND DEMAND STRUCTURE

The electricity generation capacity in Argentina has evolved unevenly over the years, with periods of increased supply in response to the prevailing policies aimed at meeting electricity demand.

CAMMESA reports a nominal power of 41,951 MW installed and commercially authorized at the end of 2020, with a net increase of 5.7% with respect to 2019, equivalent to 2,247 MW. This significant increase was recorded after the net rise of 1,166 MW or 3.0% in nominal availability[6] at the end of 2019, compared to 2018.

One important feature of the additions is that they correspond to new equipment, resulting in high effective availability; therefore, the available operating power estimated by G&G Energy Consultants in the 2020/2021 summer season was about 32,000 MW, including a rotating reserve in the order of 1,900 MW, with several thermal units under maintenance and with fuel limitations, in addition to the low technical availability of the nuclear fleet and less water availability (hydraulicity) at hydroelectric reservoirs due to severe drought[7]. G&G Energy Consultants estimates that under average conditions similar to those prevailing in 2020, availability is close to 33,000 MW.



[6] 407 MW were incorporated in 2016, 2,179 MW in 2017, and 2,387 MW in 2018, as per data reported by CAMMESA at the end of 2020.

[7] The difference between nominal and effective power was due to restrictions on certain units caused by insufficient supply of fuel, difficulties in reaching the nominal yield, but mainly due to recurrent maintenance tasks or technical limitations in some generating units. It must also be considered that renewable units do not operate at their nominal power at all times but rather respond to specific parameters of radiation and wind speed at a point.

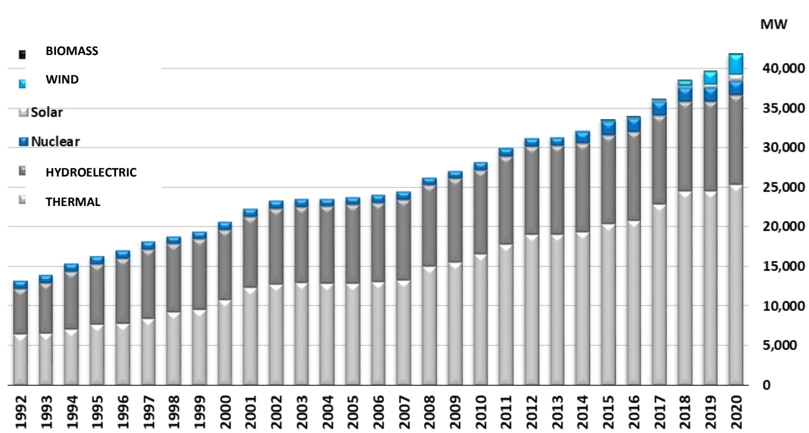
The financial restrictions of the Government have an impact on the rate of incorporation of power plants such as hydroelectric or nuclear, as a result of the large investments required and the extended execution terms. The recurrent fiscal crises of the Government result in delays and/or suspension of these large projects. Thus, successive governments have opted to foster the incorporation of thermoelectric generating units requiring lower investments and shorter terms for implementation, even though they use natural gas and liquid fuels. As production of these fuels has had a predictable and growing development in Argentina – as it happened again in 2018 and 2019 due to higher investment in natural gas after the commercial development of tight and shale gas –, their supply has not necessarily implied a restriction in the past. However, this thermoelectric generation policy has encountered increasing restrictions relating to the supply of locally produced fossil fuels from 2004 to 2014, in particular natural gas.

Between 2016 and 2019, the Government launched an aggressive program for hiring additional generating power, both from thermoelectric and renewable sources. The incorporation of supply was achieved through power availability and energy dispatch remuneration contracts in the case of thermal units, for terms of 10 and 15 years and with remuneration in US dollars. Further units were incorporated by means of long-term (20 years) contracts with CAMMESA for the purchase of the available power, in the case of wind, solar and biomass generation units and small hydroelectric plants.

Nominal Electricity Generation Capacity

The nominal installed capacity is concentrated on thermoelectric generation, although its unavailability is relatively high in relation to other sources of generation, except for nuclear energy which exhibits recurring unavailability due to scheduled and untimely maintenance. An important number of thermoelectric power generating units show unavailability on a recurrent basis and are not reliable for dispatch, in particular during the winter season, when fuel restrictions cause a reduction in available effective power.

CHANGES IN NOMINAL ELECTRICITY GENERATION CAPACITY



NOMINAL ELECTRICITY GENERATION CAPACITY (MW) - DECEMBER 2020												
REGION	**ST**	**GT**	**CC**	**DI**	**THERMAL**	**NUCLEAR**	**HYDROELECTRIC**	**SOLAR**	**WIND**	**BIOGAS/ BIOMASS**	**TOTAL**	**%**
CUYO	*120*	*114*	*386*	*40*	**660**	**0**	**1.141**	**205**			**2.006**	**4.8%**
COMAHUE	*0*	*501*	*1.490*	*81*	**2.072**	**0**	**4.769**		**252**		**7.093**	**16.9%**
NORTH-WESTERN	*261*	*725*	*1.945*	*363*	**3.294**	**0**	**220**	**493**	**158**	**5**	**4.170**	**9.9%**
CENTRAL	*3*	*626*	*789*	*51*	**1.469**	**648**	**918**	**61**	**128**	**14**	**3.238**	**7.7%**
GREATER BA-LITORAL-BA	*3.870*	*4.034*	*8.209*	*820*	**16.933**	**1.107**	**945**		**1.125**	**36**	**20.146**	**48.0%**
NORTH-EASTERN	*0*	*12*	*0*	*305*	**317**	**0**	**2.745**			**51**	**3.113**	**7.4%**
PATAGONIA	*0*	*286*	*301*	*33*	**620**	**0**	**606**		**959**		**2.185**	**5.2%**
MOBILE				*0*	**0**						**0**	**0.0%**
TOTAL	**4.254**	**6.298**	**13.120**	**1.693**	**25.365**	**1.755**	**11.344**	**759**	**2.622106**	**106**	**41.951**	**100.0%**
THERMAL %	*16.8%*	*24.8%*	*51.7%*	*6.7%*	**100.0%**							
TOTAL %					**60.5%**	**4.2%**	**27.0%**	**1.8%**	**6.3%**	**0.3%**	**100.0%**	

G&G Energy Consultants estimates that by the end of 2020 and beginning of 2021, available effective power – which is lower than declared nominal power for the reasons explained above – reached approximately 32,000 MW, including a rotating reserve of 1,900 MW that was not necessary to be fully used due to limited demand in 2020 and early 2021 – despite the slight increment in the record of demand for power on January 25, 2021 –, as has been the case in 2019 and 2018, with no difficulties to meet demand.

The record of demand for power on a working day, held since February 2018 at 26,320 MW[8], was surpassed on Monday, January 25, 2021 with a slight increase of 0.5%, reaching 26,450 MW. On the previous weekend, with high temperatures, the record of power consumption for a Saturday was broken, as was that of daily energy demand for a Sunday.

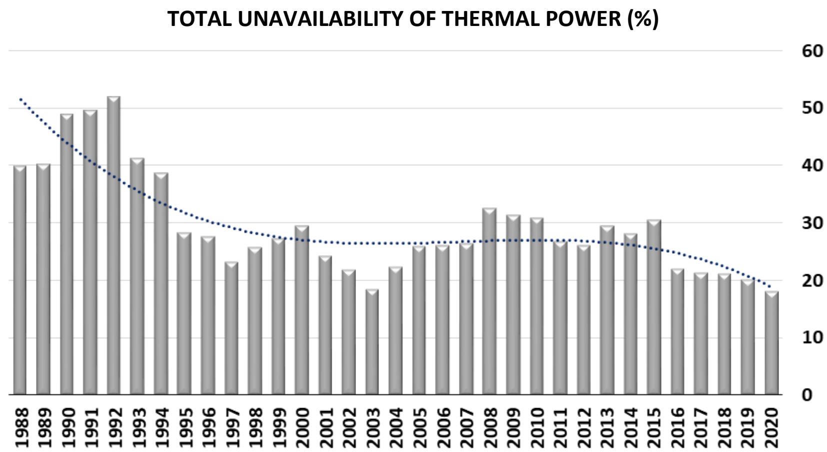
RECENT CHANGES IN ELECTRICITY CONSUMPTION RECORDS						
DAY	**PREVIOUS RECORDS**		**CURRENT RECORDS**		**VARIATION**	**MW**
	POWER (MW)					
Saturday	Dec-30-17	22.543	***Jan-23-21***	***22.611***	***0.3%***	***68***
Sunday	Jan-25-15	21.024	Dec-27-15	21.973	4.5%	949
Working Day	Feb-08-18	26.320	***Jan-25-21***	***26.450***	***0.5%***	***130***
DAY	**ENERGY**				**VARIATION**	**MW**
Saturday	Jan-18-14	477.9	Dec-30-17	478.4	0.1%	0.5
Sunday	Feb-26-17	437.6	***Jan-24-21***	***457.8***	***4.6%***	***20.2***
Working Day	Feb-08-18	543.0	29 Jan -19	544.4	0.3%	1.4

As already mentioned, in January 2021 the maximum demand for power surpassed the 2018 record, with a wider excess of generation capacity. The thermoelectric fleet prevails as to dispatch, with an absolute record of 17,274 MW, compared to the 17,023 MW former record of February 8, 2018.

The status of thermoelectric unavailability also improved, because those generators with older units and with no forward contracts with CAMMESA had invested until 2018/2019, when their remuneration started to decrease. Income from certain

[8] On January 29, 2019, the demand for power on a working day exceeded the historical record, reaching 544 MWh.

items that increased from 2016 to 2018 was used to maintain the plants in availability conditions and thus receive the related payments. The addition of a large number of new units allowed to compensate for the greater unavailability of older units.

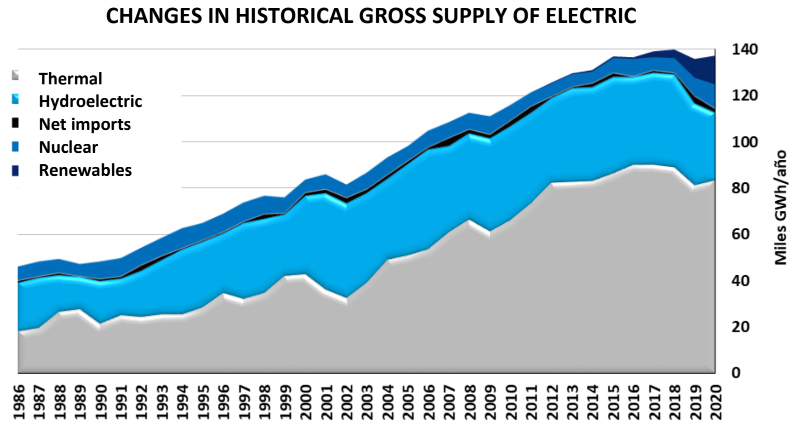


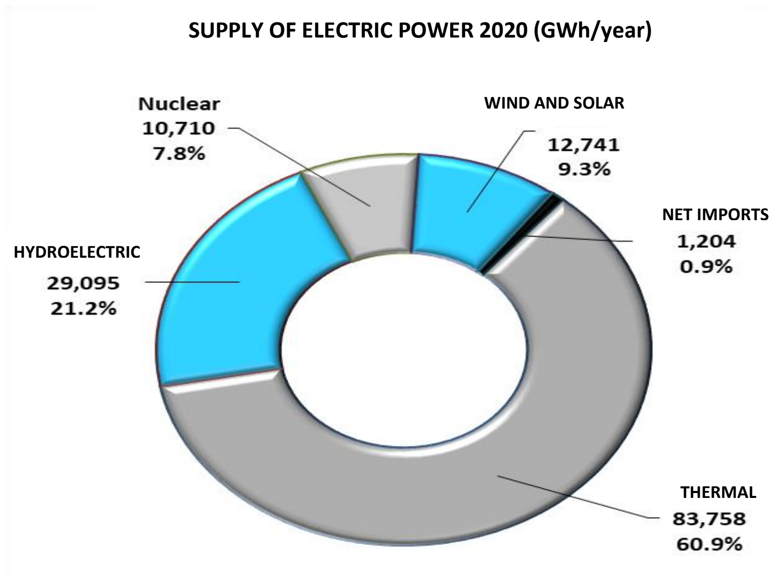
The increase in effective available power improved significantly in the last three years, and will continue to improve in 2021 with the addition of some power plants currently under construction. The companies making up Grupo Albanesi continued to invest in various power plants, with the incorporation of power in general over terms agreed with the new units incorporated as well as a Renova cogeneration unit.

In addition, various companies making up Grupo Albanesi were awarded forward contracts with CAMMESA for expanding their capacity in the coming years. Within the framework of the international public bidding for closing to combined cycle and co-generation projects called for under ES Resolution No. 287-E/2017 of the Energy Secretariat of the Ministry of Energy and Mining, Grupo Albanesi was awarded three projects to install 351 MW of new capacity which are currently being added, as other units of different companies. Albanesi participates with the following plants:

- The co-generation project of the Arroyo Seco Power Plant, in the province of Santa Fe, in association with Dreifus – a producer of soy crushing and oil.
- Closure of cycle with additional 125 MW in the Modesto Maranzana Power Plant, in Córdoba, in the process of obtaining financing.
- Closure of cycle with 150 MW in the Ezeiza Power Plant, in Buenos Aires, in the process of obtaining financing.

Gross Electricity Demand in the internal and external market – including losses in the transmission and distribution system, and the company's own consumption at rotating generating units – has shown a significant growth in thermal electric power supply in recent decades, accompanied by a mild increase in the hydroelectric power supply due to the incorporation of the last stage of the CH Yacyretá following the gradual increase of its generating quota as from 2006.



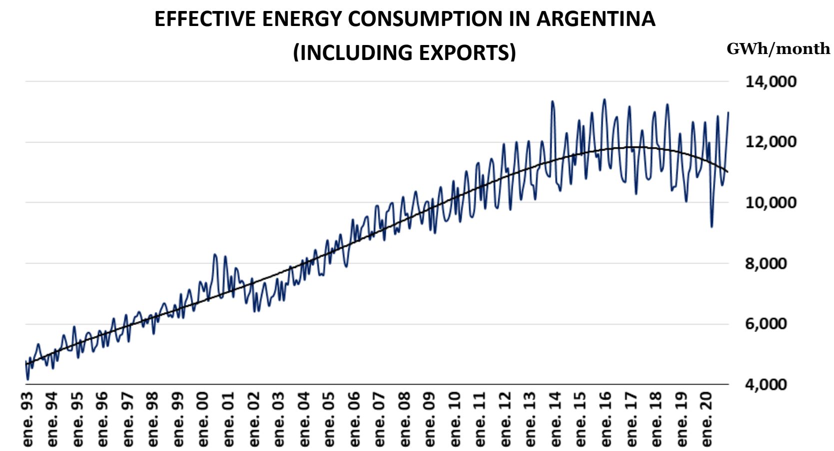


Between 2016 and 2020, the growth trend of electric power demand showed a slowdown, aggravated in 2019 partly by moderate winter temperatures. In 2020, significant exports to Brazil in the last months of the year enabled a slight upturn of 1,2% with respect to 2019, although domestic market was reduced. This long-term trend reflects moderation in electricity demand in periods of economic downturn, such as 2016, 2018, 2019 and especially 2020, with an impact of tariff adjustments implemented until February 2019 to partially improve electricity supply cost coverage. Despite the rate freeze implemented as from that date, we estimate a reduction in internal gross electricity demand of -2.9% in 2019 and -1.0% in 2020.

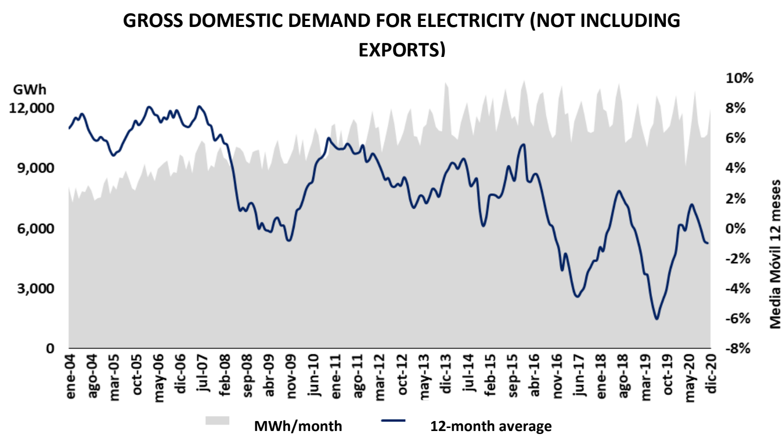
Demand of electric power

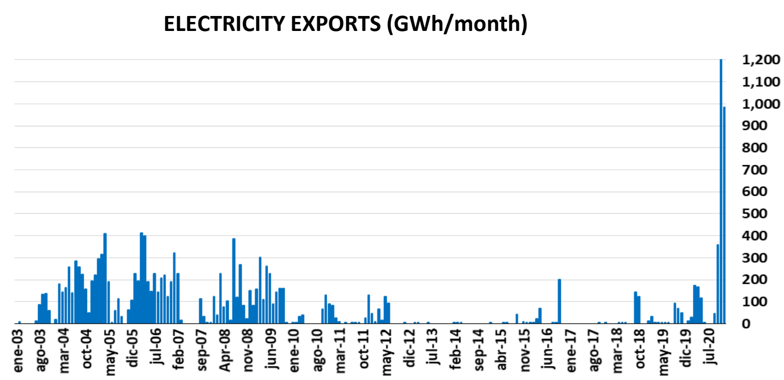
CAMMESA divides Argentina into regions with similar characteristics from the demand point of view, as well as on the basis of the socio-economic characteristics and the integration of each electricity subsystem. Demand is highly concentrated in the CABA-Greater Buenos Aires area-Litoral region, which accounts for 61.4% of the total electricity demand of the country in 2019; minor changes are estimated for 2020, possibly with lesser participation owing to several months' unusual lockdown. Although growth rates in other regions, such as North-western area, Comahue and Patagonia are greater than in the remaining regions of the country and the demand in CABA-Greater Buenos Aires area is influenced by rate adjustments, the changes in this structure are not expected to be material in the future.

Gross electricity demand in 2020 estimated by G&G Energy Consultants records a decrease of -1.6% in internal gross demand, even with the rate freeze. The economic stagnation has an impact on the rate of increase in demand, together with rate adjustments. Growth rates are expected to be similar to historical rates once the economy returns to a path of sustained growth.



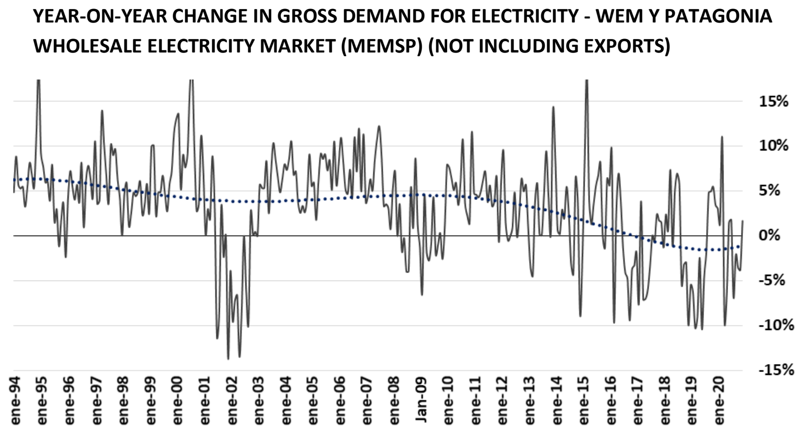
The development of the moving twelve-month average evidences a decrease in energy demand, with inactivity until mid-year 2019, subsequent budding recovery and renewed fall resulting from social isolation.

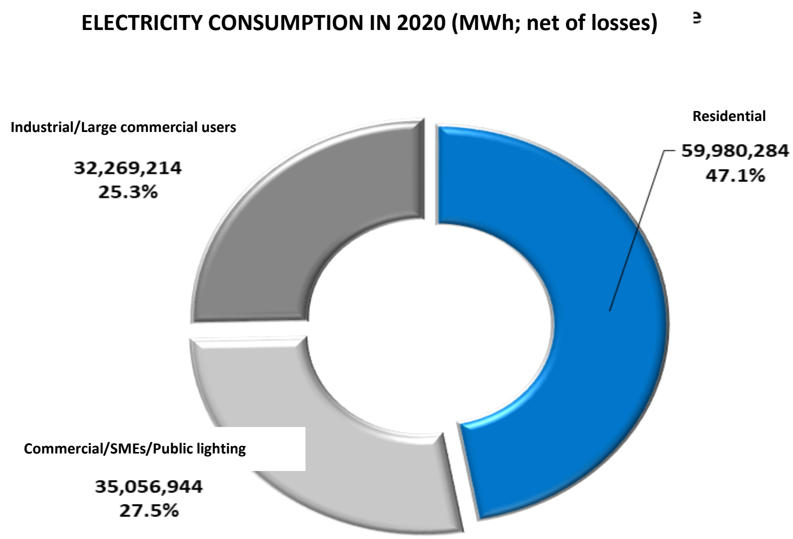




Direct year-on-year analysis – unlike moving twelve-month average, useful to detect trend shifts – shows successive drops in economic activity since late 2015, especially in the industrial sector, with significant participation in total electricity consumption. In 2017 the industrial activity recovered and annual gross demand showed moderate expansion, of 1.8%. In

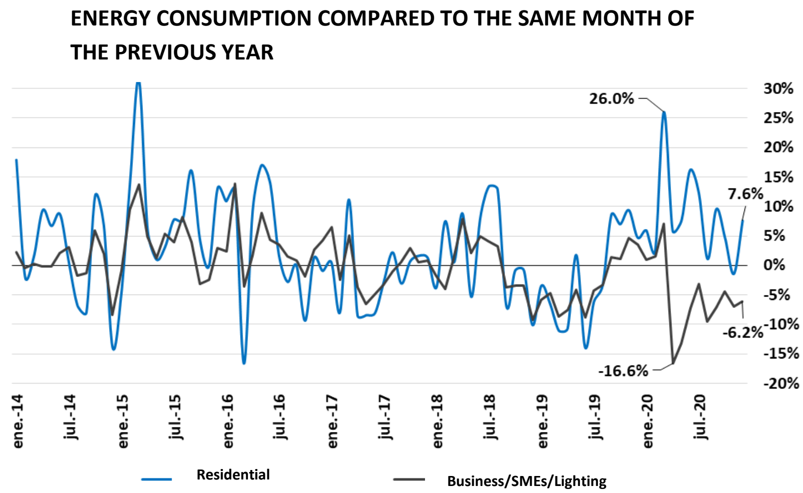
2018, economic recession and mild temperatures in November and December affected the demand in the last months of the year, which ended with a contraction of -0.4%. In 2019, there was a strong reduction of -2.9% in annual electricity demand.



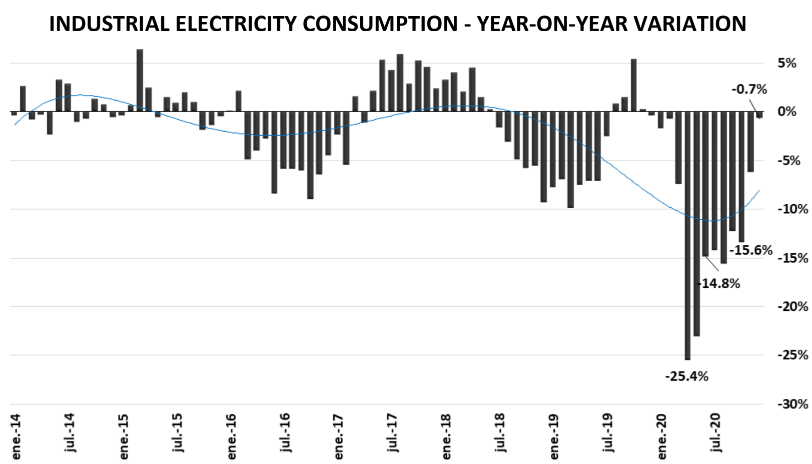


The residential electricity demand segment was reduced by -2.0% in 2019 following the 2.0% increase recorded in 2018 as a result of winter and summer temperatures. In 2020 a sharp increase of 7.6% was recorded, obeying to the rate freeze and social isolation, which implied more hours of consumption at homes.

The segment of commercial electricity demand was reduced by -0.4% in 2017, and further -0.4% in 2018. In 2019, this trend increased to -3.2%. The electricity tariff adjustments implemented in February 2016, followed by adjustments to natural gas in April 2016, partly affect the demand of consumers. 2020 witnessed a tight contraction of -5.6%, due to the severe economic crisis suffered by these consumers.



The industrial activity stopped falling at the beginning of 2017, and the activity growth lasted until early 2018, when once again, a significant slowdown began, accelerated in the last few months of that year. In 2016, the Industrial segment had shown a -4.7% reduction in electricity demand after a modest +0.8% in 2015. In 2017, the industrial reactivation showed a 2.0% increase in electricity demand, while 2018 ended at –1.3%, with very negative year-on-year figures of -5.8% and -9.7% in November and December 2018. In 2019, the recessive trend grew until the first half of the year, with an annual contraction of -3.6% and a recovery in some months. **In 2020 an intense contraction of -11.6% was recorded**, due to the severe economic crisis, with a recovery towards the end of the year if compared to the bad months of 2019.



3. HIGHLIGHTS FOR FISCAL YEAR 2020

3.1 Electric power

In the course of 2020, the demand of electric power decreased by 1.6% as compared to the prior year. The most significant drop in demand occurred in the second quarter of 2020, during the period of social, preventive and mandatory isolation, when a 7.3% decrease in electricity demand was recorded, compared to the same period of 2019. Industrial demand fell by 16% in the second quarter of 2020, offset by an increase of 8.7% in residential demand.

CTMM

One of the main objectives of GMSA in 2020 was to renew contracts with Large Users in the Forward Market. This was successfully achieved, with a reasonable margin maintained. The power from TG03 and TG04 units has been fully contracted. The duration of these contracts is from 1 to 2 years.

In compliance with the WEM Supply Contract executed with CAMMESA as per ES Resolution No. 220/2007 for 45 MW of the TG05 unit, the availability targets stipulated in the contract were fulfilled, thus avoiding penalty charges due to significant unavailability events during the year. The contract expired on September 18, 2020; as a result, all the power will be remunerated under Resolution No. 31/2020, and it can also be sold in the Forward Market.

The combined cycle has complied with the power availability goals committed to with CAMMESA, maximizing the remuneration for power.

The combined cycle availability was 100%. The open cycle MMARTG03 and MMARTG04 units recorded average annual availability of 98%. The availability of MMARTG05 unit was 99% and of MMARTG06 and MMARTG07 units was 100%, resulting in an annual average of 99%. The electricity generation at the power plant reached 408,758 MWh during 2020, mostly concentrated in the TG03, 04 and 05 units supplying Large Users in the WEM.

CTI

In 2020, CTI units operated at a low dispatch level, meeting the availability targets committed in the Supply Agreement under Resolutions 220/2007 and 21/2006. Therefore, no penalties were imposed for significant unavailability during the year.

The new units installed within the framework of Resolution 21/2016, GT03 and GT04, reached an annual availability average of 100%, and complied with the power agreed upon in the Contract for Wholesale Demand.
Lastly, the energy generated in 2020 by the four units was 92,902 MWh.

CTRi

In 2020, it had an average plant availability of 99% and the generated energy was 33,746 MWh, 95% of which corresponds to the unit TG24, authorized for operation in 2017.

CTLB

In 2020, the availability targets were met, achieving full remuneration for Fixed Cost power. The Plant had an average plant availability of 100%.

CTF

In 2020, CTF reached an average plant availability of 85%. The Power Plant recorded generated power amounting to 17,045 MWh.

CTE

Since the beginning of its operation in October 2017, the availability of both units was of 98%, which easily allowed to fulfill the availability agreed upon in the Contracts for Demand signed within the framework of Resolution 21/2016.

Energy generated in 2020 amounted to 146,962 MWh

3.2 Maintenance

CTMM

The objective of the maintenance tasks carried out during the year was to maintain the availability of the combined cycle units and open cycle units. The maintenance plan comprised all the units and ancillary equipment. This objective was successfully achieved, thanks to the actions taken.

The minor predictive and preventive maintenance tasks scheduled were carried out during the year at GU 01 and 02 of the Combined Cycle, GU 03, 04 and 05 – Siemens PWPS FT8 Turbines –, and GU 06 and 07 – Siemens SGT 800 Turbines –, as recommended in the manufacturer's manual as per hours run.

With PWPS, the maintenance agreements remained effective, and the major maintenance plan started on four PT and one GG units, performed at the PWPS workshops in USA.

In addition, the remote and local assistance agreements with Siemens Sweden and Argentina also remained effective.

CTI

The finally achieved objective of the maintenance tasks carried out during the year was to maintain the availability of the generating units. The maintenance plan comprised all the units and ancillary equipment.

The minor predictive and preventive maintenance tasks scheduled were carried out during the year at GU 01 and 02 – PWPS FT8 Turbines –, and GU 03, 04 and 05 – Siemens SGT 800 Turbines –, as recommended in the manufacturer's manual as per hours run.

In addition, the remote and local assistance agreements with Siemens Sweden and Argentina also remained effective.

CTRi

The objective, finally achieved, of the maintenance tasks carried out during the year was to maintain the availability of generating units. The maintenance plan comprised the generating units as well as ancillary equipment.

The minor predictive and preventive maintenance tasks scheduled were carried out during the year at the GU 21, 22 and 23, as recommended in the Manufacturer's manual as per hours run.

For the Siemens SGT 800 GU 24, the average maintenance recommended by the manufacturer was carried out, according to manuals.

In addition, the remote and local assistance agreements with Siemens Sweden and Argentina also remained effective.

CTLB

The finally achieved objective of the maintenance tasks carried out during the year was to maintain the availability of the generating units.

The maintenance plan comprised the generating units and ancillary and building equipment.

The minor predictive and preventive maintenance tasks scheduled were carried out during the year at GU 21 and 22, as recommended in the manufacturer's manual and the good practices in the art.

CTE

The finally achieved objective of the maintenance tasks carried out during the year was to maintain the availability of the generating units.

The maintenance plan comprised the generating units and ancillary and building equipment; Type "A" maintenance was conducted on gas turbines by Siemens Argentina personnel, with assistance from Siemens Sweden specialist.
In addition, the remote and local assistance agreements with Siemens Sweden and Argentina also remained effective.

3.3 Environmental management

Corporate Environmental Management System

In CTMM, there is an Integrated Management System implemented and certified under ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 standards.

The ISO 14001:2015 certification, in particular, is available with a corporate scope, for the following Grupo Albanesi power generation plants: (GROSA, CTR, AESA and GMSA; Thermal power plants: CTMM, CTRi, CTI, CTLB, CTF, and CTE).

This shared methodology allows working in a unified and coordinated manner at all work sites, applying the same criteria for determining the environmental aspects of the activity, significant assessments and the operational controls adopted in response to those matters.

Supported by standardized documentation and implemented within a work framework based on joint and cooperative performance between the parties, sustained growth has been achieved over time, subject to regular performance reviews and ongoing improvement processes.

The main benefits of the above may be noted in aspects such as:

- Environmental awareness and the involvement of the personnel in the fulfillment of the objectives set.
- The priority given to preventive management actions.
- A history of absence of environmental incidents, resulting from a work culture rooted in deep ethical and professional values.
- Efficient performance in connection with the necessary corrective actions and the permanent eradication of root causes, safe contention of risks and achievement of new opportunities for improvement.
- Attention given in due time and manner to comply with legal requirements.
- Improved management of environmental issues relevant to the activity, with special attention to its life cycles and the interests related to environmental sustainability. Effectiveness, fluency and clearness of internal communications, for timely addressing the needs and challenges of management.
- Interest and attention paid to concerns and expectation of the community and other external stakeholders.

- Strict regularity in the follow-up and analysis of environmental parameters.
- Efforts expended, with meritorious results, to the preservation of order, hygiene and aesthetic care of natural spaces.

Important achievements have been obtained in the maintenance of the Quality and Occupational Safety and Health Management Systems.

As a consequence of the health crisis experienced in 2020 from the scourge of the COVID-19 pandemic, the round of external audits planned for October (second stage of the Management Systems review) had to be postponed. This activity, to be conducted by the IRAM (as certification agency engaged by the Company), was rescheduled for February-March 2021. In this regard, it is worth mentioning that the preventive measures implemented during the year, both within this context and in other matters of internal performance, had a bearing in preserving the health and well-being of employees with a wide enough scope to ensure uninterrupted development of the production processes, following the customary policy of facilities, operation and control maintenance.

3.4 <u>Human Resources</u>

This fiscal year pervaded by the pandemic posed a challenge for us to find the most possibly efficient way to adapt to the previously formulated plans for this sector.

Since most of our activities have been declared essential services, the work plan designed after the effective date of the restrictive measures had the primary objective of "Ensuring the Company's operating condition and preserving the health and well-being of our staff and their families, for both on-site activities and remote working".

In the context of the quarantine imposed through DNU No. 297/2020 and in continuity with the preventive measures adopted by the Company before its enforcement, a work plan was established, which comprises a set of measures implemented and in place to date.

Throughout the year, about 240 people were working remotely, representing approximately 50% of total personnel; the rest of the workers were in actual attendance to operate the Thermal Generation power plants in the provinces of Buenos Aires, Córdoba, Santa Fe, Santiago del Estero, Tucumán and Río Negro, as well as the winemaking activity in Alto Valle de Río Colorado and Bodega del Desierto.

Below is a summary of the actions implemented with the Plan:
Before the quarantine:

- It was decided that those persons with health risks were dispensed from attending the workplace: Employees over 60 years of age, with underlying diseases and risk of morbidity associated with COVID-19.
- The Technology area guaranteed connectivity for this population to start working remotely.
- The week before the quarantine was enforced, we set up a system of minimal staff on duty to increase preventive social distancing at every work location, both at our Head Office and at each production site.
- Measures of hygiene and facilities maintenance were enhanced, and the communication actions aimed at increasing individual and collective prevention were improved.

As from the start of the quarantine, March 20, 2020

Communications to personnel and HR information systems

- All communication channels were used for announcing the measures implemented and raising awareness about care and prevention in connection with the pandemic and quarantine situation. (Available channels: Newsletter RH+; SAP Jam Website; email).
- For the purpose of integrating HR information systems, we continued with the integration of the tool used in the performance management program, starting with a pilot test at the closing of the 2020 cycle and 2021 opening.

Job opportunities

The Group's employment level remained practically stable, with a decrease of only 1% from the previous year. Through our internal mobility program "MOBI", 9 positions were offered to cover internal rotations, and 25 persons from an external source were incorporated for replacements, 68% of them at Operations and the remaining 32% at the Head Office.

Training

The educational activities planned for last year were redesigned for their conversion into a modular format, with training on a remote basis.
Within this framework, 12,755 hours of training were offered to personnel, with the focus set on the development of soft skills for Managers (School of Leadership Skills) and staff, in addition to continuous education in languages and the development of technical competencies to be in line with the changes in job positions.

Well-being and motivation

By means of our Newsletter RH+, we have developed contents oriented to achieving work-life balance in remote working.

- Articles on ergonomics, safety and work conditions
- Articles on healthy food
- Stress management

To date, three surveys under the name "COVID-19 - Pulso RH+" were conducted, directed at sounding employee experience and knowing the degree of satisfaction and support to the measures implemented to ease the development of both remote and on-site activities.

The findings of each survey triggered action plans for the improvement of key aspects, to make employee experience easier. The aspects inquired into were, among others:

- Support from IT for remote working.
- Communication and support from Management.
- Interaction with colleagues, peers and inside work teams.
- Corporate communication about prevention of COVID-19.

Infrastructure and connectivity for remote work

- Reinforcing VPN to provide secure connectivity for all the employees working on a remote connection basis.
- Assistance and support for connection via WiFi.
- Provision of laptops and peripheral devices for key positions.
- Support and maintenance of core facilities - servers.

Prevention and operations at every location with on-site activities

- Drafting of the COVID-19 Protocol and its implementation for both Operations and Head Office

- Provision of personal protection elements
- Face masks for all personnel
- Alcohol-based gel sanitizer and liquid alcohol for spraying on clothes
- Latex (disposable) gloves and dishwashing type ("Mapa") for cleaning and orderly personnel

- Prevention, asepsis and sanitarian control
- Digital thermometers for temperature control at a distance, at all locations
- Shoe sanitizing mats at the entrance of each floor, with an additional rug for drying
- Visual luminous detectors at the entrance of each restroom facility, to comply with prevention measures
- Elements for handling non-perishable food (e.g.: stainless steel tongs + disposable transparent 1.5-micron nylon gloves).

- Head Office
- Cleaning and sanitization of carpets
- Room sanitization using quaternary ammonium spray

These measures are all in progress and they are adjusted according to the dynamics of each site.

CORPORATE SOCIAL RESPONSIBILITY

In the CSR field, the Company has donated medical supplies (alcohol-based gel sanitizer) to various healthcare centers in the provinces where we operate; we also cooperated with the Argentine Red Cross campaign, making donations for the purchase of inputs and personal protection elements for hospital equipment.

COVID-19 Solidarity Crusade - Grupo Albanesi
For the purpose of reinforcing health measures and avoiding the spread of COVID-19, we donated various inputs to assist hospitals and municipalities in the areas where we operate.

The first four health institutions that received our contribution were: the Regional Acute Care Hospital "Dr. Alberto Antranik Eurnekian", in Ezeiza; the Municipal Healthcare Center of Río IV (Córdoba), "Sanatorio Mater Dei" and the Clinic Hospital, in the City of Buenos Aires. Each of these institutions received a 220-litre tank of alcohol-based gel sanitizer, 1000 (one thousand) 500 cc bottles of medicinal ethanol and 1000 (one thousand) 250 cc bottles of medicinal ethanol.

The supplies were delivered by Company managers in person and work teams assigned for the occasion.

In addition, the Group maintained the actions that it is continuously developing within the framework of Sustainable Development Goals No. 4, 6 and 11, in support of Education for work proficiency, Clean water and sanitation, and Sustainable cities and settlements, respectively.

3.5 <u>Systems and Communications</u>

During 2020, the Systems and Communications areas continued to provide maintenance, development, implementation, innovation and solutions relating to applications, technology, telecommunications, information and process security, guaranteeing a suitable service level and covering the Company's business needs, even in the context of the quarantine due to the COVID-19 pandemic.

This area has policies and procedures in line with international standards which are constantly supervised to ensure compliance with the objectives of the sector, internal controls, as well as quality and ongoing improvement.

The projects and objectives achieved during 2020 are summarized below:

- A new Forti 900 E communication device was purchased, for the purpose of improving connectivity for the staff working from home throughout the quarantine.
- Two new servers were incorporated to the corporate data center.
- The connectivity technology within the corporate data center was renewed, by acquiring an Aruba core switch to replace the existing conventional switch.
- Windows server and Windows 10 licenses were renewed and extended.
- A total of 71 laptop computers were purchased to enable remote working for personnel during the quarantine,
- and 35 PCs were upgraded, which remained available as they were replaced by the laptops and were sent to different power plants.
- The mobile phones of the fleet were upgraded and renewed.
- The commercial and energy billing systems were expanded and improved.
- The versions of Business Object and the SQL database were updated.
- Numerous new reports were developed with Business Object.
- The real time collection center was migrated to the Head Office data center.
- There were more than 200 improvements on the management programs used — SAP, Business Object and also the electricity management systems.

The new Systems and Information Technology Management will continue in 2021, with the investment processes aimed at improving productivity and efficiency of existing processes, as well as adding innovative technologies, thus allowing to continue with the process to improve the actions focused on ensuring security, confidentiality, completeness and availability of the information.

Projects for 2021 include the following:

- Renewal of SAP servers
- Windows server and Windows 10 license renewal and extension.
- Update of computers, laptops and cell phones.
- Expansion and improvement of the commercial and energy billing systems.

3.6 Integrity Program

Through the Minutes of the Board of Directors' Meeting dated August 16, 2018, the Integrity Program for Grupo Albanesi Companies was approved, whereby the Code of Ethics and Conduct was strengthened and different policies were implemented, including an Anti-corruption Policy, a Policy on the Submission of Tenders and Bids and a Policy on Relationships with Government Officials.

In addition, a confidential, anonymous and public Ethics Line was implemented for the submission of complaints, and an Ethics Committee was set up, whose members remain in office for one year, to investigate reports and send their conclusions to the Board, from which they depend.
Further, a training program was implemented, comprising in-house sessions and mandatory online training, including an e-learning site that made it possible to reach all the locations where the Group performs operations. In the course of 2020 the focus was on an online training about the Policy on Relationships with Government Officials, as part of a proposal that will continue in 2021.

In the late months of 2019 and the first months of 2020, our auditor for Compliance issues conducted an audit of the transactions, as part of the implementation of the due diligence procedures for third parties required by Section 23 of Law No. 27401 on Criminal Liability of Legal Entities. In this regard, on July 2, 2020 the Board of Directors approved the implementation of a platform called GRIP (for the acronym in Spanish of "Suppliers' Integrity Risk Management"), helpful in managing the risks associated with third parties, as mentioned above, under the new Policy on Due Diligence for Third Parties approved by Minutes of the Board of Directors' Meeting dated July 2, 2020, together with an update to the Integrity Program for Grupo Albanesi, which included the Code of Ethics and Conduct and the Policy on Gifts and Presents.

3.7 Financial situation

In the fiscal year 2020, GMSA was aimed at improving the financial profile, extending financing terms and reducing the indebtedness cost, thus ensuring the need for funds to invest in the enlargement of the capacity and the correct operation of the power plants.

At December 31, 2020, the bank and financial debt of the Company was broken down as follows:

	Principal	Balance at 12/31/2020	Interest rate	Currency	Date of issue	Maturity date
		(Pesos)	(%)			
Loan agreement						
Cargill	USD 5,000,000	440,146,881	LIBOR + 10%	USD	August 3, 2020	June 4, 2021
BLC	USD 11,547,115	909,784,884	First installment 12%; remaining installments LIBOR USD 12 m + 11%	USD	June 26, 2020	June 12, 2023
JP Morgan	USD 3,048,045	185,476,793	LIBOR 6m + 1%	USD	December 28, 2020	November 15, 2025
Subtotal		**1,535,408,558**				
Debt securities						
International NO	USD 266,000,000	23,303,586,790	9.625%	USD	July 27, 2016	July 27, 2023
Class VIII Negotiable Obligations	$312,884,660	319,791,911	BADLAR + 5%	ARS	August 28, 2017	August 28, 2021
Class X Negotiable Obligations	USD 6,627,073	567,827,955	8.50% until the first amortization date, 10.50% until the second amortization date, and 13.00% until the third amortization date.	USD	December 4, 2019	February 16, 2021
Class XI Negotiable Obligations	USD 9,876,755	827,645,150	6.50%	USD	June 23, 2020	June 23, 2021
Class XIII Negotiable Obligations	USD 13,076,765	1,086,059,653	12.50%	USD	December 2, 2020	February 16, 2024
Class II Negotiable Obligation co-issuance	USD 72,000,000	6,058,196,341	15.00%	USD	August 5, 2019	May 5, 2023
Class III Negotiable Obligation co-issuance	USD 4,725,715	417,450,351	8.00% until the first amortization date 13.00% until the second amortization date.	USD	December 4, 2019	April 12, 2021
Class IV Negotiable Obligation co-issuance	USD 10,903,296	899,296,146	13% until the second date for payment of interest 10.5% until maturity date	USD	December 2, 2020	April 11, 2022
Class V Negotiable Obligation co-issuance	USD 14,369,484	1,197,085,250	6%	USD	November 27, 2020	November 27, 2022
Subtotal		**34,676,939,547**				
Syndicated loan						
ICBC / Hipotecario / Citibank	$178,425,000	177,811,818	Tranche A: Adjusted BADLAR (BADCOR) + 10% and Tranche B: BADLAR + 11.34%	ARS	September 30, 2020	August 30, 2021
Subtotal		**177,811,818**				
Other liabilities						
Banco Macro loan	USD 666,667	56,392,029	10%	USD	August 30, 2018	January 12, 2021
Banco Macro loan	$96,400,000	97,596,783	BADLAR + 10%	ARS	August 3, 2020	August 12, 2021
Supervielle Loan	$106,000,000	114,994,112	Base rate + 8%	ARS	October 29, 2020	February 26, 2021
Supervielle Loan	$106,000,000	114,994,112	Base rate + 8%	ARS	October 29, 2020	April 27, 2021
Banco Chubut loan	USD 2,000,000	168,899,425	10%	USD	December 18, 2020	June 16, 2021
Related parties (Note 31)	$1,673,311,822	1,673,311,822	35%	ARS	September 2, 2019	September 1, 2021, automatically extendable
Finance lease		91,283,054				
Subtotal		**2,317,471,337**				
Total financial debt		**38,707,631,260**				

During December 2020, the Company successfully ended a process of managing its liabilities, the main purpose of which consisted in reducing payments of principal installments maturing over the next 24 months, to align the operating cash flow to debt servicing and thus reduce the refinancing risk significantly. This process consisted in simultaneously working on various fronts, among which we can mention: (i) the issuance of Class XIII negotiable obligations for USD 13,076,765, subscribed exclusively by means of the swap of 66.4% of Class X negotiable obligations issued by the Company with maturity date in 2021; (ii) the co-issuance between the Company and Central Térmica Roca S.A. of Class IV negotiable obligations for USD 16,354,944, subscribed exclusively by means of a swap of 69.4% of Class III negotiable obligations; (iii) a request for consent of Class II negotiable obligations co-issued by the Company and Central Térmica Roca S.A. for an amount of USD 80,000,000; (iv) the amendment to the loan agreement with Credit Suisse (originally entered into by Generación Centro S.A. and subsequently assumed by the Company and Albanesi S.A.); (v) the amendment to the commercial and financial loan agreement with BLC.

This year, the Company could not only have short-term liquidity but could also postpone payments for USD 79,000,000 from the years 2021/2022 to the years 2023/2024.

1. Brief description of the activities of the issuing company, including references to relevant situations subsequent to year end (in millions of pesos)

Pursuant to the provisions of General Resolution No. 368/01, as amended, of the National Securities Commission (CNV), presented below is an analysis of the results of operations of GMSA and its equity and financial position, which should be read in conjunction with the accompanying financial statements.

	Fiscal year ended December 31:			
	2020	**2019**	**Variation**	**Variation %**
	GW			
Sales by type of market				
Sale of energy Res. No. 220	123	335	(212)	(63%)
Energía Plus sales	467	566	(99)	(17%)
Sale of energy Res. No. 95, as amended, plus spot	157	220	(63)	(29%)
Sale of energy Res. No. 21	182	580	(398)	(69%)
	929	**1,701**	**(772)**	**(45%)**

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

	Fiscal year ended December 31:			
	2020	**2019**	**Variation**	**Variation %**
	(in millions of pesos)			
Sales by type of market				
Sale of energy Res. No. 220	5,532.2	5,285.7	246.5	5%
Energía Plus sales	2,318.2	3,206.1	(887.9)	(28%)
Sale of energy Res. No. 95, as amended, plus spot	515.9	693.4	(177.5)	(26%)
Sale of energy Res. No. 21	5,069.0	5,799.9	(730.9)	(13%)
	13,435.2	**14,985.1**	**(1,549.9)**	**(10%)**

Income/(loss) for the fiscal years ended December 31, 2020 and 2019 (in millions of pesos):

	Fiscal year ended December 31:			
	2020	**2019**	**Variation**	**Variation %**
Sales of energy	13,435.2	14,985.1	(1,549.9)	(10%)
Net sales	**13,435.2**	**14,985.1**	**(1,549.9)**	**(10%)**
Purchase of electric energy	(686.5)	(2,073.3)	1,386.8	(67%)
Gas and diesel consumption at the plant	(1,142.6)	(150.0)	(992.6)	662%
Salaries, social security charges and employee benefits	(421.4)	(435.9)	14.5	(3%)
Defined benefit plan	(6.1)	(9.4)	3.3	(35%)
Maintenance services	(538.2)	(1,127.8)	589.6	(52%)
Depreciation of property, plant and equipment	(2,136.6)	(2,035.3)	(101.3)	5%
Insurance	(115.9)	(106.3)	(9.6)	9%
Taxes, rates and contributions	(32.3)	(42.2)	9.9	(23%)
Other	(41.6)	(46.2)	4.6	(10%)
Cost of sales	**(5,121.1)**	**(6,026.4)**	**905.3**	**(15%)**
Gross income/(loss)	**8,314.1**	**8,958.7**	**(644.6)**	**(7%)**
Taxes, rates and contributions	(1.4)	(3.3)	1.9	(58%)
Bad debts	0.0	(0.1)	0.1	(100%)
Selling expenses	**(1.4)**	**(3.4)**	**2.0**	**(59%)**
Salaries, social security liabilities and employee benefits	(59.5)	(83.1)	23.6	(28%)
Fees and compensation for services	(269.6)	(282.1)	12.5	(4%)
Per diem, travel and representation expenses	(0.8)	(17.6)	16.8	(95%)
Leases	(10.6)	(10.5)	(0.1)	1%
Office expenses	(5.8)	(6.7)	0.9	(13%)
Gifts	(38.1)	(1.0)	(37.1)	3710%
Other	(8.7)	(6.1)	(2.6)	43%
Administrative expenses	**(393.2)**	**(407.1)**	**13.9**	**(3%)**
Other income	56.0	3.9	52.1	1336%
Operating income	**7,975.5**	**8,552.1**	**(576.6)**	**(7%)**
Commercial interest earned	509.6	184.8	324.8	176%
Interest on loans	(3,234.8)	(2,087.5)	(1,147.3)	55%
Tax and commercial interest paid	(640.6)	(593.4)	(47.2)	8%
Bank expenses and commissions	(11.5)	(4.9)	(6.6)	135%
Exchange difference, net	(10,885.7)	(14,357.6)	3,471.9	(24%)
Gain/(loss) on purchasing power parity (RECPAM)	10,465.3	14,687.9	(4,222.6)	(29%)
Other financial results	(255.0)	(469.4)	214.4	(46%)
Financial and holding results, net	**(4,052.7)**	**(2,640.0)**	**(1,412.7)**	**54%**
Pre-tax profit/(loss)	**3,922.8**	**5,912.1**	**(1,989.3)**	**(34%)**
Income tax	(2,008.3)	(4,363.0)	2,354.7	(54%)
Income/(loss) for the year	**1,914.5**	**1,549.1**	**365.4**	**24%**

	Fiscal year ended December 31:			
	2020	**2019**	**Variation**	**Variation %**
Other Comprehensive Income for the year				
Benefit plan	2.4	(5.5)	7.9	(144%)
Revaluation of property, plant and equipment	(61.1)	(3,525.2)	3,464.1	(98%)
Impact on income tax	14.7	882.7	(868.0)	(98%)
Other comprehensive income/(loss) for the year	**(44.0)**	**(2,648.0)**	**2,604.0**	**(98%)**
Total comprehensive income/(loss) for the year	**1,870.5**	**(1,098.9)**	**2,969.4**	**(270%)**

Sales:

Net sales for the year ended December 31, 2020 amounted to $13,435.2 million, compared with $14,985.1 million for fiscal year 2019, showing a decrease of $1,549.9 million (or 10%).

During the fiscal year ended December 31, 2020, 929 GW of electricity were sold, thus accounting for a 45% increase compared with the 1,701 GW sold in 2019.

Below is a description of the Company's main revenues, and their variation during the year ended December 31, 2020, as against the previous year:

(i) $2,318.2 million from sales under Energía Plus, accounting for a decrease of 28% compared to the $3,206.1 million sold in 2019. The GW of energy sold was lower for the year ended December 31, 2020 compared to fiscal year 2019.

(ii) $5,532.2 million for sales of energy under Resolution No. 220/07, representing a 5% increase with regard to the $5,285.7 million for 2019.

(iii) $515.9 million for sales of energy under Resolution No. 95 plus spot, which accounted for an decrease of 26% from the $693.4 million for fiscal year 2019. This was due to changes in the remuneration system for base energy or spot transactions (ES Resolution No. 31), effective since February 2020. This resolution provides that remunerations are to be denominated in pesos and determines reductions of power prices in real terms. Further, considering that the monthly adjustments by applying the CPI and the WPI set out in that Resolution were suspended, the reductions of power prices were magnified due to the peso depreciation by 41%.

(iv) $5,069.0 million from sales of energy under Resolution No. 21, down 13% from the $5,799.9 million sold in the same period of 2019. The GW of energy sold was lower for the year ended December 31, 2020 compared to fiscal year 2019.

Cost of sales:

The total cost of sales for the year ended December 31, 2020 reached $5,121.1 million, compared with $6,026.4 million for fiscal year 2019, reflecting a decrease of $905.3 million (or 15%).

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

(i) $686.5 million from purchases of electricity, which accounted for a 67% drop compared with the $2,073.3 million for fiscal year 2019, due to lower sales of GW under Energía Plus.

(ii) $1,142.6 million for gas and diesel consumption cost at the plant, accounting for an increase of 662% as against $150.0 million in fiscal 2019.

(iii) $538.2 million for maintenance services, a decrease of 52% compared with the $1,127.8 million recorded in fiscal year 2019. This variation is mainly due to changes in the conditions of maintenance contracts.

(iv) $2,136.6 million for depreciation of PP&E, up 5% from the $2,035.3 million in fiscal 2019.

(v) $421.4 million for salaries and social security liabilities, down 3% from the $435.9 million recorded in 2019.

(vi) $115.9 million for insurance, which accounted for a 9% increase compared with the $106.3 million for fiscal year 2019.

Gross income/(loss):

Gross income for the year ended December 31, 2020 was $8,314.1 million, compared with income of $8,958.7 million for fiscal year 2019, accounting for a decrease of 7%.

Selling expenses:

Selling expenses for the year ended December 31, 2020 amounted to $1.4 million, compared with the $3.4 million for fiscal year 2019, accounting for a variation of $2.0 million (or 59%).

Administrative expenses:

Administrative expenses for the year ended December 31, 2020 amounted to $393.2 million, compared with the $407.1 million recorded in fiscal year 2019, accounting for a decrease of $13.9 million (3%).

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

(i) $269.6 million in fees and compensation for services, a decrease of 4% compared with the $282.1 million recorded in the previous year.

(ii) $10.6 million in rental costs, which accounted for an increase of 1% compared with the $10.5 million recorded in the previous year.

(iii) $59.5 million for salaries and social security liabilities, down 28% from the $83.1 million recorded in the same period of 2019.

(iv) $38.1 million in donations, up 3710% from the $1.0 million for the same period in 2019. This is largely due to donations to the Argentine Red Cross under the #ArgentinaNosNecesita Program.

Operating income/(loss):

Operating income for the year ended December 31, 2020 was $7,975.5 million, compared with income of $8,552.1 million for the year 2019, accounting for a 7% decrease.

Financial results:

Financial results for the fiscal year ended December 31, 2020 amounted to a total loss of $4,052.7 million, compared with the loss of $2,640.0 million recorded in fiscal year 2019, which accounted for a decrease of 54%.

The most noticeable aspects of the variation are:

(i) $3,234.8 million loss corresponding to financial interest, an increase of 55% compared with the $2,087.5 million loss recorded in fiscal year 2019 as a result of an increase in the financial debt generated by investment projects and intercompany debts.

(ii) $255.0 million loss on other financial income, accounting for a decrease of 46% compared with the $469.4 million loss recorded in the previous fiscal year.

(iii) $10,885.7 million loss due to net exchange difference, accounting for a decrease of 24% compared with the $14,357.6 million loss recorded in the previous fiscal year. This change is mainly due to a greater exchange rate rise in 2019 than the rise recorded in fiscal year 2020. This is the result of devaluation amounting to 41% for the year ended December 31, 2020 and to 59% for 2019.

(iv) $10,465.3 million gain on PPP (RECPAM), accounting for a decrease of 29% compared with the $14,687.9 million gain recorded in the previous fiscal year. The variation is due to the effects of the restatement of income/loss for fiscal year 2020 by applying the CPI, the inflation increase being 53.8% in 2019 compared to 36% for 2020.

Pre-tax profit/(loss):

During the year ended December 31, 2020, the Company recorded profit before tax of $3,922.8 million, compared with a profit of $5,912.1 million in the previous year, reflecting a decrease of 34%.

Income tax loss for the current year amounted to $2,008.3 million, compared with the $4,363.0 million loss recorded in the previous fiscal year.

Net profit/loss:

For the year ended December 31, 2020, the Company recorded net income amounting to $1,914.5 million, accounting for an increase of 24% considering the $1,549.1 million income recorded in fiscal year 2019.

Comprehensive income/(loss):

Other comprehensive loss for the year was worth $44.0 million in fiscal year 2020, accounting for a 98% decrease compared with fiscal year 2019, and included the revaluation of property, plant and equipment and its effect on income tax as well as the pension plan.

Total comprehensive income for the period amounted to $1,870.5 million, representing a 270% decrease compared with the comprehensive loss of $1,098.9 million for fiscal year 2019.

2. Equity figures presented comparatively with the previous fiscal year:
(in millions of pesos)

	12/31/2020	12/31/2019	12/31/2018
Non-current assets	62,263.3	57,332.1	50,565.0
Current assets	8,874.6	8,294.8	8,045.0
Total assets	**71,137.9**	**65,626.9**	**58,610.0**
Equity	14,475.8	12,605.3	13,704.2
Total equity	**14,475.8**	**12,605.3**	**13,704.2**
Non-current liabilities	43,075.1	41,138.1	34,195.3
Current liabilities	13,587.0	11,883.4	10,710.5
Total liabilities	**56,662.2**	**53,021.6**	**44,905.8**
Total Liabilities and Equity	**71,138.0**	**65,626.9**	**58,610.0**

3. Income statement figures presented comparatively with the previous fiscal year:
(in millions of pesos)

	12/31/2020	12/31/2019	12/31/2018
Ordinary operating income	7,975.5	8,552.1	6,787.4
Financial and holding results	(4,052.7)	(2,640.0)	(8,994.9)
Ordinary net income/(loss)	**3,922.8**	**5,912.2**	**(2,207.5)**
Income tax	(2,008.3)	(4,363.1)	457.7
Net income/(loss)	**1,914.5**	**1,549.1**	**(1,749.8)**
Other comprehensive income/(loss)	(44.0)	(2,648.0)	7,198.8
Total comprehensive income/(loss)	**1,870.5**	**(1,098.9)**	**5,449.0**

4. Cash flow figures presented comparatively with the previous fiscal year:
(in millions of pesos)

	12/31/2020	12/31/2019	12/31/2018
Cash provided by operating activities	8,485.9	7,045.2	4,180.7
Cash (used in) investing activities	(3,499.1)	(6,710.4)	(3,508.3)
Cash (used in) financing activities	(3,944.0)	(285.1)	(470.0)
Increase in cash and cash equivalents	**1,042.8**	**49.7**	**202.4**

5. Ratios presented comparatively with the previous year:

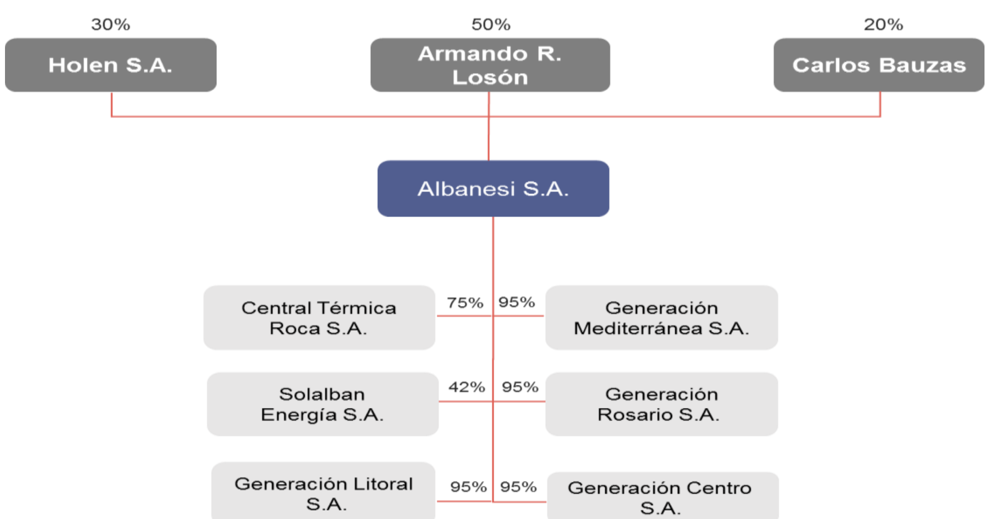
	12/31/2020	12/31/2019	12/31/2018
Liquidity (1)	0.65	0.70	0.75
Solvency (2)	0.26	0.24	0.31
Tied-up capital (3)	0.88	0.87	0.86
Indebtedness (4)	3.83	3.44	3.77
Interest coverage (5)	3.13	5.07	2.94
Return on equity (6)	0.14	0.12	(0.10)

(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 Equity

(*) Unaudited figure

4. CORPORATE STRUCTURE

The structure of the organization at December 31, 2020 is shown in the following table:



Holen S.A., Armando Losón y Carlos Bauzas hold the remaining 5% in GMSA, GROSA, GLSA, and GECEN.

Corporate reorganization

On December 21, 2020, the administrative bodies of ASA, GMSA and GECEN approved it as convenient to conduct a corporate reorganization whereby GMSA would absorb Generación Centro S.A. and ASA, pursuant to Section 82 and related provisions of the General Companies Law, the provisions of Chapter X, Title II of the National Securities Commission regulations and Section 80 and related provisions of the Income Tax Law, as defined hereunder, as well as remaining tax regulations applicable in this field.

Share Capital

At December 31, 2020, the Company's capital was made up of 138,172,150 ordinary, non-endorsable, book-entry shares of $1 par value each, and entitled to 1 vote per share, distributed as follows:

• Albanesi S.A.	95% (131,263,542 shares)
• Armando Roberto Losón	3.7616% (5,197,434 shares)
• Holen S.A.	0.2384% (329,452 shares)
• Carlos Alfredo Bauzas	1 % (1,381,722 shares)

Organization of the decision-making process

As indicated in the various sections of Annex IV, Heading IV, of the Rules of the CNV that are attached to this Annual Report relating to the degree of compliance with the Code of Corporate Governance, the Company's policies and strategies are defined by the Board of Directors to be executed by each of the sectors under the supervision of the corresponding Management divisions and, ultimately, of the Board of Directors.

Decisions that are considered significant and/or relevant in terms of their magnitude and/or amount involved relating to the administration of the Company's activities are made directly by the Board of Directors in a meeting specially convened for this purpose. When required in specific cases, the decision will be made by a specially convened extraordinary Shareholders' Meeting. All the decisions by the Shareholders' Meeting on the events that took place in 2020 have been taken unanimously, while those related to the Board have been taken holding the majority as set forth in the Bylaws.

Directors' fees

The decisions made by the Company relating to the fees of the members of the Board of Directors are in compliance with the limits and guidelines envisaged in Article 261 of Law No. 19550, and Articles 1 to 7 of Chapter III, Heading II, of the Rules of the National Securities Commission.

5. OUTLOOK FOR THE YEAR 2021

5.1 Outlook for the Electricity Generation Market

Numerous power plants were incorporated as a result of the tenders for contracting new energy and power organized since 2016. The regulatory changes that took place since then, especially after the period of financial and economic instability commenced in April 2018, have given way to a complex situation in the electricity generation sector.

Currently, the availability of generating units is high, thanks to the addition of many new units acquired under long-term contracts, both for thermal and renewables, in 2019 and 2020. This investment process, together with the moderation in demand in recent years, has set an adequate level of generation reserves to meet expected demand. However, the maintenance of those units with no adjustments in their remuneration will start to weaken.

Despite the significant reduction in value of the Argentine peso, CAMMESA honored all its long-term contracts meeting the economic and financial conditions, and making the payments at the exchange rate for US dollars.

The Electricity Emergency declared by the Government in early 2016 ended on December 31, 2017. However, the electricity sector still requires that some outstanding tasks be completed to regularize operations, and wholesale price increases need to continue to provide economic sustainability without subsidies to the sector.

The outlook for business operations and commercial dispatch is favorable for modern thermal generators located in regions with a high growth in demand, since their units will receive increasing dispatch requirements.

The prospects for supply of fuel in the winter season will be lesser than in prior winters, though with higher prices.

The international financing restrictions on Argentina delay the entry of new electricity generation units compared with the pace of investments committed in 2016 to 2019, thus revaluing the existing plants and the projects in the process of final construction. The lack of a greater hydroelectrical supply in the next few years offers a favorable outlook in connection with the dispatch from thermoelectric units, partially moderated by the addition of new generation units from renewable sources. It is probable that a higher increase in the demand of electric power in 2021, upon restart of the economy growth, exerts pressure on supply in the years to follow.

The introduction of renewable energy plants poses a challenge to the system since they work uninterruptedly. The support to be provided to these units by thermal units seems essential.

In 2019 and 2020, the policy of cutting back on subsidies to electricity consumers brought about the benefit of lower international prices for oil and fuels, compared with previous years. A moderate reduction of gas supply in 2021 will result in higher amounts to be paid for imported gas, LNG and diesel.

The physical condition of electricity supply is unbeatable after years of investment between 2016 and 2018, although its maintenance depends on decisions that correspond to the Government. The economic and health crisis of 2020 had an impact on the original intentions of Government of amending the financial deficit in the energy sector, something that could be resumed after the mid-term congressional elections in October 2021.

5.2 Company outlook for the year 2021

Electric power

Company’s Management expects to continue operating and normally maintaining the various generating units to achieve high levels of availability in 2021. 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.

The Contract for the Wholesale Demand involving CT Independencia’s TG01 and TG02 units expires in mid-November 2021, and such units will start to be considered as base machines.

Financial situation

During the current year, the Company's objective is ensuring financing to make progress with the investment works described according to the budgeted schedules. Meanwhile, the financing structure will continue to be strengthened, ensuring the Company’s gradual debt reduction.

6. DISTRIBUTION OF INCOME/LOSS

In compliance with the prevailing legal provisions, the Board of Directors of the Company states that income for the year amounted to $1,616,348,291, thus recording accumulated profits for $1,140,152,298 at December 31, 2020.

The Shareholders' Meeting will discuss and decide on the final destination of such accumulated profits.

7. ACKNOWLEDGEMENTS

The Board of Directors wishes to thank all the employees of the Company for their work during the year under review, which has been essential to the achievement of the Company's technical and economic results. Additionally, it wishes to expressly acknowledge the contribution of its clients and suppliers, and of the banking entities and other collaborators, who have worked toward better management of the business throughout the year.

City of Buenos Aires, March 16, 2021

THE BOARD OF DIRECTORS

Generación Mediterránea S.A.

REPLIES - EXHIBIT IV - Annual report for the fiscal year ended 12.31.2020

A) THE BOARD OF DIRECTORS

1. *The Board of Directors has an ethical work culture and establishes the Company's vision, mission and values.*

Generación Mediterránea S.A. (the "Company") is controlled by Albanesi S.A., one of the companies of Grupo Albanesi (the "Group"), engaged in the generation and sale of electric power. As a result, we share the Group's vision, mission and value. By means of minutes of the Board of directors dated December 21, 2020, the Company expressed its intention to carry out a corporate reorganization process to absorb Albanesi S.A. ("ASA") and Generación Centro S.A. ("GECE"), which are part of the Company's economic group, to achieve greater efficiency in the Company's (and, indirectly, the Group's) corporate control structure, given that the shareholders who control 100% of the capital and votes of ASA comprise all the minority shareholders of the Company. The companies participating in the merger have begun negotiations to prepare and, on a timely basis, sign a prior commitment to the merger that sets forth the terms and conditions of the corporate reorganization process and considers the requirements provided by Section 82 and concordant articles of the General Companies Law No. 19550, the provisions of Chapter X, Title II of the regulations of the National Securities Commission (restated text 2013) and section 80 and related provisions of the Income Tax Law (restated text 2019), its regulatory decree and its amendments, as well as the other tax regulations that may apply. As a consequence of the corporate reorganization, the Company will absorb the equity of GECE and ASA. The companies will be dissolved without liquidation with an effective date of merger on January 1, 2021, as required by the Income Tax Law, when the operation of the absorbed companies and the accounting and tax documentation corresponding to those operations will be carried out or issued by the Company.

On August 16, 2018, the Company's Board of Directors approved the Group's Integrity Program (the "Program") and policies, among others, the Code of Ethics and Conduct. In addition, the Company's Board of Directors is the body responsible for generating an ethical work culture by establishing the pillars of the Group's vision, mission and values, which can be accessed via web www.albanesi.com.ar.

Through minutes of the Board of Directors dated July 2, 2020, it was resolved/decided to update the Code of Ethics and Conduct and the Policy on Gifts and Presents, as well as to implement a platform called "Supplier Integrity Risk Management" (GRIP, for its Spanish acronym) and the Policy on Due Diligence for Third Parties. On September 9, 2020, it was resolved to modify the Regulations of the Ethics Committee and the Code of Ethics and Conduct in their pertinent parts to establish the obligation of the Ethics Committee to report on a semiannual basis the issues within its field of competence to the Board of Directors, which is convenient for administrative reasons. The Company offers a wide range of products and services that show the ability to develop and execute new projects to strengthen its presence in the energy market, as well as to explore new businesses generating constant growth. It also offers a proposal that adds value based on a relationship of trust and quality with all its customers, providing not only an excellent product but also a high-quality service based on its excellence standards.

The mission of the Company's Board of Directors is to provide reliable and sustainable access to energy for both the industry and the national interconnected system, through the generation of thermal and steam electricity, and the commercialization of gas. Thus, the Board understands and is responsible for optimizing the energy needs of customers and seeks that the Company be chosen for the value proposition that we offer.

Values serve as guiding principles of our behavior and rule our individual and group actions. They are the Company's DNA and govern day-to-day and short- and long-term decisions; we consider ourselves guardians of values, such as respect, responsibility, transparency, proactivity, and innovation. These values were consolidated in the Code of Ethics and Conduct approved through the Minutes of the Board of Directors' Meeting.

2. *The Board of Directors devises the Company's general strategy and approves the strategic plan developed by Management. In doing so, the Board of Directors takes into account environmental, social and corporate governance factors. The Board of Directors supervises its implementation by using key performance indicators and taking into account the best interest of the Company and all its shareholders.*

The Board of Directors, together with the different management divisions of the Company - structured based on the relevant areas -, sets the goals and objectives, as well as the process to monitor compliance with the Company's policies and general strategies. The executive business management is entrusted to the Executive Officers and Managers, as appropriate. In addition, the Board of Directors approves the investment and financing policies.

The participation of the management divisions is key when establishing the general strategy, since they are directly and immediately aware of the specific needs of each sector.

The Company's general strategies are also established taking into account the vision and mission, as well as internal and external risk factors. The Board of Directors is the body responsible for monitoring compliance with and application of the strategy in accordance with the values that govern the Company's business.

Usual practices include periodic work meetings of the members of the Board of Directors and the Corporate Management, meetings of those responsible for the different areas reporting to the Board, discussion by the Board of Directors of relevant and strategic issues.

3. *The Board supervises the Management and ensures that it develops, implements, and maintains an adequate internal control system with clear reporting lines.*

The Company has various mechanisms to provide information to its Directors and Managers well in advance, to keep them updated at the time of making a decision. The Board of Directors has worked on the establishment of regular procedures for informative meetings in all the aforementioned aspects to facilitate the decision-making of the management body, especially periodic meetings with the Management Committee made up of the Corporate Managers of each area and also, the meetings of the Board of Directors with the point persons of each area.

4. *The Board of Directors designs the corporate governance structures and practices, appoints the person responsible for their implementation, monitors their effectiveness and suggests changes, if necessary.*

The Board of Directors has led the development and creation process of the Integrity Program, which was approved through the Minutes of the Board of Directors' Meeting, on August 16, 2018 ,and which was initially based on the following pillars: (i) a Code of Ethics and Conduct (the "Code"), (ii) an Anti-corruption Policy, (iii) a Policy on the Submission of Tenders and Bids, (iv) a Policy on Relationships with Government Officials; and (v) an Ethics Line for anonymous reports from third parties (the "Line"), managed by PricewaterhouseCoopers, and is constantly receiving advice on best practices on this regard. Subsequently, by means of Minutes of the Board of Directors, on July 2, 2020, it was resolved to update the Code of Ethics and Conduct and the Policy on Gifts and Presents, as well as to implementat a platform called "Supplier Integrity Risk Management" (GRIP, for its Spanish acronym) and the Policy on Due Diligence for Third Parties. On September 9, 2020, it was resolved to modify the Regulations of the Ethics Committee and the Code of Ethics and Conduct in their pertinent parts to establish the obligation of the Ethics Committee to report on a semiannual basis the issues within its field of competence to the Board of Directors, which is convenient for administrative reasons.

Among Corporate Governance Policies, the Corporate Governance Code is a resource that helps us act ethically and responsibly in our daily activities. It is a guide to provide information on how to deal with the most frequent problems related to business conduct. Good/Adequate corporate governance is essential to guarantee the growth and soundness of Grupo Albanesi, optimize its transparency, professionalize administrative practices, and protect the rights of shareholders and investors. The main objective of the Board of Directors is to ensure that the value delivered to shareholders and other stakeholders is channeled through the growth of the organization and its business, as well as through an adequate internal control framework.

To monitor compliance with existing policies, (i) the Human Resources Committee and (ii) the Ethics Committee are in operation, the creation of which was established by the Code and , as approved by Board of Directors' meeting on September 9, 2020is made up of3 (three) members to be appointed by the Board of Directors, currently being made up of: (I) the Corporate Legal & Compliance Manager, (ii) the Corporate Internal Audit Manager and (iii) an advisor, independent of the Group's shareholders. In addition, in the future, if an independent Compliance Management and a Risk Management/Administration are created, their heads may also be considered to be appointed heads of the Ethics Committee as well as any of the members of the Board of Directors. Both committees should maintain periodic meetings that are sufficient according to the current structure of the company.

5. *The members of the Board of Directors have sufficient time to perform their duties in a professional and efficient manner. The Board and its committees have clear and formal rules for their operation and organization, which are disclosed through the Company's website.*

The Company's Board of Directors is the highest management body. Given the Company's structure, all the members of the Board of Directors work full-time for the Company, so that they have sufficient time to perform their duties. Regarding its operation, and considering the Company's structure, it is governed in accordance with the Company's bylaws, management is entrusted to the Board of Directors, which is made up of a minimum of five and a maximum of nine regular directors and the same or fewer number of deputy directors. Directors will hold office for three fiscal years and must have the knowledge and competencies necessary to clearly understand their responsibilities and functions within Corporate Governance, and act with the loyalty and diligence of a good businessperson.

All members of the Board are fully in compliance with the provisions of articles 8 to 15 of the Company's Bylaws, regarding the Board membership and performance. For the adequate operation of the Board of Directors, the General Shareholders' Meeting determines the number of directors and appoints them. Responsibilities of the Board include, among others, accounting and finance, internal control, business evaluation, risk management, leadership, business vision and strategy.

The Board meets periodically in compliance with the legal provisions and whenever required by any of the directors; furthermore, it is responsible for the general administration of the Company, making all the necessary decisions for that purpose.

B) THE CHAIR OF THE BOARD OF DIRECTORS AND THE CORPORATE SECRETARIAT

6. *The Chairman of the Board is responsible for the good organization of Board meetings, prepares the agenda guaranteeing the collaboration of the other members and ensures that they receive the necessary materials sufficiently in advance to participate in the meetings in an informed and efficient manner. The chairpersons of the committees have the same responsibilities for their meetings.*

The business to be transacted at Board meetings is previously discussed in the meetings of the relevant areas, be them with the Corporate Management or point persons and committees. The members of the Board of Directors are previously informed of the business to be transacted at meetings, and the calls to said meetings are coordinated through the Legal Department (responsible for preparing the relevant minutes) and the secretariats of the Board, all under the supervision of the Chairman of the Board of Directors.

The Chairman of the Board is the person who presides over the Company's Board of Directors' Meetings. Decisions are made after deliberation by all the members attending the meeting.

Likewise, the Chairman ensures that the Shareholders' Meetings are called sufficiently in advance and proposes the agenda.

7. *The Chairman of the Board of Directors ensures the correct internal operation of the Board of Directors by implementing formal annual evaluation processes.*

As this is a closed entity, in which the Directors are executives who work full-time for the Company and proportionally represent the shareholder families, we understand that an evaluation process different from the one that applies to the rest of the payroll is not required.

8. *The Chairman creates a positive and constructive workspace for all the members of the Board of Directors and ensures that they receive continuous training to stay up-to-date and to correctly fulfill their functions.*

At Grupo Albanesi, we believe that a continuous training process is required to properly perform the functions within the Board of Directors - directors must obtain the knowledge and skills that allow them to efficiently and effectively manage the risks of the organization.

Bearing in mind the professional skills of the people who have served and are currently serving on the Board of Directors, as part of the Company's regular management, the Board of Directors, at the request of the Chairman, adopts updating actions and general and/or particular training sessions depending on the specific needs that may arise in the exercise of the functions and responsibilities of each of the members of the Board of Directors or the executives.

9. *The Corporate Secretariat provides support to the Chairman of the Board in the effective administration of the Board and collaborates in the communication among shareholders, Board of Directors and the Management.*

Given the Company's structure, where all directors are executives, the function described in the Corporate Secretariat regulations is performed by all the members of the Corporate Management that make up the Management Committee. By meeting, they guarantee the efficiency and effectiveness of the subsequent Board meetings, in which all attendees are informed, since they have already participated in the previous meetings with the leaders of each area.

10. *The Chairman of the Board ensures the participation of all its members in the development and approval of a succession plan for the Managing Director of the Company.*

Given the Company's structure and way in which the Board of Directors acts (already explained in the previous paragraphs), there is no specific position of Managing Director. Succession of the Chairman is expressly regulated by the Company's bylaws.

C) COMPOSITION, APPOINTMENT AND SUCCESSION OF THE BOARD OF DIRECTORS.

11. *The Board of Directors has at least two members who are independent in accordance with the current criteria established by the National Securities Commission (CNV).*

On the basis of its ownership structure and as the Company does not place its shares for public offering, the Company does not consider it necessary to have independent Directors.

12. *The Company has a Nominations Committee that is made up of at least three (3) members and is chaired by an independent director. If the Chairman of Board of Directors is also the Chairman of the Nominations Committee, he/she will refrain from participating in the discussions over the appointment of his/her own successor.*

Notwithstanding the fact that at present, the Company does not have a Nominations Committee, Directors are elected by the Shareholders' Meeting at the proposal of the acting Board members, and according to suitability criteria, based on the Company's needs, business and strategy.

13. *The Board, through the Nominations Committee, develops a succession plan for its members that rules the pre-selection process for candidates to fill vacancies, and takes into account the non-binding recommendations made by its members, the Managing Director and the shareholders.*

As mentioned in point 12 of section c) hereof, and without prejudice to the fact that at present, the Company does not have a Nominations Committee and a formal pre-selection process for candidates for the Board of Directors, the Board of Directors may, based on its experience and knowledge of the needs of the Company's management, propose candidates to fill the vacancies to the Shareholders' Meeting, on a non-binding basis.

14. *The Board implements a training program for its newly elected members.*

Given that the Company is a closed entity and there have been no changes in the composition of the Board of Directors, making it extremely stable, the implementation of a training program is not considered necessary as long as this trend in the composition of the Board of Directors continues.

D) REMUNERATION.

15. *The Company has a Remunerations Committee that is made up of at least three (3) members. The members are entirely independent or non-executive.*

Considering its structure, the Company understands that the existence of a Compensation Committee is not necessary, as most of the tasks set forth in the standard and related tasks are carried out by Corporate Human Resources Management and the Human Resources Committee.

16. *The Board, through the Remunerations Committee, establishes a remuneration policy for the Managing Director and members of the Board.*

As previously stated, the Board's remuneration policy does not differ from the parameters established for the Group's payroll as a whole and is aligned with the provisions of the General Companies Law, as appropriate.

E) CONTROL ENVIRONMENT.

17. *The Board of Directors determines the Company's risk appetite and also supervises and guarantees the existence of a comprehensive risk management system that*

identifies, evaluates, decides the course of action and monitors the risks that the Company faces, including, but not limited to, environmental, social and business risks in the short and long term.

Both the Board of Directors and the different management divisions of the Company have vast experience in the business. In periodic meetings with the Management, the managers disclose the risks identified and Management determines the risk appetite.

The main risks of the activity are related to maintenance, hygiene, safety and environmental factors. Work programs include the necessary measures to prevent and, where appropriate, mitigate these risks. Performance results are evaluated by the Board of Directors, with the participation of the Plant Management. Performance results are evaluated by the Board of Directors, with the participation of the Plant Management.

18. *The Board of Directors monitors and reviews the effectiveness of the independent internal audit and guarantees the resources for the implementation of an annual risk-based audit plan and a direct report line to the Audit Committee.*

The Company's Internal Audit Department reports to the Chairman of the Board of Directors, which provides the independence necessary to perform its duties.

An annual risk-based audit plan is developed which is presented to the Board for approval.

The Board of Directors periodically monitors the evolution of the Plan and the effectiveness of the work carried out.

19. *The internal auditor or members of the Internal Audit Department are independent and highly trained.*

The members of the Internal Audit Department are university graduates, including Public Accountants, Bachelors of Business Administration and of Information Technology. They have sufficient audit experience and business knowledge. An annual training plan is contemplated for team members.

20. *The Board of Directors has an Audit Committee that acts based upon regulations. The committee is mostly made up of and chaired by independent directors and does not include the Managing Director. Most of its members have professional experience in financial and accounting areas. Most of its members have professional experience in financial and accounting areas.*

The Company does not have an Audit Committee. The Board actively participates in matters relating to:

- Financial reporting
- Fraud risks
- Independent internal audit

- Appointment of the external auditor
- Ethics and Compliance Program

21. *The Board of Directors, following the opinion of the Audit Committee, approves a policy for selecting and monitoring external auditors, which sets the indicators that must be considered when making a recommendation to the Shareholders' Meeting on the retention or replacement of the external auditor.*

The Company does not have a rotation policy for the members of the Surveillance Committee. Price Waterhouse & Co. SRL served as independent external auditor of the Company during the last few fiscal years. The Company will adjust the rotation of the External Auditor in due course, as established by current regulations.

F) ETHICS, INTEGRITY AND COMPLIANCE.

22. *The Board of Directors approves a Code of Ethics and Conduct that reflects the values and ethical principles of integrity, as well as the culture of the Company. The Code of Ethics and Conduct is communicated and applicable to all Company directors, managers and employees.*

In February 2018, Grupo Albanesi began the process of strengthening its Code of Ethics as part of the implementation of an Integrity Program to ensure its effectiveness in connection with the different related risks. The new Integrity Program was approved through the Board of Directors' Meeting dated August 16, 2018, the date on which the new Code was also approved, updated through minutes of the Board of Directors on July 2, 2020, which reflects the values and culture of the Company and applies to all shareholders, directors and employees in general in all locations where Grupo Albanesi operates. On September 9, 2020, it was resolved to modify the Regulations of the Ethics Committee and the Code of Ethics and Conduct in their pertinent parts to establish the obligation of the Ethics Committee to report on a semiannual basis the issues within its field of competence to the Board of Directors, which is convenient for administrative reasons.

23. *The Board of Directors establishes and periodically reviews, based on the risks, size and financial capacity, an Ethics and Integrity Program. Management supports the plan in a clear and unequivocal manner, and appoints an internal manager to develop, coordinate, supervise and evaluate periodically the program for its effectiveness. The program sets forth: (i) periodic training for directors, managers and employees on ethics, integrity and compliance; (ii) internal channels for reporting irregularities, open to third parties and adequately disclosed; (iii) a policy to protect whistleblowers from retaliation; and an internal investigation system that safeguards the rights of the investigated persons and imposes effective sanctions for violations of the Code of Ethics and Conduct; (iv) integrity policies relating to bidding processes; (v) mechanisms for periodic risk analysis, monitoring and evaluation of the Program; and (vi) procedures that verify the integrity and track record of third*

parties or business partners (including due diligence to verify irregularities, illegal acts or vulnerabilities during the processes of corporate transformation and acquisitions), including suppliers, distributors, service providers, agents and intermediaries.

The Board of Directors approves the reviews and proposals made by the Ethics Committee regarding the Company's Integrity Program, implementing the pertinent modifications to the policies and measures already in place, as well as reinforcing and creating new ones. All this considering the related risks, as well as the size and economic capacity of the Company. Modifications are then communicated to the Company's employees, directors and shareholders. Modifications are then communicated to the Company's employees, directors and shareholders.

Regarding the aforementioned actions, and under the Integrity Program, the Company implemented a Training Plan that began with the plant managers, trustees, directors, shareholders, department managers and key employees, who received classroom-based courses.

In September 2019, the Group launched a mandatory e-learning to train all employees, guaranteeing and facilitating access in all the country locations where the Company operates.

As previously stated, the Integrity Program created an Ethics Line for anonymous reports by third parties, managed by PricewaterhouseCoopers. The four channels available may be consulted in the following web site: http://www.albanesi.com.ar/linea-etica.php http://www.albanesi.com.ar/linea-etica.php

The Code of Ethics establishes that whistleblowers should not be retaliated against, but protected, and may remain anonymous, if they so decide.

Furthermore, through minutes of the Board of Directors dated July 2, 2020, the Company is implementing a Due Diligence process for third parties, which will require the previous analysis of any third party willing to do business with the Company through a platform called "Supplier Integrity Risk Management" (GRIP). In addition, an Anti-corruption and Ethics clause was included in the bidding terms and conditions and in the contracts to which the Company is a party.

24. *The Board ensures the existence of formal mechanisms to prevent and manage conflicts of interest. In the case of transactions between related parties, the Board of Directors approves a policy that establishes the role of each corporate body and defines how to identify, manage and disclose transactions causing damage to the Company or only to certain investors.*

In compliance with the provisions of the Code, a mandatory registry of Conflicts of Interest was created, which can be accessed by all members of the Company. The Ethics Committee reviews the registry, analyzes the reported conflicts, and reports them to the Company's Board of Directors.

G) PARTICIPATION OF SHAREHOLDERS AND STAKEHOLDERS.

25. *The Company's website discloses financial and non-financial information, providing timely and equal access to all Investors. The website has a specialized area for dealing with inquiries from Investors.*

The Company, in the website of Grupo Albanesi (www.albanesi.com.ar), provides specific information for investors. The Company has developed a section within the website to include not only corporate information but also information important for users in general. The Company has developed a section within the website to include not only corporate information but also information important for users in general.

Without prejudice to the fact that it does not have an Investor Relations Officer, the tasks detailed in the regulation regarding contact with and information to investors are carried out by the Management of Financial Structuring, and the Legal and Compliance Department updates the information related to Corporate Governance Policies.

26. *The Board of Directors must ensure that there is a procedure in place for identifying and classifying stakeholders and a communication channel for them.*

In the website of Grupo Albanesi (www.albanesi.com.ar), the Company has a communication channel with stakeholders to clear all general doubts. Stakeholders may send an e-mail to the Company at inversores@albanesi.com.ar specifying the Company in connection with which they are requiring information.

27. *Prior to Shareholders' Meetings, the Board of Directors sends to the shareholders a "provisional information package" that allows them - through a formal communication channel - to make non-binding comments and share dissenting opinions on the recommendations made by the Board of Directors. When sending the final information package, the Board must expressly reply to the comments received, as it deems necessary.*

The Board of Directors sends to the shareholders in advance all the information necessary to discuss the relevant matters at the Shareholders' Meeting. It is worth mentioning that, being a closed entity, it is quite simple for the Company to send information and different reports, which is reflected in the participation and unanimous decision of all resolutions made at Shareholders' Meetings so far.

28. *Under the Company's by-laws, shareholders can receive information packages for the Shareholders' Meeting through virtual means and participate in the meetings through electronic means of communication that allow the simultaneous*

transmission of sound, images and words, thus ensuring the principle of equal treatment of all participants.

Because of the impossibility of holding face-to-face meetings due to the emergency situation of public knowledge regarding the COVID-19 pandemic and the isolation and mandatory social distancing measures imposed by the government of Argentina, the Company has held remote meetings through electronic means of communication that provide for the simultaneous transmission of sound, images and words, ensuring the principle of equal treatment of participants, under the provisions of Resolution 830/2020 of the National Securities Commission. Since the Company does not make public offering of its shares, at present, it does not require the implementation of electronic means of communication for the transmission of information. The provision of information by the Board of Directors to the shareholders is guaranteed.

29. *The Dividend Distribution Policy is aligned with the strategy and clearly establishes the criteria, frequency and conditions under which dividend distribution will be performed.*

The Issuer does not have a specific policy for dividend distributions established by the bylaws and approved by the Shareholders' Meeting. It is established in article 19 of Bylaws that dividends must be paid in proportion to the shares paid up within the year in which dividends are approved.

Armando Losón (Jr.)
President

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Generación Mediterránea S.A.

Composition of the Board of Directors and Syndics' Committee

President
Armando Losón (Jr.)

1st Vice President
Guillermo Gonzalo Brun

2nd Vice President
Julián Pablo Sarti

Full Directors
Carlos Alfredo Bauzas
Sebastian Andrés Sánchez Ramos
Oscar Camilo De Luise
Juan Carlos Collin
Jorge Hilario Schneider
Ricardo Martín López

Alternate Directors
José Leonel Sarti
Juan Gregorio Daly
Romina Solange Kelleyian
Darío Sebastián Silberstein
Osvaldo Enrique Alberto Cado

Full Syndics
Enrique Omar Rucq
Marcelo Pablo Lerner
Francisco Agustín Landó

Alternate Syndics
Juan Cruz Nocciolino
Carlos Indalecio 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:	December 4, 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%

CAPITAL STATUS (Note 13)	
Class of shares	**Subscribed, paid-in and registered**
	$
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.

Statement of Financial Position

At December 31, 2020, presented in comparative format

Stated in pesos

	Note	12/31/2020	12/31/2019
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	**7**	57,076,720,074	53,542,333,036
Investments in companies		79,536	176,796
Other receivables	**11**	5,186,534,652	3,789,501,451
Total non-current assets		**62,263,334,262**	**57,332,011,283**
CURRENT ASSETS			
Inventories	**9**	230,546,997	294,521,022
Other receivables	**11**	3,196,844,068	2,667,057,671
Trade receivables	**10**	3,574,781,727	4,136,338,962
Cash and cash equivalents	**12**	1,872,407,886	1,196,911,347
Total current assets		**8,874,580,678**	**8,294,829,002**
Total Assets		**71,137,914,940**	**65,626,840,285**
EQUITY			
Share capital	**13**	138,172,150	138,172,150
Capital adjustment		1,687,289,850	1,687,289,850
Additional paid-in capital		1,666,917,182	1,666,917,182
Legal reserve		75,594,155	75,594,155
Optional reserve		1,258,474,627	1,258,474,627
Technical revaluation reserve		4,003,485,542	4,282,972,342
Special reserve GR No. 777/18		4,141,063,100	4,380,029,236
Other comprehensive income/(loss)		(4,115,369)	(5,886,309)
Unappropriated retained earnings		1,508,869,837	(878,292,030)
TOTAL EQUITY		**14,475,751,074**	**12,605,271,203**
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liabilities, net	**21**	9,899,697,312	7,906,095,006
Defined benefit plan	**23**	40,480,367	33,880,853
Loans	**17**	30,473,603,250	31,202,197,555
Trade payables	**15**	2,661,355,267	1,995,956,310
Total non-current liabilities		**43,075,136,196**	**41,138,129,724**
CURRENT LIABILITIES			
Other liabilities	**16**	-	502,108
Tax payables	**20**	373,442,038	223,400,458
Salaries and social security liabilities	**19**	105,168,439	107,531,832
Defined benefit plan	**23**	695,368	3,918,536
Derivative financial instruments		25,500,000	-
Loans	**17**	8,234,028,010	5,266,637,273
Trade payables	**15**	4,848,193,815	6,281,449,151
Total current liabilities		**13,587,027,670**	**11,883,439,358**
Total liabilities		**56,662,163,866**	**53,021,569,082**
Total liabilities and equity		**71,137,914,940**	**65,626,840,285**

The accompanying notes form an integral part of these financial statements

Generación Mediterránea S.A.

Statement of Comprehensive Income

For the fiscal years ended December 31, 2020 and 2019

Stated in pesos

	Note	12/31/2020	12/31/2019
Sales revenue	24	13,435,214,922	14,985,098,419
Cost of sales	25	(5,121,081,375)	(6,026,353,864)
Gross income/(loss)		**8,314,133,547**	**8,958,744,555**
Selling expenses	26	(1,428,611)	(3,429,385)
Administrative expenses	27	(393,152,735)	(407,087,740)
Other income	28	55,960,070	3,905,554
Operating income/(loss)		**7,975,512,271**	**8,552,132,984**
Financial income	29	1,621,295,528	1,227,074,631
Financial expenses	29	(4,998,609,563)	(3,727,976,501)
Other financial results	29	(675,389,439)	(139,068,698)
Financial results, net		**(4,052,703,474)**	**(2,639,970,568)**
Pre-tax profit/(loss)		**3,922,808,797**	**5,912,162,416**
Income tax	21	(2,008,283,961)	(4,363,073,038)
Income for the year		**1,914,524,836**	**1,549,089,378**
These items will not be reclassified under income			
Benefit plan	23	2,361,254	(5,484,396)
Revaluation of property, plant and equipment	7	(61,087,874)	(3,525,175,275)
Impact on income tax	21	14,681,655	882,664,918
Other comprehensive income/(loss) for the year		**(44,044,965)**	**(2,647,994,753)**
Total comprehensive income/(loss) for the year		**(1,870,479,871)**	**(1,098,905,375)**
Earnings/(losses) per share			
Basic and diluted earnings per share	30	13.86	11.21

The accompanying notes form an integral part of these financial statements.

Generación Mediterránea S.A.

Statement of Changes in Equity

For the fiscal years ended December 31, 2020 and 2019
Stated in pesos

	Share capital (Note 13)	Capital Adjustment	Additional paid-in capital	Legal reserve	Optional reserve	Special Reserve GR No. 777/18	Special Reserve	Technical revaluation reserve	Other comprehensive income/(loss)	Unappropriated retained earnings/(losses)	Total equity
Balances at December 31, 2018	**138,172,150**	**1,687,289,850**	**1,666,917,182**	**75,594,155**	**1,258,474,627**	**4,553,106,456**	**4,922,400**	**7,200,569,002**	**(1,773,012)**	**(2,879,096,232)**	**13,704,176,578**
Shareholders' Meeting Minutes of April 18, 2019:											
- Reversal of special reserve	-	-	-	-	-	-	(4,922,400)	-	-	4,922,400	-
Other comprehensive income/(loss)	-	-	-	-	-	-	-	(2,643,881,456)	(4,113,297)	-	(2,647,994,753)
Reversal of technical revaluation reserve	-	-	-	-	-	(173,077,220)	-	(273,715,204)	-	446,792,424	-
Income for the year	-	-	-	-	-	-	-	-	-	1,549,089,378	1,549,089,378
Balances at December 31, 2019	**138,172,150**	**1,687,289,850**	**1,666,917,182**	**75,594,155**	**1,258,474,627**	**4,380,029,236**	**-**	**4,282,972,342**	**(5,886,309)**	**(878,292,030)**	**12,605,271,203**
Other comprehensive income/(loss)	-	-	-	-	-	-	-	(45,815,905)	1,770,940	-	(44,044,965)
Reversal of technical revaluation reserve	-	-	-	-	-	(238,966,136)	-	(233,670,895)	-	472,637,031	-
Income for the year	-	-	-	-	-	-	-	-	-	1,914,524,836	1,914,524,836
Balances at December 31, 2020	**138,172,150**	**1,687,289,850**	**1,666,917,182**	**75,594,155**	**1,258,474,627**	**4,141,063,100**	**-**	**4,003,485,542**	**(4,115,369)**	**1,508,869,837**	**14,475,751,074**

The accompanying notes form an integral part of these financial statements.

Generación Mediterránea S.A.

Statement of Cash Flows

For the fiscal years ended December 31, 2020 and 2019
Stated in pesos

	Notes	12/31/2020	12/31/2019
Cash flow provided by operating activities:			
Income for the year		1,914,524,836	1,549,089,378
Adjustments to arrive at net cash flows provided by operating activities:			
Income tax	**21**	2,008,283,961	4,363,073,038
Accrued interest, net	**29**	3,365,786,737	2,496,018,624
Depreciation of property, plant and equipment	**7 and 25**	2,136,572,927	2,035,304,518
Income/(loss) from the sale of property, plant and equipment	**28**	(47,890,436)	-
Income/(loss) from changes in the fair value of financial instruments	**29**	7,856,772	189,817,861
(Decrease) in provision for contingencies		-	(7,936,459)
Allowance for bad debts		-	(111,046)
Present value		52,195,503	78,793,612
Exchange differences, net	**29**	10,885,727,078	14,357,611,543
Other financial results		12,692,194	6,745,426
Employee benefit plans	**23 and 25**	6,087,608	9,401,308
RECPAM (Purchasing Power Parity)	**29**	(10,462,973,939)	(14,687,925,511)
Changes in operating assets and liabilities:			
Decrease/(Increase) in trade receivables		374,836,395	(181,712,615)
Decrease in other receivables (1)		3,112,698,418	559,787,111
Decrease/(Increase) in inventory		98,729,439	(79,446,000)
(Decrease) in trade payables (2)		(4,013,802,446)	(3,769,939,893)
(Decrease) in other liabilities		(653,496)	(1,360,385)
(Decrease)/Increase in salaries and social security liabilities		(24,119,656)	15,397,319
(Decrease)/Increase in tax payables		(938,237,064)	112,603,519
Net cash flow provided by operating activities		**(8,488,314,831)**	**7,045,211,348**
Cash flow provided by investing activities:			
Acquisition of property, plant and equipment	**7**	(2,001,253,307)	(3,420,922,302)
Collection from the sale of property, plant and equipment		54,250,228	-
Public securities		(1,641,023)	-
Redemption of mutual funds, net		-	(91,286,675)
Loans collected		14,190,785	309,404,305
Loans granted		(1,564,686,648)	(3,507,553,766)
Net cash flows used in investing activities		**(3,499,139,965)**	**(6,710,358,438)**
Cash flow from financing activities:			
Collection of financial instruments		(5,396,690)	282,087,831
Borrowings	**17**	4,963,800,088	7,580,012,415
Payment of loans	**17**	(4,790,527,726)	(4,901,975,344)
Payment of interest	**17**	(4,114,229,663)	(3,245,231,430)
Net cash flows used in financing activities		**(3,946,353,991)**	**(285,106,528)**
INCREASE IN CASH, NET		**1,042,820,875**	**49,746,382**
Cash and cash equivalents at the beginning of the year		1,196,911,347	646,947,168
Financial results of cash and cash equivalents		7,107,304	135,391,738
Gain/loss on purchasing power parity (RECPAM) of cash and cash equivalents		(374,431,640)	364,826,059
Cash and cash equivalents at year end	**12**	1,872,407,886	1,196,911,347
		1,042,820,875	**49,746,382**

(1) It includes payments to suppliers for the purchase of property, plant and equipment for $2,808,816,293 and $2,213,515,767 at December 31, 2020 and 2019, respectively.

(2) It includes commercial payments for works financing. See Note 36.

The accompanying notes form an integral part of these financial statements.

Generación Mediterránea S.A.

Statement of Cash Flows (Cont'd)

For the fiscal years ended December 31, 2020 and 2019
Stated in pesos

	Notes	12/31/2020	12/31/2019
Material transactions not entailing changes in cash			
Acquisition of property, plant and equipment not yet paid	**7**	(1,987,297,411)	(2,392,675,292)
Decrease from technical revaluation		45,815,905	2,643,881,456
Interest and exchange difference capitalized in property, plant and equipment	**7**	(1,749,856,913)	(2,978,651,345)
Loans to Directors, repaid	**31**	-	(8,866,395)
Addition of Syndicated Loan		380,717,637	-
Addition BLC Loan		1,116,131,716	-
Benefit plan		(1,770,940)	4,113,297
Interest forgiven		-	(5,881,732)
Issuance of Negotiable Obligations paid up in kind	**17**	1,951,857,065	3,696,675,119

The accompanying notes form an integral part of these financial statements.

Stated in pesos

NOTE 1: GENERAL INFORMATION

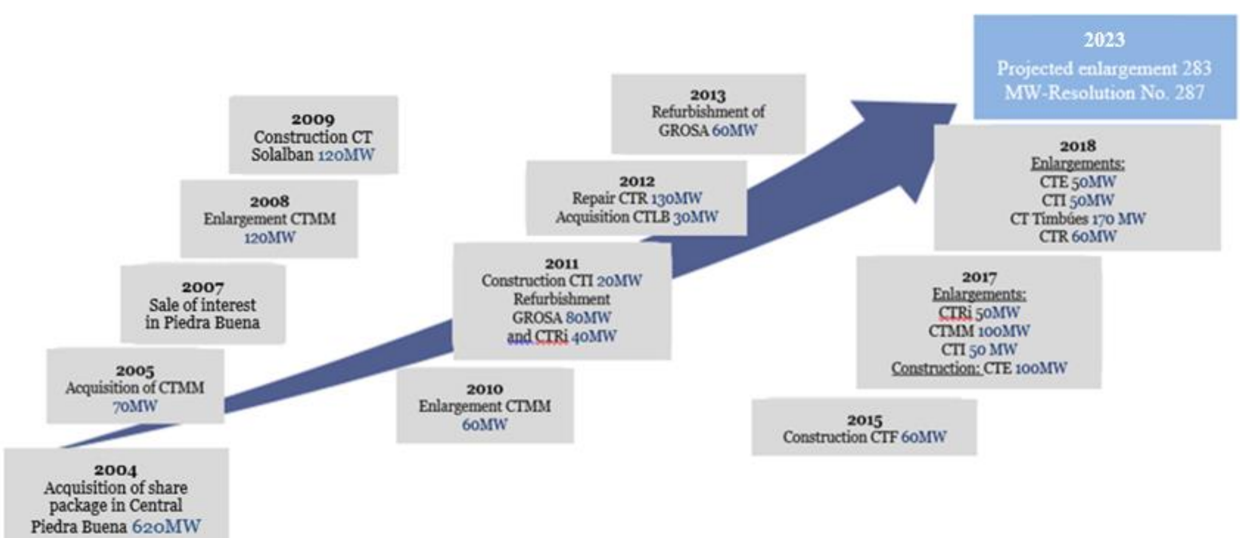
GMSA's main line of business is the conventional thermal power generation. It has six thermal power plants operating throughout the whole country fed with natural gas as well as diesel as alternative fuel. They sell the energy generated in accordance with different regulatory frameworks. GMSA's nominal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

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

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.

At the date these Financial Statements were signed, Grupo Albanesi had a total installed capacity of 1,520 MW, which is being expanded with additional 283 MW with all the new projects awarded and currently under way.

Grupo Albanesi 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.



<u>NOTE 1:</u> GENERAL INFORMATION (Cont'd)

Through EES Resolution No. 287 - E/2017 of May 10, 2017, the ES 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 EES 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.

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 EES 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 EES 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.

On June 10, 2020, the Energy Secretariat by means of Note No. NO-2020-37458730-APN-SE#MDP temporarily suspended the computing of the period for the performance of the contracts under former EES Resolution No. 287/2017 as to the cases that did not obtain the commercial authorization at the time the pertinent Note was published. This suspension is based on the circumstances occurring as from the COVID-19 pandemic and social, preventive and mandatory isolation imposed by Emergency Decree (DNU) No. 297 dated March 19, 2020. The suspension of the term computing is effective for 180 days as from the date of publication of the Emergency Decree (DNU) No. 260 dated March 12, 2020.

On September 25, 2020, a Note was sent to CAMMESA accepting the terms indicated in Note NO-2020-60366379-APN-SSEE#MEC in which the suspension of the term computing mentioned in the above paragraph is extended until November 15, 2020.

On January 11, 2021, a Note was sent to CAMMESA accepting the terms indicated in Note NO-2020-88681913-APN-SE#MEC in which the suspension of the term computing is extended for 45 calendar days as from November 16, 2020.

The progress on projects has been limited for prudence reasons until the financing ensuring the completion of the works required for the start of commercial operations is obtained, with only minor payments under the main equipment purchase contracts being made.

Maintenance contract

GMSA and PWPS entered into a global service agreement (Long Term Service Agreement), for the power plant 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) within 72 hours, in case of unplanned placing of equipment out of service. PWPS thus guarantees to the Power Plant availability of not less than ninety five percent (95%) per contractual year. Also, the Power Plant has its own repair shop with tools and stocks of spare parts to perform on-site repairs without having to send the equipment to the workshop in the USA. The gas turbine equipment can be sent by plane, thus reducing the transportation time.

Generación Mediterránea S.A.

Notes to the Financial Statements (Cont'd)

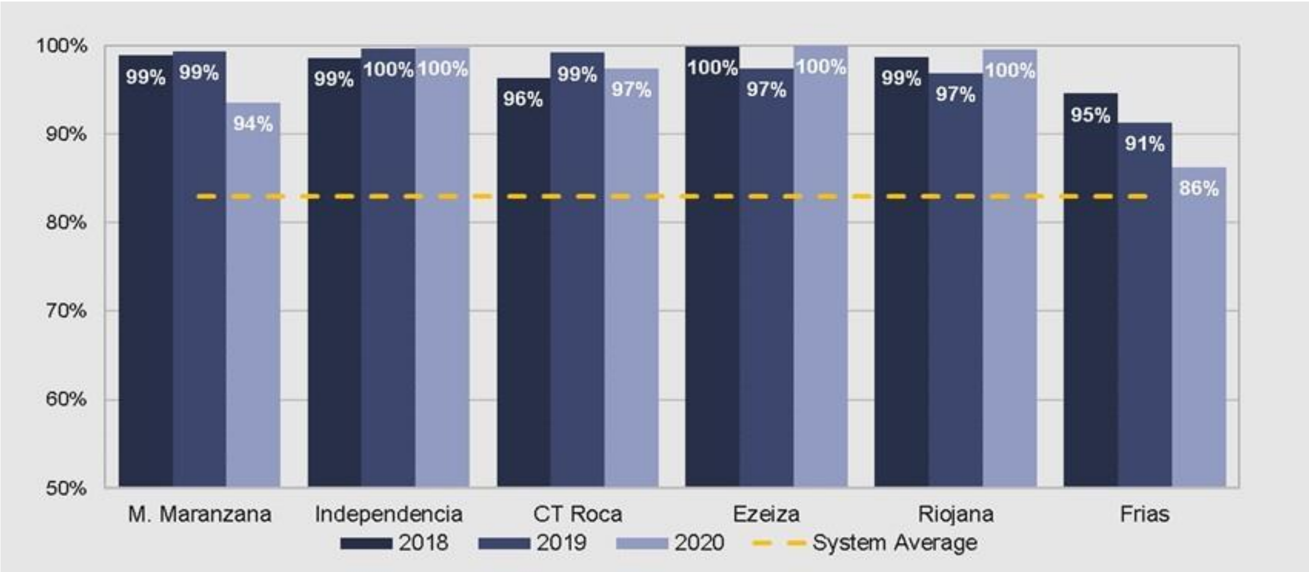
NOTE 1: GENERAL INFORMATION (Cont'd)

Maintenance contract (Cont'd)

GMSA and PWPS Argentina entered into a service agreement for the power plant CTMM, whereby PWPS Argentina commits permanent on-site technical assistance as well as the provision of a remote monitoring system to follow-up the operation of turbines and 24-hour assistance.

In addition, GMSA signed with Siemens S.A. and Siemens Energy 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 to 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.

Availability per Power Plant (%)



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.

NOTE 1: GENERAL INFORMATION (Cont'd)

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.

In the October-November 2017 period a new satisfactory external audit of maintenance control over the Comprehensive Management System was performed by IRAM as certified entity.

Generación Mediterránea S.A.

Notes to the Financial Statements (Cont'd)

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

The Company's revenue from electricity generation activity is derived from sales to Large Users on the Forward Market (MAT), for surplus demand (ES Resolution No. 1281/06); from sales to CAMMESA under ES Resolution No. 220/07, and sales under ES Resolutions No. 21/16 and ES Resolution No. 31/2020. In addition, the excess electricity generated under the modalities of ES Resolutions No. 1281/06 and 220/07 is sold on the Spot Market, in accordance with the regulations in force in the WEM administered by CAMMESA.

a) Energía Plus Regulations, ES Resolution 1281/06

This Resolution provides that the existing energy sold on the Spot Market has the following priorities:

(1) Demand lower than 300 KW;
(2) Demand over 300 KW, with contracts; and
(3) Demand over 300 KW, without contracts.

It also establishes certain restrictions on the sale of electric power and implements the "Energía Plus" service, which allows generating agents to offer the available additional generation. They must fulfill the following requirements: (i) they must be WEM agents whose generating units shall have been authorized for commercial operation after September 5, 2006; and (ii) they must have fuel supply and transportation contracts.

The regulation establishes that:

• Large Users with demand over 300 KW ("GU300") will be authorized to enter into contract for their demand of electricity in the forward market with the generating agents existing in the WEM at the moment, only for the electricity consumption in 2005 ("Basic Demand").

• The electricity consumed by GU300 above their Basic Demand must be hired with new generation (Energía Plus) at a price agreed upon by the parties. This may not exceed 50% of the actual demand.

• New Agents entering the system must contract 50% of their total demand under the Energía Plus service, under the same conditions as described above.

At the date of these financial statements, almost all the nominal power of 135 MW available is under contract. The duration of these contracts is from 1 to 2 years.

Company units under Forward Market Contracts (MAT) are TG3, TG4 and 15MW of TG5 of Central Térmica Modesto Maranzana.

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

b) WEM Supply Contract (ES Resolution No. 220/2007)

In January 2007, the ES issued Resolution No. 220, which authorized the execution of Supply Contracts between CAMMESA and the generating agents that would like to install new generation capacity and related energy. In this regard, the execution of Supply Contracts was foreseen as another way to generate incentives for the development of additional energy projects.

These Supply Contracts were entered into between generating agents and CAMMESA, with a duration of 10 years or a shorter term that may exceptionally be established. The valuable consideration for availability of generation and the related electricity was established in each contract based on the costs accepted by the ES. The contracts also establish that the machines and power plants used to cover the Supply Contracts will generate energy as they are dispatched by CAMMESA.

Sales under this modality are denominated in dollars and are paid by CAMMESA under a take or pay clause and the generated surplus is sold to the Spot Market, pursuant to regulations in effect in the WEM administered by CAMMESA.

GMSA and CAMMESA entered into various Wholesale Electric Market (WEM) supply contracts: For CTMM it agreed a power of 45 MW for TG5 and for a term of 10 years counted as from October 2010, and 89.9 MW for TG6 and 7 and a duration of 10 years counted as from July 2017; for CTI it agreed a power of 100 MW and a duration of 10 years counted as from November 2011; for CTF it agreed a power of 55.5 MW and a duration of 10 years counted as from December 2015, and for CTRi it agreed a power of 42 MW and a duration of 10 years counted as from May 2017.

The agreements set forth a remuneration made up of 5 components:

i) a fixed charge for hired power, affected by monthly average availability; the remunerated price is:

Power plants	Fixed charge for power hired	Hired power
	USD/MW-month	MW
CTI TG 1 and 2	USD 17,155	100
CTF	USD 19,272	55.5
CTMM TG 6 and 7	USD 15,930	89.9
CTRi TG 24	USD 16,790	42

ii) the fixed charge recognizes transportation costs plus other costs inherent to the generating agents;

iii) the variable charge associated with the energy effectively prescribed under the contract and which purpose is to remunerate the operation and maintenance of the Plant:

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

b) WEM Supply Contract (ES Resolution No. 220/2007) (Cont'd)

Power plants	Variable charge in USD/MWh	
	Gas	Diesel
CTI TG 1 and 2	USD 7.52	USD 7.97
CTF	USD 10.83	USD 11.63
CTMM TG 6 and 7	USD 8.00	USD 10.50
CTRi TG 24	USD 11.44	USD 15.34

iv) a variable charge for repayment of fuel costs, all of them at reference price; and

v) a discount for penalties. These penalties are applied to the hours in which 92% of the agreed upon power has not been reached and are valued on a daily basis and according to the operating condition of the machine and the market situation.

c) Sales under EES Resolution No. 21/2016

EES Resolution No. 21 of March 22, 2016 called for bids for new thermal generation capacity and associated energy production by generating, co-generating and self-generating agents, with a commitment to be available in the WEM during the summer periods of (2016/2017 and 2017/2018) and for the 2017 winter season.

Through ES Note No. 161/2016 the Energy Secretariat made public the bidding process whereby 1000 MW of thermoelectric power was expected to be installed. Power to be installed should arise from new generation projects. Bids could not commit, at each connection point proposed, a generation capacity lower than 40 MW total and, in turn, the net power of each generating unit forming the offer for location may not be lower than 10 MW. Equipment committed in the offers should have dual capacity of fuel consumption to operate interchangeably and specific consumption should not exceed 2,500 kilocalories per kWh.

Finally, through ES Resolution No. 155/2016 the first projects awarded by ES Resolution No. 2172016 were reported among which were CTE and the enlargement of CTI.

These Supply Contracts were entered into between generating agents and CAMMESA for a term of 10 years. The valuable consideration for availability of power and energy generated was established in each contract based on the bids made by the generators and awarded by the ES. Sales under this modality are denominated in US dollars and paid by CAMMESA.

The agreements set forth a remuneration made up of 5 components:

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

c) Sales under EES Resolution No. 21/2016 (Cont'd)

i) a fixed charge for hired power, affected by monthly average availability; the remunerated price is:

Power plants	Fixed charge for power hired	Hired power
	USD/MW-month	MW
CTE TG 2 and 3	USD 21,900	93
CTE TG 1	USD 20,440	46
CTI TG 3	USD 21,900	46
CTI TG 4	USD 20,440	46

ii) the fixed charge recognizes transportation costs plus other costs inherent to the generating agents;

iii) the variable charge associated with the energy effectively prescribed under the contract and which purpose is to remunerate the operation and maintenance of the Plant:

Power plants	Variable charge in USD/MWh	
	Gas	Diesel
CTE TG 1, 2 and 3	USD 8.50	USD 10.00
CTI TG 3 and 4	USD 8.50	USD 10.00

iv) a variable charge for repayment of fuel costs, all of them at reference price; and

v) a discount for penalties. These penalties are applied to the hours in which 92% of the agreed upon power has not been reached and are valued on a daily basis and according to the operating condition of the machine and the market situation.

d) Sales under ES Resolution No. 31/2020

ES Resolution No. 31/2020 was published on February 27, 2020, replacing 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):

Generación Mediterránea S.A.

Notes to the Financial Statements (Cont'd)

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

d) Sales under ES Resolution No. 31/2020 (Cont'd)

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≤100MW	171,600
TG large P>50 MW	117,150
TG small P≤50MW	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≤15MW	276,000
Internal combustion engines ≤42 MW	312,000

    b. DIGO Guaranteed Power

Period	PrecPotDIGO [$/MW-month]
Summer: December - January - February	360,000
Winter: June - July - August	360,000
Rest of the year: 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.

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

d) Sales under ES Resolution No. 31/2020 (Cont'd)

2. Energy prices
    a. Operation and maintenance

Technology/Scale	Natural gas $/MWh	Fuel Oil/ Gas Oil $/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≤50MW	240	420
Internal combustion engines	240	420

    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.

Termination of WEM Supply Contract

The Wholesale Demand Agreement of CTMM TG5 with CAMMESA (under ES Resolution No. 220/2007) expired on September 18, 2020, with all its power being remunerated under Resolution No. 31/2020 and as from November 2020, it may be sold, also, at the Forward Market.

NOTE 3: BASIS FOR PRESENTATION

These financial statements have been prepared in accordance with FACPCE Technical Pronouncements No. 26 and No. 29 and amendments, which adopt the IFRS issued by the IASB and IFRIC Interpretations. All IFRS effective at the date of preparation of these financial statements have been applied.

The presentation in the 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.

These separate Financial Statements are stated in pesos.

The preparation of these financial statements in accordance with IFRS requires making estimates and assessments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of issue of these financial statements, as well as the income and expenses recorded in the fiscal year. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 6.

These Financial Statements have been approved for issuance by the Board of Directors of the Company on March 16, 2021.

Going concern

As of the date of these financial statements, there are no uncertainties regarding events or conditions that may lead to doubts about the possibility that the Company will continue to operate normally as a going concern.

Comparative information

Balances at December 31, 2019 disclosed for comparative purposes arise from financial statements at that date, restated into constant currency at December 31, 2020. Certain reclassifications have been included in the financial statement figures presented for comparative purposes to conform them to the current year presentation.

NOTE 3: BASIS FOR PRESENTATION (Cont'd)

Financial reporting in hyperinflationary economies

The International Accounting Standard No. 29 - Financial reporting in hyperinflationary economies (IAS 29), requires the financial statements of an entity that reports in the currency of a hyperinflationary economy, whether they are based on a historical cost approach or a current cost approach, shall be stated in terms of the measuring unit current at the end of the reporting year. To this end, in general terms, the inflation rate should be computed in the non-monetary items as from the acquisition date or the revaluation date, as applicable. These requirements also comprise the comparative information contained in the financial statements.

To determine the existence of a hyperinflationary economy under the terms of IAS 29, the standard details a series of factors to be considered, including a cumulative inflation rate over three years that is close to or exceeds 100%. For this reason, as set forth by IAS 29, the Argentine economy must have been considered as highly inflationary as from July 1, 2018.

In turn, Law No. 27468 (Official Gazette December 4, 2018) amended Section 10 of Law No. 23928 as amended, and provided that the repeal of the all regulations that establish or authorize index-adjustment, monetary restatement, cost variation or any other way of restatement of debts, taxes, prices or tariffs of goods, works or services, does not apply to the financial statements, to which the provisions of Section 62 in fine of General Companies Law No. 19550 (1984 restated text), as amended, shall continue to apply. Furthermore, the same law repealed Decree No. 1269/2002 of July 16, 2002 as amended, and delegated to the National Executive Branch, through its control agencies, the fixing of the date as from which the provisions mentioned in relation to the financial statements will become effective. Therefore, through General Resolution No. 777/2018 (Official Gazette 12/28/2018), the National Securities Commission (CNV) established that issuing entities subject to its inspection apply the method for restatement of financial statements in constant currency for financial statements, annual, interim or for special periods, closing as from December 31, 2018 inclusive, as established by IAS 29. Therefore, these financial statements ended December 31, 2020 have been restated.

According to IAS 29, the financial statements of entities reporting in the currency of a hyperinflationary economy shall be stated in terms of the measuring unit current at the date of the financial statements. Statement of financial position amounts not already expressed in terms of the measuring unit current at the date of the financial statements shall be restated by applying a general price index. All items in the statement of income shall be expressed in terms of the measuring unit current at the date of the financial statements by applying the change in the general price index from the dates when the items of income and expenses were initially recorded in the financial statements.

NOTE 3: BASIS FOR PRESENTATION (Cont'd)

Financial reporting in hyperinflationary economies (Cont'd)

The adjustment for inflation applied to opening balances was calculated based on the indexes established by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE), based on price indexes published by the National Institute of Statistics and Census (INDEC).

Below are the main procedures to be applied for the adjustment for inflation mentioned above:
- Monetary assets and liabilities recorded at the monetary unit current at year end are not restated as they are already expressed in terms of the monetary unit current at the date of the financial statements.
- Non-monetary assets and liabilities accounted for at cost at the date of the financial position and equity items were restated by applying the corresponding index adjustments.
- All items in the statement of income were adjusted by applying the relevant conversion factors.
- The effect of inflation on the Company's net monetary position shall be included in the statement of income within Other net financial income (expenses), under the heading "Gain or loss on monetary position".
- Comparative amounts have been restated following the same procedure explained above.

In the first period of application of the restatement method, the equity accounts were restated as follows:
- Capital was restated as from the date of subscription or the date of the last accounting adjustment for inflation, whichever happened later. The resulting amount was included in the "Capital Adjustment" account.
- Other comprehensive income items were restated as from each date of accounting allocation.
- Other reserves were not restated in the first application of the standard.

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 December 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.

NOTE 4: ACCOUNTING POLICIES

The main accounting policies used in the preparation of these financial statements are explained below. These accounting policies have been applied consistently for all the fiscal years presented, unless otherwise indicated.

4.1 Changes in accounting policies

4.1.1 New accounting standards, amendments and interpretations issued by IASB

The Company has applied the following standards and/or amendments for the first time as from January 1, 2020:

- \- Conceptual framework (issued in March 2018)
- \- IAS 1 - *Presentation of financial statements* and IAS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors* (amended in October 2018).
- \- IFRS 9 - *Financial Instruments*, IAS 39 - *Financial instruments: Presentation* and IFRS 7 *Financial Instruments: Disclosures* (amended in September 2019)
- \- IFRS 16 - *Leases* (amended in May 2020)

The application of the detailed standards and/or amendments did not generate any impact on the results of the Company's operations or its financial position.

4.1.2 New accounting standards, amendments and interpretations not yet effective and not early adopted by the Company

- IFRS 17 - *Insurance contracts:* issued in May 2017 and amended in June 2020. It replaces IFRS 4, introduced as a provisional standard in 2004 to account for insurance contracts using the national accounting standards, and resulting in multiple application approaches. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and is applicable for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted if both IFRS 15 and IFRS 9 have also been applied. The Company estimates that the application thereof will not have a significant impact on the results of operations or the financial position of the Company.

- IAS 1 *Presentation of Financial Statements*: amended in January and July 2020. It introduces changes in relation to the classification of liabilities as current and non-current. Amendments are applicable for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. The application thereof will not generate any impact on the results of the Company's operations or its financial position.

- IFRS 3 - *Business Combinations*: amended in May 2020. It introduces references to the definitions of assets and liabilities under the new conceptual framework as well as clarifications as to contingent assets and liabilities recognized separately from those recognized in a business combination. It applies to business combinations as from January 1, 2022. Earlier application is permitted.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.1.2 New accounting standards, amendments and interpretations not yet effective and not early adopted by the Company (Cont'd)

- Annual improvements to IFRS - 2018-2020 Cycle : the amendments were issued in May 2020 and are effective for annual periods beginning on or after January 1, 2022. The Company estimates that the application thereof will not have a significant impact on the results of operations or the financial position of the Company.

- IAS 16 Property, plant and equipment: amended in May 2020. It introduces amendments to the recognition of inventories, sales and costs of items incurred while an item of property, plant and equipment is restored to the site and under the necessary conditions to operate as expected. Amendments are applicable for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted. The Company estimates that the application thereof will not have a significant impact on the results of operations or the financial position of the Company.

- IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*: amended in May 2020. Onerous contracts. It clarifies the scope of the cost of fulfilling a contract. Amendments are applicable for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted. The Company estimates that the application thereof will not have a significant impact on the results of operations or the financial position of the Company.

- Amendments to IFRS 9 *Financial Instruments*, IAS 39 *Financial instruments: Presentation* and IFRS 7 *Financial Instruments: Disclosures*, IFRS 4 - *Insurance contracts:* and IFRS 16 *Leases*: amended in August 2020. It adds guides for measuring financial assets and liabilities at amortized cost affected by the interest rate benchmark reform. Amendments are applicable for annual reporting periods beginning on or after January 1, 2021. The Company estimates that the application thereof will not have a significant impact on the results of operations or the financial position of the Company.

4.2 Revenue recognition

a) Sales of energy

Revenue is calculated at fair value of the consideration received or to be collected, considering the estimated amount of discounts, thus determining net amounts.

The criterion for recognizing revenue from the main business activity of the Company is to recognize revenue from electricity generation on an accrual basis, comprising the energy and power made available for consumption and the generated energy.

Ordinary revenue was recognized when each and all of the following conditions were satisfied:

a. the entity has transferred to the buyer the significant risks and rewards;
b. the amount of revenue was measured reliably;
c. it is probable that the economic benefits associated with the transaction will flow to the entity;
d. the costs incurred or to be incurred in respect of the transaction were measured reliably.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.2 Revenue recognition (Cont'd)

b) Sale of services

Sale of services is recognized in the period they are rendered, based on the degree of completion.

c) Interest income

Interest income is recognized applying the effective interest rate method. This income is registered on a temporary basis, considering outstanding principal and the effective tax rate. Such income is recognized when it is likely that the entity will receive the economic benefits associated with the transaction and the transaction amount can be measured reliably.

4.3 Effects of the foreign exchange rate fluctuations

a) Functional and presentation currency

These financial statements are presented in pesos (legal currency in Argentina for all the companies domiciled in this country), which is also the Company’s functional currency. The functional currency is the currency of the primary economic environment in which the Company operates.

b) Transactions and balances

Transactions in foreign currency are translated into the functional and presentation currency using the exchange rates prevailing at the date of the transaction or of revaluation, when the items are restated. Exchange gains and losses generated by each transaction and resulting from the translation of monetary items stated in foreign currency at year end are recognized in the statement of comprehensive income, except for the amounts that are capitalized.

The exchange rates used are: buying exchange rate for monetary assets, selling exchange rate for monetary liabilities, average exchange rate for balances with related parts, each prevailing at year end, as published by Banco Nación, and one-off exchange rate for transactions in foreign currency.

4.4 Property, plant and equipment

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

In general, property, plant and equipment, excluding land, buildings, installations and machinery are recognized at cost restated at constant currency net of accumulated depreciation and/or accumulated impairment losses, if any.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.4 Property, plant and equipment (Cont'd)

Depreciation of property, plant and equipment begins when available for use. Repair and maintenance expenses of property, plant and equipment are recognized in the income statement during the financial year in which they are incurred.

Works in progress are stated at cost restated in constant currency less impairment losses, if any. Depreciation of these assets begins when it is available for use.

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. Revaluations are made frequently enough to make sure that the fair value of a revalued asset does not differ significantly from its carrying amount.

On December 31, 2020, the Company revalued land, buildings, facilities and machinery, for there have been important changes in the fair values of those assets caused by macroeconomic fluctuations.

Effective September 30, 2018, the Group decided to modify the method for determining the fair value from a "cost approach" to an "income approach" for the valuation of facilities and machinery. The income approach consists of valuation techniques that convert future amounts (e.g. cash flows or income and expenses) into a single present value (i.e., discounted). Fair value measurement is determined based on the value indicated by current market expectations of those future amounts. The Group considers that the income approach more reliably reflects the true value of these assets.

The appraiser used a valuation method based on a discounted cash flow model, in view of the absence of comparable market information due to the nature of those assets, that is, a combination of Level 3 inputs has been used.

The participation of external appraisers is decided by the Board of Directors. The criteria for the selection of appraisers include attributes, such as market knowledge, reputation, independence and whether they meet professional standards.

Fair value was determined using the income approach, which reflects current market expectations of those future amounts. This means that the revalued amounts are based on present value techniques which convert future income amounts into a single present value, that is, discounted.

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Notes to the Financial Statements (Cont'd)

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.4 Property, plant and equipment (Cont'd)

In measuring the facilities and machinery according to the fair value revaluation model, the present value technique was used, as this technique better allows to capture attributes of the use of the asset and the existing synergies with the rest of the Group's assets and liabilities.

If an asset's carrying amount is increased as a result of a revaluation, the increase shall be recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognized in profit or loss. However, the decrease shall be recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

At the time of sale of the revalued assets, any revaluation surplus related to this asset is transferred to retained earnings. However, a portion of the revaluation reserve will be transferred to retained earnings as the asset is used by the company. In such a case, the amount of the surplus transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

According to IAS 23 "Borrowing costs", financial costs must be capitalized in the cost of an asset when it is in the process of production, construction, assembly or finishing, and those processes are not interrupted due to their long-term nature; the term for production, construction, assembly or finishing does not exceed the period technically required; the activities needed for the asset to be ready for its intended use or sale are not substantially complete; and the asset is not in condition to be used in the production of other assets or placed into service, according to the purpose of its production, construction, assembly or finishing. The financial costs capitalized in the carrying value of property, plant and equipment amounted to $1,749,856,913 and $2,978,651,345 in the year ended December 31, 2020 and 2019, respectively. The average interest rate used for fiscal year 2020 and 2019 was 32.31% and 35.21%, respectively.

If land, building, installation and machinery had been measured using the cost model, the carrying amounts would have been the following:

	12/31/2020	**12/31/2019**
Cost	57,332,786,621	50,559,721,786
Accumulated depreciation	(8,603,458,894)	(7,235,017,968)
Residual value	**48,729,327,727**	**43,324,703,818**

Subsequently to initial recognition, costs are included in the carrying amount of that asset or recognized as a separate asset, as applicable, only when it is probable that the future economic benefits associated to those assets will flow to the Company and their cost can be determined reliably. In the case of replacements, the carrying amounts of the replaced part is derecognized from accounting. Other repair and maintenance costs are recognized as an expense in the period in which they are incurred.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.4 Property, plant and equipment (Cont'd)

In accordance with the technical evaluation made by expert appraisers of property, plant and equipment, reclassifications have been made within the class of elements to disclose them adequately.

4.5 Impairment of non-financial assets

For assets subject to depreciation, an impairment test is performed whenever facts or circumstances suggest that the carrying amount may not be recoverable. An impairment loss is recognized for the amount in which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of the fair value less costs to sell or value in use. The value in use is the total amount of the net discounted cash flows expected to be derived from the use of the assets and from their eventual disposal. To this purpose, the assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset are considered, among other elements. To assess impairment losses, assets are grouped at the lowest level for which cash flows can be identified separately (cash-generating units).

At December 31, 2020, the Company considered that the carrying amount of land, buildings, installations and machinery does not exceed their recoverable value.

4.6 Financial assets

4.6.1 Classification

The Company classifies its financial assets in the following categories: assets subsequently measured at fair value and assets measured at amortized cost. This classification depends on whether the financial asset is an investment in a debt or equity instrument. For the asset to be measured at amortized cost, the two conditions described below must be fulfilled. The remaining financial assets are measured at fair value. IFRS 9 - *Financial instruments* requires that all the investments in equity instruments are measured at fair value.

a) Financial assets at amortized cost

Financial assets are measured at amortized cost if the following conditions are met:

- the business model of the Company is aimed at keeping the assets to obtain contractual cash flows;
- contractual conditions give rise on specified dates to cash flows that are only payments of the principal and interest on the outstanding principal amount.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.6 Financial assets (Cont'd)

4.6.1 Classification (Cont'd)

b) Financial assets at fair value

If any of the conditions above is not fulfilled, financial assets are measured at fair value through profit or loss.

All the investments in equity instruments are measured at fair value. The Company may irrevocably opt at initial recognition of investments not held for trading to disclose the changes in fair value under other comprehensive income. The Company has decided to recognize the changes in fair value in income.

4.6.2 Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade date, when the Company undertakes to purchase or sell the asset. Financial assets are de-recognized when the rights to receive cash flows from investments have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets are initially recognized at fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs directly attributable to the purchase of those financial assets.

4.6.3 Impairment of financial assets

Financial assets at amortized cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets may have suffered impairment losses. A financial asset or a group of financial assets is impaired, and an impairment loss is incurred if, and only if, there is objective evidence of the impairment of value as a result of one or more events that have occurred after the initial recognition of the asset, and such an event (or events) causing the loss has (have) an impact on the estimated future cash flows from the financial asset or group of financial assets, which may be reliably estimated.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.6 Financial assets (Cont'd)

4.6.3 Impairment of financial assets (Cont'd)

The Company uses the following criteria for determining whether there is objective evidence of an impairment loss:

a) Significant financial difficulties of the debtor;
b) breach of contractual clauses, such as late payment of interest or principal;
c) and probability that the debtor will enter into bankruptcy or other financial reorganization.

The amount of the impairment is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted using the original effective interest rate. The carrying amount of the asset is reduced and the amount of the impairment loss is recognized in the statement of comprehensive income. If the financial asset bears a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate under the contract. As a useful measure, the Company may calculate the value of impairment based on the fair value of the financial asset using an observable market price.

If in future fiscal years the amount of the impairment loss declines and that decline may be objectively associated with an event subsequent to the recognition of impairment (such as the improvement in a debtor's credit rating), the reversal of the impairment loss previously recorded is recognized in the statement of comprehensive income.

4.6.4 Offsetting of financial instruments

Financial assets and liabilities are offset, and presented net on the statement of financial position, when there is a legally enforceable right to offset the recognized amounts, and an intention to settle the net amount, or to simultaneously realize the asset and settle the liability.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.7 Inventories

Materials and spare parts are valued at the lower of acquisition cost restated in constant currency or net realizable value.

Since materials and spare parts are not for sale, their value is calculated based on the purchase price, import duties (if any) and other taxes (non-refundable taxes by the tax authorities), transportation, storage and other costs directly attributable to the purchase of those assets.

Cost is determined applying the weighted average cost method.

The Company classified materials and spare parts into current and non-current depending on their final allocation and the term during which they are expected to be used, whether for maintenance or improvement of present assets. The non-current portion of materials and spare parts is disclosed under Property, plant and equipment.

The value of inventories as a whole does not exceed their recoverable value at the end of each fiscal year.

4.8 Trade and other receivables

Trade receivables are amounts due from customers for sales of energy made by the Company in the ordinary course of business. If collection is expected within one year or less, receivables are classified under current assets. Otherwise, they are classified as non-current assets.

Trade and other receivables are initially recognized at fair value and subsequently measured at amortized cost, using the effective interest rate method and, where appropriate, adjusted at the time value of money.

The Company sets up bad debt allowances when there is objective evidence that it will not be able to collect all amounts due according to the original terms of the receivables, based on an individual analysis of historical performance of accounts receivable to assess the recoverability of the credit portfolio.

The Company has applied the revised IFRS 9 retrospectively as from January 1, 2018, with the practical resources allowed by the standard, without restatement of the comparative years.

The Company has reviewed the financial assets currently measured and classified at fair value through profit or loss or at amortized cost, and it has concluded that the conditions to maintain this classification are fulfilled; therefore, initial adoption of IFRS 9 has not affected the classification and measurement of financial assets.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.8 Trade and other receivables (Cont'd)

Further, in connection with the new hedge accounting model, the Company has not opted for designating any hedging relationship at the date of initial adoption of the revised IFRS 9; therefore, this adoption did not have an impact on the Company's financial position or the results of its operations.

Lastly, in relation to the change in methodology for the calculation of impairment of financial assets based on expected credit losses, the Company has applied the simplified approach of IFRS 9 for trade receivables and other receivables with similar risk characteristics. To measure expected credit losses, credits have been grouped by segment and, based on shared credit risk characteristics and the number of days past due.

Expected losses at January 1, 2019 were determined based on the following ratios calculated for the numbers of days past due:

RATIO PCE	Not yet due	30 days	60 days	90 days	120 days	150 days	180 days	+180 days
CAMMESA	-	-	-	-	-	-	-	-
Interco	-	-	-	-	-	-	-	-
Other debtors	-	-	-	-	-	-	-	24%

Trade receivables are written off when there is no reasonable expectation of their recovery. The Company understands that the following are signs of non-compliance: i) reorganization proceedings, bankruptcy or commencement of litigation, ii) insolvency that implies a high degree of impossibility of collection and iii) balances in arrears for more than 180 business days from the first expiration date of the invoice.

In addition, and in the event of similar and/or exception situations, the Company's management may redefine the amounts for setting up provisions to support and justify the criteria adopted.

For the application of the expected loss model as regards trade receivables, no impairment allowance adjustment has been made at January 1, 2019 as against the allowance recorded at December 31, 2018. Further, in the year 2020 and 2019, no impairment allowance has been set up.

At December 31, 2020, the Company has set up a provision for trade receivables of $2,655,764.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.9 Advances to suppliers

The Company has adopted as accounting policy to disclose advances to suppliers under other current receivables, until the assets are received. Advances to suppliers made in foreign currency are recorded under the cost model, and are not subject to revaluation or recognition of the effects of the exchange rate.

At December 31, 2020, the Company recorded an advance to suppliers balance of $2,808,816,293.

4.10 Cash and cash equivalents

Cash and cash equivalents include cash on hand, sight deposits in banks and other short-term highly liquid investments originally falling due within three months or less and subject to low material risk of changes in value. Bank overdrafts, if any, are disclosed under cash and cash equivalents in the cash flow statement since they are part of the Company's cash management.

4.11 Trade and other payables

Trade payables are obligations to pay for goods or services acquired from suppliers in the ordinary course of business. Trade payables are classified as current liabilities if payments fall due within one year or less. Otherwise, they are classified as non-current liabilities.

Trade and other payables are initially recognized at fair value and subsequently valued at amortized cost applying the effective interest rate method.

4.12 Loans

Loans are initially recognized at fair value, less direct transaction costs incurred. They are subsequently measured at amortized cost, and any difference between the funds received (net of transaction costs) and the amount payable at due date is recognized in the statement of income over the term of the loan, applying the effective interest rate method. The Company analyzes loan renegotiation terms to determine if as a result of the quantitative and qualitative changes to their conditions, they should be considered as amended or settled.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e. those that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of those assets until the moment they are ready for their use or sale.

Other borrowing costs are recognized as expenses in the period in which they are incurred.

4.14 Income tax and minimum notional income tax

a) Current and deferred income taxes

The income tax charge for the year comprises current tax and deferred tax. Income tax is recognized in income.

The current income tax expense is calculated as established by the tax laws enacted or to be enacted at the closing balance sheet date. Management regularly assesses the positions on the tax returns regarding situations where the applicable tax regulation is subject to interpretation and, if necessary, sets out provisions based on the amounts payable to the tax authorities.

Deferred tax is recognized according to the liability method, for the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position. However, no deferred tax liability is recognized if the differences arise from the initial recognition of goodwill, or from the initial recognition of assets and liabilities in a transaction (different from a business combination) that did not affect accounting income nor tax income at the moment of being performed.

Deferred tax assets are recognized only to the extent that it is likely that the Company has future tax income against which to offset the temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset recognized amounts and if deferred tax assets and liabilities derive from income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Current and deferred income tax assets and liabilities have not been discounted and are stated at nominal value.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.14 Income tax and minimum notional income tax (Cont'd)

b) Minimum notional income tax

Although minimum notional income tax was repealed, the Company has recognized as a credit the tax paid in prior years, considering that it will be offset against future taxable profits.

Minimum notional income tax assets and liabilities have not been discounted and are stated at nominal value.

4.15 Allowances and provisions

Provisions are recognized when the Company has a present obligation, whether legal or implicit, as a result of past events; a resource outflow will likely be necessary to settle that obligation; and the amount of the obligation can be measured reliably.

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 year, considering the pertinent risks and uncertainties and the opinion of the Company's legal counsel. 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.

4.16 Balances with related parties

Payables and receivables with related parties have been valued based on the terms agreed upon between the parties.

4.17 Leases

The Company adopted IFRS 16 - Leases and applied the following options established by the standard:

- For leases classified as finance leases due to the application of IAS 17 and IFRIC 4, carrying amounts of assets for rights of use and lease liabilities were computed prior to the initial application of IFRS 16, as provided for by item 11 of the Appendix C of the standard. Those values are disclosed under Property, plant and equipment and Loans.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.17 Leases (Cont'd)

- Finance charges generated for lease liabilities are disclosed under Loan interest in Note 29.
- The rest of lease commitments identified are related to contracts ending within 12 months as from adoption and which continue to be recognized on a straight-line basis by the Company.

Consequently, the Company did not change the accounting for assets recorded for operating and finance leases as a result of the adoption of IFRS 16.

4.18 Defined benefit plan

The Company offers defined benefit plans. Usually, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, generally dependent on one or more factors such as age, years of service and compensation.

The liability recorded in the statement of financial position in relation to defined benefit plans is the present value of the obligation from defined benefit plans at the closing date. The obligation from defined benefit plans is calculated annually by independent actuaries in accordance with the projected unit credit method. The current value of the defined benefit obligation is determined by discounting the future cash outflows estimated using actuarial assumptions based on the demographic and financial variables that have an influence in determining the amount of those benefits.

Actuarial gains and losses arising from adjustments due to the experience and changes of actuarial assumptions are recognized in Other comprehensive income in the year when they occur. The costs for past services are immediately recognized in the income statement.

4.19 Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date when the contract is executed. Subsequent to initial recognition, they are again measured at fair value.

The method for recognizing the resulting loss or profit depends on whether the derivative has been designated as a hedging instrument and, if so, on the nature of the item it is covering. The Company has executed derivative contracts in foreign currency to hedge the next installment payments falling due in connection with principal and interest on its loans in US dollars. However, the Company has not applied hedge accounting; therefore, the changes in its value are recognized in profit or loss, in the caption Changes of fair value of financial instruments, under Other financial results.

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.19 Derivative financial instruments (Cont'd)

Fair values of derivative financial instruments that are traded in active markets are recorded according to quoted market prices. Fair values of derivative financial instruments that are not traded in active markets are determined by using valuation techniques. The Company applies critical judgment to select the most appropriate methods and to determine assumptions that are based mainly on the market conditions existing at the end of each year.

At December 31, 2020, the Company has hedge contracts for USD 8,500,000 to hedge the payment of the International bond in January 2021.

4.20 Equity accounts

Movements in this item have been accounted for in accordance with the pertinent decisions of shareholders' meetings and legal or regulatory provisions.

a) Share Capital

Share capital represents the capital issued, composed of the contributions that were committed and/or made by the shareholders and represented by shares that comprise outstanding shares at nominal value. Ordinary shares are classified under equity.

b) Legal reserve

Pursuant to General Companies Law No. 19550, 5% of the profit reported in the statement of comprehensive income for the year, net of prior year adjustments, transfers of other comprehensive income to unappropriated retained earnings and prior year accumulated losses, is to be allocated to the legal reserve, until it reaches 20% of the capital stock.

c) Optional reserve

Corresponds to the allocation decided by the Company's Shareholders' Meeting whereby a specific amount is applied to meet the needs for funds required by the projects and situations relating to the Company policy.

d) Unappropriated retained earnings/(losses)

Retained earnings comprise accumulated profits or losses without a specific appropriation; positive earnings can be distributable by the decision of the shareholders' meeting, as long as they are not subject to legal restrictions. These earnings comprise prior year earnings that were not distributed and prior year adjustments derived from application of the accounting standards. In case of existence of unappropriated losses to be absorbed at the end of the year under consideration by the shareholders' meeting, the following order for appropriation of balances must be followed:

NOTE 4: ACCOUNTING POLICIES (Cont'd)

4.20 Equity accounts (Cont'd)

d) Unappropriated retained earnings (Cont'd)

(i) Reserved profits
- Optional reserves
- Reserves provided for by Company bylaws
- Legal reserve

(ii) Capital contributions

(iii) Additional paid-in capital

(iv) Other equity instruments (if feasible from the legal and corporate point of view)

(v) Capital Adjustment

e) Distribution of dividends

The distribution of dividends among the shareholders of the Company is recognized as a liability in the financial statements for the year in which dividends are approved by the meeting of shareholders.

f) Special Reserve

It relates to the positive difference between the initial balance of unappropriated retained earnings disclosed in the financial statements of the first closing for the year of IFRS application to GISA merged company due to merger and the closing balance of unappropriated retained earnings at the closing of the last year under prior accounting standards.

This reserve may not be reversed to perform distributions in cash or in kind among the shareholders or owners of the entity and may only be reversed for capitalization or to absorb possible losses of the account "Unappropriated retained earnings/losses", a decision to be taken by the Shareholders' Meeting which considers the financial statements at year end.

g) Special Reserve GR No. 777/18

Following the mechanism established in GR No. 777/2018 of the CNV, in the transition year in which the inflation adjustment is disclosed, the Company has set up a special reserve for an amount equivalent to the revaluation balance determined by its nominal value transferred in accounting to unappropriated retained earnings. This special reserve may be reversed following the mechanism provided for by applicable accounting standards.

NOTE 5: FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

Financial risk management is encompassed within the global policies of the Company, which are focused on the uncertainty of the financial markets and are aimed at minimizing the potential adverse effects on its financial yield. Financial risks are the risks associated with financial instruments to which the Company is exposed during or at the end of each fiscal year. Financial risks comprise market risk (including the foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk.

Financial risk management is controlled by the Finance Division of the Company, which identifies, assesses and covers the financial risks. The financial risk management policies and systems are reviewed regularly to reflect the changes in the market conditions and in the Company's business activities.

This section includes a description of the main financial risks and uncertainties that could have a material adverse effect on the Company’s strategy, performance, results of operations and financial condition.

a) Market risk

Foreign exchange risk

Most of the sales made by the company are denominated in US dollars, due to the fact that they are performed under Resolution No. 1281/06 (Energía Plus), and also under Resolutions No. 220/07, ES No. 21/16. Furthermore, the financial debt is mainly denominated in that currency, and a portion of the debt allocated to the investment in the cycle closure project is stated in US Dollars, which means that the business has a genuine coverage for exchange rate fluctuations. However, the Company constantly monitors the exchange rate fluctuations of the main world currencies to define foreign exchange strategies.

Generación Mediterránea S.A.

Notes to the Financial Statements (Cont'd)

NOTE 5: FINANCIAL RISK MANAGEMENT (Cont'd)

5.1 Financial risk factors (Cont'd)

a) Market risks (Cont'd)

Foreign exchange risk (Cont'd)

The following table shows the Company's exposure to the foreign exchange risk associated with the assets and liabilities denominated in a currency other than the functional currency of the Company.

Captions	Type and amount of foreign currency		Closing exchange rate (1)	Amount recorded at 12/31/2020	Amount recorded at 12/31/2019
				$	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents					
Cash	USD	1,400	83.95	117,530	113,767
Banks	USD	6,066,961	83.95	509,321,406	962,489,924
Trade receivables					
Trade receivables - Energía Plus	USD	4,528,533	83.95	380,170,328	556,761,376
Trade receivables- Resolution No. 220/07 - Resolution No. 1/19 - Resolution No. 21/17	USD	11,105,755	83.95	932,328,173	3,359,487,575
Trade receivables - Rental of tanks				-	52,121,940
Total Current Assets				**1,821,937,437**	**4,930,974,582**
Total Assets				**1,821,937,437**	**4,930,974,582**
LIABILITIES					
CURRENT LIABILITIES					
Trade payables					
Suppliers	USD	31,626,325	84.15	2,661,355,267	1,995,956,310
Financial debts					
Loans	USD	362,134,086	84.15	30,473,583,352	30,777,472,791
Total Current Liabilities				**33,134,938,619**	**32,773,429,101**
NON-CURRENT LIABILITIES					
Trade payables					
Related parties	USD	14,335,317	84.05	1,204,883,434	1,793,809,449
Suppliers	USD	30,948,887	84.15	2,604,348,822	3,149,228,098
Suppliers	SEK	17,377,400	10.32	179,401,668	637,809,482
Financial debts					
Loans	USD	68,145,061	84.15	5,734,406,860	4,082,926,643
Total non-current liabilities				**9,723,040,784**	**9,663,773,672**
Total liabilities				**42,857,979,403**	**42,437,202,773**

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

NOTE 5: FINANCIAL RISK MANAGEMENT (Cont'd)

5.1 Financial risk factors (Cont'd)

a) Market risks (Cont'd)

Foreign exchange risk (Cont'd)

The Company considers that, if all other variables remain constant, a devaluation of 1% of each foreign currency compared to the Argentine peso would reduce income for the year in the following way:

	Argentine pesos	
Currency	**12/31/2020**	**12/31/2019**
US dollars	(408,566,403)	(368,684,187)
Swedish crowns	(1,794,017)	(6,378,095)
Variation in income for the year	**(410,360,420)**	**(375,062,282)**

Price risk

Company revenue rely, to a lesser extent, on sales made under Resolution No. 31/20. This resolution adapts certain remuneration criteria to economic conditions which are reasonable, foreseeable and efficient, through medium-term commitments. Company revenue may suffer the impact of any material amendment or repeal of any terms of the Resolution and such repeal or amendment may cause a minor adverse effect on its business, financial position and results of operations.

If for any reason not attributable to the Company, the Company is no longer eligible to participate in the Energía Plus Program (ES Resolution 1281/06), Resolution 220/07 and/or ES Resolution 21/16, or if these resolutions are repealed or substantially amended, and the Company is obliged to sell all the power generated in the Spot Market or the sales price is limited, the results of Generación Mediterránea S.A. could be badly affected.

Interest rate risk

Interest rate risk arises from the Company's debt at floating rate. Indebtedness at floating rate exposes the Company to interest rate risk on their cash flows. At December 31, 2020, a small portion of the loans in effect had been taken out at floating rates, mainly BADLAR (plus an applicable margin).

The Company analyzes its exposure to interest rate risk in a dynamic manner. Hypothetical situations are simulated considering the positions relating to refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the Company estimates the impact on profit or loss of a definite variation in interest rates. Simulation is only made in relation to obligations representing the main positions that accrue interest.

NOTE 5: FINANCIAL RISK MANAGEMENT (Cont'd)

5.1 Financial risk factors (Cont'd)

a) Market risks (Cont'd)

The following table shows the Company's loans broken down by interest rate:

	12/31/2020	12/31/2019
Fixed rate		
Less than 1 year	6,538,729,382	3,721,744,261
Between 1 and 2 years	3,843,557,519	5,165,194,715
Between 2 and 3 years	25,505,927,146	2,286,042,840
After 3 years	367,536,865	22,836,987,660
	36,255,750,912	**34,009,969,476**
Floating rate		
Less than 1 year	1,695,298,628	1,544,893,012
Between 1 and 2 years	302,179,455	881,812,800
Between 2 and 3 years	454,402,265	32,121,453
After 3 years	-	38,087
	2,451,880,348	**2,458,865,352**
	38,707,631,260	**36,468,834,828**

Based on simulations run, with all the other variables kept constant, an increase of 1% in the variable interest rates would (decrease)/ increase the profit or loss for the year as follows:

	12/31/2020	12/31/2019
Floating rate	24,518,803	24,588,654
Impact on the profit/(loss) for the year	**24,518,803**	**24,588,654**

b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, and from the exposure to credit of customers, including the outstanding balances of accounts receivable and arranged transactions.

Our credit analysis division assesses privately-held corporate customers' payment ability, taking as a basis their financial statements, financial position, market reports, historical behavior towards the Company and other financial creditworthiness factors. Credit limits are set on the basis of the indicators described above, and are regularly monitored by the respective area.

The electricity generators with sales to the spot market, per Resolution No. 31/20, and generators with contracts under Resolutions Nos. 220/07 and ES No. 21/16 receive through CAMMESA the payments for making available the power and energy supplied to the system.

Generación Mediterránea S.A.

Notes to the Financial Statements (Cont'd)

NOTE 5: FINANCIAL RISK MANAGEMENT (Cont'd)

5.1 Financial risk factors (Cont'd)

b) Credit risks (Cont'd)

In 2020, CAMMESA paid its past due obligations, recognizing interest and exchange difference as agreed in the pertinent contracts.

c) Liquidity risk

The Management of the Company monitors the updated projections on liquidity requirements to ensure that the Company has enough cash to cover the operational needs while maintaining an adequate level of credit facilities available. In this way, the Company is expected to meet its commitments required as a result of the financial debt arising from any credit facility. The projections take into account payment plans of the Company's debts, compliance with external regulatory requirements and legal requirements.

Temporary cash surpluses are prudently managed until they are used for debt servicing purposes and investment in enlargement projects currently in progress. The Company has worked in the medium and long term financing structure, having, in addition, available credit lines and loans to guarantee compliance with commitments.

The following table shows an analysis of the Company's financial liabilities classified according to the due dates, considering the remaining period from the respective balance sheet date to their contractual due date. The amounts shown in the table are the non-discounted contractual cash flows.

At December 31, 2020	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	After 2 years	Total
Trade and other payables	4,080,986,095	767,207,720	1,712,325,384	949,029,883	7,509,549,082
Loans	3,791,530,498	8,731,081,800	8,748,591,759	28,875,867,074	50,147,071,131
Total	**7,872,516,593**	**9,498,289,520**	**10,460,917,143**	**29,824,896,957**	**57,656,620,213**

At December 31, 2019	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	After 2 years	Total
Trade and other payables	5,445,538,521	836,412,738	1,671,989,330	323,966,980	8,277,907,569
Loans	3,999,634,371	5,681,275,796	9,370,766,478	30,925,150,602	49,976,827,247
Total	**9,445,172,892**	**6,517,688,534**	**11,042,755,808**	**31,249,117,582**	**58,254,734,816**

NOTE 5: FINANCIAL RISK MANAGEMENT (Cont'd)

5.2 Management of capital risk

The objectives of the Company when it administers capital are to secure the correct operation of the Company, to encourage its growth, to meet the financial commitments taken on and produce yields to its shareholders, keeping an optimum capital structure.

Consistently with the industry, the Company monitors its capital based on the Consolidated Debt to Adjusted EBITDA ratio. This ratio is calculated dividing the net loans by EBITDA. Net borrowings correspond to total borrowings (including current and non-current borrowings) less cash and cash equivalents. Adjusted EBITDA is defined as operating income less operating expenses (including selling and administrative expenses, provided that they are included under operating expenses) plus amortization, depreciation and any other non-cash expenses (provided that they are included under operating expenses).

In the year ended December 31, 2020, the Company incurred long-term indebtedness mainly through the co-issue of GMSA-CTR Class V NO for an amount of USD 14,369,484 and the JP Morgan loan for USD 3,048,045.

This issue has allowed improvements in the indebtedness profile, by extending the due dates. Consolidated debt to adjusted EBITDA ratios at December 31, 2020 and 2019 were as follows:

	12/31/2020	12/31/2019
Total loans	38,707,631,260	36,468,834,828
Less: cash and cash equivalents	(1,872,407,886)	(1,196,911,347)
Net debt	36,835,223,374	35,271,923,481
EBITDA (*)	10,112,085,198	10,587,437,501
Net debt/ EBITDA	**3.643**	**3.331**

(*) Amount not covered by the Audit Report.

NOTE 6: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires Company Management to make estimates and assumptions 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 Financial Statements were prepared. The estimates that have a significant risk of causing an adjustment to the carrying amounts of assets and liabilities within the next fiscal year are detailed below:

NOTE 6: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

a) Impairment of assets

Long-lived assets are tested for impairment at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs).

Electricity production plants of the Company constitute a cash generating unit, already representing the lowest level of separation of assets that generate independent cash flows.

Assets that are subject to amortization are tested for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable.

In evaluating whether there is any indication that the cash generating unit could be affected, internal and external sources of information are analyzed. Specific events and circumstances are considered, which in general include the discount rate used in the projections of cash flows of each of the CGU and the business condition in terms of market and economic factors, such as the cost of raw materials, the regulatory framework of the energy industry, projected capital expenditure and the evolution of energy demand.

An impairment loss is recognized when the asset's carrying value exceeds its recoverable value. The recoverable value is the higher of an asset's fair value less costs to sell and value in use. Any impairment loss will be distributed (to reduce the carrying value of the assets of the CGU) as follows:

- First, to reduce the carrying value of goodwill allocated to the cash generating unit, and

- Then, reduce the carrying amounts of the other assets of the unit (or group of units) pro rata on the basis of the carrying amount of each asset of the unit (or group of units). The carrying amount of an asset should not be reduced below the highest of its fair value less costs of sales and its value in use, or zero.

- The amount of the impairment loss that would otherwise have been allocated to the asset shall be allocated pro rata to the other assets of the CGU.

Judgment is required from Management at the time of estimating the future cash flows. Actual cash flows and values may significantly vary from expected future cash flows and the related values obtained through discount techniques.

NOTE 6: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

b) Current and deferred income taxes

The Company recognizes income taxes applying the deferred tax method. Consequently, the deferred tax assets and liabilities are recognized according to the future tax consequences attributable to the differences between the carrying amount of existing assets and liabilities and the respective tax bases. Deferred tax assets and liabilities are valued at the approved tax rates that should theoretically be applied on the taxable income in the years in which the temporary differences are expected to be settled. A high degree of judgment is required to determine the provision for income tax since Management regularly assesses the positions on the tax returns regarding situations where the applicable tax regulation is subject to interpretation and, if necessary, sets out provisions based on the amounts payable to the tax authorities. When the final outcome of these matters is different from the initially recognized amounts, such differences will have an impact on income tax and deferred taxes in the fiscal year in which they are determined.

There are many transactions and calculations according to which the latest tax determination is uncertain. The Company early recognizes tax liabilities based on the estimates as to whether additional taxes must be paid in the future. When the final tax result differs from the amounts initially recognized, any such differences will have an impact on the current and deferred income tax assets and liabilities in the period in which such determination was made.

Deferred tax assets are reviewed at every reporting date and reduced according to the probability that a sufficient tax base might be available to allow recovering these assets in whole or in part. Deferred assets and liabilities are not discounted. When assessing the realizability of deferred tax assets, Management considers it probable that some, or all, deferred tax assets are not realizable.

Whether deferred tax assets are realizable depends on the generation of future taxable income for the periods in which these temporary differences are deductible. In making this assessment, Management takes into account the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies.

c) Allowances and provisions

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.

At the date of issue of these financial statements, the Company Management understands that there are no elements which may determine the existence of other contingencies that could materialize and have a negative impact on these financial statements.

NOTE 6: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

d) Allowance for bad debts

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

The allowance for bad debts was $2,655,764 at December 31, 2020 and $3,615,573 at December 31, 2019.

e) Defined benefit plans

The Company determines the liabilities related to accumulated bonuses for service length and to the employee benefits plans mentioned, considering all the rights accrued by the beneficiaries until year end, based on an actuarial study performed by an independent professional at that date. The actuarial method applied by the Company is the Projected Benefit Unit method.

f) Fair value of property, plant and equipment

The fair value calculated by means of the discounted cash flow was used to value facilities and machinery. 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 flow at December 31, 2020 considers two scenarios (pessimistic and base scenarios) with different probabilities of occurrence. The two scenarios arise from current rate schedules and are combined with different turbine dispatch alternatives.

The criteria considered in each scenario are 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 assigned: 70%.

2. Pessimistic scenario: in this case the Company considers a historical average availability and a dispatch of a lower demand for energy than expected, as well as a lesser adjustment index of remuneration that impact on cash flows. Probability of occurrence: 30%.

NOTE 6: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

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

In all scenarios a discount rate in dollars of approximately 10.89% was used, which contemplates the future scenarios.

The percentages of probability of occurrence assigned are 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 $3,916 million, if it were favorable; or
To reduce the fair value of land, buildings, facilities and machinery by $3,916 million, if it were not favorable.

At December 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, thus obtaining a decrease in their value for $61,087,874 with its effects being recognized in other comprehensive income.

Generación Mediterránea S.A.

Notes to the Financial Statements (Cont'd)

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	Original values					Depreciation				Net amount at year end	
Type of asset	**At beginning of year**	**Increases**	**Transfers/ withdrawals**	**Technical revaluation (2)**	**At year end**	**Accumulated at beginning of year**	**For the year (1)**	**Technical revaluation**	**Accumulated at year end**	**At 12/31/2020**	**At 12/31/2019**
Land	1,271,391,012	3,251,745	(6,359,792)	-	1,268,282,965	-	-	-	-	1,268,282,965	1,271,391,012
Buildings	1,918,105,149	-	-	(43,304,384)	1,874,800,765	-	43,304,384	(43,304,384)	-	1,874,800,765	1,918,105,149
Facilities	4,401,759,056	5,978,868	-	1,058,153,035	5,465,890,959	-	300,063,556	(300,063,556)	-	5,465,890,959	4,401,759,056
Machinery	33,741,745,293	7,043,393	-	(3,196,349,009)	30,552,439,677	-	1,777,044,544	(1,777,044,544)	-	30,552,439,677	33,741,745,293
Works in progress - Extension of Plant	11,798,025,087	5,656,007,465	-	-	17,454,032,552	-	-	-	-	17,454,032,552	11,798,025,087
Computer and office equipment	74,760,644	14,884,456	-	-	89,645,100	57,731,307	10,470,063	-	68,201,370	21,443,730	17,029,337
Vehicles	46,880,919	-	-	-	46,880,919	26,684,319	5,690,380	-	32,374,699	14,506,220	20,196,600
Spare parts and materials	374,081,502	51,241,704	-	-	425,323,206	-	-	-	-	425,323,206	374,081,502
Total at 12/31/2020	**53,626,748,662**	**5,738,407,631**	**(6,359,792)**	**(2,181,500,358)**	**57,177,296,143**	**84,415,626**	**2,136,572,927**	**(2,120,412,484)**	**100,576,069**	**57,076,720,074**	**-**
Total at 12/31/2019	**50,985,908,947**	**8,792,248,939**	**(152,829)**	**(6,151,256,395)**	**53,626,748,662**	**675,192,228**	**2,035,304,518**	**(2,626,081,120)**	**84,415,626**	**-**	**53,542,333,036**

(1) Depreciation charges for the year ended December 31, 2020 and 2019 were allocated to the cost of sales.

(2) At December 31, 2020, it corresponds to the revaluation for $61,087,874, offset by the accumulated depreciation at the time of revaluation for $2,120,412,484.

Generación Mediterránea S.A.

Notes to the Financial Statements (Cont'd)

NOTE 8: FINANCIAL INSTRUMENTS

At December 31, 2020	Financial assets/liabilities at amortized cost	At fair value through profit and loss	Non-financial assets/liabilities	Total
Assets				
Trade receivables, other receivables and investments	8,732,751,424	79,536	3,225,409,023	11,958,239,983
Cash and cash equivalents	613,222,988	1,259,184,898	-	1,872,407,886
Non-financial assets	-	-	57,307,267,071	57,307,267,071
Total	**9,345,974,412**	**1,259,264,434**	**60,532,676,094**	**71,137,914,940**
Liabilities				
Trade and other payables	7,509,549,082	-	-	7,509,549,082
Derivative financial instruments	-	25,500,000	-	25,500,000
Loans (finance leases excluded)	38,616,348,206	-	-	38,616,348,206
Finance leases	91,283,054	-	-	91,283,054
Non-financial liabilities	-	-	10,419,483,524	10,419,483,524
Total	**46,217,180,342**	**25,500,000**	**10,419,483,524**	**56,662,163,866**

At December 31, 2019	Financial assets/liabilities at amortized cost	At fair value through profit and loss	Non-financial assets/ liabilities	Total
Assets				
Trade receivables, other receivables and investments	7,946,966,062	176,796	2,645,932,022	10,593,074,880
Cash and cash equivalents	1,001,823,358	195,087,989	-	1,196,911,347
Non-financial assets	-	-	53,836,854,058	53,836,854,058
Total	**8,948,789,420**	**195,264,785**	**56,482,786,080**	**65,626,840,285**
Trade and other payables	8,277,907,569	-	-	8,277,907,569
Loans (finance leases excluded)	36,328,777,775	-	-	36,328,777,775
Finance leases	140,057,053	-	-	140,057,053
Non-financial liabilities	-	-	8,274,826,685	8,274,826,685
Total	**44,746,742,397**	**-**	**8,274,826,685**	**53,021,569,082**

The categories of financial instruments were determined based on IFRS 9.

Generación Mediterránea S.A.

Notes to the Financial Statements (Cont'd)

NOTE 8: FINANCIAL INSTRUMENTS (Cont'd)

Below are presented the revenues, expenses, profits and losses arising from each financial instrument category.

At December 31, 2020	Financial assets at amortized cost	Financial assets at fair value through profit and loss	Financial liabilities at amortized cost	Financial liabilities at fair value through profit and loss	Non-financial instruments	Total
Interest earned	1,621,295,528	-	-	-	-	1,621,295,528
Interest paid	-	-	(4,987,082,265)	-	-	(4,987,082,265)
Exchange differences, net	2,550,940,510	-	(13,436,667,588)	-	-	(10,885,727,078)
Other financial results	-	23,720,410	(258,673,169)	(31,577,182)	10,465,340,282	10,198,810,341
Total	**4,172,236,038**	**23,720,410**	**(18,682,423,022)**	**(31,577,182)**	**10,465,340,282**	**(4,052,703,474)**

At December 31, 2019	Financial assets at amortized cost	Financial assets at fair value through profit and loss	Financial liabilities at amortized cost	Non-financial instruments	Total
Interest earned	1,227,074,631	-	-	-	1,227,074,631
Interest paid	-	-	(3,723,093,255)	-	(3,723,093,255)
Exchange differences,net	2,598,033,120	-	(16,955,644,663)	-	(14,357,611,543)
Other financial results	-	(189,817,861)	(284,448,051)	14,687,925,511	14,213,659,599
Total	**3,825,107,751**	**(189,817,861)**	**(20,963,185,969)**	**14,687,925,511**	**(2,639,970,568)**

Fair value estimates

The Company classifies fair value measurements of financial instruments using a three-level hierarchy, which gives priority to the inputs used in making such measurements: Fair value hierarchies:

- Level 1: (unadjusted) quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e. deriving from prices);
- Level 3: Inputs on the assets or liabilities not based on observable market inputs (i.e. unobservable inputs).

The following table shows the Company's financial assets and liabilities measured at fair value at December 31, 2020 and 2019.

Generación Mediterránea S.A.

Notes to the Financial Statements (Cont'd)

NOTE 8: FINANCIAL INSTRUMENTS (Cont'd)

At December 31, 2020	Level 1	Level 2	Level 3	Total
Assets				
Shares	-	-	79,536	79,536
Mutual funds	1,259,184,898	-	-	1,259,184,898
Property, plant and equipment	-	-	39,161,414,366	39,161,414,366
Liabilities				
Derivative financial instruments	(25,500,000)	-	-	(25,500,000)
Total	**1,233,684,898**	**-**	**39,161,493,902**	**40,395,178,800**

At December 31, 2019	Level 1	Level 2	Level 3	Total
Assets				
Shares	-	-	176,796	176,796
Mutual funds	195,087,989	-	-	195,087,989
Property, plant and equipment	-	-	41,333,000,510	41,333,000,510
Total	**195,087,989**	**-**	**41,333,177,306**	**41,528,265,295**

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on the Company's specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. No financial instruments should be included in Level 2. If one or more of the significant inputs is not based on observable market inputs (i.e. unobservable inputs), the instrument is included in level 3. These instruments are included in Level 3. This is the case of the revaluation of certain categories of property, plant and equipment.

Specific valuation techniques used to determine the fair value of property, plant and equipment include:

a) As for Land and Buildings, they have been adjusted by a method using coefficients that comprise changes in the purchasing power of the currency to conform a fair value at December 31, 2020.

b) The fair values of “Facilities” and “Machinery” were calculated by means of the discounted cash flows (See Note 6.f).

There were no transfers between levels of the fair value hierarchy for financial instruments during the year.

NOTE 9: INVENTORIES

	12/31/2020	12/31/2019
Spare parts and materials	230,546,997	294,521,022
	230,546,997	**294,521,022**

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Notes to the Financial Statements (Cont'd)

NOTE 10: TRADE RECEIVABLES

Current	Note	12/31/2020	12/31/2019
Trade receivables		2,425,537,973	2,749,870,937
Energy sold to be billed		1,151,899,518	1,390,083,598
Allowance for bad debts	**22**	(2,655,764)	(3,615,573)
		3,574,781,727	**4,136,338,962**

The carrying amount of current trade receivables approximates their fair value since they fall due in the short term.

Long-term receivables are measured at present value applying a market rate. The amount thus obtained does not differ from its fair value.

The movements of the provision for trade receivables are as follow:

	12/31/2020	12/31/2019
Balance at the beginning of year	3,615,573	5,561,923
Unused amounts reversed	-	111,046
RECPAM (Purchasing Power Parity)	(959,809)	(2,057,396)
Balance at year end	**2,655,764**	**3,615,573**

The maximum credit risk exposure at the balance sheet date is the carrying amount of each type of trade and other receivables. The Company does not maintain any guarantee as collection security.

NOTE 11: OTHER RECEIVABLES

Non-Current	Note	12/31/2020	12/31/2019
Minimum notional income tax credit		62,800,688	85,497,226
Balance with related parties	**31**	4,975,755,068	3,704,004,225
Tax Law No. 25413		145,803,266	-
Income tax credit		2,175,630	-
		5,186,534,652	**3,789,501,451**

Current	Note	12/31/2020	12/31/2019
Balance with related parties	**31**	116,411,004	66,258,397
Loans to Directors - Shareholders	**31**	65,803,625	40,364,478
Turnover tax withholdings and credit balance		15,947,677	20,929,650
Social security withholdings		3,488,316	669,147
Value added tax		-	86,180,616
Tax Law No. 25413		-	123,207,759
Insurance to be accrued		139,542,097	106,393,208
Advances to suppliers		2,808,816,293	2,213,515,767
Sundry		46,835,056	9,538,649
		3,196,844,068	**2,667,057,671**

The carrying amount of other current receivables approximates fair value due to their short-term maturity.

Generación Mediterránea S.A.

Notes to the Financial Statements (Cont'd)

NOTE 11: OTHER RECEIVABLES (Cont'd)

Other long-term receivables are measured at present value applying a market rate. The amount thus obtained does not differ from its fair value.

NOTE 12: CASH AND CASH EQUIVALENTS

	12/31/2020	12/31/2019
Cash	464,555	631,492
Banks in local currency	73,496,261	37,802,437
Banks in foreign currency	509,321,406	962,489,924
Mutual funds	1,259,184,898	195,087,989
Checks to be deposited	29,940,766	899,505
	1,872,407,886	**1,196,911,347**

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

	12/31/2020	12/31/2019
Cash and cash equivalents	1,872,407,886	1,196,911,347
Cash and cash equivalents	**1,872,407,886**	**1,196,911,347**

NOTE 13: SHARE CAPITAL

Subscribed and registered capital at December 31, 2020 amounted to $138,172,150.

NOTE 14: DISTRIBUTION OF SHARE CAPITAL

Dividends

Tax on dividends: A tax is levied on dividends or profits distributed, among others, by Argentine companies or permanent establishments to: individuals, undivided estates or foreign beneficiaries, according to the following rates: (i) dividends deriving from profits generated during fiscal years beginning on or after January 1, 2018 until December 31, 2020 will be subject to tax at a rate of 7%, and; (ii) dividends deriving from profits obtained during fiscal years beginning on or after January 1, 2021 will be subject to tax at a rate of 13%.

Dividends on profits obtained until the fiscal year prior to the fiscal year beginning on or after January 1, 2018 will continue to be subject to withholdings, for all beneficiaries, at a rate of 35% of the amount exceeding retained earnings to be distributed free of tax (transition period of equalization tax).

Pursuant to General Companies Law No. 19550, 5% of the profit reported in the statement of comprehensive income for the year, net of prior year adjustments, transfers of other comprehensive income to unappropriated retained earnings and prior year accumulated losses, is to be allocated to the legal reserve, until it reaches 20% of the capital stock.

Generación Mediterránea S.A.

Notes to the Financial Statements (Cont'd)

NOTE 15: TRADE PAYABLES

Non-Current	Note	12/31/2020	12/31/2019
Suppliers		2,661,355,267	1,995,956,310
		2,661,355,267	**1,995,956,310**
Current			
Suppliers		3,107,376,940	4,221,969,150
Balance with related parties	**31**	1,483,633,458	1,793,809,449
Suppliers - purchases not yet billed		257,183,417	265,670,552
		4,848,193,815	**6,281,449,151**

The carrying amount of current trade payables approximates fair value due to their short-term maturity.

NOTE 16: OTHER LIABILITIES

Current	Note	12/31/2020	12/31/2019
Balance with related parties	**31**	-	502,108
		-	**502,108**

NOTE 17: LOANS

Non-Current	12/31/2020	12/31/2019
International bond	22,387,973,075	21,697,250,359
Foreign loan debt	721,197,731	407,409,596
Negotiable obligations	7,329,048,455	8,987,549,268
Other bank debts	-	27,178,199
Finance lease debts	35,383,989	82,810,133
	30,473,603,250	**31,202,197,555**
Current		
International bond	915,613,715	870,417,462
Related companies	1,673,311,822	420,912,500
Foreign loan debt	814,210,827	922,300,867
Syndicated Loan	177,811,818	543,458,639
Negotiable obligations	4,044,304,302	1,713,829,175
Other bank debts	552,876,461	738,471,710
Finance lease debts	55,899,065	57,246,920
	8,234,028,010	**5,266,637,273**

At December 31, 2020, the total financial debt amounts to $38,708 million. The following table shows the total debt at that date.

Generación Mediterránea S.A.

Notes to the Financial Statements (Cont'd)

NOTE 17: LOANS (Cont'd)

	Principal	Balances at December 31, 2020	Interest rate	Currency	Date of Issue	Maturity date
		(Pesos)	(%)			
Loan agreement						
Cargill	USD 5,000,000	440,146,881	LIBOR + 10%	USD	August 3, 2020	June 4, 2021
BLC	USD 11,547,115	909,784,884	12% first installment, the remaining installments LIBOR USD 12 m + 11%	USD	June 26, 2020	June 12, 2023
JP Morgan	USD 3,048,045	185,476,793	LIBOR 6m + 1%	USD	December 28, 2020	November 15, 2025
Subtotal		**1,535,408,558**				
Debt securities						
International NO	USD 266,000,000	23,303,586,790	9.625%	USD	July 27, 2016	July 27, 2023
Class VIII Negotiable Obligations	$312,884,660	319,791,911	BADLAR + 5%	ARS	August 28, 2017	August 28, 2021
Class X Negotiable Obligations	USD 6,627,073	567,827,955	8.50% until the first amortization date, 10.50% until the second amortization date, and 13.00% until the third amortization date.	USD	December 4, 2019	February 16, 2021
Class XI Negotiable Obligations	USD 9,876,755	827,645,150	6.50%	USD	June 23, 2020	June 23, 2021
Class XIII Negotiable Obligations	USD 13,076,765	1,086,059,653	12.50%	USD	December 2, 2020	February 16, 2024
Class II Negotiable Obligation co-issuance	USD 72,000,000	6,058,196,341	15.00%	USD	August 5, 2019	May 5, 2023
Class III Negotiable Obligation co-issuance	USD 4,725,715	417,450,351	8.00% until the first amortization date 13.00% until the second amortization date.	USD	December 4, 2019	April 12, 2021
Class IV Negotiable Obligation co-issuance	USD 10,903,296	899,296,146	13% until the second interest payment date, 10.50% until maturity date	USD	December 2, 2020	April 11, 2022
Class V Negotiable Obligation co-issuance	USD 14,369,484	1,197,085,250	6%	USD	November 27, 2020	November 27, 2022
Subtotal		**34,676,939,547**				
Syndicated loan						
ICBC/Hipotecario/Citibank	$178,425,000	177,811,818	Tranche A: Adjusted BADLAR (BADCOR) + 10% and Tranche B: BADLAR + 11.34%	ARS	September 30, 2020	August 30, 2021
Subtotal		**177,811,818**				
Other liabilities						
Banco Macro loan	USD 666,667	56,392,029	10%	USD	August 30, 2018	January 12, 2021
Banco Macro loan	$96,400,000	97,596,783	BADLAR + 10%	ARS	August 3, 2020	August 12, 2021
Banco Supervielle loan	$106,000,000	114,994,112	Base rate + 8%	ARS	October 29, 2020	February 26, 2021
Banco Supervielle loan	$106,000,000	114,994,112	Base rate + 8%	ARS	October 29, 2020	April 27, 2021
Banco Chubut loan	USD 2,000,000	168,899,425	10%	USD	December 18, 2020	June 16, 2021
Related parties (Note 31)	$1,673,311,822	1,673,311,822	35%	ARS	September 2, 2019	September 1, 2021, automatically extendable
Finance lease		91,283,054				
Subtotal		**2,317,471,337**				
Total financial debt		**38,707,631,260**				

Generación Mediterránea S.A.

Notes to the Financial Statements (Cont'd)

NOTE 17: LOANS (Cont'd)

During December 2020, the Company successfully ended a process of managing its liabilities, the main purpose of which consisted in reducing payments of principal installments maturing over the next 24 months, to align the operating cash flow to debt servicing and thus reduce the refinancing risk significantly. This process consisted in simultaneously working on various fronts, among which we can mention (i) the issuance of Class XIII negotiable obligations for USD 13,076,765 subscribed exclusively with the swap of 66.4% of Class X negotiable obligations issued by the Company and maturing in 2021; (ii) the co-issuance between the Company and Central Térmica Roca S.A. of Class IV negotiable obligations for USD 16,354,944, subscribed exclusively with a swap of 69.4% of Class III negotiable obligations; (iii) a request for consent of Class II negotiable obligations co-issued by the Company together with Central Térmica Roca S.A. for the amount of USD 80,000,000; (iv) the amendment to the commercial and financial loan agreement with BLC.

This year, the Company could not only have short-term liquidity but could also postpone payments for USD 79,000,000 from the years 2021/2022 to the years 2023/2024.

a) Issuance of international bonds

On July 7, 2016, under CNV Resolution No. 18110, GMSA, Generación Frías S.A. and CTR obtained authorization for the co-issuance in the domestic and international markets of simple guaranteed unsubordinated negotiable obligations, not convertible for shares. On July 27, 2016, Negotiable Obligations were issued for USD 250 million, maturing in 7 years. The Negotiable Obligations are unconditionally and fully guaranteed by ASA.

The Negotiable Obligations have a Moody’s CCC rating.

This issuance allowed financing investments under the Company’s expansion plans, as a result of the award by the ES of Wholesale Demand Contracts through Resolution No. 115/2016 dated June 14, 2016, and also the Co-issuers’ projects under development, which in the aggregate represent works for installing 460 nominal MW. In addition, it allowed for improving the Co-issuers’ financial profile with the early repayment of existing loans at the date of issue, obtaining a term for financing in accordance with the projects under financing and also a considerable decrease in financing costs, thus achieving greater financial efficiency and release of guarantees.

NOTE 17: LOANS (Cont'd)

a) Issuance of international bonds (Cont'd)

On November 8, 2017, under RESFC-2017-19033-APN-DIR#CNV Resolution, GMSA and CTR obtained authorization from the CNV for the International Bond reopening. On December 5, 2017, Negotiable Obligations were issued for USD 86 million, with a nominal value of USD 336 million. The negotiable obligations have the same conditions as the originally issued ones.

International Bond:

Principal: Nominal value: USD 336,000,000; amount assigned to GMSA: USD 266,000,000 (Considering the effect Merger Generación Frías S.A.)

Interest: Fixed rate of 9.625%

Amortization term and method: Interest on the International Bond will be paid semi-annually in arrears, on the following dates: January 27 and July 27 of each year, commencing on January 27, 2017 to maturity.

Principal on the negotiable obligations shall be amortized in a lump sum payment at maturity, that is, on July 27, 2023.

Principal balance on the International Bond outstanding at December 31, 2020 is USD 266,000,000.

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 financial statements, the Company is in compliance with all commitments undertaken.

b) Negotiable obligations:

On October 17, 2012, GMSA obtained, under Resolution No. 16942 of the CNV, authorization for: (i) incorporation of GMSA to the public offering system; and (ii) creation of a global program to issue simple negotiable obligations (not convertible into shares), for a total outstanding nominal value of up to USD 100,000,000 (one hundred million US dollars) or its equivalent in other currencies, in one or more classes or series. This 5 year-program expired on October 17, 2017.

Further, on May 10, 2017, GMSA obtained, under Resolution No. 18649 of the CNV, authorization for the creation of a global program to issue simple negotiable obligations (not convertible into shares) for a total outstanding nominal value of up to USD 100,000,000 (one hundred million US dollars) or its equivalent in other currencies, in one or more classes or series.

NOTE 17: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

In line with the preceding paragraph, on September 26, 2017, GMSA and CTR obtained under RESFC-2017-18947-APN-DIR#CNV Resolution authorization from the CNV for the creation of a program for the co-issuance in the local market of simple negotiable obligations, not convertible into shares, for a total outstanding nominal value of up to USD 100 million (one hundred million United States dollars) or its equivalent in other currencies.

On March 8, 2019, GMSA and CTR obtained, through CNV Resolution No. RESFC-2019-20111-APN-DIR#CNV authorization for increasing the maximum amount up to USD 300,000,000 of the program for co-issuance of Negotiable Obligations.

Co-Issuers GMSA and CTR on August 7, 2020, through the Extraordinary General Shareholders' Meetings of GMSA and CTR approved once more the extension of the global program for the issue of negotiable obligations in the amount of USD 400,000,000, that is, from USD 300,000,000 up to USD 700,000,000, or its equivalent in other currencies. Further, Albanesi S.A. was added as guarantor for the Program.

The increase in the program to USD 700,000,000 was approved by the CNV through Resolution No. DI-2020-43-APN-GE#CNV dated September 10, 2020.

At December 31, 2020 there are outstanding Class VIII, X, XI and XIII Negotiable Obligations (GMSA) and Class II, III, IV and V Negotiable Obligations (GMSA-CTR Co-issuance), issued by the Company for the amounts and under the following conditions: In addition, Class XII Negotiable Obligations (GMSA) and Class I Negotiable Obligations (GMSA-CTR Co-issuance) were redeemed during this fiscal year.

Class VIII Negotiable Obligations

Class VIII negotiable obligations were issued on August 28, 2017 and were fully subscribed in kind.

Principal: Nominal value: $312,884,660

Interest: Private Banks BADLAR rate plus a 5% margin. Payable quarterly as from November 29, 2017 to maturity.

Amortization term and method: one-off payment once 48 months have elapsed from disbursement of funds.

The proceeds from the issue of Class VIII negotiable obligations were fully applied to the refinancing of liabilities, improving the Company's indebtedness profile.

Principal balance due on the Negotiable Obligations at December 31, 2020 is $312,884,660.

NOTE 17: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

Class X Negotiable Obligations:

On December 4, 2019, the Company issued Class X NO fully paid by the swap of Class VI NO under the following conditions:

Principal: nominal value: USD 28,148,340

Interest: 8.5% annual nominal, payable as from the issue and settlement date until February 16, 2020, inclusive, then 10.5% annual nominal, payable on a quarterly basis until August 16, 2020 and the remaining 13% payable on a quarterly basis until maturity on February 16, 2021.

Payment term and method: Amortization: The NO principal shall be amortized in three installments, the first one on February 16, 2020 for 10% principal, the second on August 16, 2020 for 20% principal, and the third on February 16, 2021 for 70% principal.

The issue allowed the swap of 80.86% of the amount timely issued under Class VI NO, improving the financial debt maturities profile of the Company.

On December 2, 2020, 66.37% of Class X NO were swapped for Class XIII NO.

Principal balance due on those negotiable obligations at December 31, 2020 is USD 6,627,073.

Class XI Negotiable Obligations:

Principal: nominal value: USD 9,876,755

Interest: 6.5% annual nominal rate, payable quarterly to maturity, on June 23, 2021.

Payment term and method: Amortization: Principal on the negotiable obligations shall be amortized in full at maturity.

Principal balance due on those negotiable obligations at December 31, 2020 is USD 9,876,755.

Class XIII Negotiable Obligations:

On December 2, 2020, the Company issued Class XIII NO fully paid by the swap of Class X NO under the following conditions:

Principal: nominal value: USD 13,076,765

Generación Mediterránea S.A.

Notes to the Financial Statements (Cont'd)

NOTE 17: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

Class XIII Negotiable Obligations: (Cont'd)

Interest: 12.5% annual nominal Interest on Class XIII NO shall be paid in arrears. Payment of quarterly interest in the following dates: February 16, 2021, May 16, 2021, August 16, 2021, November 16, 2021, February 16, 2022, May 16, 2022, August 16, 2022, November 16, 2022, February 16, 2023, May 16, 2023, August 16, 2023, November 16, 2023 and February 16, 2024.

Payment term and method: Amortization: The NO principal shall be amortized in three installments, the first one on February 16, 2021 for 33.33% principal, the second on February 16, 2022 for 33.33% principal, and the third on February 16, 2024 for 33.34% principal, which agrees with their maturity.

The issue allowed the swap of 66.37% of the principal issued under Class X NO, improving the financial debt maturities profile of the Company.

Principal balance due on those negotiable obligations at December 31, 2020 is USD 13,076,765.

Class II Negotiable Obligations (GMSA and CTR co-issuance):

Class II negotiable obligations were co-issued on August 5, 2019 and were fully subscribed in cash.

On November 18, 2020, the co-issuers of the Class II negotiable obligations requested consent from each and all holders to, among other things, change the payment schedule and reduce payments of principal maturing over the next 24 months. On December 4, co-issuers announced that they had obtained consent from 100% of holders, with the amendment being subject to fulfillment of certain conditions precedent. On December 17, those conditions precedent were fulfilled, and the amendments became effective. At the same time, the amendment fulfilled the requirements of Communication "A" 7106 of the Central Bank.

Principal: total nominal value: USD 80,000,000; amount assigned to GMSA: USD 72,000,000.

Interest: 15% annual nominal rate, payable quarterly as from November 5, 2019 to maturity.

Maturity date: May 5, 2023

NOTE 17: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

Class II Negotiable Obligations (GMSA and CTR co-issuance): (Cont'd)

Payment method: Principal on Negotiable Obligations shall be paid in nine (9) quarterly consecutive installments, each of them for an amount equal to the original percentage of the principal established below: May 5, 2021: 7.00%; August 5, 2021: 9.00%; November 5, 2021: 9.00%; February 5, 2022: 6.50%; May 5, 2022: 6.50%; August 5, 2022: 8.50 %; November 5, 2022: 10.00%; February 5, 2023: 10.00%; Maturity date: 33.50%.

The proceeds from the issuance of Class II Negotiable Obligations were mainly applied to the refinancing of liabilities and investment in property, plant and equipment and, to a lesser extent, to working capital.

Class II Negotiable Obligations will be: (i) guaranteed by Albanesi S.A.; and (ii) secured by pledges on operating turbines, a mortgage on CTI, a reserve account funded by two periods' interest and the assignment of collection rights over contracts with CAMMESA under ES Resolution No. 220/07 and ES Resolution No. 21/17.

Principal balance due on those negotiable obligations at December 31, 2020 is USD 72,000,000.

Class III Negotiable Obligations (GMSA and CTR co-issuance):

On December 4, 2019, the Company and CTR issued Class III NO for the amount detailed below, fully paid by the swap of the Class I NO Co-Issue GMSA-CTR under the following conditions:

Principal: nominal value: USD 25,730,782; amount assigned to GMSA: USD 17,153,855

Interest: 8% annual nominal, payable on a quarterly basis until October 13, 2020 inclusive and then 13% annual nominal, payable on a quarterly basis until its maturity on April 12, 2021.

Payment term and method: Amortization: NO principal shall be amortized in two installments, the first one on October 13, 2020 for 10% of the principal and the second on April 12, 2021 for 90% of principal.

The issue allowed the swap of 84.93% of the amount timely issued under Class I NO Co-Issue GMSA-CTR, improving the financial debt maturities profile of the Company.

On December 2, 2020, 69.39% of Class III NO were swapped for Class IV NO.

Principal balance due on those negotiable obligations at December 31, 2020 is USD 4,725,715.

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Notes to the Financial Statements (Cont'd)

NOTE 17: LOANS (Cont'd)

b) Negotiable obligations (Cont'd)

Class IV Negotiable Obligations (GMSA and CTR co-issuance):

On December 2, 2020, the Company issued together with Central Térmica Roca S.A. Class IV NO fully paid by the swap of Class III NO under the following conditions:

Principal: nominal value: USD 16,354,944; amount assigned to GMSA: USD 10,903,296

Interest: Class IV Negotiable Obligations shall accrue interest at a fixed nominal annual interest rate of: (a) 13%, payable as from the issue and settlement date until the second interest payment date (exclusive) (Class IV); and (b) 10.5% from the second interest payment date (inclusive) (Class IV) until the maturity date (exclusive) (Class IV). Interest payment shall be made on the following dates: January 11, 2021, April 12, 2021, May 11, 2021, June 11, 2021, July 12, 2021, August 11, 2021, September 13, 2021, October 11, 2021, November 11, 2021, December 13, 2021, January 11, 2022, February 11, 2022, March 11, 2022, and April 11, 2022.

Payment term and method: Amortization: Class IV Negotiable Obligations shall be amortized in 13 (thirteen) consecutive monthly installments, in accordance with the following schedule: 13 installments, April 11, 2021: 4.75%; May 11, 2021: 4.75%; June 11, 2021: 4.75%; July 11, 2021: 4.75%; August 11, 2021: 4.75%; September 11, 2021: 4.75%; October 11, 2021: 8% ; November 11, 2021: 8%; December 13, 2021: 8%; January 11, 2022: 8%; February 11, 2022: 8%; March 11, 2022: 8%; April 11, 2022: 23.50%. The issue allowed the swap of 69.39% of the amount timely issued under Class III NO, improving the financial debt maturities profile of the Company.

Principal balance due on those negotiable obligations at December 31, 2020 is USD 10,903,296.

Class V Negotiable Obligations (GMSA and CTR co-issuance):

On November 27, 2020, the Company issued together with Central Térmica Roca S.A. Class V NO fully paid in cash under the following conditions:

Principal: nominal value: USD 14,369,484

Interest: 6% annual nominal rate, payable quarterly to maturity, on November 27, 2022.

Payment term and method: Amortization: Principal on the negotiable obligations shall be amortized in full at maturity.

Principal balance due on those negotiable obligations at December 31, 2020 is USD 14,369,484.

NOTE 17: LOANS (Cont'd)

c) Loan JPMorgan Chase Bank, N.A.

On July 6, 2020, a loan was signed with JPMorgan Chase Bank, N.A for USD 14,808,483.

The loan is secured by the Export-Import Bank of the United States.

The allocation of funds is the financing of 85% of the service agreement signed with PWPS for the maintenance and upgrade of certain turbines in the plant Modesto Maranzana, located in Río Cuarto. Disbursements under the loan shall be made in stages associated to milestones for the compliance of the service to be provided by PWPS in their workshops in United States of America.

The loan will accrue interest at a rate of 1% plus LIBOR 6 months. Interest are payable on a half-year basis. The loan shall be amortized in 10 half-yearly installments, with the first one falling due on May 20, 2021 and the last one on November 15, 2025.

On December 22, 2020 the first disbursement was made for USD 3,048,045.

Remaining disbursements are expected for the first quarter of 2021, upon compliance with milestones under the service agreement with PWPS.

Principal balance due on the loan at December 31, 2020 is USD 3,048,045.

d) BLC Loan

Principal: USD 13,037,210

Interest: 12% throughout 2021 and LIBOR USD 12 months plus 11% for the remaining installments.

Payment term and method: Amortization: Principal shall be amortized in 9 quarterly installments, with the first one falling due on June 13, 2021 and the last one on June 12, 2023.

On December 17, those conditions precedent were fulfilled, and the amendments to BLC loan became effective. It amended the payment schedule and the maturity date, with the aim of reducing payments of principal maturing over the next 24 months. At the same time, the amendment fulfilled the requirements of Communication “A” 7106 of the Central Bank.

The principal balance due at December 31, 2020 amounts to USD 11,547,115.

At December 31, 2020, the Company has complied with the loan-related covenants.

Generación Mediterránea S.A.

Notes to the Financial Statements (Cont'd)

NOTE 17: LOANS (Cont'd)

e) Banco Macro Loan

On August 3, 2020, GMSA obtained a loan from Banco Macro for $96,400,000. The principal shall be fully repaid at maturity on August 12, 2021.

Principal balance due on that debt at December 31, 2020 is $96,400,000.

f) Cargill Loan

On August 3, 2020, the balance of USD 10,000,000 of the loan with Cargill was refinanced.

The loan amortization shall be made in 6 installments of USD 1,600,000 in the months of August 2020, September 2020, October 2020, April 2021, May 2021 and June 2021.

The principal balance due at December 31, 2020 amounts to USD 5,000,000.

g) Syndicated Loan

On September 30, 2020, GMSA obtained a Syndicated Loan with Banco ICBC Argentina S.A., Banco Hipotecario S.A. and CitiBank for $341,981,250. It is payable in 11 monthly consecutive installments, with the first installment being payable in October and the last one in August 2021.

Principal balance due on that debt at December 31, 2020 is $178,425,000.

h) Communication "A" 7044

On June 18, 2020, Communication "A" 7044 of the BCRA established that financial institutions must add unpaid installments corresponding to maturities falling due between April 1, 2020 (including past due installments at March 31, 2020) - and September 30, 2020- to the month following the end of the loan term, considering the accrued compensatory interest.

i) Communication "A" 7106

On September 15, 2020, the BCRA issued Communication "A" 7106 which states as follows in item 7:

Debtors having scheduled payments of principal falling due between October 15, 2020 and March 31, 2021 for the following transactions:

(i) Financial debts abroad with the non-financial private sector with a creditor that is not a related party of debtor;
(ii) Financial debts abroad for entities' own transactions and/or;

NOTE 17: LOANS (Cont'd)

i) Communication "A" 7106 (Cont'd)

(iii) Issuance of publicly traded debt securities in Argentina stated in foreign currency of private sector clients or of the own entities, must submit to the BCRA a detail of the refinancing plan based on the following criteria:
a) the net amount for which access to the exchange market is given in the original terms is not to exceed forty percent (40%) of the principal amount due; and
b) the rest of the principal has been, at least, refinanced with a new external indebtedness with an average life of two (2) years.

Item 7 of Communication "A" 7106 further establishes that new financial debts abroad granted by other creditors and settled in the exchange market by client will be admitted in addition to the refinancing granted by the original creditor. In the case of issuance of publicly traded debt securities in Argentina in foreign currency, new issuances will be admitted when the conditions of item 3.6.4 of the Foreign Trade and Exchange regulations are met.

Lastly, the regulation states that the refinancing plan must be submitted to the BCRA before December 31, 2020 for those maturities until December 31, 2020. In turn, for maturities between January 1, 2021 and March 31, 2021, the refinancing plans must be submitted thirty (30) calendar days before the maturity of the principal under refinancing.

The foregoing is not applicable in the following cases: (i) debts with international organizations or their associated agencies or secured by them, (ii) debts granted to the debtor by official credit agencies or secured by them and (iii) when the amount for which the exchange market would be accessed to pay the principal of those debts would not exceed the equivalent to USD 1,000,000 (one million US dollars) per calendar month.

Amortization of GMSA Class X NO, principal on the BLC loan and amortization of Class II NO (GMSA and CTR co-issuance): fell due within the period established by Communication "A" 7106. In all cases, the pertinent amendments have been executed in compliance therewith and with current regulations.

NOTE 17: LOANS (Cont'd)

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

	12/31/2020	12/31/2019
Fixed rate		
Less than 1 year	6,538,729,382	3,721,744,261
Between 1 and 2 years	3,843,557,519	5,165,194,715
Between 2 and 3 years	25,505,927,146	2,286,042,840
After 3 years	367,536,865	22,836,987,660
	36,255,750,912	**34,009,969,476**
Floating rate		
Less than 1 year	1,695,298,628	1,544,893,012
Between 1 and 2 years	302,179,455	881,812,800
Between 2 and 3 years	454,402,265	32,121,453
After 3 years	-	38,087
	2,451,880,348	**2,458,865,352**
	38,707,631,260	**36,468,834,828**

The fair value of Company's international bonds at December 31, 2020 and December 31, 2019 amounts to approximately $14,074 million and $13,772 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. Given the proximity of their issuance, fixed-rate loans do not differ significantly from their fair value.

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

Generación Mediterránea S.A.

Notes to the Financial Statements (Cont'd)

NOTE 17: LOANS (Cont'd)

Company loans are denominated in the following currencies:

	12/31/2020	12/31/2019
Argentine pesos	2,499,641,048	1,608,435,394
US dollars	36,207,990,212	34,860,399,434
	38,707,631,260	**36,468,834,828**

Changes in Company loans were as follows:

	12/31/2020	12/31/2019
Loans at beginning of the period	36,468,834,828	32,722,894,276
Loans received	8,412,506,506	11,276,687,534
Loans paid	(7,107,593,243)	(8,577,428,115)
Accrued interest	4,596,071,521	3,636,549,833
Interest paid	(4,129,738,848)	(3,266,453,778)
Exchange difference	11,562,358,136	15,494,142,443
Capitalized expenses	178,419,308	(382,056,696)
RECPAM (Purchasing Power Parity)	(11,273,226,948)	(14,435,500,669)
Loans at year end	**38,707,631,260**	**36,468,834,828**

NOTE 18: LEASES

This note provides information on leases in which the Company acts as lessor.

Amounts recognized in the statement of Financial Position:

	12/31/2020	12/31/2019
Right of use of assets	1,885,723,572	2,106,101,310
Machinery	9,879,392	9,879,392
Vehicles	(4,223,707)	(2,415,632)
Accumulated depreciation	1,891,379,257	2,113,565,070
Lease liabilities		
Current	55,899,065	57,246,920
Non-current	35,383,989	82,810,133

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Notes to the Financial Statements (Cont'd)

NOTE 18: LEASES (Cont'd)

Changes in Company finance leases were as follows:

	12/31/2020	12/31/2019
Finance lease at the beginning	140,057,053	195,360,317
Payments made for the year	(52,425,402)	(52,740,491)
Interest paid	(15,944,335)	(38,116,625)
Accrued interest and exchange difference	54,622,032	107,847,854
RECPAM (Purchasing Power Parity)	(35,026,294)	(72,294,002)
Finance lease at the beginning	**91,283,054**	**140,057,053**

NOTE 19: SALARIES AND SOCIAL SECURITY LIABILITIES

Current	12/31/2020	12/31/2019
Social security liabilities payable	82,955,930	82,043,172
Salaries payable	2,851,783	9,242,890
Vacation accrual	19,360,726	16,245,770
	105,168,439	**107,531,832**

NOTE 20: TAX PAYABLES

Current	12/31/2020	12/31/2019
National Fund of Electric Energy	4,146,306	5,193,023
Income tax withholdings to be deposited	4,774,705	4,811,161
Turnover tax withholdings to be deposited	13,132,323	11,354,426
Payment-in-installment plan	222,964,300	197,276,535
Value added tax	93,277,439	-
Provision for income tax withholding overruns	33,907,841	4,202,276
Sundry	1,239,124	563,037
	373,442,038	**223,400,458**

Generación Mediterránea S.A.

Notes to the Financial Statements (Cont'd)

NOTE 21: INCOME TAX/ DEFERRED TAX

The analysis of deferred tax assets and liabilities is as follows:

	12/31/2020	12/31/2019
Deferred tax assets:		
Deferred tax assets to be recovered over more than 12 months	4,061,180,688	4,312,108,333
	4,061,180,688	4,312,108,333
Deferred tax liabilities:		
Deferred tax liabilities to be settled over more than 12 months	(13,960,878,000)	(12,218,203,339)
	(13,960,878,000)	(12,218,203,339)
Deferred tax liabilities (net)	**(9,899,697,312)**	**(7,906,095,006)**

The gross transactions recorded in the deferred tax account are as follows:

	12/31/2020	12/31/2019
Opening balances	(7,906,095,006)	(4,425,686,886)
Charge to income statement	(2,008,283,961)	(4,363,073,038)
Charge to other comprehensive income	14,681,655	882,664,918
Closing balances	**(9,899,697,312)**	**(7,906,095,006)**

The activity in deferred tax assets and liabilities, without considering the offsetting of balances that correspond to the same tax jurisdiction, has been as follows:

	Balances at December 31, 2019	Charge to income statement	Charge to other comprehensive income	Balances at December 31, 2020
Trade and other receivables	73,584,707	155,450,601	-	229,035,308
Property, plant and equipment	(9,614,211,398)	(976,101,370)	15,271,969	(10,575,040,799)
Loans	1,743,333	(20,188,111)	-	(18,444,778)
Other liabilities	(9,319,402)	18,583,272	-	9,263,870
Pension plan	12,710,916	(2,416,982)	(590,314)	9,703,620
Tax inflation adjustment	(2,623,942,347)	(743,450,076)	-	(3,367,392,423)
Tax loss	4,238,523,627	(423,353,095)	-	3,815,170,532
Investments	14,815,558	(16,808,200)	-	(1,992,642)
	(7,906,095,006)	**(2,008,283,961)**	**14,681,655**	**(9,899,697,312)**

The deferred tax assets due to tax losses are recognized insofar as the realization of the corresponding fiscal benefit through future taxable income is probable.

The income tax charge is broken down as follows:

	12/31/2020	12/31/2019
Deferred tax	(2,008,283,961)	(4,363,073,038)
Income tax	**(2,008,283,961)**	**(4,363,073,038)**

NOTE 21: INCOME TAX/ DEFERRED TAX (Cont'd)

Tax Reform in Argentina and Law on Social Solidarity and Productive Reactivation

On December 29, 2017, the National Executive Branch enacted Law 27430 on Income Tax. This law has introduced several changes in the treatment of income tax whose key components are the following:

Income tax rate: The Income Tax rates for Argentine companies will be reduced gradually from 35% to 30% for fiscal periods beginning on or after January 1, 2018 until December 31, 2020, and to 25% for fiscal periods beginning on or after January 1, 2020, inclusive.

Tax on dividends: A tax is levied on dividends or profits distributed, among others, by Argentine companies or permanent establishments to: individuals, undivided estates or foreign beneficiaries, according to the following rates: (i) dividends deriving from profits generated during fiscal years beginning on or after January 1, 2018 until December 31, 2020 will be subject to tax at a rate of 7%, and; (ii) dividends deriving from profits obtained during fiscal years beginning on or after January 1, 2021 will be subject to tax at a rate of 13%.

Dividends on profits obtained until the fiscal year prior to the fiscal year beginning on or after January 1, 2018 will continue to be subject to withholdings, for all beneficiaries, at a rate of 35% of the amount exceeding retained earnings to be distributed free of tax (transition period of equalization tax).

Pursuant to General Companies Law No. 19550, 5% of the profit reported in the statement of comprehensive income for the year, net of prior year adjustments, transfers of other comprehensive income to unappropriated retained earnings and prior year accumulated losses, is to be allocated to the legal reserve, until it reaches 20% of the capital stock.

Index-adjustments to deductions: Acquisitions or investments made in fiscal years beginning on or after January 1, 2018, will be adjusted on the basis of the percentage variations in the Domestic Wholesale Price Index (WPI) provided by the National Institute of Statistics and Census, this will increase the deductible depreciation and its computable cost in case of sale.

On December 27, 2019, the National Executive Branch enacted Law 27541 on Social Solidarity and Productive Reactivation. As for Income tax applicable to companies, the following amendments introduced by the law are highlighted:

- It maintains the tax rate at 30% for 2020 (this rate should have been reduced to 25% in accordance with the 2017 Tax Reform).
- Tax inflation adjustment: The allocation of the tax inflation adjustment for the first and second year commenced as from January 1, 2019 must be allocated in equal parts during 6 fiscal years.

NOTE 21: INCOME TAX/ DEFERRED TAX (Cont'd)

- Personal assets tax, shares and equity interests: Tax rate rises from 0.25% to 0.50%.

The reconciliation between income tax charged to income and that resulting from the application of the tax rate to the accounting profit before taxes is shown below:

	12/31/2020	12/31/2019
Pre-tax profit/(loss)	3,922,808,797	5,912,162,416
Current tax rate	30%	30%
Income/(loss) at the tax rate	(1,176,842,639)	(1,773,648,725)
Other permanent differences	(28,987,577)	(89,571,041)
Accounting inflation adjustment	1,094,914,823	349,816,874
Tax inflation adjustment	(2,347,590,667)	(3,229,467,505)
Change in the income tax rate (a)	507,556,144	417,123,751
Understatement in the prior year provision	(4,673,530)	-
Expiration of tax losses	(52,660,515)	(37,326,392)
Total income tax charge	**(2,008,283,961)**	**(4,363,073,038)**

(a) Corresponds to the effect of the application of the changes in income tax rates on deferred tax assets and liabilities, in line with the tax reform detailed above, based on the expected year of realization. The impact of the change in the rate was recognized in income for the year, except in the case of the adjustment to deferred liabilities generated from application of the revaluation model for certain types of property, plant and equipment, as it is related to items previously recognized in other comprehensive income.

Accumulated tax loss carry-forwards recorded by the Company which are pending use at December 31, 2020:

Year	$	Year of expiration
Tax loss for the year 2016	276,942,628	2,021
Tax loss for the year 2017	836,418,818	2022
Tax loss for the year 2018	6,835,744,539	2023
Tax loss for the year 2019	4,271,159,039	2024
Tax loss for the year 2020	3,040,417,105	2025
Total tax loss carry-forwards at December 31, 2020	**15,260,682,129**	

NOTE 22: ALLOWANCES AND PROVISIONS

	For trade receivables
Balances at December 31, 2019	3,615,573
RECPAM (Purchasing Power Parity)	(959,809)
Balances at December 31, 2020	**2,655,764**

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.

NOTE 23: DEFINED BENEFIT PLAN - LABOR COMMITMENTS WITH PERSONNEL

A detailed description of the estimated cost and liability for benefits after retirement granted to Company's employees is included below. These benefits are:

- A bonus for all the employees retiring under the differential regime of Decree No. 937/74, when reaching 55 years of age and 30 years of service, consisting in 10 salaries, augmented by 2% per each year of service exceeding the first 5 years.
- A bonus for service length, consisting in paying one salary after 20 years of employment (17 years, for women) plus another one every 5 years up to 35 years' service (32 years, for women) and two more salaries upon reaching 40 years of service (37 years, for women).

The liabilities related to accumulated bonuses for service length and to the employee benefits plans mentioned above were determined considering all the rights accrued by the beneficiaries until closing date of the year ended December 31, 2020, based on an actuarial study performed by an independent professional at that date. The actuarial method applied by the Company is the Projected Benefit Unit method.

The amounts and conditions vary according to the collective bargaining agreement.

	12/31/2020	12/31/2019
Defined benefit plan		
Non-current	40,480,367	33,880,853
Current	695,368	3,918,536
Total	**41,175,735**	**37,799,389**

Changes in the Company's obligations for benefits at December 31, 2020 and 2019 are as follows:

	12/31/2020	12/31/2019
Present value of the obligations for benefits	41,175,735	37,799,389
Obligations for benefits at year end	**41,175,735**	**37,799,389**

The actuarial assumptions used were:

	12/31/2020	12/31/2019
Interest rate	5.5%	5.5%
Salary growth rate	1%	1%
Inflation	45%	42%

At December 31, 2020 and 2019, the Company does not have assets related to pension plans.

NOTE 23: DEFINED BENEFIT PLANS - LABOR COMMITMENTS WITH STAFF (Cont'd)

The charge recognized in the comprehensive statement of income is as follows:

	12/31/2020	12/31/2019
Cost of current services	6,087,608	9,401,308
Interest charges	15,325,412	7,330,980
Actuarial gain/(loss) through Other comprehensive income	(2,361,254)	5,484,396
Total cost	**19,051,766**	**22,216,684**

Changes in the obligation for defined benefit plans are as follows:

	12/31/2020	12/31/2019
Opening balances	37,799,389	28,020,053
Cost of current services	6,087,608	9,401,308
Interest charges	15,325,412	7,330,980
Actuarial gain/(loss) through Other comprehensive income	(2,361,254)	5,484,396
Payments of benefits	(2,633,218)	(585,554)
RECPAM (Purchasing Power Parity)	(13,042,202)	(11,851,794)
Closing balances	**41,175,735**	**37,799,389**

Estimates based on actuarial techniques involve the use of statistical tools, such as the demographic tables used in the actuarial valuation of the Group active personnel. To determine mortality for the Group active personnel, the mortality table "RP 2000" has been used. In general, a mortality table shows, for each age group, the probability that a person in that age group will die before reaching a predetermined age. Mortality tables are elaborated separately for men and women, given that both have substantially different mortality rates.

To estimate total and permanent disability due to any cause, the table "Pension Disability Table 1985" has been used.

To estimate the probability that the Group active personnel will leave the job or stay, the table "ESA 77" has been used.

The liabilities related to the above-mentioned benefits were determined considering all the rights accrued by the beneficiaries of the plans until closing date of the year ended December 31, 2020.

NOTE 24: SALES REVENUE

	12/31/2020	12/31/2019
Sale of energy Res. No. 95, as amended, plus spot	515,868,010	693,414,522
Energía Plus sales	2,318,155,679	3,206,132,011
Sale of energy Res. No. 220	5,532,203,755	5,285,665,318
Sale of energy Res. No. 21	5,068,987,478	5,799,886,568
	13,435,214,922	**14,985,098,419**

Generación Mediterránea S.A.

Notes to the Financial Statements (Cont'd)

NOTE 25: COST OF SALES

	12/31/2020	12/31/2019
Purchase of electric energy	(686,472,455)	(2,073,279,721)
Gas and diesel consumption at the plant	(1,142,611,143)	(149,987,870)
Fees and compensation for services	(13,530,202)	(12,237,784)
Salaries and social security contributions	(405,350,263)	(409,154,648)
Defined benefit plan	(6,087,608)	(9,401,308)
Other employee benefits	(16,009,100)	(26,777,008)
Taxes, rates and contributions	(32,338,025)	(42,173,831)
Maintenance services	(538,180,430)	(1,127,781,079)
Depreciation of property, plant and equipment	(2,136,572,927)	(2,035,304,518)
Per diem, travel and representation expenses	(232,596)	(852,265)
Insurance	(115,869,651)	(106,342,407)
Communication expenses	(22,773,538)	(23,754,574)
Sundry	(5,053,437)	(9,306,851)
	(5,121,081,375)	**(6,026,353,864)**

NOTE 26: SELLING EXPENSES

	12/31/2020	12/31/2019
Taxes, rates and contributions	(1,428,611)	(3,318,339)
Bad debts	-	(111,046)
	(1,428,611)	**(3,429,385)**

NOTE 27: ADMINISTRATIVE EXPENSES

	12/31/2020	12/31/2019
Fees and compensation for services	(269,619,255)	(282,060,030)
Salaries and social security contributions	(59,480,770)	(83,149,115)
Taxes, rates and contributions	(2,743,345)	(1,143,307)
Per diem, travel and representation expenses	(773,249)	(17,568,961)
Office expenses	(5,814,397)	(6,747,462)
Communication expenses	(2,336,203)	(502,598)
Leases	(10,613,481)	(10,462,648)
Gifts	(38,117,392)	(1,003,375)
Sundry	(3,654,643)	(4,450,244)
	(393,152,735)	**(407,087,740)**

NOTE 28: OTHER INCOME

	12/31/2020	12/31/2019
Sale of plot of land	47,890,436	-
Other income	8,069,634	3,905,554
	55,960,070	**3,905,554**

NOTE 29: FINANCIAL RESULTS

	12/31/2020	12/31/2019
Financial income		
Commercial interest	509,622,592	184,812,560
Interest on loans granted	1,111,672,936	1,042,262,071
Total financial income	**1,621,295,528**	**1,227,074,631**
Financial expenses		
Interest on loans	(4,346,466,514)	(3,129,734,432)
Commercial and other interest	(640,615,751)	(593,358,823)
Bank expenses and commissions	(11,527,298)	(4,883,246)
Total financial expenses	**(4,998,609,563)**	**(3,727,976,501)**
Other financial results		
Exchange differences, net	(10,885,727,078)	(14,357,611,543)
Changes in the fair value of financial instruments	(7,856,772)	(189,817,861)
RECPAM (Purchasing Power Parity)	10,465,340,282	14,687,925,511
Other financial results	(247,145,871)	(279,564,805)
Total other financial results	**(675,389,439)**	**(139,068,698)**
Total financial results, net	**(4,052,703,474)**	**(2,639,970,568)**

NOTE 30: 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 fiscal year.

	12/31/2020	12/31/2019
Income for the year	1,914,524,836	1,549,089,378
Weighted average of outstanding ordinary shares	138,172,150	138,172,150
Basic earnings per share	**13.86**	**11.21**

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.

Generación Mediterránea S.A.

Notes to the Financial Statements (Cont'd)

NOTE 31: TRANSACTIONS AND BALANCES WITH RELATED PARTIES

	Income/(loss)	
	$	
a) Sales of energy	**12/31/2020**	**12/31/2019**
Other related parties:		
Solalban Energía S.A.	29,696,181	706,907
RGA	16,490,062	139,160,533
	46,186,243	**139,867,440**
b) Purchase of gas and energy		
Other related parties:		
Solalban Energía S.A.	(54,919,221)	(57,775,806)
RGA (*)	(1,521,162,369)	(2,333,874,695)
	(1,576,081,590)	**(2,391,650,501)**
c) Administrative services and management		
Other related parties:		
RGA	(484,694,824)	(521,187,240)
	(484,694,824)	**(521,187,240)**
d) Rental		
Other related parties:		
RGA	(10,613,481)	(10,512,207)
	(10,613,481)	**(10,512,207)**
e) Other purchases and services received		
Other related parties:		
AESA – Purchase of spare parts	-	(2,002,040)
BDD – Purchase of wines	(615,927)	(694,260)
AJSA - Flights made	(43,680,385)	(121,940,166)
GECE - Acquisition of property, plant and equipment	-	(54,223,665)
ASA - guarantee	(4,559,372)	(6,525,666)
	(48,855,684)	**(185,385,797)**
f) Recovery of expenses		
Other related parties:		
RGA	3,722,334	3,173,274
GROSA	14,372,925	16,389,184
CTR	41,059,391	113,358,977
AESA	42,623,755	54,504,233
	101,778,405	**187,425,668**

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

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Notes to the Financial Statements (Cont'd)

NOTE 31: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

	Income/(loss) $	
	12/31/2020	**12/31/2019**
h) Interest generated due to loans obtained		
Other related parties:		
CTR	(350,057,374)	(100,942,837)
	(350,057,374)	**(100,942,837)**
h) Interest generated due to loans granted		
Other related parties:		
CTR	-	70,005,835
GROSA	3,305,683	1,209,229
Directors/Shareholders	14,540,520	12,930,045
ASA	1,093,826,733	963,998,694
	1,111,672,936	**1,048,143,803**
i) Gas pipeline works		
Other related parties:		
RGA	(1,020,411)	(2,445,410)
	(1,020,411)	**(2,445,410)**
j) Construction work management service		
Other related parties:		
RGA	(189,525,583)	(236,520,464)
	(189,525,583)	**(236,520,464)**
K) Other services rendered		
Other related parties:		
RGA - guarantee	2,307,346	-
	2,307,346	**-**
l) Commercial interest		
Other related parties:		
RGA	(440,724,382)	-
	(440,724,382)	**-**
m) Exchange difference		
Other related parties:		
RGA	(165,867,991)	-
	(165,867,991)	**-**

Generación Mediterránea S.A.

Notes to the Financial Statements (Cont'd)

NOTE 31: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

n) Remuneration of key managerial staff

The senior management includes directors (executive and non-executive). Managerial staff's fees at December 31, 2020 and 2019 amounted to $47,742,692 and $78,164,115, respectively.

	12/31/2020	12/31/2019
Salaries	(47,742,692)	(78,164,115)
	(47,742,692)	**(78,164,115)**

ñ) Balances at the date of the statements of financial position

	12/31/2020	12/31/2019
Other current receivables with other related parties		
AESA	49,258,077	13,994,553
CTR	49,230,141	11,932,610
GROSA	17,922,786	40,331,234
Directors/Shareholders	65,803,625	40,364,478
	182,214,629	**106,622,875**
Other non-current receivables with other parties related parties		
ASA	4,975,755,068	3,704,004,225
	4,975,755,068	**3,704,004,225**
Current trade payables with other related parties		
RGA	1,480,925,356	1,793,584,166
AJSA	-	225,283
Solalban Energía S.A.	2,708,102	-
	1,483,633,458	**1,793,809,449**
Other current debts with other related parties		
BDD	-	502,108
	-	**502,108**
Current loans with other parties related parties		
CTR	1,673,311,822	420,912,500
	1,673,311,822	**420,912,500**

Generación Mediterránea S.A.

Notes to the Financial Statements (Cont'd)

NOTE 31: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

ñ) Balances at the date of the statements of financial position (Cont'd)

	12/31/2020	12/31/2019
Loans to ASA		
Balances at beginning of year	3,704,004,225	1,676,285,146
Loans granted	1,537,303,059	3,265,127,476
Loans repaid	-	(1,025,964,160)
Accrued interest	1,093,826,733	963,998,694
RECPAM (Purchasing Power Parity)	(1,359,378,949)	(1,175,442,931)
Closing balances	**4,975,755,068**	**3,704,004,225**

The loans are governed by the following terms and conditions:

Entity	Amount	Interest rate	Conditions
At 12/31/2020			
ASA	3,314,312,762	30%	Maturity date: 1 year, renewable automatically for up to 5 years
Total in pesos	**3,314,312,762**		

	12/31/2020	12/31/2019
Loans to Directors/Shareholders		
Balances at beginning of year	40,364,478	31,740,730
Loans granted	27,383,589	22,035,375
Loans repaid	-	(8,866,395)
Accrued interest	14,540,520	12,930,045
Interest forgiven	-	(5,881,732)
RECPAM (Purchasing Power Parity)	(16,484,962)	(11,593,545)
Closing balances	**65,803,625**	**40,364,478**

The loans are governed by the following terms and conditions:

Entity	Amount	Interest rate	Conditions
At 12/31/2020			
Directors/Shareholders	45,306,778	BADLAR + 3%	Maturity date: 1 year
Total in pesos	**45,306,778**		

Generación Mediterránea S.A.

Notes to the Financial Statements (Cont'd)

NOTE 31: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

ñ) Balances at the date of the statements of financial position

	12/31/2020	12/31/2019
Loans to GROSA		
Balances at beginning of year	14,893,135	49,670,431
Loans granted	-	204,107,781
Loans collected	(10,706,681)	(217,798,738)
Accrued interest	3,305,683	1,209,229
Interest collected	(3,484,104)	-
RECPAM (Purchasing Power Parity)	(4,008,033)	(22,295,568)
Closing balances	**-**	**14,893,135**

The loans are governed by the following terms and conditions:

Entity	Amount	Interest rate	Conditions
At 12/31/2020			
GROSA	-	35%	Maturity date: 1 year
Total in pesos	-		

	12/31/2020	12/31/2019
Loans to CTR		
Balances at beginning of year	(420,912,500)	587,559,777
Loans granted	-	16,283,134
Loans collected	-	(472,538,373)
Loans received	(1,979,068,713)	(1,396,130,086)
Loans paid	630,530,385	934,358,593
Accrued interest	(350,057,374)	(30,937,002)
Interest collected	102,425,542	(85,466,679)
RECPAM (Purchasing Power Parity)	343,770,838	25,958,136
Closing balances	**(1,673,311,822)**	**(420,912,500)**

The loans are governed by the following terms and conditions:

Entity	Amount	Interest rate	Conditions
At 12/31/2020			
CTR	(1,378,257,319)	35%	Maturity date: 1 year
Total in pesos	**(1,378,257,319)**		Automatically extendable

NOTE 31: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

ñ) Balances at the date of the statements of financial position

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 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 in conditions similar to those carried out with independent parties.

NOTE 32: WORKING CAPITAL

The Company reports at December 31, 2020 a deficit of $4,712,446,992 in its working capital (calculated as current assets less current liabilities), which means an increase of $1,123,836,636, compared to the deficit in working capital at December 31, 2019 ($3,588,610,356). 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 33: RESTRICTED ASSETS AND OTHER COMMITMENTS

Other commitments

Some of the contractual obligations relating to the supply of electric energy to large customers of the MAT at December 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 No. 1281/06 (Energía Plus). They are contracts denominated in United States dollars, entered into with private customers.

	Total	Up to 1 year	From 1 to 3 years
Sale commitments[(1)]			
Electric energy and power - Plus	1,530,666,461	1,401,727,853	128,938,608

(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 December 31, 2020, under ES Resolution No. 1281/06.

Other contractual obligations arise from Negotiable Obligations Class III which are: (i) guaranteed by Albanesi S.A.; and (ii) secured by pledges on operating turbines, a mortgage on CTI, a reserve account funded by two periods' interest and the assignment of collection rights over contracts with CAMMESA under ES Resolution No. 220/07 and ES Resolution No. 21/17.

NOTE 34: 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.
Iron Mountain Argentina S.A. – Torcuato Di Tella 1800, Spegazzini, Ezeiza.
Iron Mountain Argentina S.A. – Puente del Inca 2450, Tristán Suárez.

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, Title II, of the REGULATIONS (N.T. 2013 as amended).

NOTE 35: 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 36: 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 42.6 million was received.

As a result of Communication “A” 7106 dated September 15, 2020 issued by the Central Bank of Argentina, GMSA and BLC agreed to execute an amendment to reschedule debt payments. On December 17, 2020, BLC and GMSA executed an amendment whereby the payment schedule was changed, with quarterly amortizations, with the next payment of principal maturing in June 2021. Further, a new extension of the term was agreed to pay for the above-mentioned equipment, with the final maturity date being June 2023, thus significantly reducing payments throughout 2021.

Siemens Energy AB

On June 14, 2016 a Deferred Payment Agreement was entered into with Siemens Energy AB, by means of which, upon compliance of the conditions precedent 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 Energy AB for the turbines to be installed in CTE and CTI whereby, once the conditions precedent fixed in the agreements are fulfilled, 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 at 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.

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.

NOTE 36: EXECUTION OF CONTRACTS TO PURCHASE MACHINERY

On June 4, 2020, it was agreed with Siemens Energy AB to offset all the amounts owed under the deferred payment agreement Ezeiza stage I, which amounted to SEK 48,152,043 against payments already made for the purchase of new equipment. The process for the release of associated guarantees has started.

At December 31, 2020, the commercial financing agreed in 2016 with Siemens Energy AB has been fully paid.

Pratt & Whitney Power System Inc

Generación Frías S.A. signed an agreement with PWPS 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.

On July 3, 2020, a partial payment of USD 2,300,000 was made, with an outstanding balance amounting to USD 10,500,000 at December 31, 2020. This amount is disclosed under current trade payables for the equivalent to $ 879,582,671.

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

NOTE 37: ALL-RISK INSURANCE COVERAGE

All-risk insurance policy with coverage for loss of profit

The Company has taken out all-risk insurance coverage for all the risks of loss or physical damage, whether it is accidental or unforeseeable, including machinery failures and loss of profit as a result, up to 12 months, directly and totally attributable to any cause. The aim of this policy is to cover 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.

This insurance covers all physical assets of any type and description, not expressly excluded from the text of the policy, belonging to the insured or in his/her care, custody or control, for which the insured has assumed a responsibility for insuring against any damage, or for which the insured may acquire an insurable interest.

It is very important to note that on April 15, 2019 the operational all-risk insurance policy that provides coverage to all Grupo Albanesi power plants was renewed for a further period of 18 months, with a reduction of 5% in the annual premium having been obtained due to the absence of claims or accidents at the time of the renewal.

NOTE 37: ALL-RISK INSURANCE COVERAGE (Cont'd)

Contractors' all-risk and assembly insurance

Works for installation or enlargement of the capacity developed by the Company are insured by a Contractors' all-risk and assembly insurance, which covers all accidental or unforeseeable damages occurred during the execution of a civil work, including damages caused by acts of God, provided that they are not expressly excluded from the policy.

The policy includes delay in start-up (DSU) or advance loss of profit (ALOP) insurance of up to 12 months, providing coverage for the expected commercial profit margin for sales of energy and power, discounting the variable costs during the period of repair or replacement of the damaged equipment.

Once all pieces of equipment are in operation, the new assets will be covered by the All-risk insurance that Grupo Albanesi has taken out, and which covers all power plants in operation.

NOTE 38: SUPPLY CONTRACT WITH CAMMESA: AGREED UPON DATE OF AUTHORIZATION FOR THE COMMERCIAL OPERATION OF THE POWER PLANTS

On June 30, 2016, GMSA –as seller– and CAMMESA –as buyer–, on behalf of the WEM, entered into the Supply Contracts for the available power and energy supplied by CTE and CTI. July 1, 2017 was the Agreed upon Date set for the commercial operation of the two power plants.

The commercial operation for CTE and CTI were granted on September 29 and August 10, 2017, respectively.

On June 28, 2017 GMSA made a filing before CAMMESA and the ES, to inform them that CTE and CTI had suffered certain facts that could be considered as a force majeure event or an act of God, which in turn adversely affected the possibility of obtaining the authorization for commercial operation by the Agreed upon Date set on the Supply Contract. In this regard, GMSA explained, argued, and produced the pertinent evidence supporting the existence of certain factors, not attributable to the Company, which implied that the commercial operation was not obtained at the Agreed upon Date set on the Supply Contract.

Under Resolution 264/2018 dated June 6, 2018, the Energy Ministry established that the penalties shall be discounted from the sum receivable by the penalized Generating Agent in 12 equal and consecutive monthly installments, and that the Generating Agent may opt to discount the penalty amount in up to 48 equal and consecutive installments, applying to the balance an effective annual rate of 1.7% in United States dollars, and the number of installments shall not exceed the contract term.

Without prejudice to the above, CAMMESA has rejected GMSA's arguments and has set the penalties in the amounts of USD 12,580,090 for CTE and USD 3,950,212 for CTI.

Generación Mediterránea S.A.

Notes to the Financial Statements (Cont'd)

NOTE 38: SUPPLY CONTRACT WITH CAMMESA: AGREED UPON DATE OF AUTHORIZATION FOR THE COMMERCIAL OPERATION OF THE POWER PLANTS (Cont'd)

The balance of these penalties at December 31, 2020, net of the present value, equivalent to $516,205,385, is disclosed under trade payables.

In this respect, July 11, 2018 CAMMESA notified through Note B.127925-7 the penalty amount mentioned above and urged GMSA to inform if it would make use of the option set out by Resolution 264/2018.

In view of the foregoing, on July 10 and July 23, 2018 GMSA made the pertinent presentations to CAMMESA making use of the option to discount the penalty amount in up to 48 monthly and consecutive installments, applying to the balance the effective annual rate of 1.7% in United States dollars; the number of installments should not exceed the contract term and the first installment payable shall be discounted as from the July 2018 transaction, maturing in September 2018.

The results of this transaction, as disclosed under Other expenses, in the Statement of Comprehensive Income, are exceptional, unique and do not relate to the Company's main line of business, therefore they are not considered to be within EBITDA.

NOTE 39: COMMITMENTS FOR 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 agreement was amended on November 26, 2019, where additional amounts of debt were recognized. On December 3, a new amendment was executed whereby the payment schedule and the due dates of the loan were changed to reduce payments of principal maturing over the next 24 months, subject to fulfillment of certain conditions precedent. On December 17, those conditions precedent were fulfilled, and the amendments became effective. At the same time, the amendment fulfilled the requirements of Communication "A" 7106 of the Central Bank.

This debt shall accrue interest on a quarterly basis at an annual rate of 13.09%, and the new maturity is on June 20, 2023.

The balance at December 31, 2020 amounts to USD 26,833,722.

The loan shall be amortized in six quarterly installments, with the first one falling due on March 20, 2022 and the last one on June 20, 2023.

NOTE 40: ECONOMIC CONTEXT IN WHICH THE COMPANY OPERATES

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

The outbreak of the COVID-19 pandemic in March 2020 has caused significant consequences worldwide. Most countries have imposed a series of unprecedented restrictions. The different health measures introduced had, to a greater or lesser extent, an almost immediate impact on economies, which saw the rapid fall of its production indicators and economic activity. As a response, most of the governments implemented fiscal aid packages to maintain the income of a part of the population and reduce the risks of disruption to payment chains, thus avoiding financial and economic crises, as well as bankruptcies of companies. Argentina was no exception, with the Government acting relatively quickly right after the pandemic was declared.

The Argentine economy was already in a recession and the COVID-19 pandemic outbreak in March 2020 worsened the scenario. It is expected that Argentina's economic activity will hit its all-time low by the end of 2020.

The main indicators in our country are as follows:

- A 10.4% year-on-year fall in GDP is expected for 2020.
- Cumulative inflation between January 1, 2020 and December 31, 2020 was 36% (Consumer Price Index).
- Between January 1 and December 31, 2020, the peso was depreciated at 41%, as against the US dollar, according to the exchange rates of Banco de la Nación Argentina.
- The monetary authority imposed tighter foreign exchange restrictions, which have also affected the value of the foreign currency in existing alternative markets for certain exchange transactions that are restricted in the official market.

With these measures, which aim at restricting access to the exchange market to curb the demand for dollars, prior authorization from the Argentine Central Bank is required for certain transactions; the following being applicable to the Company (See Note 17 i)):

– Payment of financial loans granted by non-residents: companies that have scheduled payments of principal falling due between 10/15/2020 and 3/31/2021 must submit a refinancing plan of at least 60% of the principal amount due, with a new external indebtedness with an average life of two years, allowing them to access the foreign exchange market only to pay 40% of the principal amount due.
– Payment for the issuance of publicly traded debt securities
– Payment for imports of goods abroad
– Formation of external assets

Additionally, the currency system had already determined that funds obtained from the following transactions and items have to be brought in and traded in the local exchange market:

– Exports of goods and services
– Collections of pre-export financing, advances and post-export financing of goods
– Service exports
– Sale of nonproduced non-financial assets
– Sale of external assets

NOTE 40: ECONOMIC CONTEXT IN WHICH THE COMPANY OPERATES (Cont'd)

This context of volatility and uncertainty persisted at the date of issue of these Financial Statements.

However, all issuances performed over the last 12 months in the capital markets as well as renegotiations with local banks have been successful and it is expected that they continue so in the next fiscal year; this context might limit access to the debt market and could create difficulties in the renegotiation of existing liabilities.

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 Company's Financial Statements must be read in light of these circumstances.

NOTE 41: IMPACT OF COVID-19

During this period, the Company has performed operations under the exacting circumstances derived from the COVID-19 pandemic declared by the World Health Organization in March 2020.

The pandemic continues generating consequences in economic and business activities, both worldwide and locally.

In Argentina, the measures imposed by the National Government aimed at reducing the virus spread included, among others, closing borders and the social, preventive and mandatory isolation of the population together with a cease of non-essential commercial activities for a long period of time, which varies according to the country's region.

The aforementioned situations have slightly affected the energy industry in Argentina, in relation to the generation market, the SADI electricity demand has diminished only 1.6% compared to 2019. CAMMESA has delayed the automatic adjustment mechanism for spot remuneration laid down by ES Resolution No. 31/20. This resolution accounts for approximately 2% of the EBITDA of Grupo Albanesi.

Grupo Albanesi continues taking measures to mitigate potential risks for customers, suppliers and employees arising from the spread of COVID-19. In this line, a pandemic plan has been implemented and updated in all the companies to address specific issues of COVID-19 through safety protocols, emergency responses, business continuity and health prevention measures.

Further, additional measures have been taken for employees working in the power plants and remote work policies for all positions allowing to do so have been implemented, focusing on providing a safe and uninterrupted service to customers, including the acquisition of solid physical equipment and the implementation of cybersecurity measures to ensure that systems continue being operational with part of the workforce working remotely.

NOTE 41: IMPACT OF COVID-19 (Cont'd)

At December 31, 2020, there was no adverse impact on the commercial operations or the customer service as a result of the remote work. Management will continue reviewing and modifying plans as conditions change, with the aim of guaranteeing compliance with operation and maintenance tasks in due time and manner, the rescheduling of investments and restructuring of financing under reasonable market conditions, as mentioned in Note 17 and 32, among others.

The Company has not had significant impacts on its operating results for the year as a result of the pandemic, and recorded a positive operating cash flow.

The extent of the COVID-19 outbreak and its final impact on the Argentine and global economy is unknown. Accordingly, the impact that coronavirus might have on the Company's business and the results of its operations if this situation extends over time cannot be reasonably quantified.

The management is closely monitoring the situation and taking all necessary measures to preserve human life and the Company's activities.

NOTE 42 – CORPORATE REORANIZATION

By means of Board of Directors' Meeting dated December 21, 2020, the Company approved the convenience to carry out a corporate reorganization with effective date January 1, 2021, whereby the Company absorbs Albanesi S.A. and Generación Centro S.A. (the "Companies Absorbed" and, jointly with Generación Mediterránea S.A., "the Participating Companies"), pursuant to Section 82 and related provisions of the General Companies Law No. 19550, the provisions of Chapter X, Title II of the National Securities Commission regulations. (restated text 2013) and Section 80 and related provisions of the Income Tax Law (restated text 2019), its implementing decree, as amended (the ITL), as well as remaining tax regulations applicable in this field.

The Participating Companies belong to the same economic group and are subject to joint control. In the specific case of ASA, as known by the investing public in general, it is a company engaged in investments, whose main asset fully consists of its interest in sundry Group companies, including a direct interest of 95% in the capital and voting rights of GMSA.

The Corporate Reorganization implies greater efficiency in the Group's corporate control structure, as the shareholders holding 100% of the capital and voting rights in ASA comprise all the minority shareholders in GMSA. The Corporate Reorganization entails a uniform and coordinated management of Participating Companies activities, benefits for these as well as for their shareholders, third-party contractors, trade partners and, specifically, to investors and creditors, by optimizing costs, processes and resources with their unification in GMSA.

Consequently, (i) GMSA will absorb the total assets of ASA and GECE which will be dissolved without liquidation; and (ii) at the effective date of the Corporate Reorganization, the operations of the Absorbed Companies and the accounting and tax documentation supporting these operations will be performed or issued by GMSA.

NOTE 43: CLASSIFICATION OF RECEIVABLES AND DEBTS BY DUE DATES AND INTEREST ACCRUAL

The breakdown of receivables and debts at December 31, 2020, according to their collection or payment term and restatement clauses, is detailed in the table below:

	Trade receivables	Other receivables	Trade payables	Loans	Salaries and social security liabilities	Tax payables and deferred tax liability	Derivative financial instruments	Defined benefit plan
	$							
Falling due within								
First quarter	2,537,289,283	803,360,645	2,661,216,752	2,764,103,737	105,168,439	265,937,591	25,500,000	173,842
2nd quarter	-	737,089,598	389,657,262	2,656,952,218	-	-	-	173,842
3rd quarter	-	737,089,598	132,473,845	1,522,987,152	-	-	-	173,842
4th quarter	-	919,304,227	245,076,613	1,289,984,903	-	-	-	173,842
After 1 year	-	5,186,534,652	2,661,355,267	30,473,603,250	-	9,899,697,312	-	40,480,367
Subtotal	**2,537,289,283**	**8,383,378,720**	**6,089,779,739**	**38,707,631,260**	**105,168,439**	**10,165,634,903**	**25,500,000**	**41,175,735**
Past due	1,037,492,444	-	1,419,769,343	-	-	107,504,447	-	-
Without stated term	-	-	-	-	-	-	-	-
Total at 12/31/2020	**3,574,781,727**	**8,383,378,720**	**7,509,549,082**	**38,707,631,260**	**105,168,439**	**10,273,139,350**	**25,500,000**	**41,175,735**
Non-interest bearing	2,537,289,283	3,341,820,027	3,881,658,813	-	105,168,439	10,050,175,050	25,500,000	41,175,735
At fixed rate	-	4,975,755,068	3,627,890,269	(1) 36,255,750,912	-	222,964,300	-	-
At floating rate	1,037,492,444	65,803,625	-	(1) 2,451,880,348	-	-	-	-
Total at 12/31/2020	**3,574,781,727**	**8,383,378,720**	**7,509,549,082**	**38,707,631,260**	**105,168,439**	**10,273,139,350**	**25,500,000**	**41,175,735**

(1) See Note 17 to the Financial Statements at December 31, 2020.

NOTE 44 – SUBSEQUENT EVENTS

a) Communication "A" 7230

On February 25, 2021, the BCRA released Communication "A" 7230 whereby:

(i) It extended the obligation to refinance and submit refinancing plans to access the exchange market to pay principal of financial debt in foreign currency as laid down in Communication "A" 7106, for those recording principal amounts maturing between April 1, 2021 and December 31, 2021; and

(ii) It relaxed the requirements established by Communication 7106 which shall be taken into account for refinancing, increasing from USD 1,000,0000 to USD 2,000,000 maturities that shall be rescheduled per calendar month.

In this line, Communication 7230 also states that the refinancing plan shall be submitted to the BCRA before March 15, 2021 for principal amounts maturing between April 1, 2021 and April 15, 2021, while in the other cases, it shall be submitted at least 30 calendar days prior to the maturity of principal to be refinanced.

The following are not subject to this norm:

- Maturities of indebtedness as from January 1, 2020, provided the funds have been brought in and traded through the MULC.
- Maturities in 2020, in accordance with the provisions of Communication 7106.

Generación Mediterránea S.A.

Notes to the Financial Statements (Cont'd)

NOTE 44 – SUBSEQUENT EVENTS

b) NDF Contract

On March 8, 2021, GMSA entered into NDF (non-deliverable forward) contracts for purchases of US Dollars against pesos through Banco CMF, for a nominal value of USD 7,000,000, at the average exchange rate of 104.90 pesos per US Dollar, maturing in July 2021.

c) Class VII and Class VIII Negotiable Obligations (GMSA and CTR co-issuance)

Class VII Negotiable Obligations (GMSA and CTR co-issuance):

On March 11, 2021, GMSA and CTR issued Class VII Negotiable Obligations for the amount detailed below and under the following conditions:

Principal: nominal value: USD 7,707,573; Paid in kind:

a) Class VII Negotiable Obligations Nominal Value payable with Class III Negotiable Obligations issued by Albanesi S.A.: USD 130,045;

b) Class VII Negotiable Obligations Nominal Value payable with Class VIII Negotiable Obligations issued by GMSA: USD 865,898;

c) Class VII Negotiable Obligations Nominal Value payable with Class XI Negotiable Obligations issued by GMSA: USD 4,539,829;

d) Class VII Negotiable Obligations Nominal Value payable with Class IV Negotiable Obligations issued by CTR: USD 344,678;

Maturity date: March 11, 2023

Interest: 6% annual nominal, payable on a quarterly basis until March 11, 2023 inclusive.

Payment term and method: Amortization: They shall be amortized in 4 (four) consecutive installments equivalent to: 10% for the first installment, 15% for the second installment, 15% for the third installment and 60% for the fourth and last installment, of the nominal value of Class VII Negotiable Obligations, on the following dates: June 11, 2022, September 11, 2022, September 11, 2022 and on the maturity date.

Generación Mediterránea S.A.

Notes to the Financial Statements (Cont'd)

NOTE 44 – SUBSEQUENT EVENTS

c) Class VII and Class VIII Negotiable Obligations (GMSA and CTR co-issuance) (Cont'd)

Class VIII Negotiable Obligations (GMSA and CTR co-issuance)

On March 11, 2021, GMSA and CTR issued Class VIII Negotiable Obligations for the amount detailed below and under the following conditions:

Principal: nominal value: 41,936,497 UVAs (Units of Purchasing Value) equivalent to $2,915,844,636; Paid in kind:

a) Class VIII Negotiable Obligations Nominal Value payable with Class III Negotiable Obligations issued by Albanesi S.A.: 1,196,193 UVAs equivalent to $83,171,299;

b) Class VIII Negotiable Obligations Nominal Value to be integrated with Class VIII Negotiable Obligations issued by GMSA: 505,272 UVAs equivalent to $35,131,562;

c) Class VIII Negotiable Obligations Nominal Value to be integrated with Class XI Negotiable Obligations issued by GMSA: 3,106,152 UVAs equivalent to $215,970,748;

d) Class VIII Negotiable Obligations Nominal Value to be integrated with Class IV Negotiable Obligations issued by CTR: 622,248 UVAs equivalent to $43,264,903.

Maturity date: March 11, 2023

Interest: 4.60 % annual nominal, payable on a quarterly basis until March 11, 2023 inclusive.

Payment term and method: Amortization: They shall be amortized in 4 (four) consecutive installments equivalent to: 10% for the first installment, 15% for the second installment, 15% for the third installment and 60% for the fourth and last installment, of the nominal value of Class VIII Negotiable Obligations, on the following dates: June 11, 2022, September 11, 2022, December 11, 2022 and on the maturity date.

NOTE 45 – 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 December 31, 2020 and 2019

1. Brief description of the activities of the issuing company, including references to relevant situations subsequent to year end.

Pursuant to the provisions of National Securities Commission (CNV) General Resolution No. 368/01, as amended, below is an analysis of the results of the operations of GMSA and its equity and financial position, which should be read in conjunction with the accompanying financial statements.

	Fiscal year ended December 31:			
	2020	**2019**	**Variation**	**Variation %**
	GW			
Sales by type of market				
Sale of electricity Res. No. 220	123	335	(212)	(63%)
Sale of electricity under Energía Plus	467	566	(99)	(17%)
Sale of electricity Res. No. 95, as amended, plus spot	157	220	(63)	(29%)
Sale of electricity Res. No. 21	182	580	(398)	(69%)
	929	**1,701**	**(772)**	**(45%)**

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

	Fiscal year ended December 31:			
	2020	**2019**	**Variation**	**Variation %**
	(in millions of pesos)			
Sales by type of market				
Sale of electricity Res. No. 220	5,532.2	5,285.7	246.5	5%
Sale of electricity under Energía Plus	2,318.2	3,206.1	(887.9)	(28%)
Sale of electricity Res. No. 95, as amended, plus spot	515.9	693.4	(177.5)	(26%)
Sale of electricity Res. No. 21	5,069.0	5,799.9	(730.9)	(13%)
	13,435.2	**14,985.1**	**(1,549.9)**	**(10%)**

Income/(loss) for the fiscal years ended December 31, 2020 and 2019 (in millions of pesos):

Summary of Activity at December 31, 2020 and 2019

	Fiscal year ended December 31:			
	2020	**2019**	**Variation**	**Variation %**
Sales of energy	13,435.2	14,985.1	(1,549.9)	(10%)
Net sales	**13,435.2**	**14,985.1**	**(1,549.9)**	**(10%)**
Purchase of electric energy	(686.5)	(2,073.3)	1,386.8	(67%)
Gas and diesel consumption at the plant	(1,142.6)	(150.0)	(992.6)	662%
Salaries, social security liabilities and employee benefits	(421.4)	(435.9)	14.5	(3%)
Defined benefit plan	(6.1)	(9.4)	3.3	(35%)
Maintenance services	(538.2)	(1,127.8)	589.6	(52%)
Depreciation of property, plant and equipment	(2,136.6)	(2,035.3)	(101.3)	5%
Insurance	(115.9)	(106.3)	(9.6)	9%
Taxes, rates and contributions	(32.3)	(42.2)	9.9	(23%)
Other	(41.6)	(46.2)	4.6	(10%)
Cost of sales	**(5,121.1)**	**(6,026.4)**	**905.3**	**(15%)**
Gross income/(loss)	**8,314.1**	**8,958.7**	**(644.6)**	**(7%)**
Taxes, rates and contributions	(1.4)	(3.3)	1.9	(58%)
Bad debts	0.0	(0.1)	0.1	(100%)
Selling expenses	**(1.4)**	**(3.4)**	**2.0**	**(59%)**
Salaries, social security liabilities and employee benefits	(59.5)	(83.1)	23.6	(28%)
Fees and compensation for services	(269.6)	(282.1)	12.5	(4%)
Per diem, travel and representation expenses	(0.8)	(17.6)	16.8	(95%)
Leases	(10.6)	(10.5)	(0.1)	1%
Office expenses	(5.8)	(6.7)	0.9	(13%)
Gifts	(38.1)	(1.0)	(37.1)	3710%
Other	(8.7)	(6.1)	(2.6)	43%
Administrative expenses	**(393.2)**	**(407.1)**	**13.9**	**(3%)**
Other income	56.0	3.9	52.1	1336%
Operating income	**7,975.5**	**8,552.1**	**(576.6)**	**(7%)**
Commercial interest earned	509.6	184.8	324.8	176%
Interest on loans	(3,234.8)	(2,087.5)	(1,147.3)	55%
Commercial and tax interest paid	(640.6)	(593.4)	(47.2)	8%
Bank expenses and commissions	(11.5)	(4.9)	(6.6)	135%
Exchange difference, net	(10,885.7)	(14,357.6)	3,471.9	(24%)
Gain/(loss) on purchasing power parity (RECPAM)	10,465.3	14,687.9	(4,222.6)	(29%)
Other financial results	(255.0)	(469.4)	214.4	(46%)
Financial and holding results, net	**(4,052.7)**	**(2,640.0)**	**(1,412.7)**	**54%**
Pre-tax profit/(loss)	**3,922.8**	**5,912.1**	**(1,989.3)**	**(34%)**
Income tax	(2,008.3)	(4,363.0)	2,354.7	(54%)
Income/(loss) for the year	**1,914.5**	**1,549.1**	**365.4**	**24%**

Summary of Activity at December 31, 2020 and 2019

	Fiscal year ended December 31: 2020	2019	Variation	Variation %
Other Comprehensive Income for the year				
Benefit plan	2.4	(5.5)	7.9	(144%)
Revaluation of property, plant and equipment	(61.1)	(3,525.2)	3,464.1	(98%)
Impact on income tax	14.7	882.7	(868.0)	(98%)
Other comprehensive income/(loss) for the year	**(44.0)**	**(2,648.0)**	**2,604.0**	**(98%)**
Total comprehensive income/(loss) for the year	**1,870.5**	**(1,098.9)**	**2,969.4**	**(270%)**

Sales:

Net sales for the year ended December 31, 2020 amounted to $13,435.2 million, compared with $14,985.1 million for fiscal year 2019, showing a decrease of $1,549.9 million (or 10%).

During the fiscal year ended December 31, 2020, 929 GW of electricity were sold, thus accounting for a 45% increase compared with the 1,701 GW sold in 2019.

Below is a description of the Company's main revenues, and their variation during the year ended December 31, 2020, as against the previous year:

(i) $2,318.2 million from sales under Energía Plus, accounting for a decrease of 28% compared to the $3,206.1 million sold in 2019. The GW of energy sold was lower for the year ended December 31, 2020 compared to fiscal year 2019.

(ii) $5,532.2 million from sales of electricity Res. No. 220/07, representing a 5% increase with regard to the $5,285.7 million for 2019.

(iii) $515.9 million from sales of electricity Res. No. 95 plus spot, which accounted for an decrease of 26% from the $693.4 million for fiscal year 2019. This was due to changes in the remuneration system for base energy or spot transactions (ES Resolution No. 31), effective since February 2020. This resolution provides that remunerations are to be denominated in pesos and determines reductions of power prices in real terms. Further, considering that the monthly adjustments by applying the CPI and the WPI set out in that Resolution were suspended, the reductions of power prices were magnified due to the peso depreciation by 41%.

(iv) $5,069.0 million from sales of energy under Resolution No. 21, down 13% from the $ 5,799.9 million sold in the same period of 2019. The GW of energy sold was lower for the year ended December 31, 2020 compared to fiscal year 2019.

Cost of sales:

The total cost of sales for the year ended December 31, 2020 reached $5,121.1 million, compared with $6,026.4 million for fiscal year 2019, reflecting a decrease of $905.3 million (or 15%).

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

(i) $686.5 million from purchases of electricity, which accounted for a 67% drop compared with the $2,073.3 million for fiscal year 2019, due to lower sales of GW under Energía Plus.

(ii) $1,142.6 million for cost of gas and diesel consumption at the plant, accounting for an increase of 662% as against $150.0 million in fiscal year 2019.

(iii) $538.2 million for maintenance services, a decrease of 52% compared with the $1,127.8 million recorded in fiscal year 2019. This variation is mainly due to changes in the conditions of maintenance contracts.

(iv) $2,136.6 million for depreciation of property, plant and equipment, up 5% from the $2,035.3 million in fiscal year 2019.

(v) $421.4 million for salaries and social security contributions , down 3% from the $435.9 million recorded in 2019.

(vi) $115.9 million for insurance, which accounted for a 9% increase compared with the $106.3 million for fiscal year 2019.

Gross income/(loss):

Gross income for the year ended December 31, 2020 was $8,314.1 million, compared with income of $8,958.7 million for fiscal year 2019, accounting for a decrease of 7%.

Selling expenses:

Selling expenses for the year ended December 31, 2020 amounted to $1.4 million, compared with the $3.4 million for fiscal year 2019, accounting for a variation of $2.0 million (or 59%).

Administrative expenses:

Administrative expenses for the year ended December 31, 2020 amounted to $393.2 million, compared with the $407.1 million recorded in fiscal year 2019, accounting for a decrease of $13.9 million (3%).

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

(i) $269.6 million of fees and compensation for services, which accounted for a decrease of 4% from the $282.1 million recorded in the previous year.

(ii) $10.6 million in rental costs, which accounted for an increase of 1% compared with the $10.5 million recorded in the previous year.

(iii) $59.5 million for salaries and social security liabilities, down 28% from the $83.1 million recorded in the same period of 2019.

(iv) $38.1 million in donations, up 3710% from the $1.0 million for the same period in 2019, mainly corresponding to donations to Argentine Red Cross #ArgentinaNosNecesita campaign.

Operating income/(loss):

Operating income for the year ended December 31, 2020 was $7,975.5 million, compared with income of $8,552.1 million for the year 2019, accounting for a 7% decrease.

Summary of Activity at December 31, 2020 and 2019

Financial results:

Financial results for the fiscal year ended December 31, 2020 amounted to a total loss of $4,052.7 million, compared with the loss of $2,640.0 million recorded in fiscal year 2019, which accounted for a decrease of 54%.

The most noticeable aspects of the variation are:

(i) $3,234.8 million loss corresponding to financial interest, an increase of 55% compared with the $2,087.5 million loss recorded in fiscal year 2019 as a result of an increase in the financial debt generated by investment projects and intercompany debts.

(ii) $255.0 million loss on other financial income, accounting for a decrease of 46% compared with the $469.4 million loss recorded in the previous fiscal year.

(iii) $10,885.7 million loss due to net exchange difference, accounting for a decrease of 24% compared with the $14,357.6 million loss recorded in the previous fiscal year. This change is mainly due to a greater exchange rate rise in 2019 than the rise recorded in fiscal year 2020. This is the result of devaluation amounting to 41% for the year ended December 31, 2020 and to 59% for 2019.

(iv) $10,465.3 million gain on PPP (RECPAM), accounting for a decrease of 29% compared with the $14,687.9 million gain recorded in the previous fiscal year. The variation is due to the effects of the restatement of income/loss for fiscal year 2020 by applying the CPI, the inflation increase being 53.8% in 2019 compared to 36% for 2020.

Pre-tax profit/(loss):

During the year ended December 31, 2020, the Company recorded profit before tax of $3,922.8 million, compared with a profit of $5,912.1 million in the previous year, reflecting a decrease of 34%.

Income tax loss for the current year amounted to $2,008.3 million, compared with the $4,363.0 million loss recorded in the previous fiscal year.

Net income/(loss):

For the year ended December 31, 2020, the Company recorded net income amounting to $1,914.5 million, accounting for an increase of 24% considering the $1,549.1 million income recorded in fiscal year 2019.

Comprehensive income/(loss):

Other comprehensive loss for the year was worth $44.0 million in fiscal year 2020, accounting for a 98% decrease compared with fiscal year 2019, and included the revaluation of property, plant and equipment and its effect on income tax as well as the pension plan.

Total comprehensive income for the period amounted to $1,870.5 million, representing a 270% decrease compared with the comprehensive loss of $1,098.9 million for fiscal year 2019.

Summary of Activity at December 31, 2020 and 2019

2. Equity figures presented comparatively with the previous fiscal year:
(in millions of pesos)

	12/31/2020	12/31/2019	12/31/2018
Non-current Assets	62,263.3	57,332.1	50,565.0
Current assets	8,874.6	8,294.8	8,045.0
Total assets	**71,137.9**	**65,626.9**	**58,610.0**
Equity	14,475.8	12,605.3	13,704.2
Total equity	**14,475.8**	**12,605.3**	**13,704.2**
Non-current Liabilities	43,075.1	41,138.1	34,195.3
Current liabilities	13,587.0	11,883.4	10,710.5
Total liabilities	**56,662.2**	**53,021.6**	**44,905.8**
Total Liabilities and Equity	**71,138.0**	**65,626.9**	**58,610.0**

3. Income statement figures presented comparatively with the previous fiscal year:
(in millions of pesos)

	12/31/2020	12/31/2019	12/31/2018
Ordinary operating income	7,975.5	8,552.1	6,787.4
Financial and holding results	(4,052.7)	(2,640.0)	(8,994.9)
Ordinary net income/(loss)	**3,922.8**	**5,912.2**	**(2,207.5)**
Income tax	(2,008.3)	(4,363.1)	457.7
Net income/loss	**1,914.5**	**1,549.1**	**(1,749.8)**
Other comprehensive income/(loss)	(44.0)	(2,648.0)	7,198.8
Total comprehensive income/(loss)	**1,870.5**	**(1,098.9)**	**5,449.0**

Summary of Activity at December 31, 2020 and 2019

4. Cash flow figures presented comparatively with the previous fiscal year:
(in millions of pesos)

	12/31/2020	12/31/2019	12/31/2018
Cash provided by operating activities	8,485.9	7,045.2	4,180.7
Cash (used in) investing activities	(3,499.1)	(6,710.4)	(3,508.3)
Cash (used in) financing activities	(3,944.0)	(285.1)	(470.0)
Increase in cash and cash equivalents	**1,042.8**	**49.7**	**202.4**

5. Ratios presented comparatively with the previous year:

	12/31/2020	12/31/2019	12/31/2018
Liquidity (1)	0.65	0.70	0.75
Solvency (2)	0.26	0.24	0.31
Tied-up capital (3)	0.88	0.87	0.86
Indebtedness (4)	3.83	3.44	3.77
Interest coverage (5)	3.13	5.07	2.94
Return on equity (6)	0.14	0.12	(0.10)

(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 Equity

(*) Unaudited figure

6. Brief remarks on the outlook for fiscal year 2021

Electric power

Company’s management expects to continue operating and normally maintaining the various generating units to maintain high levels of availability in 2021. Regarding energy dispatch, the entry of more efficient machinery into the electric system would imply producing a greater dispatch volume and, as a result, increasing electricity generation.

The Contract for the Wholesale Demand involving CT Independencia’s TG01 and TG02 units expires in mid-November 2021, and such units will start to be considered as base machines.

Financial Position

The Company’s objective for the current fiscal year is to ensure financing for the progress of the investment works described, in accordance with the time schedules planned. Meanwhile, it will continue optimizing the financing structure to ensure gradually coming out of debt.

Auditor's report issued by independent auditors

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Generación Mediterránea S.A. (the "Company"), including the statement of financial position at December 31, 2020 and the statements of comprehensive income, of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of the most significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020 and its comprehensive income and its cash flows for the fiscal year then ended, in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Those standards have been adopted as auditing standards in Argentina by Technical Pronouncement No. 32 of the Argentine Federation of Professional Councils in Economic Sciences (FACPCE), and approved by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with requirements that are relevant to our audit of the financial statements in Argentina, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Price Waterhouse & Co. S.R.L., Bouchard 557, 8th floor, C1106ABG - City of Buenos Aires
T: +(54.11) 4850.0000, F: +(54.11) 4850.1800, www.pwc.com/ar

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	Audit response
Going concern	
The Company has prepared its financial statements based on the going concern assumption, as mentioned in Note 3 to the financial statements at December 31, 2020. As mentioned in Note 32, at December 31, 2020, the Company has/presents a working capital deficit. To reverse this situation, Company's Management and shareholders have developed a refinancing plan for short-term financial liabilities. In Note 40, the Company states that debt issuances carried out in the capital market as well as renegotiations with local banks in the last 12 months have been successful. Management expects the same behavior for the next accounting period. However, the Argentine economy is in a current context that could limit access to the debt market, which could create difficulties in the renegotiation of existing liabilities. The Company's ability to continue as a going concern depends on management's ability to maintain liquidity to comply with deadlines of existing obligations with its creditors.	The audit procedures that we have carried out to validate the correct application of the going concern principle included, among others: • carry out inquiries to the key members of Management and Board of Directors, to understand the process of assessing the principle of a going concern; • verify the mathematical precision of Management's cash flow projections and validate the initial cash position; • gather evidence on Management's underlying cash flow projections for the Company by validating data with other external and internal sources as necessary, including recent dispatch volumes, prices as per current resolutions, and comparing cost assumptions with historical and actual ones and assessing the realistic likelihood of achieving cost reductions; • carry out an independent sensitivity analysis to assess the impact of changes in the key premises underlying cash flow forecasts. These could be a change in the prices set up in the current resolutions or a lower-than-expected operating performance;

Key audit matters	Audit response
Going concern (cont'd)	
Management carried out a sensitivity analysis on its cash flow forecast to consider the potential impact of a fall in dispatch volumes as a result of the effects of COVID-19 virus on the economy, together with alternative financing scenarios and rate patterns. Management's assessment of the going concern is based on cash flow projections and business plans, each of which depends on significant management judgment and may be influenced by management bias. The situation described above, the way in which the Company's business will develop and how it will obtain the necessary resources for its normal operation in an uncertain context, have led us to consider this matter as a key issue in our audit.	• carry out an acid test of liquidity verifying the Company's ability to comply with existing deadlines within one year without restructuring debts that have not delivered on the date of issuance of the financial statements; • consider the financial situation of the Company's main clients, the impact of a potential delay in their payments and its correlation on the Company's cash flows; • assess the disclosures included in the financial statements.
Fair value of property, plant and equipment	
As described in Notes 4, 6 and 7 to the financial statements as of December 31, 2020, the balance of property, plant and equipment is $57,076,720,074, after recognition of an impairment of $61,087,874. The Company has chosen to value land, real estate, facilities, machinery and turbines at fair value, with discounted cash flow techniques and comparable market. The fair value calculated through discounted cash flow was used to value the facilities, machinery and turbines. The fair value was determined by using the income approach method based on projected cash flows for each of the thermal power plants based on their useful life, in which different scenarios were weighted according to their probability of occurrence.	Audit procedures performed in this key matter included, among others: • evaluate the preparation and supervision process carried out by management for calculations of the fair value of property, plant and equipment; • evaluate the methods and assumptions used by Management's expert appraisers; • examine the key data and premises used to determine the fair value of property, plant and equipment. In particular: ✓ validate with external sources the premises on trends in inflation exchange rates;

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Key audit matters	Audit response
Fair value of property, plant and equipment (cont'd) In addition to the deadlines determined, the projections of future cash flow determined on the basis of macroeconomic assumptions (inflation and exchange rates), price projections based on current resolutions and projections of dispatch volumes based on knowledge of the market by the Company were extrapolated. These recoverable amounts are based on assumptions related to the market outlook and the regulatory environment, of which any modification could have a material impact on the amount of impairment losses to be recognized. The Company updated the model determined by the external appraiser for the year ended December 31, 2019. We consider that the measurement of the fair value of property, plant and equipment is a key audit matter, due to its materiality in the Company's financial statement and because it requires the application of critical judgments and significant estimates by Management on key variables used in the evaluation of cash flows, as well as by the unpredictability of the future evolution of these estimates and the fact that future significant changes in key premises may have a significant impact on the financial statements.	✓ for the operational and regulatory assumptions used to prepare future cash flows, evaluate the consistency of the operating conditions of each thermal power plant and its performance based on historical data, as well as the applicable regulations to date; ✓ examine the method for determining the discount rate and the consistency with the underlying market assumptions, checking that the value is within a reasonable range based on the comparables in the sector and the Company's particular risk; • evaluate the sensitivity of measurements to changes in certain assumptions; • confirm the mathematical accuracy of calculations and the adequate use of the model prepared by Management; • assess the disclosures included in the financial statements. In addition, the audit effort involved the use of professionals with specialized skills and knowledge to assist us in evaluating the model and certain important assumptions, including the discount rate.

Information that accompanies the financial statements (“other information”)

The other information comprises the Annual report and summary of activity. The Board of Directors is responsible for the other information.

Our opinion on the financial statements will not cover the other information and, therefore, we do not express any audit conclusion.

In relation to our audit of the financial statements, our responsibility of to read the other information and when doing so, considering whether the other information contained is materially inconsistent with the financial statements or with our knowledge obtained in the audit or if for any other reason it appears to contain a material misstatement. If, based on the work performed, we consider that, as regards our field of competence, there is a material misstatement in the other information, we have to report it. We have nothing to report in this regard.

Board’s responsibility in respect of financial statements

The Board of Generación Mediterránea S.A. is responsible for the preparation and fair presentation of the accompanying financial statements in accordance with IFRS, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing these financial statements, the Board is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Financial Statements

The objective of our audit is to obtain reasonable assurance that the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of the audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and asses the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's Board.
- Conclude on the appropriateness of the Company's Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of issue of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in in a manner that achieves fair presentation.
- We communicate with those charged with Company's Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement on our fulfillment of relevant ethical requirements regarding independence, and communicate any relationship and other matters that might be thought to affect our independence and, when applicable, the actions taken to reduce threats or the related safeguards.

Among the matters that have been subject to communications with those responsible for the Company's Board of Directors, we determine those of most significance in the audit of the financial statements, which are, consequently, the key audit matters. We describe these matters in this audit report, except for those legal or regulatory provisions that prohibit the public disclosure of the matter or if, in extremely infrequent circumstances, we determine that a matter should not be disclosed in our report, because it is reasonable to expect that the adverse consequences of doing so would outweigh the public interest benefits thereof.

Report on other legal and regulatory requirements

In compliance with current regulations, we report that:

a) the financial statements of Generación Mediterránea S.A. are in compliance with the provisions of the General Companies Law and pertinent resolutions of the National Securities Commission;

b) the financial statements of Generación Mediterránea S.A. arise from accounting records kept in all formal respects in conformity with legal regulations. The Company is authorized to replace the accounting books with mechanical or computerized recording systems, as provided by Section 23, sub-section VII, Chapter IV, Title II of the 2013 restated text of the National Securities Commission. the financial statements are transcribed in CD ROM; which maintain the security and integrity conditions based on which they were authorized by the National Securities Commission;

c) at December 31, 2020 the debt of Generación Mediterránea S.A. accrued in favor of the Argentine Integrated Social Security System according to the Company's accounting records amounted to $12,445,776, none of which was claimable at that date;

d) as required by section 21, subsection b), Chapter III, Part VI, Title II of the rules issued by the National Securities Commission, we report that total fees for auditing and related services billed to the Company during the fiscal year ended Thursday, December 31, 2020 account for:

d.1) 83% of the total fees for services billed to the Company for all items during that fiscal year;

d.2) 44% of the total fees for auditing services and related services billed to the Company, its parent companies, subsidiaries and related companies during that year;

d.3) 27% of the total fees for services billed to the Company, its parent companies, subsidiaries and related companies for all items during that year;

e) we have applied for Generación Mediterránea S.A. the money laundering abatement and anti-terrorist financing procedures comprised in the professional standards issued by the Professional Council in Economic Sciences of the City of Buenos Aires.

City of Buenos Aires, March 16, 2021.

PRICE WATERHOUSE & CO.S.R.L.

(Partner)

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, the standards issued by the National Securities Commission (CNV) and Regulations of the Buenos Aires Stock Exchange, we have examined the statement of financial position of Generación Mediterránea S.A. at December 31, 2020, and the related statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and complementary notes. Further, we have examined the Annual Report of the Board of Directors for that fiscal year. The preparation and issuance of these financial statements are the responsibility of Generación Mediterránea S.A.

2. Our examination was carried out in accordance with standards applicable to syndics. These standards require that the examinations of the financial statements be performed in accordance with current auditing standards, and include the verification of the fairness of the significant information contained in the documents examined and their consistency with the information on corporate decisions, which are known to us, as disclosed in the Board and Shareholders' meeting minutes, as well as the conformity of those decisions with the law and by-laws insofar as concerns formal and documentary aspects. To fulfill our professional duties, we have reviewed the work done by the external auditors, Price Waterhouse & Co. S.R.L., who issued their unqualified report on the same date of this report. An audit requires that the auditors plan and perform the work to obtain reasonable assurance that the financial statements are free of material misstatements or significant errors. An audit includes examining, on a selective test basis, the judgmental elements supporting the disclosures in the financial statements, assessing the accounting standards used, the significant estimates made by the Company, and the overall financial statement presentation. 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.

3. Furthermore, with regard to the Annual Report for the fiscal year ended Thursday, December 31, 2020, we have verified that it contains the information required by Section 66 of the General Companies Law No. 19550, Law 26831 as amended, and as regards those matters that are within our field of competence, the figures shown therein agree with the Company's accounting records and other pertinent documentation.

4. We have verified compliance by the Directors in office with the qualification bonds as of the date of presentation of the financial statements at December 31, 2020, as called for by item 1.4 of Appendix I to Technical Pronouncement No. 16 issued by the Argentine Federation of Professional Councils in Economic Sciences.

5. Based on the work done with the scope described above, we report that:

a. In our opinion, the financial statements of Generación Mediterránea S.A. present fairly, in all material respects, its financial position at Thursday, December 31, 2020, its comprehensive income, changes in its equity and the cash flow for the year then ended, in conformity with professional accounting standards in force in the City of Buenos Aires, and CNV regulations;

b. As regards those matters that are within our competence, we have no comments to make in connection with the Annual Report of the Board of Directors, any statement referred to future events being their exclusive responsibility;

c. Regarding the independence of the external auditors, the quality of the auditing policies applied by the auditor and the accounting policies of Generación Mediterránea S.A., the report of the external auditors includes the representation of having applied auditing standards in effect in Argentina, which comprise independence requirements, and has no qualifications as regards the application of such standards or professional accounting standards in force in Argentina, and we have no observations to make in connection with the accounting policies mentioned above;

d. The provisions of CNV Resolution No. 606, referred to the presentation of the report on compliance with the Code of Corporate Governance, have been duly fulfilled.

e. As provided for by CNV regulations, we report that we have read the report of the external auditors, from which it follows that:

   i. the auditing standards applied are the ones approved by the Professional Council in Economic Sciences for the City of Buenos Aires, which comprise independence requirements, and

   ii. the financial statements have been prepared under International Financial Reporting Standards (IFRS), adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards and incorporated into the regulations of the National Securities Commission (CNV), as approved by the International Accounting Standards Board (IASB).

f. We have applied money laundering abatement and anti-terrorist financing procedures, as established by the professional standards issued by the Argentine Federation of Professional Councils in Economic Sciences.

In the exercise of the legality control falling within our field of competence, during the year we have applied the other procedures described in section 294 of the General Companies Law No. 19550 that we considered necessary under the circumstances, and we have no observations to make.

City of Buenos Aires, March 16, 2021

For the Syndics' Committee
Marcelo P. Lerner
Full Syndic