

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



## **Albanesi S.A.**

### **Consolidated financial statements**

At December 31, 2020  
presented in comparative format

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## 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 consolidated financial statements of the Group.

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
FONINMEM	Fund for investments required to increase the electric power supply in the WEM
GE	General Electric
GECEN	Generación Centro S.A.
GLSA	Generación Litoral S.A.
GMSA	Generación Mediterránea S.A.
Large Users	WEM agents classified according to their consumption into: GUMAs, GUMEs, GUPAs and GUDIs
GROSA	Generación Rosario S.A.
GUDIs	Large Demand from Distributors' customers, with declared or demanded power of over 300 kW
GUMAs	Major Large Users

## GLOSSARY OF TECHNICAL TERMS (Cont'd)

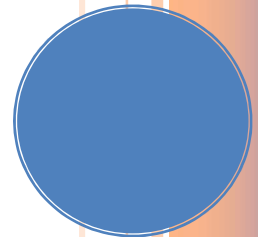
Terms	Definitions
GUMAs	Major Large Users
GUMEs	Minor Large Users
GUPAs	Large Users - Individuals
GW	Gigawatt Unit of power equivalent to 1,000,000,000 watts
GWh	Gigawatt-hour Unit of energy equivalent to 1,000,000,000 watts hour
HRSG	Heat recovery steam generator
IASB	International Accounting Standards 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
The Company/The Group	Albanesi S.A. and its subsidiaries
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 Date for Commercial Authorization Committed
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.
Corporate social responsibility	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





Albanesi S.A.

# Annual Report for Fiscal Year 2020



# Albanesi S.A.

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**Annual Report for Fiscal Year 2020**

To the Shareholders of ASA,

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**

The Company was established in 1994 as investment and financing company. Through its subsidiaries and related entities, ASA has invested in the energy market, in the power generation and commercialization segment.

Grupo Albanesi, through ASA and its related company AESA, is engaged in the generation and sale of electricity and has focused on the gas transportation and sale business through RGA.

In recent years, the main strategy of Grupo Albanesi has been focused on achieving vertical integration, drawing on its vast experience and reputation in the natural gas sale market (obtained through RGA), with the subsequent addition of the electric power generation business. This approach seeks to capitalize the value added from the purchase from large gas producers in all the basins in the country to its transformation and sale as electric power.

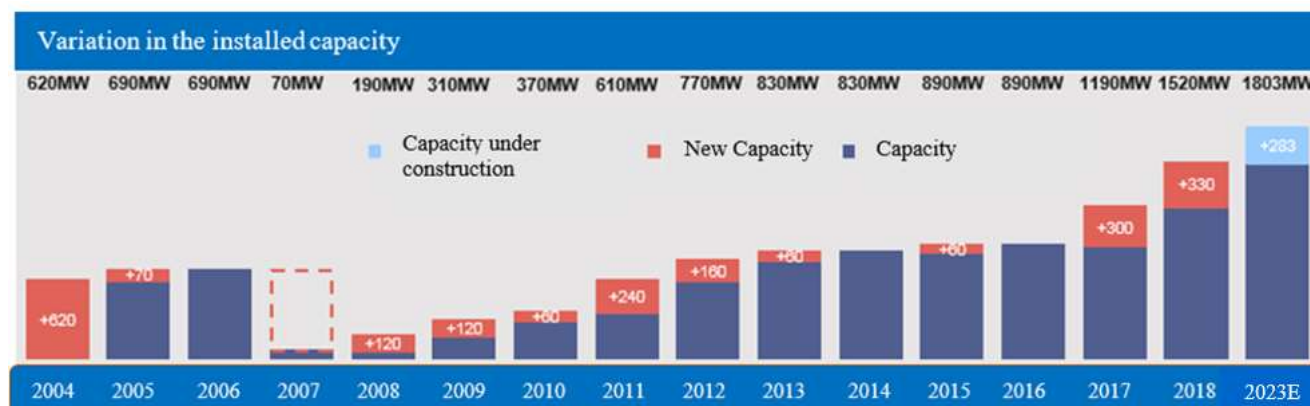
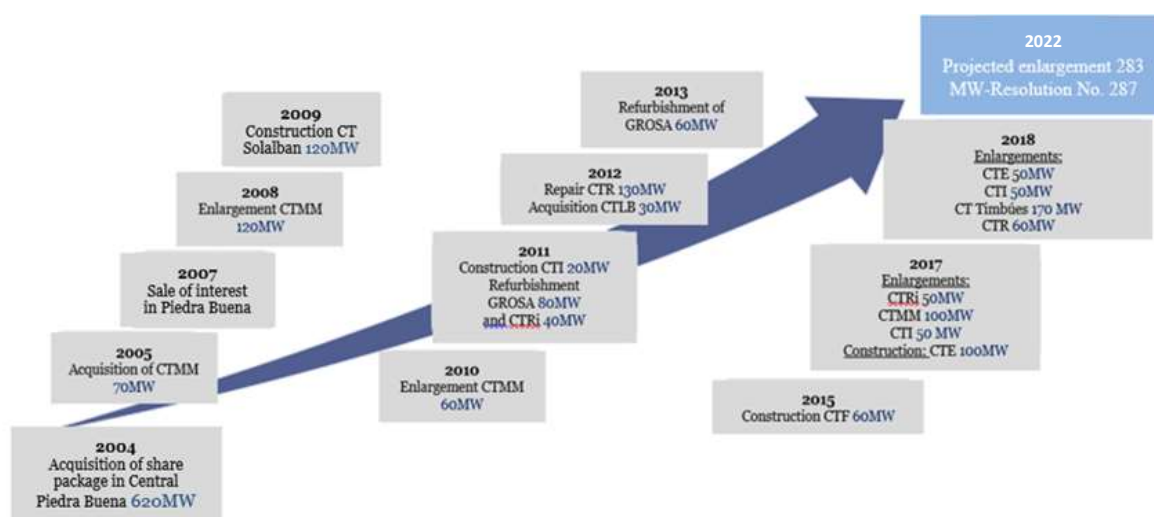
Below is a detail of the participation of ASA in each company.

Companies	Country of creation	Main activity	% participation	
			12/31/2020	12/31/2019
CTR	Argentina	Electric power generation	75%	75%
GECEN	Argentina	Electric power generation	95%	95%
GLSA	Argentina	Electric power generation	95%	95%
GMSA	Argentina	Electric power generation	95%	95%
GROSA	Argentina	Electric power generation	95%	95%
Solalban Energía S.A.	Argentina	Electric power generation	42%	42%

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

Power Plant	Company	Nominal installed capacity	Resolution	Location
Central Térmica Modesto Maranzana (CTMM)	GMSA	350 MW	ES Resolutions Nos. 220/07, 1281/06 Plus and SRRyME No. 1/2019	Río Cuarto, Córdoba
Central Térmica Independencia (CTI)	GMSA	220 MW	ES Resolutions Nos. 220/07, 1281/06 Plus, SEE 21/16 and SRRyME No. 1/2019	San Miguel de Tucumán, Tucumán
Central Térmica Frías (CTF)	GMSA	60 MW	ES Resolutions No. 220/07 and SRRyME No. 1/2019	Frías, Santiago del Estero
Central Térmica Riojana (CTRI)	GMSA	90 MW	ES Resolutions No. 220/07 and SRRyME No. 1/2019	La Rioja, La Rioja
Central Térmica La Banda (CTLB)	GMSA	30 MW	EES Resolution No. 21/16	La Banda, Santiago del Estero
Central Térmica Ezeiza (CTE)	GMSA	150 MW	EES Resolution No. 21/16	Ezeiza, Buenos Aires
Central Térmica Roca (CTR)	CTR	190 MW	ES Resolutions No. 220/07 and SRRyME No. 1/2019	Gral Roca, Río Negro
Central Térmica Sorrento	GROSA	140 MW	SRRyME Resolution No. 1/2019	Rosario, Santa Fe
Solalban Energía S.A.		120 MW	Resolution No. 1281/06 Plus	Bahía Blanca, Buenos Aires
<b>Total nominal installed capacity (Participation of ASA)</b>		<b>1,350 MW</b>		
Central Térmica Cogeneración Timbúes	AESA	170 MW	EES Resolution No. 21/16	Timbúes, Santa Fé
<b>Grupo Albanesi total nominal installed capacity</b>		<b>1,520 MW</b>		

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.



## 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.

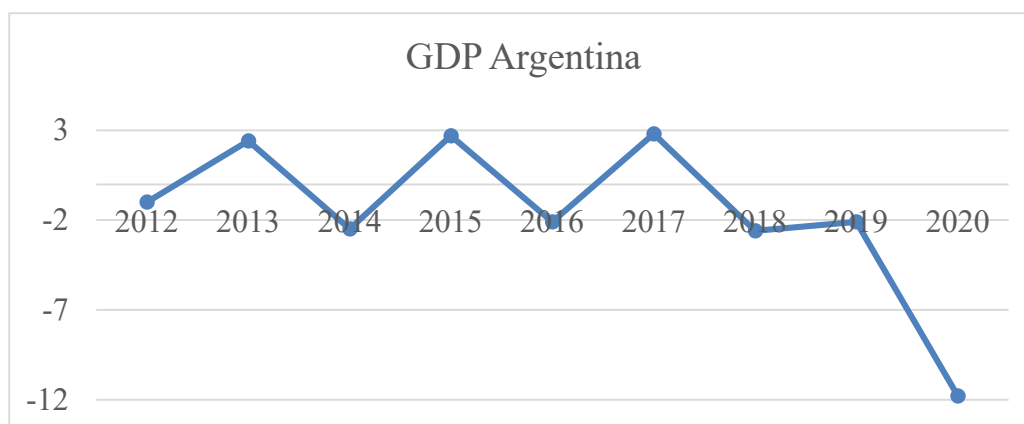
According to IMF projections, the strength of recovery varies considerably among countries, depending on access to medical procedures, the effective support of policies, exposure to cross-border economic repercussions and the structural characteristics of each economy at the inception of the crisis.

### 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.

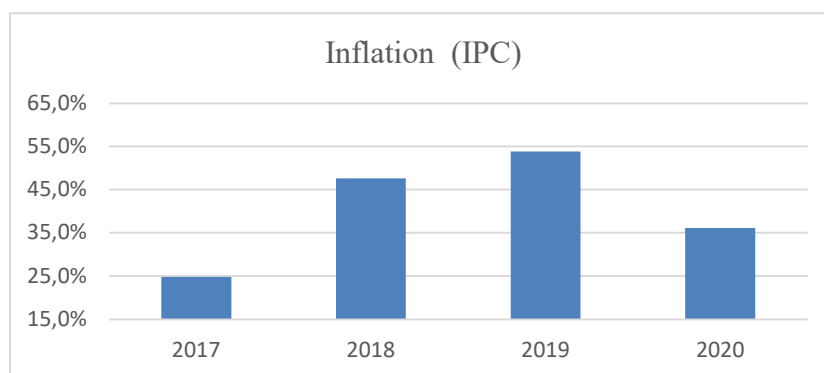
The macroeconomic evolution for the third quarter of 2020 resulted in a -12.6% variation in global supply vis-à-vis the same period of the previous year, according to preliminary estimates and measured at 2004 prices as a result of a 10.2% decrease in GDP and a -22.0% variation in real imports of goods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

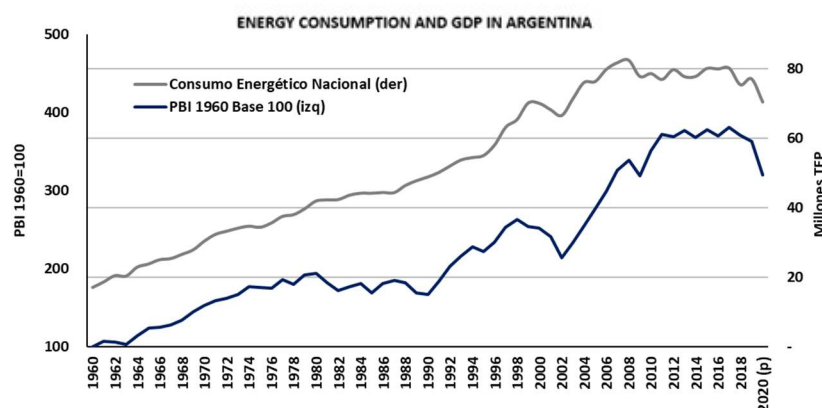
In the last 61 years, energy consumption has shown a historical annual average growth of 2.5%<sup>1</sup>, with a normalized average of only 0.3% per year<sup>2</sup> since the Great Crisis of 2002. The significant drop in energy consumption and GDP in 2020 – estimated at -8.7% and -12.0%, respectively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

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<sup>1</sup> Official data from 1959 to 2019 and preliminary estimate for 2020 prepared by G&G Energy Consultants.

<sup>2</sup> Official data on energy consumption from the Energy Secretariat until 2019, using 2020 preliminary estimates published by G&G Energy Consultants.

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.

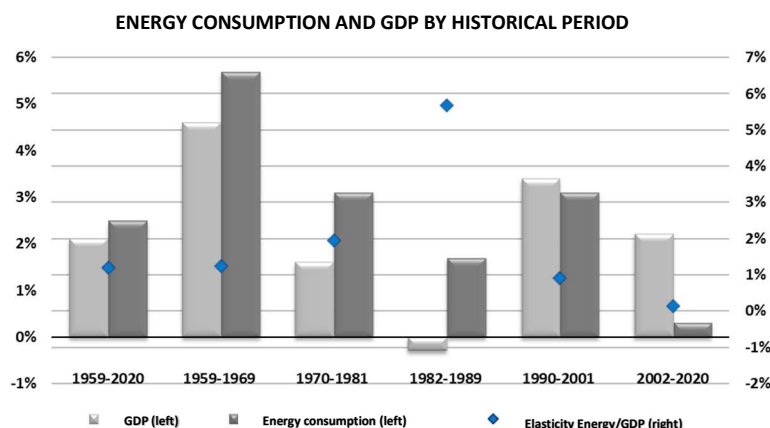
The growth in energy consumption during several years of the first decade of the 21st century resulted from high economic growth, which was driven mainly by the demand of energy products from the Residential and Commercial sectors, and to a lesser extent by the growth in Industrial sector consumption, 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 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

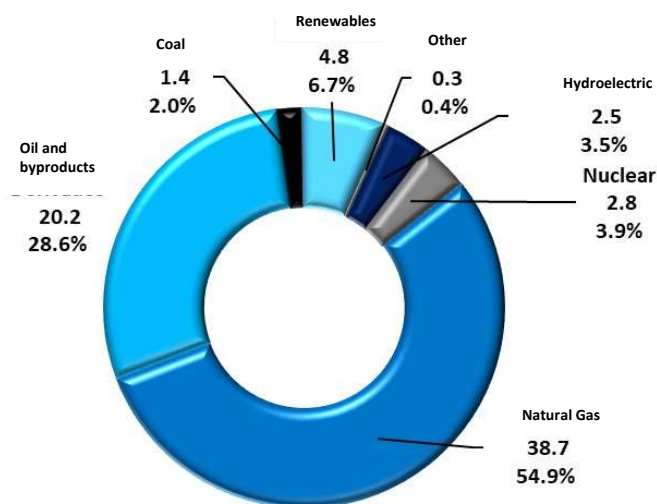


The restrictions on the supply of energy products, such as natural gas, in the last cycle of economic growth through to 2011 and the relatively moderate growth in energy demand in broad terms<sup>3</sup> are due to problems in the supply of these energy products, and to the growth in demand from the 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<sup>4</sup>. 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.

**PRIMARY ENERGY CONSUMPTION IN ARGENTINA 2020 (70.5 million TOE)**

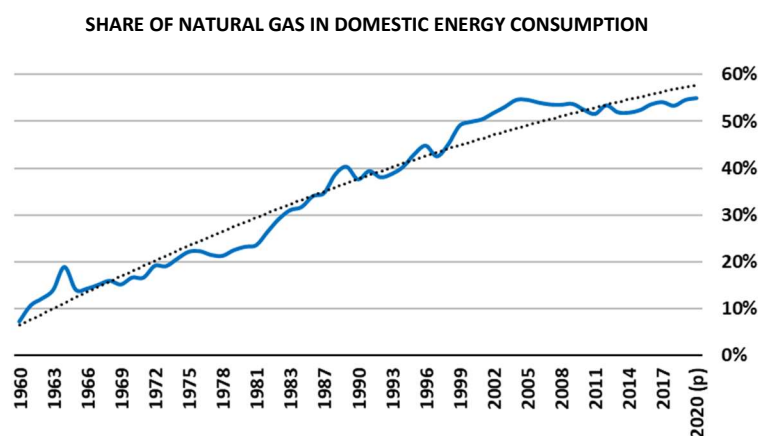


<sup>3</sup>From the analysis of a specific sector such as electricity, it may be observed that the demand growth rate for this energy product is higher than the GDP growth rate.

<sup>4</sup> 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.

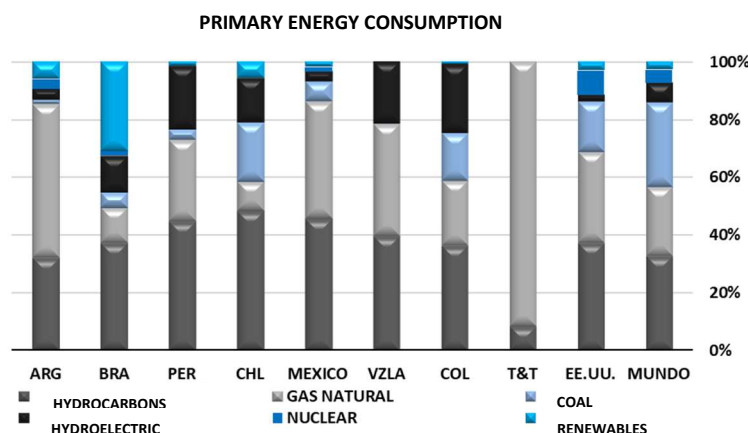
Few countries show this structure of heavy reliance on oil and natural gas byproducts, in coincidence with significant oil and gas reserves. Although Argentina does not have large conventional oil and natural gas reserves in relation to its domestic demand, it has relevant potential in terms of unconventional 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<sup>5</sup>. 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.

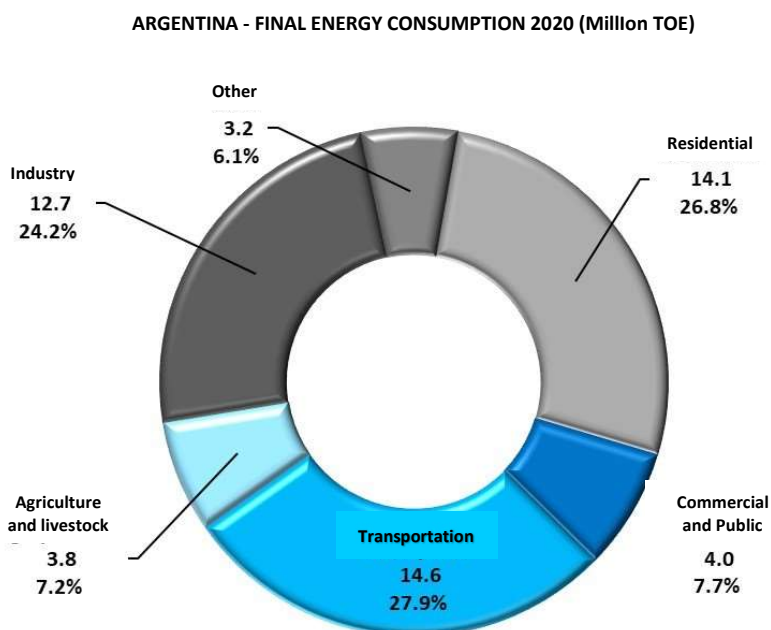


The countries within the region do not have a structure so biased towards hydrocarbons, although they do show a bias in the global average and in the USA.

<sup>5</sup> In the absence of restrictions on gas demand, the share of this product in the primary matrix would be even higher.



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.

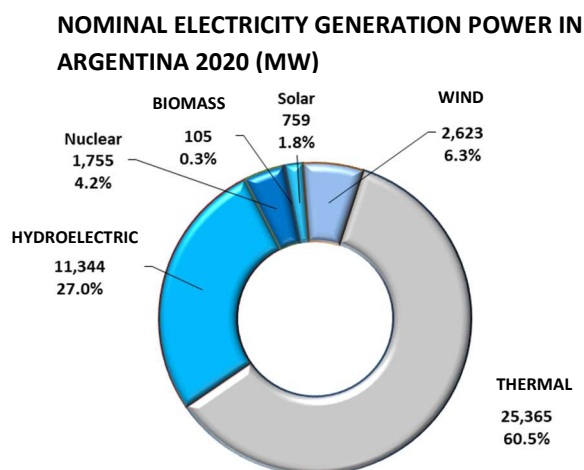
- Reduction of local energy supply of natural gas and oil in 2020, in agreement with the additional reduction in domestic demand after several years' stagnation. The strong decrease in hydrocarbons supply reverted the recovery experienced in 2018 and particularly in 2019, which had allowed to reduce 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<sup>6</sup> 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<sup>7</sup>. G&G Energy Consultants estimates that under average conditions similar to those prevailing in 2020, availability is close to 33,000 MW.



<sup>6</sup> 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.

<sup>7</sup> 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.

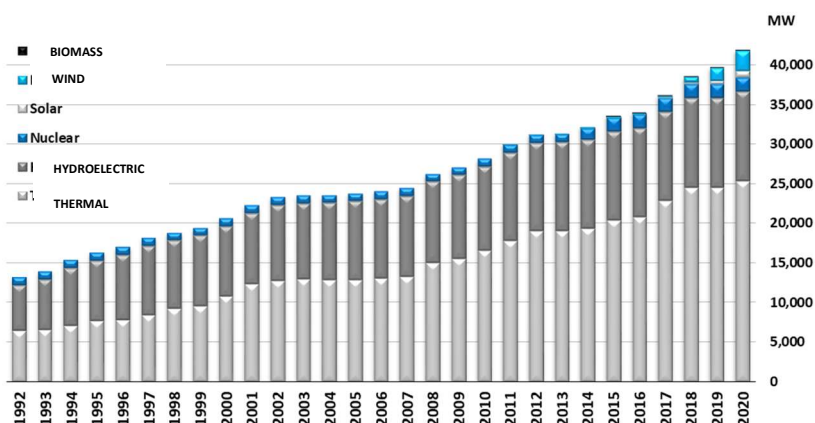
The financial restrictions of the Government have an impact on the rate of incorporation of power plants such as hydroelectric or nuclear, as a result of the large investments required and the extended execution terms. The recurrent fiscal crises of the Government result in delays and/or suspension of 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%
<b>TOTAL</b>	<b>4.254</b>	<b>6.298</b>	<b>13.120</b>	<b>1.693</b>	<b>25.365</b>	<b>1.755</b>	<b>11.344</b>	<b>759</b>	<b>2.622106</b>	<b>106</b>	<b>41.951</b>	<b>100.0%</b>
<b>THERMAL %</b>	16.8%	24.8%	51.7%	6.7%	100.0%							
<b>TOTAL %</b>					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.

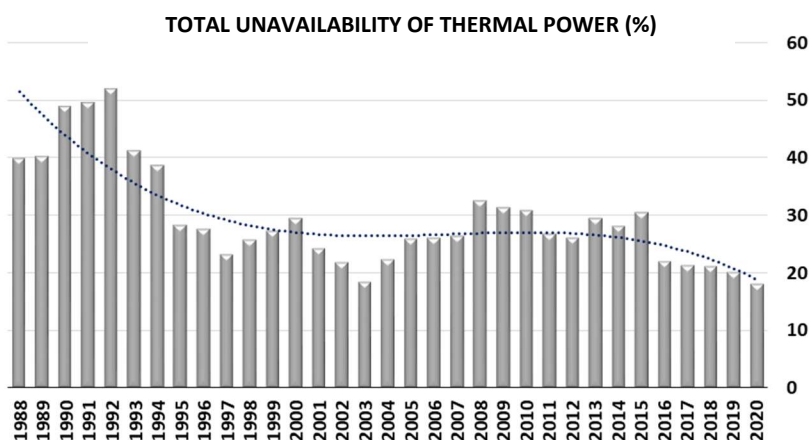
The record of demand for power on a working day, held since February 2018 at 26,320 MW<sup>8</sup>, was surpassed on Monday, January 25, 2021 with a slight increase of 0.5%, reaching 26,450 MW. On the previous weekend, with high temperatures, the record of power consumption for a Saturday was broken,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

<sup>8</sup> On January 29, 2019, the demand for power on a working day exceeded the historical record, reaching 544 MWh.

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	Jan 29-19	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 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.



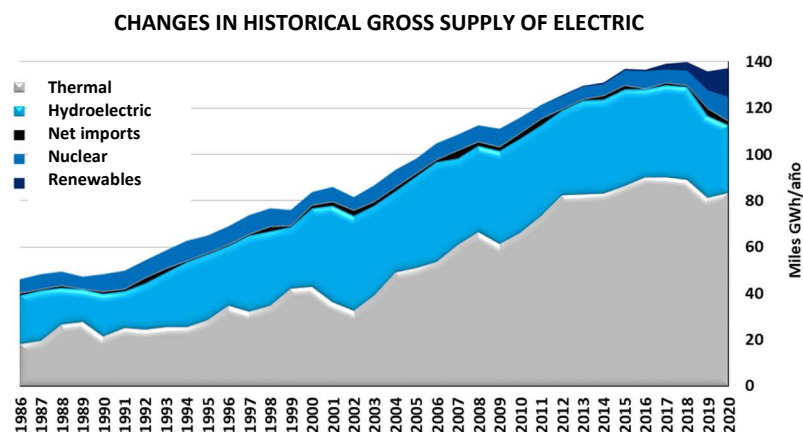
The increase in effective available power improved significantly in the last three years, and will continue to improve in 2021 with the addition of some power plants currently under construction. The companies making up Grupo Albanesi continued to invest in various power plants, with the incorporation 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

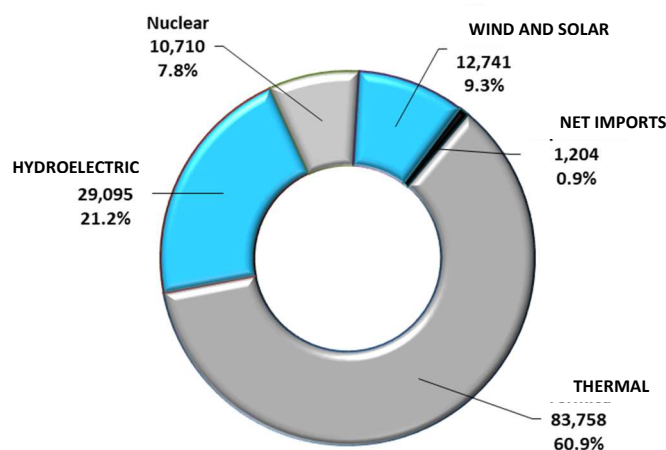
currently being added, as other units of different companies. Albanesi participates with the following plants:

- 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.



**SUPPLY OF ELECTRIC POWER 2020 (GWh/year)**



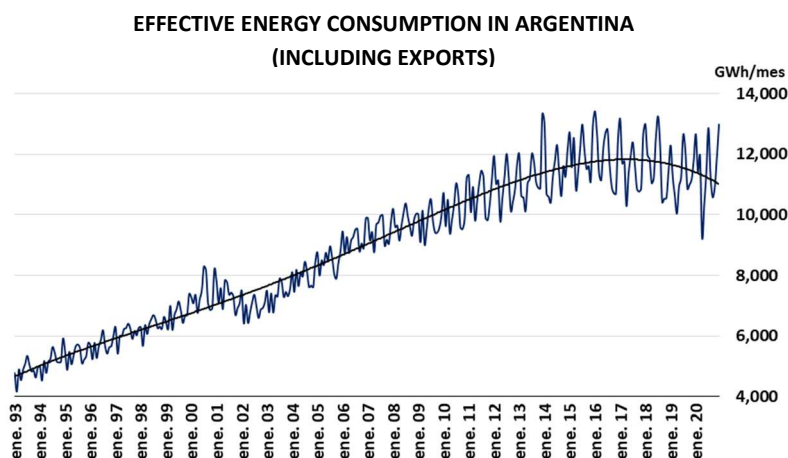


Between 2016 and 2020, the growth trend of electric power demand showed a slowdown, aggravated in 2019 partly by moderate winter temperatures. In 2020, significant exports to Brazil in the last months of the year enabled a slight upturn of 1,2% with respect to 2019, although domestic market was reduced. 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.

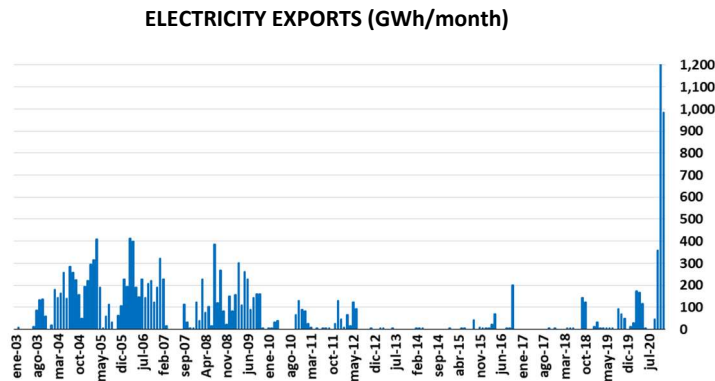
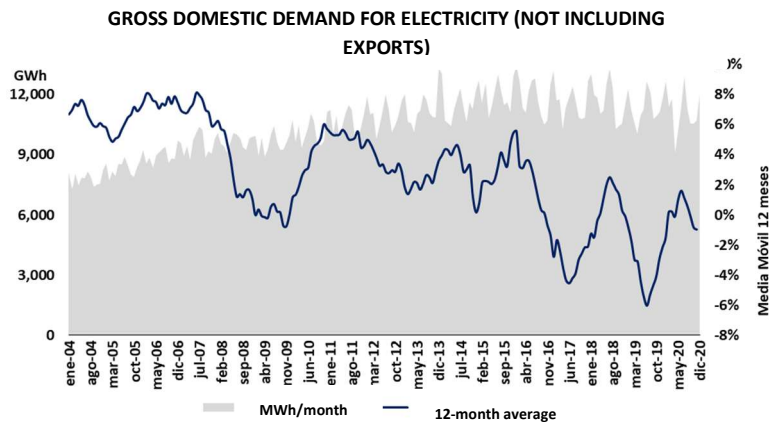
## Demand of electric power

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.

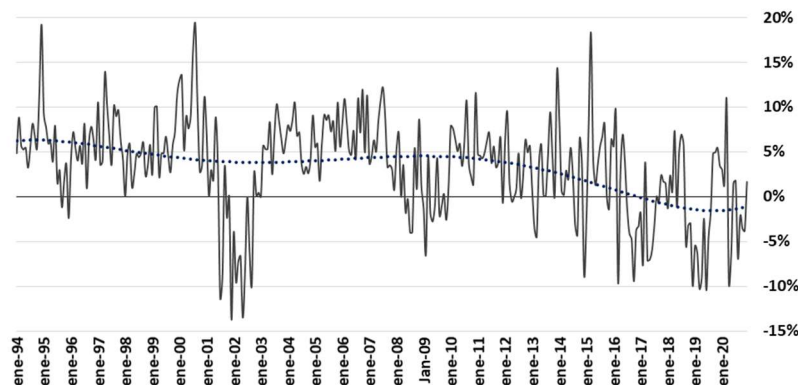


The development of the moving twelve-month average evidences a decrease in energy demand, with inactivity until mid-year 2019, subsequent budding recovery and renewed fall resulting from social isolation.

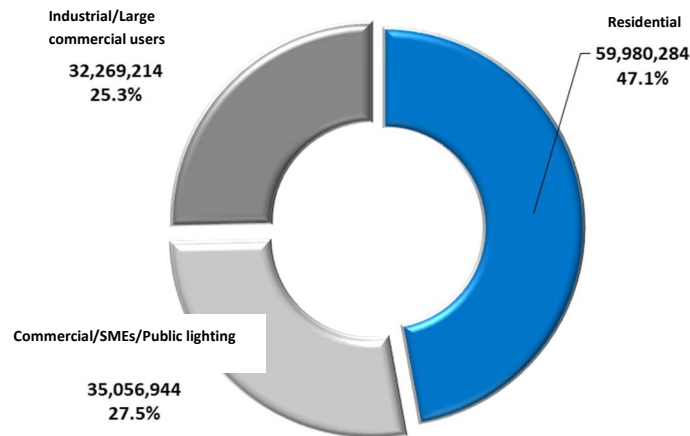


Direct year-on-year analysis – unlike moving twelve-month average, useful to detect trend shifts – shows successive drops in economic activity since late 2015, especially in the industrial sector, with significant participation in total electricity consumption. In 2017 the industrial activity recovered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

**YEAR-ON-YEAR CHANGE IN GROSS DEMAND FOR ELECTRICITY - WEM Y PATAGONIA  
WHOLESALE ELECTRICITY MARKET (MEMSP) (NOT INCLUDING EXPORTS)**



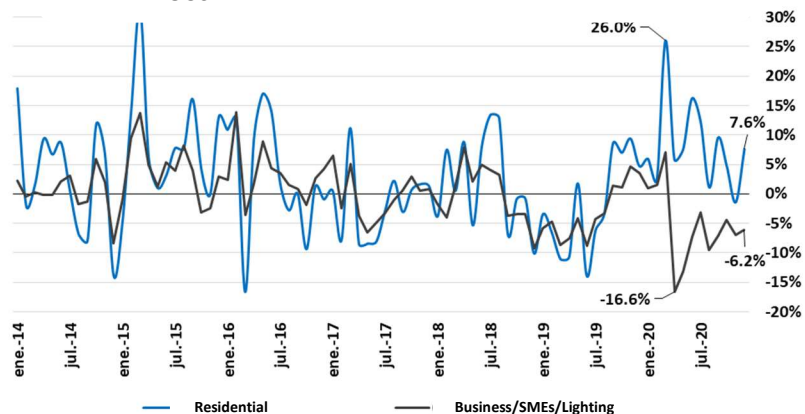
### ELECTRICITY CONSUMPTION IN 2020 (MWh; net of losses)



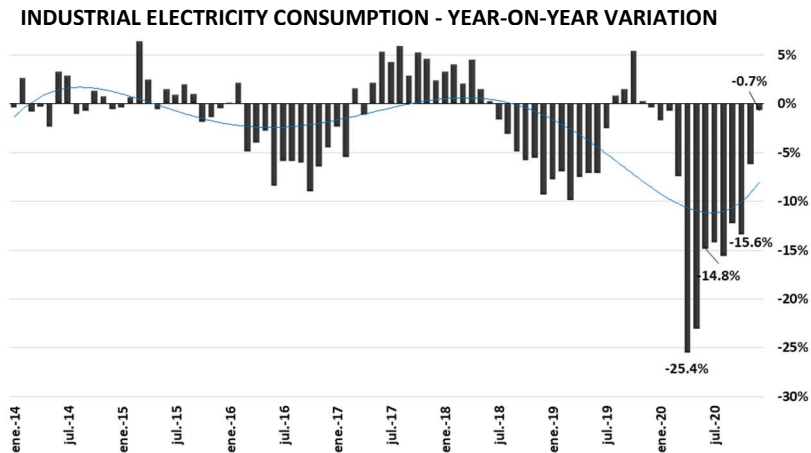
The residential electricity demand segment was reduced by -2.0% in 2019 following the 2.0% increase recorded in 2018 as a result of winter and summer temperatures. In 2020 a sharp increase of 7,6% was recorded, obeying to the rate freeze and social isolation, which implied more hours of consumption at 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.

### ENERGY CONSUMPTION COMPARED TO THE SAME MONTH OF THE PREVIOUS YEAR



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 Environmental management

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.

### **3.3 Human Resources**

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:

- o 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.
- o The Technology area guaranteed connectivity for this population to start working remotely.
- o 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.
- o 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.

#### **Employment 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:

- o Support from IT for remote working.
- o Communication and support from Management.
- o Interaction with colleagues, peers and inside work teams.
- o 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.

### **3.4 Systems and Communications**

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.



### **3.5 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.

### 3.6 Financial position

The table below includes a detail of the Company's consolidated indebtedness at December 31, 2020:

	Borrower	Principal	Balance at 12/31/2020 (Pesos)	Interest rate (%)	Currency	Date of issue	Maturity date
<u>Loan agreement</u>							
Cargill	GMSA	USD 5,000,000	440,146,881	LIBOR + 4.25%	USD	02/16/2018	06/04/2021
BLC	GMSA	USD 11,547,115	909,784,884	12% first installment; 11.5% second installment and LIBOR USD 6 months plus 8.875% for the remaining installments.	USD	06/26/2020	06/12/2023
JP Morgan	GMSA	USD 3,048,045	185,476,793	LIBOR 6m + 1%	USD	12/28/2020	11/15/2025
Eurobank loan	ASA	USD 1,616,436	127,985,387	7.00%	USD	09/21/2020	07/27/2023
Credit Suisse AG London Branch	GECE	USD 26,833,722	2,171,610,434	13.09%	USD	04/25/2018	06/20/2023
Credit Suisse AG London Branch	GECE	USD 24,383,333	2,056,716,461	7.75%	USD	04/25/2018	06/20/2023
<b>Subtotal</b>			<b>5,891,720,840</b>				
<u>Syndicated loan</u>							
ICBC / Hipotecario / Citibank	GMSA	\$178,425,000	177,811,818	Tranche A: adjusted BADCORI + 10% , and Tranche B: BADLAR + 11.34%	ARS	09/30/2020	08/30/2021
			<b>177,811,818</b>				
<u>Debt securities</u>							
International Bond	GMSA/CTR	USD 332,326,000	29,104,324,166	9.625%	USD	07/27/2016	07/27/2023
Class II Negotiable Obligation co-issuance	GMSA/CTR	USD 80,000,000	6,738,912,947	15.00%	USD	08/05/2019	05/05/2023
Class III Negotiable Obligation co-issuance	GMSA/CTR	USD 7,088,573	619,270,628	8.00% until the first date of amortization, 13.00% until the second date of amortization	USD	12/04/2019	04/12/2021
Class IV Negotiable Obligation co-issuance	GMSA/CTR	USD 16,356,968	1,361,067,538	13% until the second date for payment of interest 10.5% until maturity date	USD	12/02/2020	04/11/2022
Class V Negotiable Obligation co-issuance	GMSA/CTR	USD 14,369,484	1,197,085,250	6.00%	USD	11/27/2020	11/27/2022
Class VIII Negotiable Obligations	GMSA	\$312,884,660	319,791,911	BADLAR + 5%	ARS	08/28/2017	08/28/2021
Class X Negotiable Obligations	GMSA	USD 6,627,073	567,827,955	8.50% until the first date of amortization, 10.50% until the second amortization date, 13.00% until the third amortization date.	USD	12/04/2019	02/16/2021
Class XI Negotiable Obligations	GMSA	USD 9,876,755	827,645,150	6.50%	USD	06/23/2020	06/23/2021
Class XIII Negotiable Obligations	GMSA	USD 13,076,765	1,086,059,653	12.50%	USD	12/02/2020	02/16/2024
Class IV Negotiable Obligations	CTR	\$291,119,753	306,063,510	BADLAR + 5%	ARS	07/24/2017	07/24/2021
Class III Negotiable Obligations	ASA	\$179,078,439	179,708,971	BADLAR + 4.25%	ARS	06/15/2017	06/15/2021
<b>Subtotal</b>			<b>42,307,757,679</b>				
<u>Other liabilities</u>							
Banco Macro loan	GMSA	USD 666,667	56,392,029	10.00%	USD	08/30/2018	01/12/2021
Banco Macro loan	GMSA	\$96,400,000	97,596,783	BADLAR + 10%	ARS	08/03/2020	07/12/2021
Supervielle Loan	GMSA	\$106,000,000	114,994,112	Base rate + 8%	ARS	10/29/2020	02/26/2021
Supervielle Loan	GMSA	\$106,000,000	114,994,112	Base rate + 8%	ARS	10/29/2020	04/27/2021
Banco Chubut loan	GMSA	USD 2,000,000	168,899,425	10.00%	USD	12/18/2020	06/04/2021
Banco Ciudad loan	CTR	USD 3,379,443	287,785,157	7.90%	USD	08/04/2017	07/04/2021
BAPRO loan	CTR	\$708,514,544	720,544,539	Adjusted Badlar	ARS	01/21/2020	03/04/2022
ICBC loan	CTR	\$33,626,250	33,668,379	Adjusted BADCORI + 10%	ARS	09/30/2020	08/31/2021
Banco Macro loan	CTR	\$48,200,000	49,210,219	BADLAR + 10%	ARS	08/03/2020	08/12/2021
Banco Macro loan	CTR	USD 333,333	28,180,653	9.00%	USD	12/28/2018	01/12/2021
Supervielle Loan	CTR	\$28,700,000	28,687,543	Base rate + 8.60%	ARS	10/29/2020	04/26/2021
Supervielle Loan	CTR	\$389,000,000	391,435,602	49.50%	ARS	12/23/2020	03/22/2021
Finance lease	GMSA/CTR		228,974,656				
<b>Subtotal</b>			<b>2,321,363,209</b>				
<b>Total financial debt</b>			<b>50,698,653,546</b>				

In December 2020, Albanesi S.A. and its subsidiaries 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 by GMSA 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 GMSA and maturing in 2021; (ii) the co-issuance between the GMSA and CTR 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 GMSA and CTR for the 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 GMSA and Albanesi S.A.) and (v) the amendment to the commercial and financial loan agreement between GMSA and BLC.

This not only enabled the Company to have short-term liquidity available, but at the same time payments for USD 79 million were deferred, from 2021/2022 to 2023/2024.

**1. Analysis of the results of operations:**

1. Brief description of the activities of the issuing company, including references to relevant situations subsequent to year end.

In accordance with the provisions of CNV General Resolution No. 368/01 and subsequent amendments, we present below an analysis of the results of operations of Albanesi S.A. (the Company) and its financial position, which must be read together with the attached consolidated financial statements.

	Fiscal year ended December 31:		Variation	Variation %
	2020	2019		
	GW			
<b>Sales by type of market</b>				
Sale of electricity Res. No. 95, as amended, plus spot	197	243	(46)	(19%)
Energía Plus sales	467	566	(99)	(17%)
Sale of electricity Resolution No. 220	1,267	1,421	(154)	(11%)
Sale of electricity Res. No. 21	182	580	(398)	(69%)
	<b>2,113</b>	<b>2,809</b>	<b>(696)</b>	<b>(25%)</b>

The sales for each market (in millions of pesos) are shown below:

	Fiscal year ended December 31:		Variation	Variation %
	2020	2019		
	(in millions of pesos)			
<b>Sales by type of market</b>				
Sale of electricity Res. No. 95, as amended, plus spot	890.3	1,253.5	(363.2)	(29%)
Energía Plus sales	2,318.2	3,206.1	(887.9)	(28%)
Sale of electricity Resolution No. 220	8,775.4	8,971.0	(195.6)	(2%)
Sale of electricity Res. No. 21	5,069.0	5,799.9	(730.9)	(13%)
<b>Total</b>	<b>17,052.9</b>	<b>19,230.6</b>	<b>(2,177.7)</b>	<b>(11%)</b>

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 %
Sale of energy	17,052.9	19,230.6	(2,177.7)	(11%)
<b>Net sales</b>	<b>17,052.9</b>	<b>19,230.6</b>	<b>(2,177.7)</b>	<b>(11%)</b>
Cost of purchase of electric energy	(706.1)	(2,084.5)	1,378.4	(66%)
Gas and diesel consumption at the plant	(1,143.5)	(150.7)	(992.8)	659%
Salaries and social security charges	(681.1)	(690.6)	9.5	(1%)
Defined benefit plan	(9.1)	(9.3)	0.2	(2%)
Maintenance services	(614.2)	(1,268.6)	654.4	(52%)
Depreciation of property, plant and equipment	(2,896.3)	(3,158.3)	262.0	(8%)
Insurance	(154.7)	(146.0)	(8.7)	6%
Sundry	(196.6)	(208.6)	12.0	(6%)
<b>Cost of sales</b>	<b>(6,401.5)</b>	<b>(7,716.6)</b>	<b>1,315.1</b>	<b>(17%)</b>
<b>Gross income/loss</b>	<b>10,651.4</b>	<b>11,513.9</b>	<b>(862.5)</b>	<b>(7%)</b>
Rates and taxes	(71.7)	(121.8)	50.1	(41%)
Bad debts	-	(0.1)	0.1	(100%)
<b>Selling expenses</b>	<b>(71.7)</b>	<b>(121.9)</b>	<b>50.2</b>	<b>(41%)</b>
Salaries and social security charges	(59.6)	(109.5)	49.9	(46%)
Fees for professional services	(538.0)	(591.7)	53.7	(9%)
Travel and per diem	(3.3)	(19.7)	16.4	(83%)
Rates and taxes	(7.7)	(20.3)	12.6	(62%)
Gifts	(38.2)	(1.2)	(37.0)	3083%
Sundry	(30.5)	(31.8)	1.3	(4%)
<b>Administrative expenses</b>	<b>(677.3)</b>	<b>(774.2)</b>	<b>96.9</b>	<b>(13%)</b>
Income/(Loss) on investment in associates	(31.6)	(196.8)	165.2	(84%)
Other operating income	93.7	14.7	79.0	537%
<b>Operating income</b>	<b>9,964.4</b>	<b>10,435.6</b>	<b>(471.2)</b>	<b>(5%)</b>
Commercial interest, net	(166.1)	(316.0)	149.9	(47%)
Interest on loans, net	(5,279.3)	(4,712.6)	(566.7)	12%
Bank expenses and commissions	(36.0)	(28.0)	(8.0)	29%
Exchange differences, net	(13,308.4)	(19,740.5)	6,432.1	(33%)
Impairment / Recovery of assets	-	(64.4)	64.4	(100%)
Gain/(loss) on purchasing power parity (RECPAM)	15,116.8	21,760.1	(6,643.3)	(31%)
Other financial results	(214.7)	(483.3)	268.6	(56%)
<b>Financial results, net</b>	<b>(3,887.7)</b>	<b>(3,584.8)</b>	<b>(302.9)</b>	<b>8%</b>
<b>Pre-tax profit/(loss)</b>	<b>6,076.7</b>	<b>6,850.8</b>	<b>(774.1)</b>	<b>(11%)</b>
Income tax	(3,036.6)	(5,971.1)	2,934.5	(49%)
<b>Net profit/(loss) for the year</b>	<b>3,040.1</b>	<b>879.7</b>	<b>2,160.4</b>	<b>246%</b>
<b>Other Comprehensive Income for the year</b>				
<i>Items that will not be reclassified under income:</i>				
Revaluation of property, plant and equipment in subsidiaries	569.5	(3,636.4)	4,205.9	(116%)
Impact on income tax	(143.3)	911.9	(1,055.2)	(116%)
Defined benefit plan	3.6	(11.1)	14.7	(132%)
<b>Other comprehensive income/(loss) for the year</b>	<b>429.9</b>	<b>(2,735.7)</b>	<b>3,165.4</b>	<b>(116%)</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>3,470.0</b>	<b>(1,855.9)</b>	<b>5,325.9</b>	<b>(287%)</b>

Sales:

Net sales were worth \$17,052.9 million in the year ended December 31, 2020, as against \$19,230.6 million in the year 2019, which is equivalent to a decrease of \$2,177.7 million (11%).

During the fiscal year ended December 31, 2020, 2,113 GW of electricity were sold, thus accounting for a 25% decrease compared with the 2,809 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) \$890.3 million for sales of energy under Resolution No. 95, as amended plus spot market, which accounted for a decrease of 29% from the \$1,253.5 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%.
- (ii) \$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 fiscal year ended December 31, 2020 compared to fiscal year 2019.
- (iii) \$8,775.4 million for sales of energy in the forward market to CAMMESA under the framework of Resolution No. 220/07, representing a 2% decrease with regard to the \$8,971.0 million for 2019.
- (iv) \$5,069.0 million from sales of energy under Resolution No. 21, down 13% from the \$5,799.9 million sold in fiscal year 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 \$6,401.5 million, compared with \$7,716.6 million for fiscal year 2019, reflecting a decrease of \$1,315.1 million (or 17%).

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

- (i) \$706.1 million from purchases of electricity, which accounted for a 66% drop compared with the \$2,084.5 million for fiscal year 2019, due to lower sales of GW under Energía Plus.
- (ii) \$1,143.5 million for gas and diesel consumption at the plant, accounting for an increase of 992.8% as against \$150.7 million in fiscal year 2019. This is due to changes in the settlement of fuels by CAMMESA.
- (iii) \$614.2 million for maintenance services, a decrease of 52% compared with the \$1,268.6 million recorded in fiscal year 2019. This variation is mainly due to changes in the conditions of maintenance contracts.

- (iv) \$2,896.3 million for depreciation of property, plant and equipment, down 8% from the \$3,158.3 million in fiscal year 2019. This change is mainly due to the effect of depreciation arising from the technical revaluation in 2019. This item does not entail an outlay of cash.

Gross income/loss:

Gross income for the year ended December 20, 2020 was \$10,651.4 million, compared with income of \$11,513.9 million for fiscal year 2019, accounting for a decrease of \$862.5 million. This variation is mainly due to the drop in revenue from sales, the effects of which were cushioned by the rise in the exchange rate.

Selling expenses:

Selling expenses for the year ended December 31, 2020 amounted to \$71.7 million, compared with the \$121.9 million for fiscal year 2019, accounting for a decrease of \$50.2 million (41%). This is due to the change in the turnover tax rate levied on energy generation and the variation in sales.

Administrative expenses:

Administrative expenses for the year ended December 31, 2020 amounted to \$677.3 million, compared with the \$774.2 million recorded in fiscal year 2019, accounting for a decrease of \$96.9 million (13%).

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

- (i) \$59.6 million for salaries and social security contributions, down 46% from the \$109.5 million recorded in 2019. Although there were salary increases, the application of the CPI restatement of salaries and social security contributions for fiscal year 2019 had more significant effects. In addition, part of the payroll that was under GROSA in 2019 was transferred to another company, AESA, as from January 2020.
- (ii) \$538.0 million for fees for professional services, a 9% decrease from the \$591.7 million for fiscal year 2019. Such variation is due to the billing of administrative services rendered by RGA. Although there were increases in the billing of administrative services rendered by RGA, the application of the CPI restatement of fees for professional services for fiscal year 2019 had more significant effects.
- (iii) \$38.2 million for donations, which accounted for a 3,083% increase compared with the \$1.2 million for fiscal year 2019. This is largely due to donations to the Argentine Red Cross under the #ArgentinaNosNecesita Program.

Other operating income:

Other operating income for the fiscal year ended December 31, 2020 amounted to \$93.7 million, showing a 537% increase from the \$14.7 million recorded in 2019.

The main components of the Company's other operating income are listed below:

- (i) \$36.5 million in fines imposed to a supplier for the late delivery of a turbine for CTR closed-cycle.
- (ii) \$47.9 million from the sale of a portion of the CTI land at GMSA.

Operating income/loss:

Operating income for the year ended December 31, 2020 was \$9,964.4 million, compared with income of \$10,435.6 million for the year 2019, accounting for a decrease of \$471.2 million.

Financial results:

Financial results for the fiscal year ended December 31, 2020 amounted to a total loss of \$3,887.7 million, compared with the loss of \$3,584.8 million recorded in fiscal year 2019, which accounted for a loss increase of \$302.9 million.

The most noticeable aspects of the variation are:

- (i) \$5,279.3 million loss for interest on loans, a 12% increase from the \$4,712.6 million loss for fiscal year 2019. This was mainly due to an increase in the financial debt as a result of the investment projects and intercompany loans granted, net of the effects of the restatement of income/loss for fiscal year 2019 by applying the CPI.
- (ii) \$13,308.4 million loss due to net exchange difference, accounting for a decrease of \$6,432.1 million compared with the \$19,740.5 million loss recorded in fiscal year 2019. This change is mainly due to a lesser exchange rate rise (41%) in 2020 than the rise recorded in fiscal year 2019 (59%).
- (iii) \$15,116.8 million gain on PPP (RECPAM) as a result of the application of adjustment for inflation, representing a decrease of \$6,643.3 million compared with \$21,760.1 million gain for fiscal year 2019. 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):

The Company reported pre-tax profit of \$6,076.7 million for the fiscal year ended December 31, 2020, which accounted for a \$774.1 million decrease compared with the profit of \$6,850.8 million recorded in fiscal year 2019.

The income tax charge was a \$3,036.6 million loss for the fiscal year ended December 31, 2020, representing a decrease in loss of \$2,934.5 million compared with the \$5,971.1 million loss for fiscal year 2019.

Net income/loss:

For the year ended December 31, 2020, the Company recorded net income amounting to \$3,040.1 million, accounting for an increase of \$2,160.4 million considering the income of \$879.7 million recorded in fiscal year 2019.

Comprehensive income/(loss):

Other comprehensive income for the fiscal year ended December 31, 2020 amounted to \$429.9 million and included the revaluation of property, plant and equipment and its effect on income tax; this represented an increase of the income for \$3,165.4 million, compared to the loss for \$2,735.7 million for fiscal year 2019.

Total comprehensive income for the year amounted to \$3,470.0 million, representing an increase of 287% compared with the comprehensive loss of \$1,855.9 million for fiscal year 2019.

Adjusted EBITDA

**Fiscal year ended  
December 31:**

**2020**

**Adjusted EBITDA in millions of pesos <sup>(1) (2)</sup> 12,892.8**

**Adjusted EBITDA in millions of US dollars <sup>(1) (2)</sup> 181.5**

(1) Amounts not covered in the Audit Report.

(2) These amounts do not include the Group's share in the income/loss of GECEN, which was excluded from the calculation as explained in item 7.

2. Balance Sheet figures presented comparatively with the previous years:  
(in millions of pesos)

	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Non-current Assets	76,978.6	70,587.5	65,355.2	35,923.4
Current assets	11,847.3	13,191.3	11,378.6	7,416.5
<b>Total assets</b>	<b>88,825.9</b>	<b>83,778.7</b>	<b>76,733.9</b>	<b>43,339.9</b>
Equity attributable to the owners	14,270.3	11,325.5	13,743.4	8,451.1
Equity of non-controlling interest	1,594.8	1,199.5	1,312.5	441.9
<b>Total equity</b>	<b>15,865.1</b>	<b>12,525.1</b>	<b>15,056.1</b>	<b>8,893.0</b>
Non-current liabilities	57,746.8	55,302.1	46,764.7	26,847.6
Current liabilities	15,214.0	15,951.7	14,913.1	7,599.4
<b>Total liabilities</b>	<b>72,960.9</b>	<b>71,253.8</b>	<b>61,677.9</b>	<b>34,447.0</b>
<b>Total equity and liabilities</b>	<b>88,825.9</b>	<b>83,778.7</b>	<b>76,733.9</b>	<b>43,339.9</b>



3. Income Statement figures presented comparatively with the previous years:  
(in millions of pesos)

	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Ordinary operating income	9,964.4	10,435.6	7,290.6	3,403.8
Financial result	(3,887.7)	(3,584.8)	(13,287.5)	(3,932.3)
<b>Ordinary net income/(loss)</b>	<b>6,076.7</b>	<b>6,850.8</b>	<b>(5,996.9)</b>	<b>(528.5)</b>
Income tax	(3,036.6)	(5,971.1)	976.8	1,108.0
<b>Income from continuing operations</b>	<b>3,040.1</b>	<b>879.7</b>	<b>(5,020.1)</b>	<b>579.5</b>
<b>Income/(loss) for the year</b>	<b>3,040.1</b>	<b>879.7</b>	<b>(5,020.1)</b>	<b>579.5</b>
<b>Other comprehensive income/(loss)</b>	<b>429.9</b>	<b>(2,735.7)</b>	<b>8,339.8</b>	<b>(3.9)</b>
<b>Total comprehensive income/(loss)</b>	<b>3,470.0</b>	<b>(1,855.9)</b>	<b>3,319.7</b>	<b>575.6</b>

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

	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Cash flows provided by operating activities	9,387.4	8,025.7	1,971.0	6,972.4
Cash flows (used in) investing activities	(2,683.6)	(3,947.1)	(6,889.7)	(13,635.8)
Cash flows (used in) / provided by financing activities	(7,261.9)	(2,742.0)	5,616.1	4,740.7
<b>(Decrease)/Increase in cash and cash equivalents</b>	<b>(558.1)</b>	<b>1,336.6</b>	<b>697.4</b>	<b>(1,922.7)</b>

5. Ratios presented comparatively with the previous years:

	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Liquidity (1)	0.78	0.83	0.76	0.98
Solvency (2)	0.20	0.16	0.22	0.25
Tied-up capital (3)	0.87	0.84	0.85	0.83
Return on equity (4)	0.21	0.06	(0.42)	0.11

(1) Current Assets / Current Liabilities

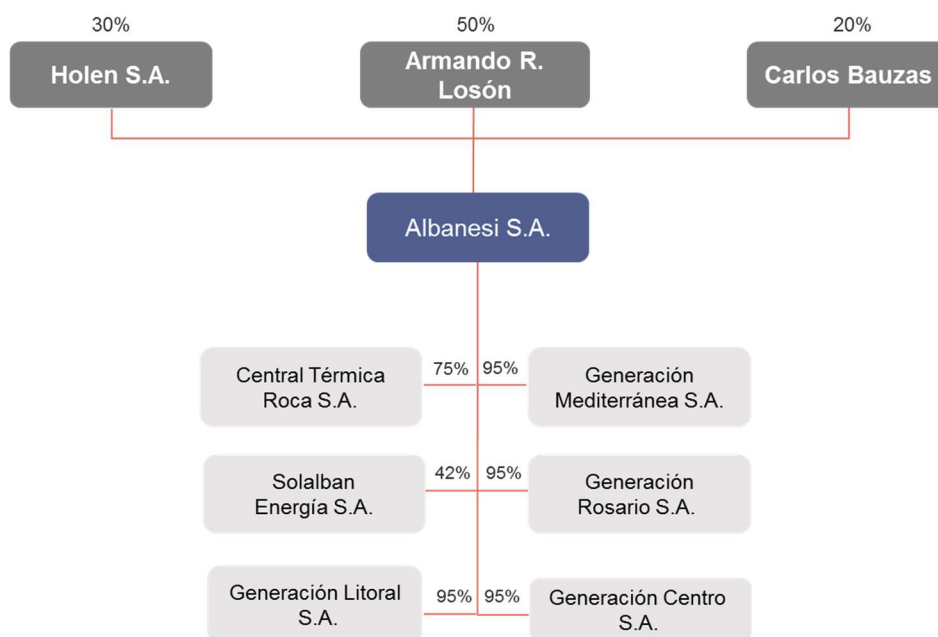
(2) Equity / Total Liabilities

(3) Non-current Assets / Total Assets

(4) Net income/(loss) for the year (excluding Other comprehensive income/(loss)) / Average total equity

#### 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 GECEN 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 64,451,745 ordinary, non-endorsable, registered shares of \$1 par value each, and entitled to 1 vote per share, distributed as follows:

- Armando Roberto Losón 50 % (32,225,873 shares)
- Holen S.A. 30 % (12,890,348 shares)
- Carlos Alfredo Bauzas 20 % (19,335,524 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 2019 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 FISCAL 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.

In the course of 2020, uncertainty in the electricity market sharpened, as to date there have been no definitions other than an extensive freezing of rates, prices and remuneration. This freezing of revenue has lasted for almost two years in a high inflationary context, resulting in ever-growing financial restrictions.

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 the energy sector are uncertain, due to a delay in decision-making and to the economic and financial situation of the Government. Maintaining the policy of minimal adjustments to rates and prices appears probable in 2021. The prospects for supply of fuel in the winter season will be lesser than in prior winters, though with higher prices. These imbalances might bring about greater regulatory activity to raise the costs paid by the various consumers.

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 maintain 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 units TG01 and TG02 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 informs that income of \$3,040,091,490 has been recorded for the year. Accumulated profits at December 31, 2020 amount to \$3,309.062.047.

The General 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

**ALBANESI 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.*

Albanesi 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 Generación Centro S.A. ("GECE") and Generación Mediterránea S.A. ("GMSA"), 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 GMSA. 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](http://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 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.

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, 2020, is made up of 3 (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 article 7 of the Company 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 mentioned above, the Integrity Program set up an Ethics Line for anonymous complaints from third parties managed by PricewaterhouseCoopers. The details of the available channels can be found on the following website: <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](http://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](http://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](mailto: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 10 of Bylaws that dividends must be paid in proportion to the shares paid up within the year in which dividends are approved.

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**Armando Losón (Jr.)**  
**President**



# **Albanesi S.A.**

## **Composition of the Board of Directors and Syndics' Committee at December 31, 2020**

### **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

### **Alternate Directors**

José Leonel Sarti  
Juan Gregorio Daly  
Ricardo Martín López  
Romina Solange Kelleyian

### **Full Syndics**

Enrique Omar Rucq  
Francisco Agustín Landó  
Marcelo Pablo Lerner

### **Alternate Syndics**

Carlos Indalecio Vela  
Juan Cruz Nocciolino  
Marcelo Claudio Barattieri

## **Albanesi S.A.**

### **Consolidated financial statements**

Company Name: Albanesi S.A.

Legal address: Av. L.N. Alem 855, 14th floor - City of Buenos Aires

Main business activity: Investing and financial activities

Tax Registration Number: 30-68250412-5

Dates of registration with the Public Registry of Commerce

Bylaws or incorporation agreement: June 28, 1994  
Latest amendment: September 17, 2018

Registration with the Legal Entities Regulator under number: 6,216 of Book 115, Volume A of Corporations

Expiration of bylaws or incorporation agreement: June 28, 2093

<b>CAPITAL STATUS (see Note 13)</b>			
<b>Shares</b>			
<b>Number</b>	<b>Type</b>	<b>Number of votes per share</b>	<b>Subscribed, paid-in and registered</b>
			<b>\$</b>
64,451,745	Ordinary, registered, non-endorsable \$1 par value	1	64,451,745

## Albanesi S.A.

### Consolidated statement of financial position

At December 31, 2020 and 2019

Stated in pesos

	Notes	12/31/2020	12/31/2019
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	76,152,719,723	69,906,100,045
Investments in associates	8	299,263,082	330,850,803
Investments in other companies		79,536	176,796
Deferred tax assets	22	303,773	258,920
Income tax credit balance, net		4,839,266	2,615,871
Other receivables	10	521,436,905	347,472,995
<b>Total non-current assets</b>		<b>76,978,642,285</b>	<b>70,587,475,430</b>
<b>CURRENT ASSETS</b>			
Inventories	9	290,732,126	337,793,585
Income tax credit balance, net		-	3,590,114
Other receivables	10	4,551,621,772	4,158,330,291
Trade receivables	11	4,553,859,719	6,370,850,256
Cash and cash equivalents	12	2,451,079,364	2,320,763,654
<b>Total current assets</b>		<b>11,847,292,981</b>	<b>13,191,327,900</b>
<b>Total Assets</b>		<b>88,825,935,266</b>	<b>83,778,803,330</b>

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

## Albanesi S.A.

### Consolidated Statement of Financial Position (Cont'd)

At December 31, 2020 and 2019

Stated in pesos

	Notes	12/31/2020	12/31/2019
<b>EQUITY</b>			
Share Capital	13	64,451,745	64,451,745
Capital Adjustment		344,038,667	344,038,667
Legal reserve		85,211,392	44,452,401
Optional reserve		821,132,932	821,132,932
Special Reserve GR No. 777/18		4,813,993,813	5,094,739,021
Technical revaluation reserve		4,855,964,275	4,809,358,291
Other comprehensive income/(loss)		(23,539,777)	(25,927,118)
Unappropriated retained earnings((losses)		3,309,062,047	173,292,772
<b>Equity attributable to the owners</b>		<b>14,270,315,094</b>	<b>11,325,538,711</b>
<b>Non-controlling interest</b>		<b>1,594,759,763</b>	<b>1,199,523,151</b>
<b>Total Equity</b>		<b>15,865,074,857</b>	<b>12,525,061,862</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	22	13,441,350,028	10,265,949,922
Other liabilities	16	1,636,917	2,627,644
Defined benefit plan	23	60,489,927	57,638,980
Loans	17	41,582,005,092	42,979,835,970
Trade payables	15	2,661,355,267	1,995,956,311
<b>Total non-current liabilities</b>		<b>57,746,837,231</b>	<b>55,302,008,827</b>
<b>CURRENT LIABILITIES</b>			
Other liabilities	16	293,176	901,244
Social security liabilities	20	158,455,530	147,360,281
Defined benefit plan	23	14,107,658	14,319,699
Loans	17	9,116,648,454	7,126,259,438
Derivative financial instruments		25,500,000	-
Tax payables	21	725,059,939	353,841,639
Trade payables	15	5,173,958,421	8,309,050,340
<b>Total current liabilities</b>		<b>15,214,023,178</b>	<b>15,951,732,641</b>
<b>Total liabilities</b>		<b>72,960,860,409</b>	<b>71,253,741,468</b>
<b>Total liabilities and equity</b>		<b>88,825,935,266</b>	<b>83,778,803,330</b>

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

## Albanesi S.A.

### Consolidated Statement of Comprehensive Income For the fiscal years ended December 31, 2020 and 2019 Stated in pesos

	Notes	12/31/2020	12/31/2019
Sales revenue	25	17,052,892,776	19,230,572,867
Cost of sales	26	(6,401,498,496)	(7,716,626,222)
<b>Gross income/(loss)</b>		<b>10,651,394,280</b>	<b>11,513,946,645</b>
Selling expenses	27	(71,744,990)	(121,941,489)
Administrative expenses	28	(677,326,825)	(774,243,446)
Income from interests in associates	8	(31,587,721)	(196,847,196)
Other operating income	29	93,689,250	14,677,850
<b>Operating income/(loss)</b>		<b>9,964,423,994</b>	<b>10,435,592,364</b>
Financial income	30	759,089,987	379,159,761
Financial expenses	30	(6,240,513,784)	(5,435,724,898)
Other financial results	30	1,593,716,143	1,471,784,105
<b>Financial results, net</b>		<b>(3,887,707,654)</b>	<b>(3,584,781,032)</b>
<b>Pre-tax profit/(loss)</b>		<b>6,076,716,340</b>	<b>6,850,811,332</b>
Income tax	22	(3,036,624,850)	(5,971,087,869)
<b>Income for the year</b>		<b>3,040,091,490</b>	<b>879,723,463</b>
<i>These items will not be reclassified under income/(loss):</i>			
Revaluation of property, plant and equipment	7	569,543,409	(3,636,437,169)
Pension plan	23	3,619,354	(11,110,220)
Impact on income tax	22	(143,290,691)	911,886,847
<b>Other comprehensive income/(loss) for the year</b>		<b>429,872,072</b>	<b>(2,735,660,542)</b>
<b>Comprehensive income/(loss) for the year</b>		<b>3,469,963,562</b>	<b>(1,855,937,079)</b>
	Note	12/31/2020	12/31/2019
<b>Income for the year attributable to:</b>			
Owners of the company		2,761,162,622	827,379,560
Non-controlling interest		278,928,868	52,343,903
<b>Comprehensive income /(loss) for the year attributable to:</b>			
Owners of the company		3,074,754,950	(1,754,643,349)
Non-controlling interest		395,208,612	(101,293,730)
<b>Earnings/(Losses) per share attributable to the owners</b>			
Basic and diluted earnings per share	31	42.84	12.84

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

## Albanesi S.A.

### Consolidated Statement of Changes in Equity For the fiscal years ended December 31, 2020 and 2019 Stated in pesos

	Shareholders' contributions		Retained earnings							Non-controlling interest	Total equity
	Share capital (Note 13)	Capital Adjustment	Legal reserve	Optional reserve	Special Reserve GR No. 777/18	Technical revaluation reserve	Other comprehensive income/(loss)	Unappropriated retained earnings/(losses)	Total		
<b>Balances at December 31, 2018</b>	<b>64,451,745</b>	<b>344,038,667</b>	<b>44,452,401</b>	<b>1,484,389,700</b>	<b>5,320,151,699</b>	<b>7,696,395,921</b>	<b>(18,453,249)</b>	<b>(1,191,988,056)</b>	<b>13,743,438,828</b>	<b>1,312,558,357</b>	<b>15,055,997,185</b>
As resolved by the Extraordinary Shareholders' Meeting held on March 7, 2019:											
- Optional reserve	-	-	-	(663,256,768)	-	-	-	663,256,768	-	-	-
-Distribution of dividends	-	-	-	-	-	-	-	(663,256,768)	(663,256,768)	-	(663,256,768)
Dividends attributable to the non-controlling interest	-	-	-	-	-	-	-	-	-	(11,741,476)	(11,741,476)
Other comprehensive income/(loss)	-	-	-	-	-	(2,574,549,040)	(7,473,869)	-	(2,582,022,909)	(153,637,633)	(2,735,660,542)
Reversal of technical revaluation reserve	-	-	-	-	(225,412,678)	(312,488,590)	-	537,901,268	-	-	-
Income for the year	-	-	-	-	-	-	-	827,379,560	827,379,560	52,343,903	879,723,463
<b>Balances at December 31, 2019</b>	<b>64,451,745</b>	<b>344,038,667</b>	<b>44,452,401</b>	<b>821,132,932</b>	<b>5,094,739,021</b>	<b>4,809,358,291</b>	<b>(25,927,118)</b>	<b>173,292,772</b>	<b>11,325,538,711</b>	<b>1,199,523,151</b>	<b>12,525,061,862</b>
As resolved by Ordinary Shareholders' Meeting held on April 16, 2020.											
- Legal reserve	-	-	40,758,991	-	-	-	-	(40,758,991)	-	-	-
-Distribution of dividends	-	-	-	-	-	-	-	(129,978,567)	(129,978,567)	-	(129,978,567)
Contributions from non-controlling interest	-	-	-	-	-	-	-	-	-	28,000	28,000
Other comprehensive income/(loss)	-	-	-	-	-	311,204,987	2,387,341	-	313,592,328	116,279,744	429,872,072
Reversal of technical revaluation reserve	-	-	-	-	(280,745,208)	(264,599,003)	-	545,344,211	-	-	-
Income for the year	-	-	-	-	-	-	-	2,761,162,622	2,761,162,622	278,928,868	3,040,091,490
<b>Balances at December 31, 2020</b>	<b>64,451,745</b>	<b>344,038,667</b>	<b>85,211,392</b>	<b>821,132,932</b>	<b>4,813,993,813</b>	<b>4,855,964,275</b>	<b>(23,539,777)</b>	<b>3,309,062,047</b>	<b>14,270,315,094</b>	<b>1,594,759,763</b>	<b>15,865,074,857</b>

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

**Albanesi S.A.**

**Consolidated Statement of Cash Flows**  
For the fiscal years ended December 31, 2020 and 2019  
Stated in pesos

	<b>Notes</b>	<b>12/31/2020</b>	<b>12/31/2019</b>
<b>Cash flow from operating activities:</b>			
Income for the year		3,040,091,490	879,723,463
<b>Adjustments to arrive at net cash flows provided by operating activities:</b>			
Income tax	<b>22</b>	3,036,624,850	5,971,087,869
Income/(loss) from interests in associates	<b>8</b>	31,587,721	196,847,196
Depreciation of property, plant and equipment	<b>7 and 26</b>	2,896,301,544	3,158,341,480
Present value of receivables and debts		52,195,503	78,793,612
Decrease in provisions		-	(7,936,459)
Gain from sale of property, plant and equipment	<b>29</b>	(47,890,436)	-
Impairment of assets	<b>30</b>	-	64,439,837
Income/(loss) from changes in the fair value of financial instruments	<b>30</b>	(40,776,474)	126,291,470
Income/(loss) from repurchase of negotiable obligations	<b>30</b>	(38,223,675)	-
Interest and exchange differences and other		18,781,547,902	24,616,054,008
RECPAM (Purchasing Power Parity)	<b>30</b>	(15,116,803,492)	(21,760,094,422)
Accrual of benefit plans	<b>23</b>	9,107,108	9,319,754
<b>Changes in operating assets and liabilities:</b>			
Decrease/(Increase) in trade receivables		1,587,419,294	(1,586,548,570)
Decrease/(Increase) in other receivables (1)		259,593,245	(2,700,037,215)
Decrease/(Increase) in inventory		55,193,339	(159,203,466)
(Decrease) in trade payables (2)		(5,122,638,586)	(908,106,626)
(Decrease) in Defined benefit plans		(6,058,006)	(3,541,544)
(Decrease) in other liabilities		(715,723)	(110,498,173)
Increase in social security charges and taxes		30,572,145	180,902,426
Payment of income tax		(19,765,641)	(20,182,468)
<b>Cash flows provided by operating activities</b>		<b>9,387,362,108</b>	<b>8,025,652,172</b>
<b>Cash flow from investment activities:</b>			
Acquisition of property, plant and equipment	<b>7</b>	(2,679,855,308)	(3,796,701,343)
Public securities		(1,641,023)	-
Collection from the sale of property, plant and equipment		54,250,228	-
(Subscription) of mutual funds, net		(13,883,758)	(91,286,675)
Loans granted	<b>32</b>	(42,425,948)	(59,076,166)
<b>Cash flows (used in) investment activities</b>		<b>(2,683,555,809)</b>	<b>(3,947,064,184)</b>
<b>Cash flows from financing activities:</b>			
(Payment)/Collection of financial instruments		(5,396,690)	378,632,486
Payment of loans	<b>17</b>	(5,494,004,810)	(7,149,589,526)
Payment of interest	<b>17</b>	(5,577,505,758)	(4,782,370,000)
Borrowings	<b>17</b>	3,815,023,607	8,811,310,805
<b>Cash flows (used in) financing activities</b>		<b>(7,261,883,651)</b>	<b>(2,742,016,235)</b>
<b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(558,077,352)</b>	<b>1,336,571,753</b>
Cash and cash equivalents at the beginning of the year	<b>12</b>	2,320,763,654	1,150,126,534
RECPAM (Purchasing Power Parity)		26,883,080	(402,477,457)
Financial results of cash and cash equivalents		661,509,982	236,542,824
Cash and cash equivalents at year end	<b>12</b>	2,451,079,364	2,320,763,654
		<b>(558,077,352)</b>	<b>1,336,571,753</b>

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

- (1) Includes prepayments to suppliers for the purchase of property, plant and equipment for \$3,689,560,157 and \$3,349,213,797 at December 31, 2020 and 2019, respectively.
- (2) It includes commercial payments for works financing. See Note 36.

## Albanesi S.A.

### Consolidated Statement of Cash Flows (Cont'd) For the fiscal years ended December 31, 2020 and 2019 Stated in pesos

#### Material transactions not entailing changes in cash

	Notes	12/31/2020	12/31/2019
Transfers to property, plant and equipment of assets held for sale	7	-	(2,336,572,197)
Acquisition of property, plant and equipment financed by suppliers	7	(2,017,119,700)	(2,404,093,972)
Advances to suppliers applied to the acquisition of property, plant and equipment	7	(222,536,004)	-
(Increase)/Decrease in revaluation of property, plant and equipment		(427,157,557)	2,727,327,877
Net benefit plans		(2,714,515)	8,332,665
Financial costs capitalized in property, plant and equipment	7	(3,669,211,827)	(3,874,288,401)
Dividends offset		(129,978,567)	-
Issue of negotiable obligations paid up in kind	17	1,951,857,065	4,396,400,124
Directors' fees offset against other receivables	32	-	(78,566,741)
Dividends applied to the non-controlling interest and offset		-	11,741,474
Addition BLC Loan	17	1,116,131,716	-
Addition of Syndicated Loan	17	380,717,637	-

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



**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**Notes to the Consolidated Financial Statements**  
For the fiscal years ended December 31, 2020 and 2019  
Stated in pesos

**NOTE 1: GENERAL INFORMATION**

The Company was established in 1994 as investment and financing company. Through its subsidiaries and related entities, ASA has invested in the energy market, in the power generation and commercialization segment.

Grupo Albanesi, through ASA and its related company AESA, is engaged in the generation and sale of electricity and has focused on the gas transportation and sale business through RGA.

In recent years, the main strategy of Grupo Albanesi has been focused on achieving vertical integration, drawing on its vast experience and reputation in the natural gas sale market (obtained through RGA), with the subsequent addition of the electric power generation business. This approach seeks to capitalize the value added from the purchase from large gas producers in all the basins in the country to its transformation and sale as electric power.

Below is a detail of the participation of ASA in each company.

Companies	Country of creation	Main activity	% participation	
			12/31/2020	12/31/2019
CTR	Argentina	Electric power generation	75%	75%
GECEN	Argentina	Electric power generation	95%	95%
GLSA	Argentina	Electric power generation	95%	95%
GMSA	Argentina	Electric power generation	95%	95%
GROSA	Argentina	Electric power generation	95%	95%
Solalban Energía S.A.	Argentina	Electric power generation	42%	42%

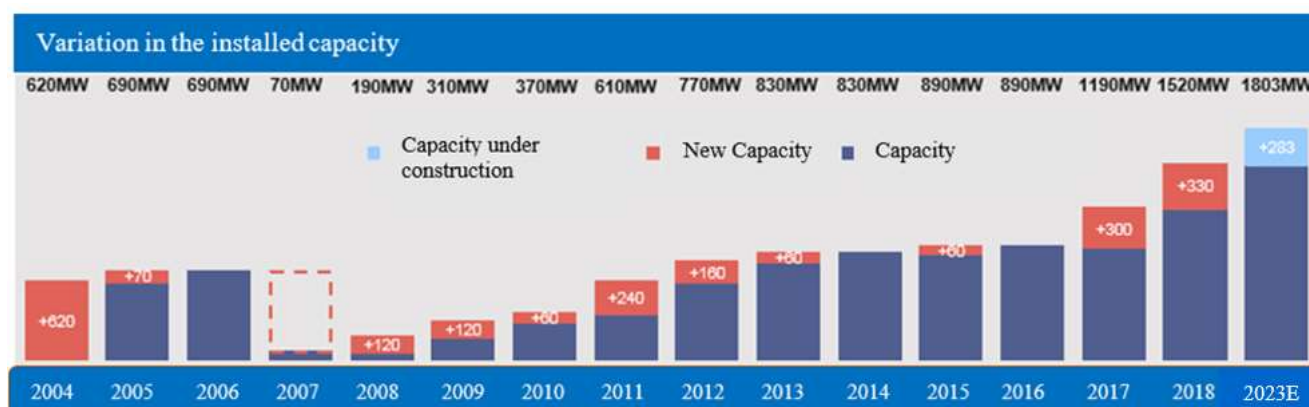
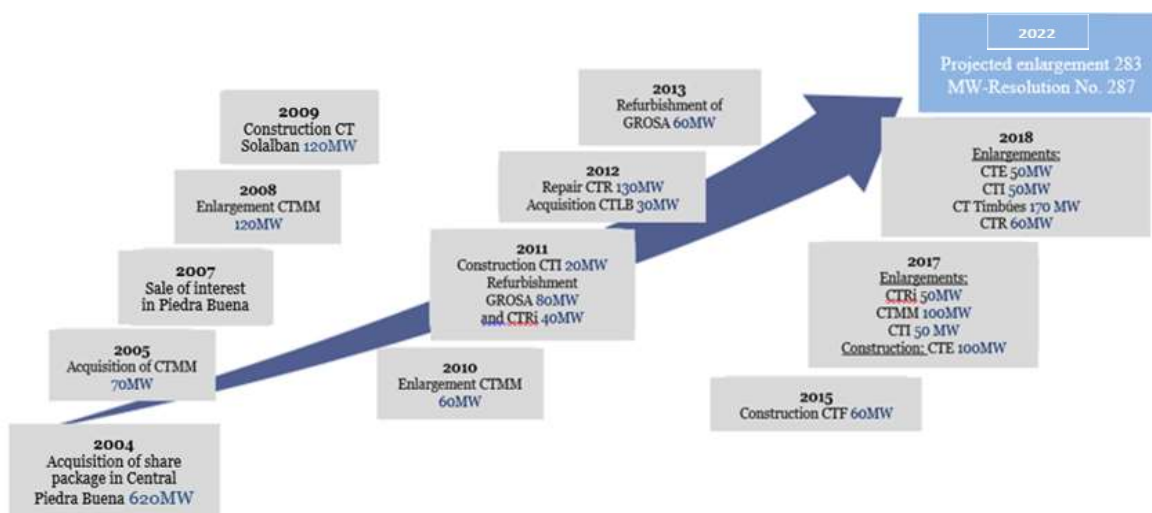
At the date these consolidated Financial Statements were signed, Grupo Albanesi had a total installed capacity of 1,520 MW, which is being expanded with additional 283 MW with all the new projects awarded and currently under way.

Power Plant	Company	Nominal installed capacity	Resolution	Location
Central Térmica Modesto Maranzana (CTMM)	GMSA	350 MW	ES Resolution Nos. 220/07, 1281/06 Plus and SRRyME Resolution No. 01/2019	Río Cuarto, Córdoba
Central Térmica Independencia (CTI)	GMSA	220 MW	ES Resolution Nos. 220/07, 1281/06 Plus, EES Resolution No. 21/16 and SRRyME Resolution No. 01/2019	San Miguel de Tucumán, Tucumán
Central Térmica Frías (CTF)	GMSA	60 MW	ES Resolution No. 220/07 and SRRyME Resolution No. 01/2019	Frías, Santiago del Estero
Central Térmica Riojana (CTRi)	GMSA	90 MW	ES Resolution No. 220/07 and SRRyME Resolution No. 01/2019	La Rioja, La Rioja
Central Térmica La Banda (CTLB)	GMSA	30 MW	EES Resolution No. 21/16	La Banda, Santiago del Estero
Central Térmica Ezeiza (CTE)	GMSA	150 MW	EES Resolution No. 21/16	Ezeiza, Buenos Aires
Central Térmica Roca (CTR)	CTR	190 MW	ES Resolution No. 220/07 and SRRyME Resolution No. 01/2019	Gral Roca, Río Negro
Central Térmica Sorrento	GROSA	140 MW	SRRyME Resolution No. 01/2019	Rosario, Santa Fe
Solalban Energía S.A.		120 MW	Resolution No. 1281/06 Plus	Bahía Blanca, Buenos Aires
<b>Total nominal installed capacity (Participation of ASA)</b>		<b>1,350 MW</b>		
Central Térmica Cogeneración Timbúes	AESA	170 MW	EES Resolution No. 21/16	Timbúes, Santa Fe
<b>Total nominal installed capacity of Grupo Albanesi</b>		<b>1,520 MW</b>		

## Albanesi S.A. Notes to the Consolidated Financial Statements (Cont'd)

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

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 dated May 10, 2017, the Electric Energy Secretariat instructed CAMMESA to call for tenders for new thermal generation of closure of the combined cycle technology and co-generation, with the commitment to be available to meet the demand in 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. The project consists in the installation of a new 50 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 recovery boiler will be installed at the gas turbines exit, which will produce steam in two pressures to feed an SST-600 steam turbine that will deliver a further 65 MW to the network; also, the necessary infrastructure will be installed 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 turbo steam machine will contribute 65 MW, without additional consumption of fuel, with the complete cycle recording a specific consumption of 1,590 Kcal/KWh in the closure of the combined cycle

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

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

One of them is the closure of the combined cycle of units TG01, TG02 and TG03 of CTE, located in the province of Buenos Aires. The project consists of: i) the installation of a fourth 50 MW Siemens SGT-800 gas turbine, 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 Argentine Interconnection System (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 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 by GMSA 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.

**Co-generation Project Arroyo Seco**

Under ES Resolution No. 287/2017, the Energy Secretariat requested offers to implement projects of electricity generation through the closure of open cycles and co-generation. Within this framework, GECEN presented a cogeneration project in Arroyo Seco, Province of Santa Fe, for 100 MW power.

The installation of three projects including the project presented by GECEN was awarded through Resolution ES No. 820/2017 by the Energy Secretariat. The selected projects comply with the criteria of installing efficient generation and/or improve the thermal units of the current power generation plants. This means an economic benefit for the electric system in all scenarios.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

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

**Co-generation Project Arroyo Seco (Cont'd)**

The project consists in the installation of two SGT800 Siemens gas turbines with a nominal capacity of 50 MW and two recovery boilers which will generate steam using exhaust fumes from the turbine. The Company will thus generate (i) electricity that will be sold under a contract signed with CAMMESA within the framework of a public bidding under EES Resolution No. 287/2017 and awarded under EES Resolution No. 820/2017 for a term of 15 years, and (ii) steam, to be supplied to LDC Argentina S.A. for its plant in Arroyo Seco, by means of a steam and electric power generation contract for an extendable term of 15 years.

On August 9, 2017, the contract for the purchase of the turbines with Siemens was entered into for SEK 270,216,600 million. The contract is for the purchase of two gas turbines SGT800 Siemens Industrial Turbomachinery AB, including whatever is necessary for their installation and start-up.

On January 12, 2018, a contract was signed with the supplier Vogt Power International Inc. for the provision of two recovery steam boilers for a total amount of USD 14,548,000.

In turn, on March 26, 2018, a contract was signed with the supplier Siemens Ltda. for the purchase of a steam turbine for a total amount of USD 5,370,500. The contract comprises the purchase of an SST-300 steam turbine, including whatever is necessary for its installation and start-up.

GECEN and CAMMESA signed the Wholesale Demand contract on November 28, 2017.

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. The date scheduled by GECEN for commercial authorization is July 11, 2022.

On November 5, 2019, through the minutes of the Board of Directors' Meeting, it was decided to set aside the sale of the Company's assets in view of the NFHCC mentioned in the preceding paragraph, and, accordingly, to devote all necessary efforts to finance the thermal power co-generation project at Arroyo Seco. This situation, added to the economic context in which the company operates described in Note 41, could generate a substantial doubt about the entity's ability to continue as a going concern in the event it failed to obtain the necessary financing to complete the project.

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 by GECEN 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.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

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

**Co-generation Project Arroyo Seco (Cont'd)**

The progress on the project 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.

**Appointment of GECEN as Non-restricted Subsidiary**

On August 27, 2018, the Board of Directors of ASA, parent company of GECEN, appointed the latter as a Non-restricted Subsidiary under the terms of the Indenture within the framework of the International Bond.

It is important to note that GECEN is a Non-restricted Subsidiary of ASA under the terms of the International Bond, which means that its creditors have no recourse against ASA or any of its subsidiaries.

**NOTE 2: REGULATORY ASPECTS RELATED TO ELECTRICITY GENERATION**

The Group's revenue from electricity generation activity derives from sales to Large Users on the Forward Market, for surplus demand for energy (ES Resolution 1281/06); from sales to CAMMESA (Compañía Administradora del Mercado Mayorista Eléctrico S.A.) under ES Resolution 220/07, and from sales under ES Resolutions 21/16 and 01/19. 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) Regulations on Energía Plus, Resolution No. 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 consolidated financial statements, almost all the nominal power of 135MW available is under contract. The duration of these contracts is from 1 to 2 years.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 2: REGULATORY ASPECTS RELATED TO ELECTRICITY GENERATION (Cont'd)**

**a) Regulations on Energía Plus, Resolution No. 1281/06 (Cont'd)**

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

**b) WEM Supply Contract (Resolution No. 220/07)**

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.

Further, CTR and CAMMESA entered into a WEM supply contract for 116.7 MW, for a term of 10 years counted as from June 2012. On October 14, 2015, a new WEM supply contract for 53.59 MW was signed with CAMMESA for a term of 10 years counted as from the date of authorization for commercial operation of the agreed upon turbine. The latter contract will be supported by the conversion of the gas turbine into a combined cycle. The TV01 contract began on August 4, 2018, starting from the conversion of the current gas turbine generator into a combined cycle. To this end, equipment was installed so that the exhaust fume recovery of the present gas turbine generates an amount of steam such that when expanded through a steam turbine, additional power of up to 60-MW may be generated.

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 Plant 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
CTR TG01	USD 12,540	116.7
CTR TV01	USD 31,916	53.59

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

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 2: REGULATORY ASPECTS RELATED TO ELECTRICITY GENERATION (Cont'd)**

**b) Supply Contract with WEM (Resolution No. 220/07) (Cont'd)**

- iii) the variable charge associated with the energy actually provided under the contract and whose purpose is to remunerate the operation and maintenance of the Power Plant;

Power Plant 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
CTR TG01	USD 10.28	USD 14.18
CTR TV01	USD 5.38	USD 5.38

- 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 ES Resolution No. 21/2016**

Through ES Resolution No. 21/2016 dated March 22, interested generating, co-generating and self-generating agents are called for to offer new thermal generation capacity and associated energy production, with the commitment to be available at WEM during the summer periods of (2016/2017 and 2017/2018) and for the winter season of 2017.

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. 21/2016 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:

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

Power Plant 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

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 2: REGULATORY ASPECTS RELATED TO ELECTRICITY GENERATION (Cont'd)**

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

- ii) the fixed charge recognizes transportation costs plus other costs inherent to the generating agents;
- iii) the variable charge associated with the energy actually provided under the contract and whose purpose is to remunerate the operation and maintenance of the Power Plant;

Power Plant 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 SRRyME Resolution No. 31/2020**

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

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

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

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

1. Power prices:

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

Technology/Scale	PrecBasePot [\$/MW-month]
CC large P>150 MW	100,650
CC small P≤150 MW	112,200
TV large P>100 MW	143,500
TV small P≤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



**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 2: REGULATORY ASPECTS RELATED TO ELECTRICITY GENERATION (Cont'd)**

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

b. DIGO Guaranteed Power

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

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

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

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

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

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≤100MW	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.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 2: REGULATORY ASPECTS RELATED TO ELECTRICITY GENERATION (Cont'd)**

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

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**

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 Group 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.

The preparation of these consolidated 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 consolidated 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 consolidated financial statements were approved for issuance by the Company's Board of Directors on March 16, 2021.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

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

**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.

**Financial reporting in hyperinflationary economies**

IAS 29 "Financial Reporting in hyperinflationary economies" requires that the financial statements of an entity that reports in the currency of a highly inflationary economy be stated in terms of the measuring unit current at the closing of the reporting period, irrespective of whether they are based on the historical cost or current cost methods. 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 must 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 consolidated 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.

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).

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

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

**Financial reporting in hyperinflationary economies (Cont'd)**

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 their acquisition cost at the balance sheet date and equity items are restated by applying the corresponding index adjustments;
- All items in the statement of income are adjusted by applying the relevant conversion factors;
- The effect of inflation on the Group's net monetary position shall be included in the statement of income within Financial result, under RECPAM; and
- 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; and
- 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; 1/6 will be allocated in the relevant fiscal period and the remaining 5/6, in 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.

**Going concern**

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

**NOTE 4: ACCOUNTING POLICIES**

The main accounting policies used in the preparation of these consolidated financial statements are explained below.

**4.1 Changes in accounting policies**

**4.1.1 New accounting standards, amendments and interpretations issued by IASB effective at December 31, 2020 adopted by the Group**

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 4: ACCOUNTING POLICIES (Cont'd)**

**4.1 Changes in accounting policies (Cont'd)**

**4.1.1 New accounting standards, amendments and interpretations issued by IASB effective at December 31, 2020 adopted by the Group (Cont'd)**

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, modifications and interpretations issued by the IASB not yet effective and not early adopted by the Group**

- 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.
- 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.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 4: ACCOUNTING POLICIES (Cont'd)**

**4.1 Changes in accounting policies (Cont'd)**

**4.1.2 New accounting standards, modifications and interpretations issued by the IASB not yet effective and not early adopted by the Group (Cont'd)**

- 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 Consolidation**

The financial statements include the Company's and its subsidiaries' financial statements. Subsidiaries are all entities over which the Company exerts control, generally accompanied by an interest of more than 50% of available voting rights. The Company controls an entity when the entity is exposed or has the right to variable returns for its involvement in the entity and has the ability to affect those returns by exercising its power over the entity. In determining whether the Company controls an entity, the existence and the effect of possible exercisable or convertible voting rights are considered.

The Company also evaluates the existence of control when it does not hold more than 50% of the voting rights but it may direct the operating and financial policies through a factual control. Factual control may exist in circumstances where the relative size of the group's voting rights in relation to the number and dispersion of the other shareholders gives the Group the power to direct the operating and financial policies, etc. Subsidiaries are consolidated as from the date when control is transferred to the Group and are excluded when such control ceases.

The main consolidation adjustments are as follows:

- i. Elimination of reciprocal balances for asset and liability accounts between the Group companies, such that the financial statements only disclose the balances held with third parties and uncontrolled related parties;
- ii. Elimination of intercompany transactions, such that the financial statements only disclose those transactions carried out with third parties and uncontrolled related parties;
- iii. Elimination of the equity interests and results for each fiscal year of the subsidiaries as a whole.

The accounting policies of the subsidiaries have been amended, where applicable, to ensure consistency with the accounting policies adopted by the Company.

ASA performs its business activities through several subsidiaries. Unless otherwise provided, the subsidiaries detailed below have a share capital made up of ordinary shares only, which are directly in the possession of the Group, and the proportion of shares held is equal to the Group's voting rights. The country of incorporation or registration is also their principal place of business. Below is a detail of subsidiaries.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 4: ACCOUNTING POLICIES (Cont'd)**

**4.2 Consolidation (Cont'd)**

Companies	Country of creation	Main activity	% of participation in	
			12/31/2020	12/31/2019
CTR	Argentina	Electric power generation	75%	75%
GECEN <sup>(1)</sup>	Argentina	Electric power generation	95%	95%
GMSA	Argentina	Electric power generation	95%	95%
GROSA	Argentina	Electric power generation	95%	95%
GLSA	Argentina	Electric power generation	95%	95%

(1) On August 27, 2018, ASA's board of directors has appointed GECEN as a Non-Restricted Subsidiary under the terms of the Indenture under the International Bond guaranteed by the Company and issued by GMSA and CTR, which means that its creditors have no right of recourse against ASA or its subsidiaries.

**4.3 Revenue recognition**

**a) Sale of electric power**

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 electric power business, which is the main business activity of the Group, 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; and
- d. the costs incurred or to be incurred in respect of the transaction were measured reliably.

**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.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 4: ACCOUNTING POLICIES (Cont'd)**

**4.4 Effects of the foreign exchange rate fluctuations**

**a) Functional and presentation currency**

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

**4.5 Property, plant and equipment**

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

Depreciation of property, plant and equipment begins when it is available for use. Repair and maintenance expenses of property, plant and equipment are recognized in the Statement of Comprehensive Income during the financial year in which they are incurred.

Works in progress are valued based on the degree of progress. 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.

Buildings, facilities, machinery and turbines are measured at their 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 ensure that the fair value of a revalued asset does not differ significantly from its carrying amount.

At December 31, 2020, the Group revalued land, real property, facilities and machinery, for there have been important changes in the fair values of those assets caused by macroeconomic fluctuations.

To determine the fair value, the Group uses the income approach which 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.



**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 4: ACCOUNTING POLICIES (Cont'd)**

**4.5 Property, plant and equipment (Cont'd)**

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.

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. Financial costs capitalized in the carrying amount of property, plant and equipment during the fiscal years ended December 31, 2020 and 2019 totaled \$3,669,211,827 and \$3,874,288,401, respectively. The average capitalization rates used for fiscal year 2020 and 2019 were 32.31% and 35.21%, respectively.

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.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 4: ACCOUNTING POLICIES (Cont'd)**

**4.5 Property, plant and equipment (Cont'd)**

If all types of property, plant and equipment had been measured at cost, the carrying amounts would have been the following:

	12/31/2020	12/31/2019
Cost	76,860,767,673	61,092,620,234
Accumulated depreciation	(10,540,182,871)	(8,854,484,085)
<b>Residual value</b>	<b>66,320,584,802</b>	<b>52,238,136,149</b>

**4.6 Investments in associates and other companies**

*Investments in associates*

Associates are all entities over which ASA has a significant influence but not exerts control, generally represented by a 20-50% holding of the voting rights of the entity. Investments in associates are accounted for using the equity value method. According to this method, the investment is initially recognized at cost, and the carrying value increases or decreases to recognize the investor's interest on the income/loss of the associate after the acquisition date.

*Investments in other companies*

All the investments in equity instruments are measured at fair value through profit and loss. The fair value of the unlisted ordinary shares of TJSM and TMB was estimated using a model of discounted cash flows.

**4.7 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 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. The recoverable amount of an asset is the higher of the fair value less costs to sell or value in use. To assess impairment losses, assets are grouped at the lowest level for which cash flows can be identified separately (cash-generating units).

The possible reversal of impairment losses of non-financial assets is reviewed at every date that financial information is presented.

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

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 4: ACCOUNTING POLICIES (Cont'd)**

**4.8 Financial assets**

**4.8.1 Classification**

The Group 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.

*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.

**4.8.2 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.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 4: ACCOUNTING POLICIES (Cont'd)**

**4.8 Financial assets**

**4.8.3 Impairment of financial assets**

*Financial assets at amortized cost*

The Group 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.

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

- Significant financial difficulties of the debtor;
- breach of contractual clauses, such as late payment of interest or principal;
- 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 Group 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.

**4.8.4 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.

**4.9 Inventories**

Inventories are valued at the lower of acquisition cost restated in constant currency tor net realizable value.

Since inventories of the Group 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.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 4: ACCOUNTING POLICIES (Cont'd)**

**4.9 Inventories (Cont'd)**

The Group classified inventories 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.

**4.10 Trade receivables and other receivables**

Trade receivables are amounts due from customers for business sales 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 Group 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 Group 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 periods.

The Group 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.

Further, in connection with the new hedge accounting model, the Group has not opted for designating any hedge relationship at the date of initial adoption of the revised IFRS 9; therefore, this adoption did not have an impact on the Group'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, 2020 were determined based on the following ratios calculated for the numbers of days past due:

<b>RATIO PCE</b>	<b>Not yet due</b>	<b>30 days</b>	<b>60 days</b>	<b>90 days</b>	<b>120 days</b>	<b>150 days</b>	<b>180 days</b>	<b>+180 days</b>
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.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 4: ACCOUNTING POLICIES (Cont'd)**

**4.10 Trade receivables and other receivables (Cont'd)**

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, 2020 as against the allowance recorded at December 31, 2019. Further, in the year 2020, no impairment allowance has been set up.

At December 31, 2020, the Company has set up a provision of \$2,750,107 for trade receivables and of \$1,859,204 for other receivables.

**4.11 Advances to suppliers**

The Group 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.

**4.12 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 Group's cash management.

**4.13 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.

**4.14 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 Group 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.

**4.15 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.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 4: ACCOUNTING POLICIES (Cont'd)**

**4.16 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 Group 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 and reduce the exchange rate risk. However, the Group 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.

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 Group 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, GMSA has hedge contracts for USD 8,500,000 to hedge the payment of the International bond in January 2021.

**4.17 Provisions**

Provisions are recognized when the Group 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 provisions was the best estimate of the resource outflow necessary to settle the present obligation, at the end of the reporting period, considering the pertinent risks and uncertainties and the opinion of the Group'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.

**4.18 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.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 4: ACCOUNTING POLICIES (Cont'd)**

**4.18 Income tax and minimum notional income tax**

**a) Current and deferred income taxes (Cont'd)**

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.

**b) Minimum Notional Income Tax**

Although minimum notional income tax was repealed, the Group 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.

**4.19 Balances with related parties**

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

**4.20 Leases**

The Group adopted IFRS 16 *Leases* and applied the following options established by the standard:

- For leases classified as financial due to the application of IAS 17 and IFRIC 4, carrying amounts were computed for assets for rights of use and lease liabilities 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.
- Finance charges generated for lease liabilities are disclosed under Loan interest in Note 30.
- 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 Group did not change the accounting for assets recorded for operating and finance leases as a result of the adoption of IFRS 16.



**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 4: ACCOUNTING POLICIES (Cont'd)**

**4.21 Defined benefit plan**

GMSA, CTR and GROSA grant 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.

**4.22 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, 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) Technical revaluation reserve**

Corresponds to the technical revaluation reserve of the subsidiary companies and associates according to the percentage of interest, as a result of applying the revaluation model for property, plant and equipment.

**e) Other comprehensive income/(loss)**

Corresponds to actuarial gains and losses from the calculation of liabilities for defined benefit plans and their tax effects.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 4: ACCOUNTING POLICIES (Cont'd)**

**4.22 Equity accounts (Cont'd)**

**f) 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:

- (i) Retained earnings
  - 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

**g) Distribution of dividends**

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

**h) 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.

**i) 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. The reserve will be set up ad referendum of the next Annual Ordinary Shareholders' Meeting.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 5: FINANCIAL RISK MANAGEMENT**

**5.1 Financial risk factors**

Financial risk management is encompassed within the global policies of the Group, 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 Group 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.

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

Financial risk management is controlled by the Finance Division of the Group, 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 Group's business activities.

***a) Market risk***

**Foreign exchange risk**

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

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

**Albanesi S.A.**  
**Notes to the Consolidated 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)

Captions	12/31/2020				12/31/2019	
	Foreign currency			Amount recorded in pesos	Amount recorded in pesos	
	Class	Amount	Exchange rate used (1)			
				\$		
ASSETS						
Current Assets						
Cash and cash equivalents	USD	6,102,788	83.950	512,329,030	1,863,073,321	
Trade receivables	USD	26,416,538	83.950	2,217,668,347	6,202,882,185	
Total current assets				2,729,997,377	8,065,955,506	
Total Assets				2,729,997,377	8,065,955,506	
LIABILITIES						
Non-current liabilities						
Trade payables	USD	31,626,325	84.150	2,661,355,267	1,995,956,311	
Loans	USD	488,975,285	84.150	41,147,270,179	41,336,563,932	
Total non-current liabilities				43,808,625,446	43,332,520,243	
Current liabilities						
Trade payables	USD	31,539,273	84.150	2,654,029,840	3,257,353,923	
Intercompany trade payables	USD	14,335,317	84.050	1,204,883,434	3,409,294,724	
Trade payables	SEK	17,377,400	84.050	179,401,668	637,809,482	
Loans	USD	82,084,753	10.320	6,907,431,875	6,438,603,089	
Total Current Liabilities				10,945,746,817	13,743,061,218	
Total Liabilities				54,754,372,263	57,075,581,461	
Assets and liabilities, net				(52,024,374,886)	(49,009,625,955)	

(1) Exchange rates prevailing at year end, as published by Banco Nación. An average exchange rate is applied to balances with related parties.

Information required by Exhibit G, in compliance with Section 1, Chapter III, Title IV of the restated text by the CNV.

The Company considers that, if all variables remain constant, a devaluation of 1% of US dollar and Swedish Crown compared to the Argentine peso would increase loss for the year in the following way:

Net asset / (liability) position	Argentine peso	
	12/31/2020	12/31/2019
US dollars	(518,449,732)	(483,718,165)
Swedish crowns	(1,794,017)	(6,378,095)
	<b>(520,243,749)</b>	<b>(490,096,260)</b>

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 5: FINANCIAL RISK MANAGEMENT (Cont'd)**

**5.1 Financial risk factors (Cont'd)**

***a) Market risks (Cont'd)***

Price risk

Group revenue rely, to a lesser extent, on sales made under Resolution 31/20, which replaced ES Resolution 1/19. This resolution adapts certain remuneration criteria to economic conditions which are reasonable, foreseeable and efficient, through medium-term commitments. The Group 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 Group, it were no longer eligible to participate in the Energía Plus Program (ES Resolution No. 1281/06), Resolution No. 220/07 and/or ES Resolution No. 21/16, or if these resolutions were repealed or substantially amended, and the Group were obliged to sell all the power generated in the Spot Market or the sales price were limited, the results of the Group could be badly affected.

Additionally, the Group's investments in listed capital instruments are susceptible to the market price risk deriving from the uncertainties on the future value of these instruments. Considering the minor importance of investments in equity instruments vis-à-vis the net position of assets/liabilities, the Group is not significantly exposed to risks relating to price instruments.

In addition, the Group is not exposed to the raw materials price risk.

Interest rate risk

Interest rate risk arises from the Group's debt at floating rate. Indebtedness at floating rate exposes the Group 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 Group 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 Group 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.

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

	<b>12/31/2020</b>	<b>12/31/2019</b>
Fixed rate:	46,899,198,172	46,503,824,563
	<b>46,899,198,172</b>	<b>46,503,824,563</b>
Floating rate:	3,799,455,374	3,602,270,845
	<b>3,799,455,374</b>	<b>3,602,270,845</b>
	<b>50,698,653,546</b>	<b>50,106,095,408</b>

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 5: FINANCIAL RISK MANAGEMENT (Cont'd)**

**5.1 Financial risk factors (Cont'd)**

***a) Market risks (Cont'd)***

**Interest rate risk (Cont'd)**

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

	<b>12/31/2020</b>	<b>12/31/2019</b>
Floating rate:	37,994,554	36,022,708
<b>Impact on the profit/(loss) for the year</b>	<b>37,994,554</b>	<b>36,022,708</b>

***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 which replaced ES Resolution No. 19/17, and generators with contracts under Resolutions No. 220/07 and ES No. 21/16 receive through CAMMESA the payments for making available the power and energy supplied to the system.

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

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 5: FINANCIAL RISK MANAGEMENT (Cont'd)**

**5.1 Financial risk factors (Cont'd)**

***c) Liquidity risk***

The Management of the Group monitors the updated projections on liquidity requirements to ensure that the Group has enough cash to cover the operational needs while maintaining an adequate level of credit facilities available. In this way, the Group 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 Group 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 Group'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.

<b>At December 31, 2020</b>	<b>Less than 3 months</b>	<b>Between 3 months and 1 year</b>	<b>Between 1 and 2 years</b>	<b>After 2 years</b>	<b>Total</b>
Trade and other payables	4,378,148,026	796,103,571	1,713,962,301	949,029,883	7,837,243,781
Loans	5,126,594,326	10,302,194,119	13,004,107,098	39,416,890,565	67,849,786,108
<b>Total</b>	<b>9,504,742,352</b>	<b>11,098,297,690</b>	<b>14,718,069,399</b>	<b>40,365,920,448</b>	<b>75,687,029,889</b>

<b>At December 31, 2019</b>	<b>Less than 3 months</b>	<b>Between 3 months and 1 year</b>	<b>Between 1 and 2 years</b>	<b>After 2 years</b>	<b>Total</b>
Trade and other payables	6,888,465,903	1,421,485,681	1,674,616,975	323,966,980	10,308,535,539
Loans	5,917,428,155	8,300,489,297	13,839,160,915	44,772,989,738	72,830,068,105
<b>Total</b>	<b>12,805,894,058</b>	<b>9,721,974,978</b>	<b>15,513,777,890</b>	<b>45,096,956,718</b>	<b>83,138,603,644</b>

**5.2 Capital risk management**

The objectives of the Group when it administers capital are to secure the correct operation of the Group, 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 Group 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).

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 5: FINANCIAL RISK MANAGEMENT (Cont'd)**

**5.2 Capital risk management (Cont'd)**

In the year ended December 31, 2020, the Group 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:

	<b>12/31/2020</b>	<b>12/31/2019</b>
Total loans (*)	50,698,653,546	50,106,095,408
Less: cash and cash equivalents	(2,451,079,364)	(2,320,763,654)
Net debt	48,247,574,182	47,785,331,754
EBITDA (1)	12,892,313,259	13,790,781,040
<b>Net debt/ EBITDA</b>	<b>3.74</b>	<b>3.47</b>

(1) Amount not covered by the Audit Report.

**NOTE 6: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The estimates made and accounting judgments applied are continually evaluated and are based on past experience and other factors that are believed to be reasonable under the circumstances.

The preparation of the financial statements require that the Group makes estimates and carries out evaluations relating to the future. Actual future results may differ from those estimates and assessments made at the date these consolidated 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:

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

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

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

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

The discounted cash flows at December 31, 2020 consider two scenarios (pessimistic and basic scenarios) with different probabilities of occurrence. The two scenarios arise from current rate schedules and are combined with different turbine dispatch alternatives.



**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

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

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

The criteria considered in each scenario are the following:

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

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 may differ from estimates, so the projected cash flows may be badly affected if one of the above-mentioned factors change in the near future.

The Group 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 Group will need:

To increase the fair value of land, buildings, facilities and machinery by \$5,130 million, if it were favorable; or  
To reduce the fair value of land, buildings, facilities and machinery by \$5,130 million, if it were not favorable.

At December 31, 2020, GMSA 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/(loss). CTR also performed the same analysis which showed an increase in assets for \$630,631,283, with its effects being recognized in other comprehensive income/(loss). At December 31, 2010, the fair values of Property, plant and equipment of the Group were revalued at \$51,304,116,235.

**b) 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 ASA's subsidiaries or associates constitute a cash generating unit, already representing the lowest level of separation of assets that generate independent cash flows.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

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

**b) Impairment of assets (Cont'd)**

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:

- a) First, to reduce the carrying value of goodwill allocated to the cash generating unit, and
- b) 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 to sell and its value in use, or zero.
- c) The amount of the impairment loss that cannot be otherwise 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.

**c) Current and deferred income taxes**

The Group 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.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

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

**c) Current and deferred income taxes (Cont'd)**

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.

**d) Provisions**

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

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

**e) 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 amounted to \$2,750,107 and \$3,744,012 at December 31, 2020 and 2019, respectively.

For more information on the balance of the allowance for bad debts, see Note 11 to these consolidated financial statements.

**f) Defined benefit plans**

GMSA, CTR and GROSA determine 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 period 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.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 7: PROPERTY, PLANT AND EQUIPMENT**

Captions	ORIGINAL VALUE						DEPRECIATION				NET VALUE	
	Value at beginning of year	Increases (1)	Decreases / transfers (2)	Revaluation of original values	(Impairment)/ Recovery	Value at the end of year	Accumulated at beginning of year	For the year	Revaluation of accumulated depreciation	Accumulated at year end	12/31/2020	12/31/2019
Land	1,314,838,198	3,251,745	(6,359,792)	-	-	1,311,730,151	-	-	-	-	1,311,730,151	1,314,838,198
Buildings	2,575,752,825	4,387	9,325,643	(57,243,011)	-	2,527,839,844	-	57,243,011	(57,243,011)	-	2,527,839,844	2,575,752,825
Facilities	6,042,911,854	27,858,810	-	(29,583,564)	-	6,041,187,100	-	387,214,675	(387,214,675)	-	6,041,187,100	6,042,911,854
Machinery and turbines	43,524,759,131	63,612,821	-	(2,165,012,812)	-	41,423,359,140	-	2,376,925,110	(2,376,925,110)	-	41,423,359,140	43,524,759,131
Computer and office equipment	91,025,481	16,425,370	-	-	-	107,450,851	67,984,448	14,016,258	-	82,000,706	25,450,145	23,041,033
Vehicles	56,866,438	-	-	-	-	56,866,438	34,732,914	6,558,991	-	41,291,905	15,574,533	22,133,524
Tools	69,745,443	4,867,989	1,380,867	-	-	75,994,299	40,039,829	3,985,163	-	44,024,992	31,969,307	29,705,614
Furniture and fixtures	5,162,694	-	-	-	-	5,162,694	4,465,657	577,533	-	5,043,190	119,504	697,037
Works in progress	15,439,473,037	8,300,265,374	(10,178,997)	-	-	23,729,559,414	-	-	-	-	23,729,559,414	15,439,473,037
Civil constructions on third party property	205,923,156	-	-	-	-	205,923,156	163,550,260	4,413,135	-	167,963,395	37,959,761	42,372,896
Installations on third party property	1,177,899,984	5,200,714	-	-	-	1,183,100,698	973,273,852	22,076,960	-	995,350,812	187,749,886	204,626,132
Machinery and turbines on third party property	830,503,001	-	-	-	-	830,503,001	615,007,032	23,290,708	-	638,297,740	192,205,261	215,495,969
Right-of-use third party property	-	107,999,737	-	-	-	107,999,737	-	-	-	-	107,999,737	-
Leasehold improvements in progress	-	1,380,867	(1,380,867)	-	-	-	-	-	-	-	-	-
Spare parts and materials	470,292,795	57,855,025	(8,131,880)	-	-	520,015,940	-	-	-	-	520,015,940	470,292,795
<b>Total at 12/31/2020</b>	<b>71,805,154,037</b>	<b>8,588,722,839</b>	<b>(15,345,026)</b>	<b>(2,251,839,387)</b>	<b>-</b>	<b>78,126,692,463</b>	<b>1,899,053,992</b>	<b>2,896,301,544</b>	<b>(2,821,382,796)</b>	<b>1,973,972,740</b>	<b>76,152,719,723</b>	<b>-</b>
<b>Total at 12/31/2019</b>	<b>66,729,865,457</b>	<b>10,075,083,716</b>	<b>2,336,572,197</b>	<b>(7,505,099,444)</b>	<b>168,732,111</b>	<b>71,805,154,037</b>	<b>2,609,374,787</b>	<b>3,158,341,480</b>	<b>(3,868,662,275)</b>	<b>1,899,053,992</b>	<b>-</b>	<b>69,906,100,045</b>

(1) Includes the acquisition of assets of the project for the start-up and enlargement of the electricity generation plant.

(2) At December 31, 2019, it includes transfers of assets held for sale at December 31, 2018.

Information required by Exhibit A, in compliance with Section 1, Chapter III, Title IV of the CNV restated text.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 8: INFORMATION ON SUBSIDIARIES AND ASSOCIATES**

**a) Information on subsidiaries**

The Group carries its business through various operating subsidiaries. See composition of the Economic Group, equity interest percentages, materiality criteria and other relevant information on the Group subsidiaries in Note 4.2.

**GROSA**

On April 27, 2011 the Ordinary Shareholders' Meeting of Central Térmica Sorrento S.A. unanimously approved the lease contract with GROSA; the purpose of the agreement is to rent both the building and the assets added to the Power Plant, including the generator, equipment and other available fixed assets and spare parts. The contract was effectively valid as from November 15, 2010 (with a 9-month grace period) and has a set term of 10 years, with a renewal option for 7 additional years. The first fee installment was invoiced on August 1, 2011.

In December 2020, GROSA decided to exercise the option to extend the term of the lease contract, it being executed on February 10, 2021. Therefore, the useful life of property, plant and equipment has been adjusted at year end.

Additionally, the parties agreed that GROSA should make payments on behalf of Central Térmica Sorrento S.A. in connection with expenses and taxes arising prior to November 1, 2010, for up to \$4,000,000, accruing compensatory interest at an annual nominal rate of 18%. The repayment of these concepts (debt plus compensatory interest) by Central Térmica Sorrento S.A. shall be made in 42 monthly and consecutive installments. Finally, and in view of the lease contract mentioned above, the parties agreed offsetting the reciprocal balances.

At the date of issuance of these consolidated financial statements, the first 35 installments of the above mentioned agreement are effectively offset, with balances corresponding to the fixed installments invoiced by Central Térmica Sorrento S.A. from August 2011 to June 2014 inclusive, with a remaining balance of \$715,565 to be offset. If the last fixed installment of the lease agreement corresponding to July 2014 and the variable installments of the periods between August 2014 and January 2015 had been invoiced, the balances to be offset for these concepts would have been partially decreased.

On December 23, 2015 the reorganization proceeding of Central Térmica Sorrento S.A. was initiated. This situation does not affect the lease agreement mentioned above or the electric power generation business.

On November 10, 2016, a mediation hearing was closed without reaching an agreement in connection with the eviction of the property under a lease agreement mentioned in the preceding paragraph. GROSA estimates that it is highly unlikely that the eviction will take place as Central Térmica Sorrento S.A. has no right to be granted this order.

In the case “Central Térmica Sorrento S.A. c/ Generación Rosario S.A. s/Medidas Precautorias” (“Central Térmica Sorrento S.A. v. Generación Rosario S.A. on precautionary measures”), an attachment was levied on the funds that CAMMESA should settle with Generación Rosario S.A. for \$13,816,696, plus interest for \$6,900,000, which was recorded by CAMMESA in the settlement dated December 12, 2017. In reply to this resolution, on April 17, 2018 the attachment decreed against GROSA was replaced with a bond insurance policy. The sums subject to the court-ordered attachment were returned to the Company on June 28, 2018.

Furthermore, payment of monthly rentals through judicial consignment was requested in re. “Generación Rosario S.A. c/ Central Térmica Sorrento S/ Consignación” (“Generación Rosario S.A. v. Central Térmica Sorrento on Consignment”).

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 8: INFORMATION ON SUBSIDIARIES AND ASSOCIATES (Cont'd)**

**b) Financial information of subsidiaries with significant non-controlling interest**

Non-controlling interest in subsidiaries is not significant for the Group.

At December 31, 2020 and 2019, the Group's associate is Solalban Energía S.A.

In 2008, ASA, with a 42% interest, together with Solvay Indupa S.A.I.C. created Solalban Energía S.A. aimed at building a power plant with a generation capacity of 165 MW located in the petrochemical area of the city of Bahia Blanca, Province of Buenos Aires.

Changes in the investments in the Group's associates for the year ended December 31, 2020 and 2019 are as follows:

	<u>12/31/2020</u>	<u>12/31/2019</u>
<b>At beginning of year</b>	<b>330,850,803</b>	<b>527,697,999</b>
Income/(loss) from interests in associates	(31,587,721)	(196,847,196)
<b>Year end</b>	<b><u>299,263,082</u></b>	<b><u>330,850,803</u></b>

Below is a breakdown of the investments and the value of interests held by the Group in the associate at December 31, 2020 and 2019, as well as the Group's share in the income/loss of the associate for the fiscal years ended on December 31, 2020 and 2019:

Name of issuing entity	Main activity	% share interest		Equity value		Share of profit of the Company in income/loss	
		12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Associates							
Solalban Energía S.A.	Electricity	42%	42%	299,263,082	330,850,803	(31,587,721)	(196,847,196)
				<b>299,263,082</b>	<b>330,850,803</b>	<b>(31,587,721)</b>	<b>(196,847,196)</b>

Information required by Exhibit C, in compliance with Section 1, Chapter III, Title IV of the CNV restated text.

Summarized statement of financial position:

	<u>12/31/2020</u>	<u>12/31/2019</u>
Total non-current assets	707,909,711	774,916,068
Total Current Assets	702,664,175	752,840,767
<b>Total Assets</b>	<b><u>1,410,573,886</u></b>	<b><u>1,527,756,835</u></b>
<b>Total equity</b>	<b><u>712,531,147</u></b>	<b><u>787,740,007</u></b>
Total non-current liabilities	142,382,905	175,902,977
Total current liabilities	555,659,834	564,113,851
<b>Total liabilities</b>	<b><u>698,042,739</u></b>	<b><u>740,016,828</u></b>
<b>Total liabilities and equity</b>	<b><u>1,410,573,886</u></b>	<b><u>1,527,756,835</u></b>

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 8: INFORMATION ON SUBSIDIARIES AND ASSOCIATES (Cont'd)**

**b) Financial information of subsidiaries with significant non-controlling interest (Cont'd)**

Summarized statement of income and statement of comprehensive income:

	<u>12/31/2020</u>	<u>12/31/2019</u>
Sales revenue	2,722,067,589	3,446,125,701
Income/loss for the year	(75,208,859)	(468,683,804)
<b>Total comprehensive income/(loss) for the year</b>	<b><u>(75,208,859)</u></b>	<b><u>(468,683,804)</u></b>

Statement of Cash Flows:

	<u>12/31/2020</u>	<u>12/31/2019</u>
Cash flows provided by operating activities	41,851,454	140,140,666
Cash flows (used in) investment activities	(38,443,767)	(71,031,291)
<b>Increase in cash for the year</b>	<b><u>3,407,687</u></b>	<b><u>69,109,375</u></b>

The information above shows the balances recorded in the financial statements of the associate (not the share of the Group in those amounts) adjusted by differences in accounting policies for valuation of property, plant and equipment under the revaluation model.

**NOTE 9: INVENTORIES**

	<u>12/31/2020</u>	<u>12/31/2019</u>
<u>Current</u>		
Supplies and materials	290,732,126	337,793,585
	<b><u>290,732,126</u></b>	<b><u>337,793,585</u></b>

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 10: OTHER RECEIVABLES**

	<b>Note</b>	<b>12/31/2020</b>	<b>12/31/2019</b>
<u>Non-current</u>			
Value added tax		199,533,148	192,714,601
Minimum notional income tax		94,470,854	128,613,176
Income tax credits		2,175,630	-
Tax Law No. 25413		201,029,264	-
Other tax credits		505,553	1,067,514
Turnover tax credit balance		5,302,015	-
<b>Sub-total tax credits</b>		<b>503,016,464</b>	<b>322,395,291</b>
Related companies	<b>32</b>	18,154,808	24,716,062
Other credits with C.T. Sorrento		2,124,837	2,892,768
Credit provision	<b>11</b>	(1,859,204)	(2,531,126)
		<b>521,436,905</b>	<b>347,472,995</b>
<u>Current</u>			
Value added tax		10,954,189	101,083,055
Turnover tax credit balance		16,075,573	24,346,423
Tax Law No. 25413		-	174,575,920
Other tax credits		7,796,219	10,497,045
<b>Sub-total tax credits</b>		<b>34,825,981</b>	<b>310,502,443</b>
Advances to suppliers		3,689,560,157	3,349,213,797
Insurance to be accrued		184,360,012	144,330,164
Related companies	<b>32</b>	49,258,077	13,994,553
Loans to Directors/Shareholders	<b>32</b>	119,920,559	81,620,060
Shareholders	<b>32</b>	399,732,124	248,387,872
Sundry		73,964,862	10,281,402
		<b>4,551,621,772</b>	<b>4,158,330,291</b>

**NOTE 11: TRADE RECEIVABLES**

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

	<b>12/31/2020</b>	<b>12/31/2019</b>
<u>Current</u>		
Trade receivables	3,029,354,675	4,294,766,334
Sales not yet billed	1,527,255,151	2,079,827,934
Allowance for bad debts	(2,750,107)	(3,744,012)
	<b>4,553,859,719</b>	<b>6,370,850,256</b>

The movements of the provision for trade and other receivables are as follows:

	<b>For trade receivables</b>	<b>For other receivables</b>
<b>Balances at December 31, 2019</b>	<b>3,744,012</b>	<b>2,531,126</b>
RECPAM (Purchasing Power Parity)	(993,905)	(671,922)
<b>Balances at December 31, 2020</b>	<b>2,750,107</b>	<b>1,859,204</b>

Information required by Exhibit E, in compliance with Section 1, Chapter III, Title IV of the CNV restated text.



**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 12: CASH AND CASH EQUIVALENTS**

	<u>12/31/2020</u>	<u>12/31/2019</u>
Cash	604,555	822,089
Checks to be deposited	29,940,766	899,504
Banks	602,659,829	2,015,041,601
Mutual funds	1,817,874,214	304,000,460
<b>Cash and cash equivalents</b>	<b><u>2,451,079,364</u></b>	<b><u>2,320,763,654</u></b>

For the purposes of the cash flow statement, cash, cash equivalents include:

	<u>12/31/2020</u>	<u>12/31/2019</u>
Cash and cash equivalents	2,451,079,364	2,320,763,654
<b>Cash and cash equivalents</b>	<b><u>2,451,079,364</u></b>	<b><u>2,320,763,654</u></b>

**NOTE 13: CAPITAL STATUS**

Subscribed and registered capital at December 31, 2020 amounted to \$64,451,745.

**NOTE 14: DISTRIBUTION OF PROFITS**

*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 net profit reported in the statement of comprehensive income for the year, 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.

Due to the issuance of the International Negotiable Obligation, co-issued by GMSA and CTR and guaranteed by ASA, the Company must comply with ratios on a combined basis to be allowed to distribute dividends.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 15: TRADE PAYABLES**

	Note	12/31/2020	12/31/2019
<u>Non-current</u>			
Suppliers		2,661,355,267	1,995,956,311
		<b>2,661,355,267</b>	<b>1,995,956,311</b>
<u>Current</u>			
Suppliers		3,225,254,037	4,402,745,892
Advances from customers		782,819	-
Provisions for invoices to be received		291,684,974	353,376,322
Related companies	32	1,656,236,591	3,552,928,126
		<b>5,173,958,421</b>	<b>8,309,050,340</b>

**NOTE 16: OTHER LIABILITIES**

	Note	12/31/2020	12/31/2019
<u>Non-current</u>			
Other income to be accrued		1,636,917	2,627,644
		<b>1,636,917</b>	<b>2,627,644</b>
<u>Current</u>			
Related companies	32	-	502,108
Other income to be accrued	-	293,176	399,136
		<b>293,176</b>	<b>901,244</b>

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 17: LOANS**

	12/31/2020	12/31/2019
<u>Non-current</u>		
International bond	27,964,778,099	27,394,637,590
Negotiable Obligations	8,062,869,488	10,890,310,666
Foreign loan debt	5,070,587,790	4,381,548,942
Other bank debts	354,257,272	202,530,530
Finance lease debts	129,512,443	110,808,242
	<b>41,582,005,092</b>	<b>42,979,835,970</b>
<u>Current</u>		
International bond	1,139,546,067	1,095,937,944
Negotiable Obligations	5,140,564,025	2,309,067,223
Foreign loan debt	821,133,050	992,592,650
Syndicated Loan	177,811,818	543,458,639
Other bank debts	1,738,131,281	2,113,862,983
Finance lease debts	99,462,213	71,339,999
	<b>9,116,648,454</b>	<b>7,126,259,438</b>

## Albanesi S.A.

### Notes to the Consolidated Financial Statements (Cont'd)

#### NOTE 17: LOANS (Cont'd)

At December 31, 2020, the total financial debt amounts to \$50,699 million. The following table shows the total debt at that date.

	Borrower	Principal	Balances at 12/31/2020 (Pesos)	Interest rate (%)	Currency	Date of Issue	Maturity date
<u>Loan agreement</u>							
Cargill	GMSA	USD 5,000,000	440,146,881	LIBOR + 4.25%	USD	2/16/2018	6/4/2021
BLC	GMSA	USD 11,547,115	909,784,884	12% first installment; 11.5% second installment and LIBOR USD 6 months plus 8.875% for the remaining installments.	USD	6/26/2020	6/12/2023
JP Morgan	GMSA	USD 3,048,045	185,476,793	LIBOR 6m + 1%	USD	12/28/2020	No. 15/11/2025
Eurobanco Loan	ASA	USD 1,616,436	127,985,387	7.00%	USD	9/21/2020	7/27/2023
Credit Suisse AG London Branch	GECEEN	USD 26,833,722	2,171,610,434	13.09%	USD	4/25/2018	6/20/2023
Credit Suisse AG London Branch	GECEEN	USD 24,383,333	2,056,716,461	7.75%	USD	4/25/2018	6/20/2023
<b>Subtotal</b>			<b>5,891,720,840</b>				
<u>Syndicated loan</u>							
ICBC / Hipotecario / Citibank	GMSA	\$178,425,000	177,811,818	Tranche A: Adjusted BADLAR (BADCOR) + 10% and Tranche B: BADLAR + 11.34%	ARS	9/30/2020	8/30/2021
			<b>177,811,818</b>				
<u>Debt securities</u>							
International NO	GMSA/CTR	USD 332,326,000	29,104,324,166	9.625%	USD	7/27/2016	7/27/2023
Class II Negotiable Obligation co-issuance	GMSA/CTR	USD 80,000,000	6,738,912,947	15.00%	USD	8/5/2019	5/5/2023
Class III Negotiable Obligation co-issuance	GMSA/CTR	USD 7,088,573	619,270,628	8.00% until the first amortization date 13.00% until the second amortization date.	USD	12/4/2019	4/12/2021
Class IV Negotiable Obligation co-issuance	GMSA/CTR	USD 16,356,968	1,361,067,538	13% until the second interest payment date, 10.50% until maturity date	USD	12/2/2020	4/11/2022
Class V Negotiable Obligation co-issuance	GMSA/CTR	USD 14,369,484	1,197,085,250	6.00%	USD	11/27/2020	11/27/2022
Class VIII Negotiable Obligations	GMSA	\$312,884,660	319,791,911	BADLAR + 5%	ARS	8/28/2017	8/28/2021
Class X Negotiable Obligations	GMSA	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	12/4/2019	2/16/2021
Class XI Negotiable Obligations	GMSA	USD 9,876,755	827,645,150	6.50%	USD	6/23/2020	6/23/2021
Class XIII Negotiable Obligations	GMSA	USD 13,076,765	1,086,059,653	12.50%	USD	12/2/2020	2/16/2024
Class IV Negotiable Obligations	CTR	\$291,119,753	306,063,510	BADLAR + 5%	ARS	7/24/2017	7/24/2021
Class III Negotiable Obligations:	ASA	\$179,078,439	179,708,971	BADLAR + 4.25%	ARS	6/15/2017	6/15/2021
<b>Subtotal</b>			<b>42,307,757,679</b>				
<u>Other liabilities</u>							
Banco Macro loan	GMSA	USD 666,667	56,392,029	10.00%	USD	8/30/2018	1/12/2021
Banco Macro loan	GMSA	\$96,400,000	97,596,783	BADLAR + 10%	ARS	8/3/2020	7/12/2021
Banco Supervielle loan	GMSA	\$106,000,000	114,994,112	Base rate + 8%	ARS	10/29/2020	2/26/2021
Banco Supervielle loan	GMSA	\$106,000,000	114,994,112	Base rate + 8%	ARS	10/29/2020	4/27/2021
Banco Chubut loan	GMSA	USD 2,000,000	168,899,425	10.00%	USD	12/18/2020	6/4/2021
Banco Ciudad loan	CTR	USD 3,379,443	287,785,157	7.90%	USD	8/4/2017	7/4/2021
BAPRO Loan	CTR	\$708,514,544	720,544,539	Adjusted Badlar	ARS	1/21/2020	3/4/2022
ICBC Loan	CTR	\$33,626,250	33,668,379	Adjusted BADCOR + 10%	ARS	9/30/2020	8/31/2021
Banco Macro loan	CTR	\$48,200,000	49,210,219	Badlar + 10%	ARS	8/3/2020	8/12/2021
Banco Macro loan	CTR	USD 333,333	28,180,653	9.00%	USD	12/28/2018	1/12/2021
Banco Supervielle loan	CTR	\$28,700,000	28,687,543	Base rate + 8.60%	ARS	10/29/2020	4/26/2021
Banco Supervielle loan	CTR	\$389,000,000	391,435,602	49.50%	ARS	12/23/2020	3/22/2021
Finance lease	GMSA/CTR		228,974,656				
<b>Subtotal</b>			<b>2,321,363,209</b>				
<b>Total financial debt</b>			<b>50,698,653,546</b>				

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 17: LOANS (Cont'd)**

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

	<u>12/31/2020</u>	<u>12/31/2019</u>
<b>Fixed rate</b>		
Less than 1 year	6,441,835,790	5,104,223,517
Between 1 and 2 years	5,220,684,528	8,111,013,361
Between 2 and 3 years	34,859,466,252	4,235,180,424
After 3 years	377,211,602	29,053,407,261
	<u><b>46,899,198,172</b></u>	<u><b>46,503,824,563</b></u>
<b>Floating rate</b>		
Less than 1 year	2,674,812,664	2,022,035,921
Between 1 and 2 years	670,240,445	1,534,700,644
Between 2 and 3 years	454,402,265	45,496,194
After 3 years	-	38,086
	<u><b>3,799,455,374</b></u>	<u><b>3,602,270,845</b></u>
	<u><b>50,698,653,546</b></u>	<u><b>50,106,095,408</b></u>

The fair value of Company's international bonds at December 31, 2020 and 2019 amounts to approximately \$17,584 million and \$17,396 million, respectively. This value was calculated based on the estimated market price of the Company's international bonds at the end of each fiscal year. The applicable fair value hierarchy would be Level 1.

The other floating rate loans are measured 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.

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

Group loans are denominated in the following currencies:

	<u>12/31/2020</u>	<u>12/31/2019</u>
Argentine pesos	2,643,951,492	2,330,928,387
US dollars	48,054,702,054	47,775,167,021
	<u><b>50,698,653,546</b></u>	<u><b>50,106,095,408</b></u>

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 17: LOANS (Cont'd)**

The evolution of Group's loans during the year was the following:

	<b>12/31/2020</b>	<b>12/31/2019</b>
<b>Loans at the beginning of year</b>	<b>50,106,095,408</b>	<b>47,262,688,775</b>
Loans received	7,263,730,025	13,207,710,929
Loans paid	(7,811,070,327)	(11,517,920,323)
Accrued interest	6,020,167,657	5,615,102,968
Interest paid	(5,593,014,943)	(4,810,439,327)
Exchange difference	15,657,812,376	21,458,538,486
Capitalized expenses	200,278,717	(472,523,935)
RECPAM (Purchasing Power Parity)	(15,145,345,367)	(20,637,062,165)
<b>Loans at year end</b>	<b>50,698,653,546</b>	<b>50,106,095,408</b>

During December 2020, the Group 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 by GMSA 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 GMSA and maturing in 2021; (ii) the co-issuance between the GMSA and CTR 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 GMSA and CTR for the amount of USD 80,000,000; (iv) the amendment to the loan agreement with Credit Suisse (originally entered into by GECEN and subsequently assumed by GMSA and ASA); and (v) the amendment to the commercial and financial loan agreement between GMSA and 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 NO 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.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**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 NO:**

**Principal:** Nominal value: USD 336,000,000; amount assigned to GMSA: USD 266,000,000 (considering the effect of merger Generación Frías S.A.) and the value assigned to CTR: USD 70,000,000.

**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 332,326,000.

As a result of the issue of International Obligations, the Group has undertaken standard commitments for this type of issue, whose specific conditions are detailed in the pertinent public prospect. At the date of these consolidated financial statements, the Group is in compliance with all commitments undertaken.

***b) Negotiable obligations:***

At December 31, 2020 there are outstanding Class VIII, X, XI and XIII Negotiable Obligations (issued by GMSA), Class II, III, IV and V Negotiable Obligations (issued by GMSA and CTR), Class IV Negotiable Obligations (issued by CTR) and Class III Negotiable Obligations (issued by ASA) 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.

***b.1) GMSA NO***

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 (non-convertible into shares), for a total outstanding nominal value of up to USD 100,000,000 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.

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 or its equivalent in other currencies.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 17: LOANS (Cont'd)**

***b) Negotiable obligations (Cont'd)***

***b.1) GMSA NO (Cont'd)***

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

On August 7, 2020, at the Extraordinary General Shareholders' Meetings of GMSA and CTR, Co-Issuers GMSA and CTR approved a further increase 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 to USD 700,000,000, or its equivalent in other currencies. Further, Albanesi S.A. was added as guarantor for the Program.

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

**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.

**Class X Negotiable Obligations:**

On December 4, 2019, GMSA 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 Co-Issuance GMSA-CTR Class I Negotiable Obligations, 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.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 17: LOANS (Cont'd)**

***b) Negotiable obligations (Cont'd)***

***b.1) GMSA NO (Cont'd)***

**Class X Negotiable Obligations: (Cont'd)**

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

**Class XI Negotiable Obligations:**

On June 23, 2020, GMSA issued Class XI Negotiable Obligations under the conditions described below:

**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 XII Negotiable Obligations:**

On June 23, 2020, GMSA issued Class XII Negotiable Obligations under the conditions described below:

**Principal:** Nominal value: \$151,114,564.

**Interest:** Private banks BADLAR rate plus an 8% margin payable quarterly to maturity, on December 23, 2020.

**Payment term and method:** Amortization: Principal on the negotiable obligations shall be amortized in full in two consecutive quarterly installments. The first one on September 23, 2020 for 30% of the principal nominal value and the second for the remaining 70% at maturity.

On December 22, 2020, the Class XII Negotiable Obligation was fully redeemed.

**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

**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.



**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 17: LOANS (Cont'd)**

***b) Negotiable obligations (Cont'd)***

***b.1) GMSA NO (Cont'd)***

**Class XIII Negotiable Obligations: (Cont'd)**

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.

***b.2) CTR NO***

On August 8, 2014, CTR obtained, under Resolution No. 17413 of the CNV, authorization for: (i) the incorporation of CTR into the public offering system; and (ii) creation of a global program to issue simple (not convertible into shares) negotiable obligations for a total outstanding nominal value of USD 50,000,000 or its equivalent in other currencies, in one or more classes or series. This 5 year-program expired on August 08, 2019.

Also, 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 100,000,000 or its equivalent in other currencies.

Under Resolution No. RESFC-2019-20111-APN-DIR#CNV dated March 8, 2019, GMSA and CTR obtained authorization from the CNV to increase the International Bond co-issuance program by an amount of up to USD 300,000,000.

On August 7, 2020, at the Extraordinary General Shareholders' Meetings of GMSA and CTR, Co-Issuers GMSA and CTR approved a further increase 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 to USD 700,000,000, or its equivalent in other currencies. Further, Albanesi S.A. was added as guarantor for the Program.

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

Further, on August 28, 2020 CTR obtained, through CNV Resolution No. 20771, the authorization for the creation of a global program to issue simple (not convertible into shares) negotiable obligations for a total outstanding nominal value of up to USD 100,000,000 or its equivalent in other currencies, in one or more classes or series.

**Class IV Negotiable Obligations:**

On July 24, 2017, CTR issued Class IV Negotiable Obligations in the amount and under the conditions described below:

**Principal:** nominal value: \$291,119,753.

**Interest:** private banks BADLAR rate plus a 5% margin.

Interest on Class IV Negotiable Obligations will be paid quarterly in arrears, starting October 24, 2017 and until maturity.

**Payment term and method:** The principal of Class IV Negotiable Obligations will be fully settled within 48 months from the date of issuance.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 17: LOANS (Cont'd)**

***b) Negotiable obligations (Cont'd)***

***b.2) CTR NO (Cont'd)***

**Class IV Negotiable Obligations: (Cont'd)**

Negotiable obligations were paid up in cash and in kind, in the latter case through a swap of Class III NO for \$161,119,753. The remaining balance was fully paid in cash.

The proceeds from the issuance of Class IV negotiable obligations were applied to investment in fixed assets, debt refinancing and working capital. The swap of Class III Negotiable Obligations improved the Company's financial profile.

Principal balance due on that Negotiable Obligation amounted to \$291,119,753 at December 31, 2020.

***b.3) GMSA-CTR NO***

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

On October 11, 2017, the Company and GMSA issued Class I Negotiable Obligation in the amount and under the conditions described below:

**Principal:** total nominal value: USD 30,000,000; amount assigned to GMSA: USD 20,000,000; amount assigned to CTR: USD 10,000,000

**Interest:** 6.68% annual nominal, paid quarterly as from January 11, 2018 to maturity.

**Payment term and method:** Amortization: The principal of the Negotiable Obligations shall be amortized in one statement for 100% of the nominal value, on the date on which 36 months are completed from the date of issuance.

The proceeds from the issue of the Class I Negotiable Obligations were destined mainly to investments in property, plant and equipment on the various expansion projects at GMSA and CTR and, to a lesser extent, to working capital and refinancing liabilities.

With the co-issuance GMSA-CTR Class III NO a swap of 84.93% of the principal issued under Co-issuance GMSA-CTR Class I NO was achieved.

On October 2, 2020, the Class I Negotiable Obligation (CTR-GMSA Co-issuance) was fully redeemed.

**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; amount assigned to CTR: USD 8,000,000

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

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 17: LOANS (Cont'd)**

***b) Negotiable obligations (Cont'd)***

***b.3) GMSA-CTR NO***

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

**Maturity date:** May 5, 2023

**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 allocated chiefly to the refinancing of liabilities and investment in fixed assets and, to a lesser extent, to the financing of 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 80,000,000.

**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:** total nominal value: USD 25,730,782; amount assigned to GMSA: USD 17,153,855; amount assigned to CTR: USD 8,576,928

**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 Co-Issuance GMSA-CTR Class I NO, 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 7,088,573.

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

On December 2, 2020, the Company and CTR issued Class IV NO, fully paid by the swap of the Class III NO under the following conditions:

**Principal:** nominal value: USD 16,356,968; amount assigned to GMSA: USD 10,903,296; amount assigned to CTR: USD 5,453,672.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 17: LOANS (Cont'd)**

***b) Negotiable obligations (Cont'd)***

***b.3) GMSA-CTR NO***

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

**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 issuance allowed the swap of 69.39% of 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 16,356,968.

**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 (total value assigned to GMSA).

**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.

***b.4) ASA NO***

On November 20, 2015, ASA obtained, under Resolution No. 17887 of the CNV, authorization for: (i) the incorporation of ASA into the public offering system; and (ii) creation of a global program to issue simple (non-convertible) negotiable obligations for a total nominal value outstanding of USD 100,000,000 or its equivalent in other currencies, in one or more classes or series.

**Class III Negotiable Obligations:**

On June 15, 2017 the Company issued Class III Negotiable Obligations under the conditions described below:

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 17: LOANS (Cont'd)**

***b) Negotiable obligations (Cont'd)***

***b.4) ASA NO (Cont'd)***

**Class III Negotiable Obligations: (Cont'd)**

**Principal:** Nominal value: \$255,826,342.

**Interest:** Private Banks BADLAR rate plus a 4.25% margin.

**Amortization term and method:** interest on Class III Negotiable Obligations will be paid on a quarterly basis, in arrears, on the following dates: September 15, 2017; December 15, 2017; March 15, 2018; June 15, 2018; September 15, 2018; December 15, 2018; March 15, 2019; June 15, 2019; September 15, 2019; December 15, 2019; March 15, 2020; June 15, 2020; September 15, 2020; December 15, 2020; March 15, 2021, and June 15, 2021; if other than a business day, or if such day does not exist, the interest payment date will be the immediately following business day.

Principal on the Class III Negotiable Obligations will be paid in three (3) consecutive installments, on a quarterly basis, the first two equivalent to 30% of the nominal value of the Negotiable Obligations and the last one to 40%, on the dates on which 42, 45 and 48 months shall have elapsed from the date of issuance; i.e., on December 7, 2020, March 15, 2021 and June 15, 2021; if other than a business day, or if such day does not exist, the payment date will be the immediately following business day.

The issuance of Class III Negotiable Obligations was fully paid up with in-kind contributions as follows: a partial payment of Class I Negotiable Obligations for \$52,519,884 and of Class II Negotiable Obligations for \$203,306,458.

Principal balance on that class of negotiable obligations outstanding at December 31, 2019 is \$179,078,439.

***c) Other loans***

***c.1) GMSA - Loan JPMorgan Chase Bank, N.A.***

On July 6, 2020, GMSA entered into a loan agreement 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 20, 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.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 17: LOANS (Cont'd)**

***c) Other loans***

***c.2) GMSA - Loan from BLC***

**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, GMSA has complied with the loan-related covenants.

***c.3) GMSA - Cargill loan***

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

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.

***c.4) GMSA - 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.

***c.5) GECEN - Credit Suisse AG London Branch loan***

On April 4, 2018, the Board of Directors resolved to approve the request for a loan for (i) the early repayment of UBS AG Stamford Branch loan (jointly with its amendments, the "Existing Loan"), requested by Albanesi Energía S.A.; (ii) the construction, implementation and operation of a power plant of approximately 133 MW in Arroyo Seco, Province of Santa Fe, which comprises the acquisition by GECEN of, among other assets, two Siemens gas turbines of approximately 54 MW and all related ancillary systems and equipment, two boilers for recovery of residual heat and a steam turbine of approximately 25 MW and all related ancillary systems and equipment; and (iii) the construction, implementation and operation of the Albanesi Energía S.A. 170 MW project in the Timbúes region, Province of Santa Fe to be repaid in advance in accordance with item (i) above.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 17: LOANS (Cont'd)**

***c) Other loans***

***c.5) GECEN - Credit Suisse AG London Branch loan (Cont'd)***

To that end, on April 23, 2018, GECEN together with AESA, as borrowers, Credit Suisse AG, London Branch, as administrative agent, Credit Suisse Securities (USA) LLC and UBS Securities LLC, as joint lead arrangers, UBS AG Stamford Branch, Banco Hipotecario S.A., BACS Banco de Crédito y Securitización S.A., Banco de Inversión y Comercio Exterior S.A. and Credit Suisse AG Cayman Islands Branch entered into a loan agreement for up to three hundred and ninety five million United States dollars (USD 395,000,000).

Principal was expected to be disbursed in two tranches: Tranche A and Tranche B and repaid over a term of up to 5 (five) years (Tranche A) and up to 6 (six) years (Tranche B). Principal would accrue compensatory interest as set forth in the Agreement.

On April 25, 2018, the amount of USD 65,000,000 was disbursed under Tranche B of the loan.

In view of the macroeconomic context prevailing since May 2018, on October 16, 2018, GECEN decided, with the consent of creditors, to repay Tranche A of the loan agreement, with the Tranche B effectively disbursed on April 25 for USD 65,000,000 still pending repayment.

On March 7, 2019 a Forbearance agreement was entered into with the creditors of Tranche B in relation to the loan agreement to set a framework for the repayment of the outstanding balance of USD 52,981,896.

From this agreement, several complementary agreements arose, which were amended on a timely basis. The last amendment was executed on December 3, 2020 whereby the payment schedule and the due dates of the loan were changed to reduce payments of principal 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.

The balance of principal at the date of presentation of these consolidated financial statements totaled USD 51,217,055.

Amounts owed shall be paid as follows:

- (i) USD 24,383,333 payable in six quarterly installments, the first one falling due on March 20, 2022 and the last one on June 20, 2023, at an annual rate of 7.75%. This agreement was executed by GECEN and secured by ASA.
- (ii) USD 26,833,722 payable in six quarterly installments, the first one falling due on March 20, 2022 and the last one on June 20, 2023, at an annual rate of 13.09%. This agreement was executed by GECEN and secured by ASA and GMSA.

At December 31, 2020, GECEN had no covenants to comply with in relation to that loan.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 17: LOANS (Cont'd)**

***c) Other loans***

***c.6) ASA - Eurobanco loan***

**Principal:** USD 1,616,436

**Interest:** 7% fixed rate, payable quarterly to maturity.

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

***d) 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.

***e) Communication “A” 7106***

On September 15, 2020, the BCRA issued Communication “A” 7106 which states in item 7 that 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;
- (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 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 September 30, 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.



**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 17: LOANS (Cont'd)**

**e) Communication "A" 7106 (Cont'd)**

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.

The amortization of Class X GMSA Negotiable Obligations, the amortization of Class II GMSA-CTR co-issuance, the amortization under the BLC loan of GMSA and the principal amortization for March 2021 under the GECEN loan with Credit Suisse AG 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 18: LEASES**

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

Amounts recognized in the statement of Financial Position:

	<b><u>12/31/2020</u></b>	<b><u>12/31/2019</u></b>
<b>Right of use of assets</b>		
<b>Original value</b>		
Machinery	1,932,774,482	2,156,441,303
Vehicles	10,671,093	10,671,093
Right of use	107,999,737	-
Accumulated depreciation	(4,552,582)	(2,610,505)
	<u>2,046,892,730</u>	<u>2,164,501,891</u>
<b>Lease liabilities</b>		
Current	99,462,213	71,339,999
Non-current	129,512,443	110,808,242

Changes in Group finance leases were as follows:

	<b><u>12/31/2020</u></b>	<b><u>12/31/2019</u></b>
Financial lease at the beginning	182,148,241	248,487,711
Additions	107,999,737	-
Payments made for the year	(66,176,416)	(72,587,699)
Interest paid	(20,229,296)	(38,239,736)
Accrued interest and exchange difference	71,263,001	136,420,524
RECPAM (Purchasing Power Parity)	(46,030,611)	(91,932,559)
<b>Financial lease at the year-end</b>	<b><u>228,974,656</u></b>	<b><u>182,148,241</u></b>

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 19: 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. They include the activity of the provision for trade and other receivables disclosed in the pertinent captions.

At December 31, 2020, the provision for contingencies has been paid.

Information required by Exhibit E, in compliance with Section 1, Chapter III, Title IV of the CNV restated text.

**NOTE 20: SOCIAL SECURITY DEBTS**

	<b><u>12/31/2020</u></b>	<b><u>12/31/2019</u></b>
<u>Current</u>		
Salaries payable	4,306,225	9,242,891
Social security charges payable	108,076,394	104,062,414
Provision for vacation pay and Christmas bonus	28,858,238	22,068,101
Bonus accrual	17,175,064	11,986,875
Income tax withholdings to be deposited	39,609	-
	<b><u>158,455,530</u></b>	<b><u>147,360,281</u></b>

**NOTE 21: TAX PAYABLES**

	<b><u>12/31/2020</u></b>	<b><u>12/31/2019</u></b>
<u>Current</u>		
Withholdings to be deposited	227,015,569	55,458,069
Payment-in-installment plan	361,877,291	215,025,011
National Fund of Electric Energy	4,252,610	5,193,023
Value added tax payable	124,922,300	73,646,423
Turnover tax payable	5,652,700	2,195,832
Other	1,339,469	2,323,281
	<b><u>725,059,939</u></b>	<b><u>353,841,639</u></b>

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 22: INCOME TAX**

Deferred assets and liabilities are offset when: a) there is a legally enforceable right to offset tax assets with tax liabilities; and b) the deferred tax charges are related to the same tax authority. The following amounts, determined after offsetting, are disclosed in the Statement of Financial Position.

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

	<u>12/31/2020</u>	<u>12/31/2019</u>
Deferred tax assets:		
Deferred tax assets to be recovered over more than 12 months	303,773	258,920
	<u>303,773</u>	<u>258,920</u>
Deferred tax liabilities:		
Deferred tax liabilities to be settled over more than 12 months	(13,441,350,028)	(10,265,949,922)
	<u>(13,441,350,028)</u>	<u>(10,265,949,922)</u>
<b>Deferred tax (liabilities), net</b>	<u><b>(13,441,046,255)</b></u>	<u><b>(10,265,691,002)</b></u>
	<u>12/31/2020</u>	<u>12/31/2019</u>
<b>Balance at the beginning of year</b>	(10,265,691,002)	(5,227,360,470)
Charge to income statement	(3,032,064,562)	(5,950,217,379)
Charge to other comprehensive income/(loss)	(143,290,691)	911,886,847
<b>Balance at year end</b>	<u><b>(13,441,046,255)</b></u>	<u><b>(10,265,691,002)</b></u>

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:

Items	Balances at 12/31/2019	Charge to income statement	Charge to other comprehensive income	Balances at 12/31/2020
	<u>\$</u>			
Deferred tax - Assets (Liabilities)				
Property, plant and equipment	(12,747,155,466)	(1,442,728,338)	(157,657,821)	(14,347,541,625)
Investments	18,388,649	(20,857,423)	-	(2,468,774)
Trade receivables	1,810,453	(480,612)	-	1,329,841
Other receivables	77,545,886	150,448,835	-	227,994,721
Loans	(70,255,337)	31,441,613	15,271,969	(23,541,755)
Provisions	8,950,031	15,973,080	(904,839)	24,018,272
Inflation adjustment	(3,716,579,296)	(1,059,894,587)	-	(4,776,473,883)
<b>Subtotal</b>	<u><b>(16,427,295,080)</b></u>	<u><b>(2,326,097,432)</b></u>	<u><b>(143,290,691)</b></u>	<u><b>(18,896,683,203)</b></u>
Provisions	(120,735,212)	-	-	(120,735,212)
Deferred tax losses	6,282,339,290	(705,967,130)	-	5,576,372,160
<b>Subtotal</b>	<u><b>6,161,604,078</b></u>	<u><b>(705,967,130)</b></u>	<u><b>-</b></u>	<u><b>5,455,636,948</b></u>
<b>Total</b>	<u><b>(10,265,691,002)</b></u>	<u><b>(3,032,064,562)</b></u>	<u><b>(143,290,691)</b></u>	<u><b>(13,441,046,255)</b></u>

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 22: INCOME TAX (Cont'd)**

**Tax Reform and Law on Social Solidarity and Productive Reactivation**

On December 29, 2017, the National Executive Branch enacted Law No. 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 years beginning on or after January 1, 2018 until December 31, 2019, and to 25% for fiscal years 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, 2019 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, 2020 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, 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.
- 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 in force in Argentina to the accounting profit before taxes for the years ended December 31, 2020 and 2019 is shown below:

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 22: INCOME TAX (Cont'd)**

	<b>12/31/2020</b>	<b>12/31/2019</b>
Pre-tax profit/(loss)	6,076,716,340	6,850,811,332
Current tax rate	30%	30%
<b>Income/(loss) at the tax rate</b>	<b>(1,823,014,902)</b>	<b>(2,055,243,400)</b>
Permanent differences	(258,574,115)	(297,980,539)
Income from interests in associates	(9,476,316)	(59,054,159)
Change in the income tax rate (a)	678,965,201	515,656,014
Variation in tax losses	(4,247,826)	(11,892,561)
Accounting inflation adjustment	1,760,398,980	549,004,598
Tax inflation adjustment	(3,328,015,357)	(4,574,251,430)
Statute-barred or unrecorded tax losses	(52,660,515)	(37,326,392)
	<b><u>(3,036,624,850)</u></b>	<b><u>(5,971,087,869)</u></b>
	<b>12/31/2020</b>	<b>12/31/2019</b>
Current tax	(443,598)	(20,931,466)
Deferred tax	(3,032,064,562)	(5,950,217,379)
Difference between the provision for income tax and the amount reported in the tax return	(4,116,690)	60,976
<b>Income tax</b>	<b><u>(3,036,624,850)</u></b>	<b><u>(5,971,087,869)</u></b>

(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. This impact has been disclosed in the statement of other comprehensive income.

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.

At December 31, 2020, accumulated tax losses amount to \$21,823 million and pursuant to the tax laws in force, they can be offset against tax profits from future fiscal years according to the following breakdown:

<b>Year</b>	<b>Amount in \$</b>	<b>Year of expiration</b>
Tax loss for the year 2016	354,614,969	2021
Tax loss for the year 2017	1,008,142,424	2022
Tax loss for the year 2018	10,158,919,676	2023
Tax loss for the year 2019	6,182,823,730	2024
Tax loss for the year 2020	4,118,046,994	2025
<b>Total accumulated tax losses at December 31, 2020</b>	<b><u>21,822,547,793</u></b>	

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 23: DEFINED BENEFIT PLAN - LABOR COMMITMENTS WITH PERSONNEL**

A detailed description of the estimated cost and liability for benefits after retirement granted to employees of CTR, GMSA and GROSA 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 Group is the Projected Benefit Unit method.

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

	<u>12/31/2020</u>	<u>12/31/2019</u>
<b>Defined benefit plan</b>		
Non-current	60,489,927	57,638,980
Current	14,107,658	14,319,699
<b>Total</b>	<u><u>74,597,585</u></u>	<u><u>71,958,679</u></u>

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

	<u>12/31/2020</u>	<u>12/31/2019</u>
Present value of the obligations for benefits	74,597,585	71,958,679
Obligations for benefits at year end	<u><u>74,597,585</u></u>	<u><u>71,958,679</u></u>

The actuarial assumptions used were:

	<u>12/31/2020</u>	<u>12/31/2019</u>
Interest rate	5.5%	5.5%
Salary growth rate	1%	1%
Inflation	45.0%	41.7%

At December 31, 2020 and 2019 CTR, GMSA and GROSA do not have assets related to pension plans.

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

	<u>12/31/2020</u>	<u>12/31/2019</u>
Cost of current services	9,107,108	9,319,754
Interest charges	27,708,296	15,637,982
Actuarial (profit)/loss through Other comprehensive income	(3,619,354)	11,110,220
<b>Total cost</b>	<u><u>33,196,050</u></u>	<u><u>36,067,956</u></u>

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

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

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

	<b>12/31/2020</b>	<b>12/31/2019</b>
Balances at beginning of year	71,958,679	62,313,640
Cost of current services	9,107,108	9,319,754
Interest charges	27,708,296	15,637,982
Actuarial (profit)/loss through Other comprehensive income	(3,619,354)	11,110,220
RECPAM (Purchasing Power Parity)	(24,499,138)	(22,881,373)
Payments of benefits	(6,058,006)	(3,541,544)
Closing balances	<b>74,597,585</b>	<b>71,958,679</b>

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.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 24: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES**

The following tables show the financial assets and financial liabilities per category of financial instruments and reconciliation with the line exposed in the Statement of Financial Position, as applicable. As the captions Trade and other receivables and Trade and other payables contain both financial instruments and financial assets or liabilities, such as advances, receivables and tax debts), the reconciliation is shown in Non-financial assets and Non-financial liabilities.

Financial assets and liabilities at December 31, 2020 and 2019 are as follows:

<b>At December 31, 2020</b>	<b>Financial assets/liabilities at amortized cost</b>	<b>Financial assets/liabilities at fair value through profit or loss</b>	<b>Non-financial assets/ liabilities</b>	<b>Total</b>
<b>Assets</b>				
Trade receivables, other receivables and others	5,399,515,794	-	4,227,402,602	9,626,918,396
Cash and cash equivalents	633,205,150	1,817,874,214	-	2,451,079,364
Non-financial assets	-	79,536	76,747,857,970	76,747,937,506
<b>Total</b>	<b>6,032,720,944</b>	<b>1,817,953,750</b>	<b>80,975,260,572</b>	<b>88,825,935,266</b>
<b>Liabilities</b>				
Trade and other payables	7,837,243,781	-	-	7,837,243,781
Derivative financial instruments	-	25,500,000	-	25,500,000
Loans (finance leases excluded)	50,469,678,890	-	-	50,469,678,890
Finance leases	228,974,656	-	-	228,974,656
Non-financial liabilities	-	-	14,399,463,082	14,399,463,082
<b>Total</b>	<b>58,535,897,327</b>	<b>25,500,000</b>	<b>14,399,463,082</b>	<b>72,960,860,409</b>
<b>At December 31, 2019</b>	<b>Financial assets/liabilities at amortized cost</b>	<b>Financial assets/liabilities at fair value through profit or loss</b>	<b>Non-financial assets/ liabilities</b>	<b>Total</b>
<b>Assets</b>				
Trade receivables, other receivables and others	6,894,542,011	-	3,982,111,530	10,876,653,541
Cash and cash equivalents	2,016,763,194	304,000,460	-	2,320,763,654
Non-financial assets	-	176,796	70,581,209,339	70,581,386,135
<b>Total</b>	<b>8,911,305,205</b>	<b>304,177,256</b>	<b>74,563,320,869</b>	<b>83,778,803,330</b>
<b>Liabilities</b>				
Trade and other payables	10,308,535,539	-	-	10,308,535,539
Loans (finance leases excluded)	49,923,947,167	-	-	49,923,947,167
Finance leases	182,148,241	-	-	182,148,241
Non-financial liabilities	-	-	10,839,110,521	10,839,110,521
<b>Total</b>	<b>60,414,630,947</b>	<b>-</b>	<b>10,839,110,521</b>	<b>71,253,741,468</b>



**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 24: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES (Cont'd)**

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

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 liabilities at amortized cost	Non-financial instruments	Assets/Liabilities at fair value	Total
Interest earned	759,089,987	-	-	-	759,089,987
Interest paid	-	(6,204,504,828)	-	-	(6,204,504,828)
Changes in the fair value of financial instruments	-	-	-	40,776,474	40,776,474
Income/(loss) from repurchase of negotiable obligations	38,223,675	-	-	-	38,223,675
Exchange differences, net	2,957,103,647	(16,265,528,412)	-	-	(13,308,424,765)
Other financial costs	-	(329,671,689)	15,116,803,492	-	14,787,131,803
<b>Total</b>	<b>3,754,417,309</b>	<b>(22,799,704,929)</b>	<b>15,116,803,492</b>	<b>40,776,474</b>	<b>(3,887,707,654)</b>

At December 31, 2019	Financial assets at amortized cost	Financial liabilities at amortized cost	Non-financial instruments	Assets/Liabilities at fair value	Total
Interest earned	379,159,761	-	-	-	379,159,761
Interest paid	-	(5,407,760,246)	-	-	(5,407,760,246)
Changes in the fair value of financial instruments	-	-	-	(126,291,470)	(126,291,470)
Exchange differences, net	1,014,816,451	(20,755,364,104)	-	-	(19,740,547,653)
Asset recovery/impairment	(64,439,837)	-	-	-	(64,439,837)
Other financial costs	-	(384,996,009)	21,760,094,422	-	21,375,098,413
<b>Total</b>	<b>1,329,536,375</b>	<b>(26,548,120,359)</b>	<b>21,760,094,422</b>	<b>(126,291,470)</b>	<b>(3,584,781,032)</b>

**Determination of fair value**

ASA 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).

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 24: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES (Cont'd)**

These charts show financial assets and liabilities of the Group measured at fair value at December 31, 2020 and 2019 and their allocation to the different hierarchy levels:

<b>At December 31, 2020</b>	<b>Level 1</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>			
<i>Cash and cash equivalents</i>			
Mutual funds	1,817,874,214	-	1,817,874,214
<i>Investment in shares</i>	-	79,536	79,536
<i>Property, plant and equipment at fair value</i>	-	51,304,116,235	51,304,116,235
<b>Total</b>	<b>1,817,874,214</b>	<b>51,304,195,771</b>	<b>53,122,069,985</b>
<b>Liabilities</b>			
<i>Derivative financial instruments</i>			
Derivative financial instruments	25,500,000	-	25,500,000
<b>Total</b>	<b>25,500,000</b>	<b>-</b>	<b>25,500,000</b>
<b>At December 31, 2019</b>	<b>Level 1</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>			
<i>Cash and cash equivalents</i>			
Mutual funds	304,000,460	-	304,000,460
<i>Investment in shares</i>	-	176,796	176,796
<i>Property, plant and equipment at fair value</i>	-	53,458,262,008	53,458,262,008
<b>Total</b>	<b>304,000,460</b>	<b>53,458,438,804</b>	<b>53,762,439,264</b>

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. 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) The fair values of real properties and land 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 and turbines have been calculated by means of the discounted cash flows (See Note 6.a).

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

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 25: SALES REVENUE**

	<b>12/31/2020</b>	<b>12/31/2019</b>
Sale of energy Res. No. 95, as amended, plus spot	890,329,793	1,253,549,686
Energía Plus sales	2,318,155,679	3,206,132,011
Sale of energy Res. No. 220	8,775,419,826	8,971,004,602
Sale of energy Res. No. 21	5,068,987,478	5,799,886,568
	<b>17,052,892,776</b>	<b>19,230,572,867</b>

**NOTE 26: COST OF SALES**

	<b>12/31/2020</b>	<b>12/31/2019</b>
Cost of purchase of electric energy	(706,110,533)	(2,084,451,042)
Cost of gas and diesel consumption at the plant	(1,143,473,026)	(150,703,774)
Salaries and social security charges	(681,050,291)	(690,562,973)
Defined benefit plan	(9,107,108)	(9,319,754)
Other employee benefits	(20,602,599)	(32,357,764)
Leases	(31,736,470)	(30,682,534)
Fees for professional services	(23,709,702)	(15,425,407)
Depreciation of property, plant and equipment	(2,896,301,544)	(3,158,341,480)
Insurance	(154,653,209)	(145,993,100)
Maintenance	(614,191,112)	(1,268,639,766)
Electricity, gas, telephone and postage	(28,041,162)	(29,971,248)
Rates and taxes	(48,103,854)	(60,266,387)
Travel and per diem	(982,407)	(2,517,445)
Security guard and cleaning	(22,806,587)	(21,086,528)
Miscellaneous expenses	(20,628,892)	(16,307,020)
	<b>(6,401,498,496)</b>	<b>(7,716,626,222)</b>

**NOTE 27: SELLING EXPENSES**

	<b>12/31/2020</b>	<b>12/31/2019</b>
Rates and taxes	(71,744,990)	(121,830,444)
Bad debts	-	(111,045)
	<b>(71,744,990)</b>	<b>(121,941,489)</b>

**NOTE 28: ADMINISTRATIVE EXPENSES**

	<b>12/31/2020</b>	<b>12/31/2019</b>
Salaries and social security charges	(59,635,468)	(109,541,313)
Leases	(16,773,591)	(16,827,836)
Fees for professional services	(537,956,648)	(591,691,722)
Insurance	(168,419)	(415,308)
Electricity, gas, telephone and postage	(8,948,177)	(8,022,976)
Rates and taxes	(7,700,982)	(20,316,984)
Travel and per diem	(3,277,565)	(19,738,257)
Gifts	(38,247,905)	(1,164,423)
Miscellaneous expenses	(4,618,070)	(6,524,627)
	<b>(677,326,825)</b>	<b>(774,243,446)</b>

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 29: OTHER OPERATING INCOME**

	<u>12/31/2020</u>	<u>12/31/2019</u>
Sale of spare parts	-	7,695,785
Sale of plot of land	47,890,436	-
Fine on suppliers for noncompliance	36,491,335	-
Sundry income	9,307,479	6,982,065
<b>Total Other operating income</b>	<b><u>93,689,250</u></b>	<b><u>14,677,850</u></b>

**NOTE 30: FINANCIAL RESULTS**

	<u>12/31/2020</u>	<u>12/31/2019</u>
<u>Financial income</u>		
Interest on loans granted	27,665,173	15,857,272
Commercial interest	731,424,814	363,302,489
<b>Total financial income</b>	<b><u>759,089,987</u></b>	<b><u>379,159,761</u></b>
<u>Financial expenses</u>		
Interest on loans	(5,306,940,146)	(4,728,415,878)
Commercial and other interest	(897,564,682)	(679,344,368)
Bank expenses and commissions	(36,008,956)	(27,964,652)
<b>Total financial expenses</b>	<b><u>(6,240,513,784)</u></b>	<b><u>(5,435,724,898)</u></b>
<u>Other financial results</u>		
Exchange differences, net	(13,308,424,765)	(19,740,547,653)
Changes in the fair value of financial instruments	40,776,474	(126,291,470)
Income/(loss) from repurchase of negotiable obligations	38,223,675	-
Impairment of assets	-	(64,439,837)
RECPAM (Purchasing Power Parity)	15,116,803,492	21,760,094,422
Other financial results	(293,662,733)	(357,031,357)
<b>Total other financial results</b>	<b><u>1,593,716,143</u></b>	<b><u>1,471,784,105</u></b>
<b>Total financial results, net</b>	<b><u>(3,887,707,654)</u></b>	<b><u>(3,584,781,032)</u></b>

**NOTE 31: EARNINGS/(LOSSES) PER SHARE**

***Basic***

Basic earnings/(losses) 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.

	<u>12/31/2020</u>	<u>12/31/2019</u>
Income/(Loss) for the year attributable to the owners	2,761,162,622	827,379,560
Weighted average of outstanding ordinary shares	64,451,745	64,451,745
<b>Basic and diluted earnings per share</b>	<b>42.84</b>	<b>12.84</b>

There are no differences between the calculation of the basic earnings/(losses) per share and the diluted earnings/(losses) per share.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 32: TRANSACTIONS AND BALANCES WITH RELATED PARTIES***a) Transactions with related parties and associates*

		12/31/2020	12/31/2019
		\$	
		Profit / (Loss)	
<b>Purchase of gas</b>			
RGA (1)	Related company	(1,655,199,646)	(6,765,721,686)
<b>Purchase of energy</b>			
Solalban Energía S.A.	Affiliate company	(54,919,221)	(57,775,806)
<b>Purchase of wines</b>			
BDD	Related company	(953,854)	(936,525)
<b>Purchase of flights</b>			
AJSA	Related company	(46,130,926)	(123,916,379)
<b>Purchase of parts and spare parts</b>			
AESA	Related company	-	(2,002,040)
<b>Sales of energy</b>			
RGA	Related company	16,490,062	139,160,533
Solalban Energía S.A.	Affiliate company	29,696,181	706,907
<b>Sale of parts and spare parts</b>			
AESA	Related company	-	2,594,864
<b>Leases and services agreements</b>			
RGA	Related company	(734,276,985)	(798,504,143)
<b>Recovery of expenses</b>			
RGA	Related company	3,728,408	(3,114,948)
AESA	Related company	42,638,057	54,504,233
AJSA	Related company	3,840	-
AVRC	Related company	9,439	-
BDD	Related company	24,597	-
<b>Pipeline works</b>			
RGA	Related company	(1,020,411)	(2,445,410)
<b>Work management service</b>			
RGA	Related company	(189,525,583)	(236,520,464)
<b>Interest generated due to loans granted</b>			
Directors/Shareholders	Related parties	27,449,479	21,315,480

<sup>(1)</sup> For purchases of gas, which are consumed for dispatch by the plant.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 32: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)***a) Transactions with related parties and associates (Cont'd)*

		12/31/2020	12/31/2019
		\$	
		Profit / (Loss)	
<b>Commercial interest</b>			
RGA	Related company	(213,612,230)	-
<b>Guarantees provided/received</b>			
RGA	Related company	2,307,346	-
AJSA	Related company	344,838	493,555

*b) Remuneration of key managerial staff*

The senior management includes directors (executive and non-executive). Their fees at December 31, 2020 and 2019 amounted to \$77,307,960 and \$118,687,533, respectively.

	12/31/2020	12/31/2019
	\$	
	Profit / (Loss)	
Salaries	(77,307,960)	(118,687,533)
	<b>(77,307,960)</b>	<b>(118,687,533)</b>

*c) Balances at the date of the consolidated statements of financial position*

Captions	Type	12/31/2020	12/31/2019
<b>NON-CURRENT ASSETS</b>			
<b>Other receivables</b>			
TEFU S.A.	Related company	18,154,808	24,716,062
		<b>18,154,808</b>	<b>24,716,062</b>
<b>CURRENT ASSETS</b>			
<b>Other receivables</b>			
Minority shareholders' accounts	Related parties	399,732,124	248,387,872
AESA	Related company	49,258,077	13,994,553
Loans to Directors/Shareholders	Related parties	119,920,559	81,620,060
		<b>568,910,760</b>	<b>344,002,485</b>
<b>CURRENT LIABILITIES</b>			
<b>Trade payables</b>			
BDD	Related company	408,893	237,285
Solalban Energía S.A.	Affiliate company	2,708,102	-
AJSA	Related company	-	225,283
RGA	Related company	1,653,119,596	3,552,465,558
		<b>1,656,236,591</b>	<b>3,552,928,126</b>
<b>Other liabilities</b>			
BDD	Related company	-	502,108
		<b>-</b>	<b>502,108</b>

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 32: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)**

*d) Loans granted to related parties*

	<u>12/31/2020</u>	<u>12/31/2019</u>
<b><i>Loans to Directors/Shareholders</i></b>		
<b>Balance at the beginning of year</b>	81,620,060	122,502,002
Loans granted	42,425,948	59,076,166
Loans repaid	-	(78,566,741)
Accrued interest	27,449,479	32,625,095
Interest forgiven	-	(12,994,021)
RECPAM (Purchasing Power Parity)	(31,574,928)	(41,022,441)
<b>Balance at year end</b>	<u><u>119,920,559</u></u>	<u><u>81,620,060</u></u>

The loans are governed by the following terms and conditions:

<u>Entity</u>	<u>Amount</u>	<u>Interest rate</u>	<u>Conditions</u>
<b>At 12/31/2020</b>			
Directors/Shareholders	79,776,589	Badlar + 3%	Maturity date: 1 year
<b>Total in pesos</b>	<u><u>79,776,589</u></u>		

Receivables from related parties arise mainly from transactions of services provided and fall due in the month following the transaction date. No allowances have been recorded for these receivables from related parties in any of the periods covered by these consolidated 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 33: WORKING CAPITAL**

At December 31, 2020, the Company reports a deficit of \$3,366,730,197 in its working capital (calculated as current assets less current liabilities), which means an increase of \$606,325,456, compared to the deficit in working capital at December 31, 2019 (\$2,760,404,741). The Company is restructuring its short-term liabilities.

EBITDA(\*) at December 31, 2020 amounted to \$12,893 million, in line with projections, which shows compliance with the objectives and efficiency of the transactions carried out by the Group.

(\*) Amount not covered by the Audit Report.

**NOTE 34: SEGMENT REPORTING**

The information on exploitation segments is presented in accordance with the internal 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 a single segment: the electricity segment. It comprises the generation and sale of electricity and the development of energy projects, execution of projects, advisory, service delivery, management and execution of works of any nature.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 34: SEGMENT REPORTING (Cont'd)**

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 35: OTHER COMMITMENTS**

**A. GMSA**

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 GMSA 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
<i>Sale commitments<sup>(1)</sup></i>			
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.

**B. GROSA**

On April 27, 2011 the Ordinary Shareholders' Meeting of Central Térmica Sorrento S.A. unanimously approved a lease contract with GROSA; the purpose of the agreement is to rent both the building and the assets added to the Power Plant, including the generator, equipment and other available fixed assets and spare parts. The contract was effectively valid as from November 15, 2010 (with a 9-month grace period) and has a set term of 10 years, with a renewal option for 7 additional years. The first fee installment was invoiced on August 1, 2011.

On December 23, 2015 the reorganization proceeding of Central Térmica Sorrento S.A. was initiated. This situation does not affect the lease agreement mentioned above or the electric power generation business.

On November 10, 2016, a mediation hearing was closed without reaching an agreement in connection with the eviction of the property under a lease agreement mentioned in the preceding paragraph. GROSA estimates that it is highly unlikely that the eviction will take place as Central Térmica Sorrento S.A. has no right to be granted this order.

In the case "Central Térmica Sorrento S.A. c/ Generación Rosario S.A. s/Medidas Precautorias" (Central Térmica Sorrento S.A. v. Generación Rosario S.A. on precautionary measures), an attachment was levied on the funds that CAMMESA should settle with Generación Rosario S.A. for \$13,816,696, plus interest for \$6,900,000, which was recorded by CAMMESA in the settlement dated December 12, 2017. In reply to this resolution, on April 17, 2018 the attachment decreed against GROSA was replaced with a bond insurance policy. The sums subject to the court-ordered attachment were returned to the Company on June 28, 2018.

Furthermore, payment of monthly rentals through judicial consignment was requested in re. "Generación Rosario S.A. c/ Central Térmica Sorrento s/ Consignación" ("Generación Rosario S.A. v. Central Térmica Sorrento on Consignment").



**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**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 consolidated 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 Industrial Turbomachinery AB*

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

The commercial financing granted was 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 preceding conditions fixed in the agreements are fulfilled, GMSA 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 was 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.

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.

## **Albanesi S.A.**

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

#### **NOTE 36: EXECUTION OF CONTRACTS TO PURCHASE MACHINERY (Cont'd)**

##### *Pratt & Whitney Power System Inc (Cont'd)*

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 these consolidated financial statements, an agreement is being renegotiated for the full payment of the debt.

#### **NOTE 37: LONG-TERM MAINTENANCE CONTRACT – CTMM, CTI, CTF, CTE, CTRi AND CTR POWER PLANTS**

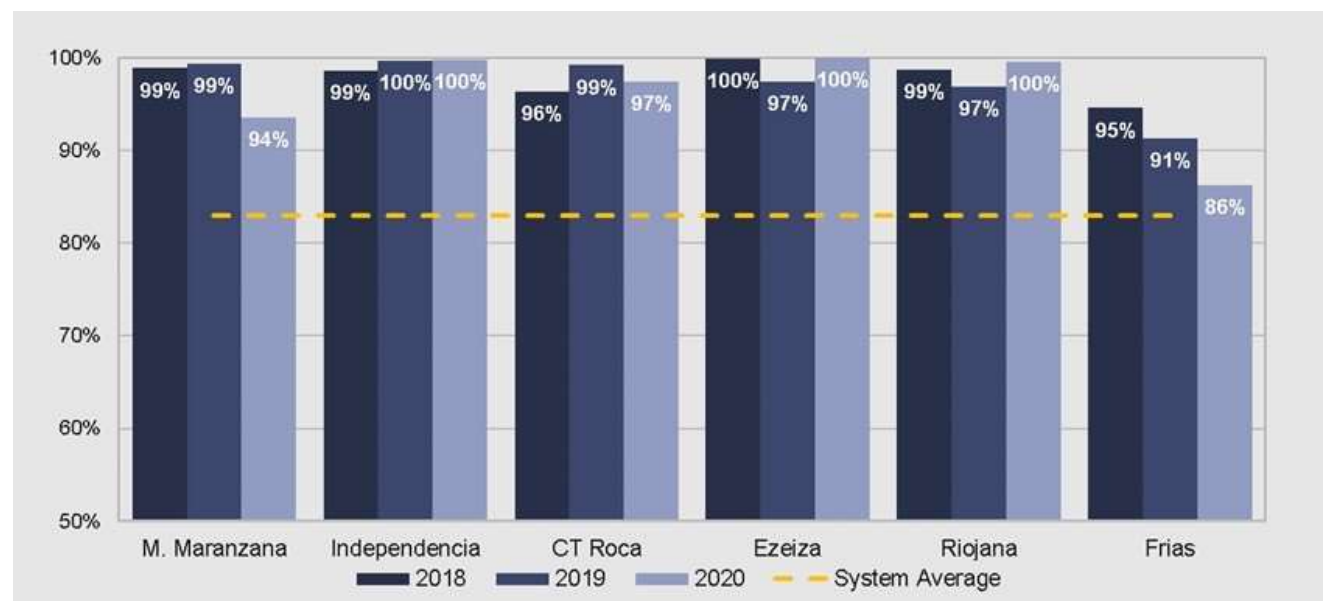
GMSA and PWPS entered into a global service agreement (Long Term Service Agreement), for the power plant CTF. As set forth in the agreement, PWPS must provide on-site technical assistance on a permanent basis, a remote monitoring system to follow up on the efficient performance of the turbines, 24-hour 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.

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.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 37: LONG-TERM MAINTENANCE CONTRACT – CTMM, CTI, CTF, CTE, CTRi AND CTR POWER PLANTS (Cont'd)**



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

At the end of 2019, CTR signed an addendum to the contract in effect with GE International INC and GE Energy Parts International LLC, whereby the Long-term service agreement (LTSA) is changed to an inspection, major and essential repairs and maintenance contract. The aim of the addendum is to adapt contracts in effect -but signed several years ago- to new market offerings appearing year after year, as a result of a greater globalization in the implementation of new manufacturing processes and development of new materials. Gas turbines manufactured and commissioned ten years ago benefit the most from these new opportunities.

This change of type of contract is neither contrary to availability of power generation turbines nor jeopardizes them, as it does not alter the client -service provider relationship. In addition, it allows the company to have its own staff structure, which is highly qualified and with knowledge and skills to operate and maintain the Power Plant at availability values higher than the industry's average, and provides a stock of spare parts and consumables according to needs, as well as a modern workshop, fully equipped with specialized tools for these tasks, ensuring compliance with the agreement for the sale of energy with CAMMESA, under Resolution No. 220/07.

**NOTE 38: STORAGE OF DOCUMENTATION**

On August 14, 2014, the CNV issued General Resolution No. 629 that introduces amendments to its regulations involving storage and preservation of corporate books, accounting records and business documents. The Group keeps and preserves its corporate books, accounting records and relevant business documents at its principal place of business located at Av. L.N. Alem 855, 14th floor - City of Buenos Aires

Furthermore, it is informed that the Company sent its working papers and non-sensitive information for fiscal years not yet statute-barred to its storage services supplier:

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 38: STORAGE OF DOCUMENTATION (Cont'd)**

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 39: ADVANCE LOSS OF PROFIT 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.

*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.

## **Albanesi S.A.**

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

#### **NOTE 40: SUPPLY CONTRACT WITH CAMMESA: AGREED UPON DATE OF AUTHORIZATION FOR THE COMMERCIAL OPERATION OF THE POWER PLANTS**

On September 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 GMSA, which implied that the authorization for commercial operation was not obtained at the Agreed upon Date as set forth in 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.

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 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.

#### **NOTE 41: ECONOMIC CONTEXT IN WHICH THE COMPANY OPERATES**

The Group 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.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 41: ECONOMIC CONTEXT IN WHICH THE GROUP OPERATES (Cont'd)**

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% (CPI).
- 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 Group (See Note 17.e):

- 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.

This context of volatility and uncertainty persisted at the date of issue of these consolidated Financial Statements. However, all issuances performed over the last twelve 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 consolidated financial statements must be read in light of these circumstances

**NOTE 42: IMPACT OF COVID-19**

During this year, the Group 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.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 42: IMPACT OF COVID-19 (Cont'd)**

The aforementioned situations have 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.

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 33, 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 COVID-19 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 43: PROGRAM #ARGENTINANOSNECESITA**

In the second quarter of 2020, GMSA participated in the program #ArgentinaNosNecesita (Argentina Needs Us) through donations to the Argentina Red Cross (IFRC), seeking to enlarge the installed capacity of the intensive care unit equipment in several public and private hospitals in Argentina. The new features of these units included beds, artificial respirators and the equipment necessary for the health personnel to be able to perform their work appropriately. In turn, the purchase of virus detection kits was promoted as well as other necessary equipment and supplies (based on the requests of the National Ministry of Health). This initiative seeks to support medical personnel and the scientific community by resolving their basic operating needs.

**NOTE 44: CORPORATE REORGANIZATION**

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.

**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 44: CORPORATE REORGANIZATION (Cont'd)**

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 45: SUBSEQUENT EVENTS**

**Extension of the lease contract with GROSA**

In December 2020, GROSA decided to exercise the option to extend the term of the lease contract, it being executed on February 10, 2021. Therefore, the useful life of property, plant and equipment has been adjusted at year end.

**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 "A" 7230 also states that the refinancing plans 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 into Argentina and traded in the MULC.
- Maturities in 2020, in accordance with the provisions of Communication "A" 7106.

**NDF contract - GMSA**

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.



**Albanesi S.A.**  
**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 45: SUBSEQUENT EVENTS (Cont'd)**

**Class VII and Class VIII Negotiable Obligations (GMSA and CTR co-issuance):**

**Class VII Negotiable Obligations**

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 up in kind:

- a) Class VII Negotiable Obligations Nominal Value payable with Class III Negotiable Obligations issued by ASA: 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.

**Class VIII Negotiable Obligations**

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 equivalent to \$2,915,844,636;

Paid up in kind:

- a) Class VIII Negotiable Obligations Nominal Value payable with Class III Negotiable Obligations issued by ASA: 1,196,193 UVAs equivalent to \$83,171,299.
- b) Class VIII Negotiable Obligations Nominal Value payable with Class VIII Negotiable Obligations issued by GMSA: 505,272 UVAs equivalent to \$35,131,562.
- c) Class VIII Negotiable Obligations Nominal Value payable with Class XI Negotiable Obligations issued by GMSA: 3,106,152 UVAs equivalent to \$215,970,748.
- d) Class VIII Negotiable Obligations Nominal Value payable 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, September 11, 2022 and on the maturity date.

**Albanesi S.A.**

**Notes to the Consolidated Financial Statements (Cont'd)**

**NOTE 46: 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.

In accordance with the provisions of CNV General Resolution No. 368/01 and subsequent amendments, we present below an analysis of the results of operations of Albanesi S.A. (the Company) and its financial position, which must be read together with the attached consolidated financial statements.

### Fiscal year ended December 31:

	2020	2019	Variation	Variation %
	GW			
<b>Sales by type of market</b>				
Sale of electricity Res. No. 95, as amended, plus spot	197	243	(46)	(19%)
Sale of electricity Res. No.	467	566	(99)	(17%)
Sale of electricity Resolution No. 220	1,267	1,421	(154)	(11%)
Sale of electricity Res. No. 21	182	580	(398)	(69%)
	<b>2,113</b>	<b>2,809</b>	<b>(696)</b>	<b>(25%)</b>

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

### Fiscal year ended December 31:

	2020	2019	Variation	Variation %
	(in millions of pesos)			
<b>Sales by type of market</b>				
Sale of electricity Res. No. 95, as amended, plus spot	890,3	1,253.5	(363.2)	(29%)
Energia Plus sales	2,318,2	3,206.1	(887.9)	(28%)
Sale of electricity Resolution No. 220	8,775,4	8,971.0	(195.6)	(2%)
Sale of electricity Res. No. 21	5,069.0	5,799.9	(730.9)	(13%)
<b>Total</b>	<b>17,052.9</b>	<b>19,230.6</b>	<b>(2,177.7)</b>	<b>(11%)</b>

**Summary of Activity at December 31, 2020 and 2019**

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	17,052.9	19,230.6	(2,177.7)	(11%)
<b>Net sales</b>	<b>17,052.9</b>	<b>19,230.6</b>	<b>(2,177.7)</b>	<b>(11%)</b>
Cost of purchase of electric energy	(706.1)	(2,084.5)	1,378.4	(66%)
Gas and diesel consumption at the plant	(1,143.5)	(150.7)	(992.8)	659%
Salaries and social security liabilities	(681.1)	(690.6)	9.5	(1%)
Defined benefit plan	(9.1)	(9.3)	0.2	(2%)
Maintenance services	(614.2)	(1,268.6)	654.4	(52%)
Depreciation of property, plant and equipment	(2,896.3)	(3,158.3)	262.0	(8%)
Insurance	(154.7)	(146.0)	(8.7)	6%
Sundry	(196.6)	(208.6)	12.0	(6%)
<b>Cost of sales</b>	<b>(6,401.5)</b>	<b>(7,716.6)</b>	<b>1,315.1</b>	<b>(17%)</b>
<b>Gross income/(loss)</b>	<b>10,651.4</b>	<b>11,513.9</b>	<b>(862.5)</b>	<b>(7%)</b>
Rates and taxes	(71.7)	(121.8)	50.1	(41%)
Bad debts	-	(0.1)	0.1	(100%)
<b>Selling expenses</b>	<b>(71.7)</b>	<b>(121.9)</b>	<b>50.2</b>	<b>(41%)</b>
Salaries and social security liabilities	(59.6)	(109.5)	49.9	(46%)
Fees for professional services	(538.0)	(591.7)	53.7	(9%)
Travel and per diem	(3.3)	(19.7)	16.4	(83%)
Rates and taxes	(7.7)	(20.3)	12.6	(62%)
Gifts	(38.2)	(1.2)	(37.0)	3083%
Sundry	(30.5)	(31.8)	1.3	(4%)
<b>Administrative expenses</b>	<b>(677.3)</b>	<b>(774.2)</b>	<b>96.9</b>	<b>(13%)</b>
Income/(loss) on investment in associates	(31.6)	(196.8)	165.2	(84%)
Other operating income	93.7	14.7	79.0	537%
<b>Operating income</b>	<b>9,964.4</b>	<b>10,435.6</b>	<b>(471.2)</b>	<b>(5%)</b>
Commercial interest, net	(166.1)	(316.0)	149.9	(47%)
Interest on loans, net	(5,279.3)	(4,712.6)	(566.7)	12%
Bank expenses and commissions	(36.0)	(28.0)	(8.0)	29%
Exchange differences, net	(13,308.4)	(19,740.5)	6,432.1	(33%)
Assets impairment/recovery	-	(64.4)	64.4	(100%)
Gain/(Loss) on purchasing power parity (RECPAM)	15,116.8	21,760.1	(6,643.3)	(31%)
Other financial results	(214.7)	(483.3)	268.6	(56%)
<b>Financial results, net</b>	<b>(3,887.7)</b>	<b>(3,584.8)</b>	<b>(302.9)</b>	<b>8%</b>
<b>Pre-tax profit/(loss)</b>	<b>6,076.7</b>	<b>6,850.8</b>	<b>(774.1)</b>	<b>(11%)</b>
Income tax	(3,036.6)	(5,971.1)	2,934.5	(49%)
<b>Income/(Loss) for the year</b>	<b>3,040.1</b>	<b>879.7</b>	<b>2,160.4</b>	<b>246%</b>
<b>Other Comprehensive Income for the year</b>				
<i>Items that will not be reclassified under income:</i>				
Revaluation of property, plant and equipment in subsidiaries	569.5	(3,636.4)	4,205.9	(116%)
Impact on income tax	(143.3)	911.9	(1,055.2)	(116%)
Defined benefit plan	3.6	(11.1)	14.7	(132%)
<b>Other comprehensive income/(loss) for the year</b>	<b>429.9</b>	<b>(2,735.7)</b>	<b>3,165.4</b>	<b>(116%)</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>3,470.0</b>	<b>(1,855.9)</b>	<b>5,325.9</b>	<b>(287%)</b>

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

### Sales:

Net sales were worth \$17,052.9 million in the year ended December 31, 2020, as against \$19,230.6 million in the year 2019, which is equivalent to a decrease of \$2,177.7 million (11%).

During the fiscal year ended December 31, 2020, 2,113 GW of electricity were sold, thus accounting for a 25% decrease compared with the 2,809 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) \$890.3 million for sales of energy under Resolution No. 95, as amended plus spot market, which accounted for a decrease of 29% from the \$1,253.5 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%.
- (ii) \$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 fiscal year ended December 31, 2020 compared to fiscal year 2019.
- (iii) \$8,775.4 million for sales of energy in the forward market to CAMMESA under the framework of Resolution No. 220/07, representing a 2% decrease with regard to the \$8,971.0 million for 2019.
- (iv) \$5,069.0 million from sales of energy under Resolution No. 21, down 13% from the \$5,799.9 million sold in fiscal year 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 \$6,401.5 million, compared with \$7,716.6 million for fiscal year 2019, reflecting a decrease of \$1,315.1 million (or 17%).

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

- (i) \$706.1 million from purchases of electricity, which accounted for a 66% drop compared with the \$2,084.5 million for fiscal year 2019, due to lower sales of GW under Energía Plus.
- (ii) \$1,143.5 million for gas and diesel consumption at the plant, accounting for an increase of 992.8% as against \$150.7 million in fiscal year 2019. This is due to changes in the settlement of fuels by CAMMESA.
- (iii) \$614.2 million for maintenance services, a decrease of 52% compared with the \$1,268.6 million recorded in fiscal year 2019. This variation is mainly due to changes in the conditions of maintenance contracts.

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

- (iv) \$2,896.3 million for depreciation of property, plant and equipment, down 8% from the \$3,158.3 million in fiscal year 2019. This change is mainly due to the effect of depreciation arising from the technical revaluation in 2019. This item does not entail an outlay of cash.

### Gross income/loss:

Gross income for the year ended December 20, 2020 was \$10,651.4 million, compared with income of \$11,513.9 million for fiscal year 2019, accounting for a decrease of \$862.5 million. This variation is mainly due to the drop in revenue from sales, the effects of which were cushioned by the rise in the exchange rate.

### Selling expenses:

Selling expenses for the year ended December 31, 2020 amounted to \$71.7 million, compared with the \$121.9 million for fiscal year 2019, accounting for a decrease of \$50.2 million (41%). This is due to the change in the turnover tax rate levied on energy generation and the variation in sales.

### Administrative expenses:

Administrative expenses for the year ended December 31, 2020 amounted to \$677.3 million, compared with the \$774.2 million recorded in fiscal year 2019, accounting for a decrease of \$96.9 million (13%).

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

- (i) \$59.6 million for salaries and social security contributions, down 46% from the \$109.5 million recorded in 2019. Although there were salary increases, the application of the CPI restatement of salaries and social security contributions for fiscal year 2019 had more significant effects. In addition, part of the payroll that was under GROSA in 2019 was transferred to another company, AESA, as from January 2020.
- (ii) \$538.0 million for fees for professional services, a 9% decrease from the \$591.7 million for fiscal year 2019. Such variation is due to the billing of administrative services rendered by RGA. Although there were increases in the billing of administrative services rendered by RGA, the application of the CPI restatement of fees for professional services for fiscal year 2019 had more significant effects.
- (iii) \$38.2 million for donations, which accounted for a 3,083% increase compared with the \$1.2 million for fiscal year 2019, mainly corresponding to donations made to Argentine Red Cross #ArgentinaNosNecesita campaign.

### Other operating income:

Other operating income for the fiscal year ended December 31, 2020 amounted to \$93.7 million, showing a 537% increase from the \$14.7 million recorded in 2019.

The main components of the Company's other operating income are listed below:

- (i) \$36.5 million in fines imposed to a supplier for the late delivery of a turbine for CTR closed-cycle.
- (ii) \$47.9 million from the sale of a portion of the CTI land at GMSA.

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

### Operating income/(loss):

Operating income for the year ended December 31, 2020 was \$9,964.4 million, compared with income of \$10,435.6 million for the year 2019, accounting for a decrease of \$471.2 million.

### Financial results:

Financial results for the fiscal year ended December 31, 2020 amounted to a total loss of \$3,887.7 million, compared with the loss of \$3,584.8 million recorded in fiscal year 2019, which accounted for a loss increase of \$302.9 million.

The most noticeable aspects of the variation are:

- (i) \$5,279.3 million loss for interest on loans, a 12% increase from the \$4,712.6 million loss for fiscal year 2019. This was mainly due to an increase in the financial debt as a result of the investment projects and intercompany loans granted, net of the effects of the restatement of income/loss for fiscal year 2019 by applying the CPI.
- (ii) \$13,308.4 million loss due to net exchange difference, accounting for a decrease of \$6,432.1 million compared with the \$19,740.5 million loss recorded in fiscal year 2019. This change is mainly due to a lesser exchange rate rise (41%) in 2020 than the rise recorded in fiscal year 2019 (59%).
- (iii) \$15,116.8 million gain on PPP (RECPAM) as a result of the application of adjustment for inflation, representing a decrease of \$6,643.3 million compared with \$21,760.1 million gain for fiscal year 2019. 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):

The Company reported pre-tax profit of \$6,076.7 million for the fiscal year ended December 31, 2020, which accounted for a \$774.1 million decrease compared with the profit of \$6,850.8 million recorded in fiscal year 2019.

The income tax charge was a \$3,036.6 million loss for the fiscal year ended December 31, 2020, representing a decrease in loss of \$2,934.5 million compared with the \$5,971.1 million loss for fiscal year 2019.

### Net income/loss:

For the year ended December 31, 2020, the Company recorded net income amounting to \$3,040.1 million, accounting for an increase of \$2,160.4 million considering the income of \$879.7 million recorded in fiscal year 2019.

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

### Comprehensive income/(loss):

Other comprehensive income for the fiscal year ended December 31, 2020 amounted to \$429.9 million and included the revaluation of property, plant and equipment and its effect on income tax; this represented an increase of the income for \$3,165.4 million, compared to the loss for \$2,735.7 million for fiscal year 2019.

Total comprehensive income for the year amounted to \$3,470.0 million, representing an increase of 287% compared with the comprehensive loss of \$1,855.9 million for fiscal year 2019.

### Adjusted EBITDA

#### Fiscal year ended December 31:

2020

**Adjusted EBITDA in millions of pesos <sup>(1) (2)</sup> 12,892.8**

**Adjusted EBITDA in millions of US dollars <sup>(1) (2)</sup> 181.5**

(1) Amounts not covered in the Audit Report.

(2) These amounts do not include the Group's share in the income/loss of GECEN, which was excluded from the calculation as explained in item 7.

2. Balance Sheet figures presented comparatively with the previous years:  
(in millions of pesos)

	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Non-current Assets	76,978.6	70,587.5	65,355.2	35,923.4
Current assets	11,847.3	13,191.3	11,378.6	7,416.5
<b>Total assets</b>	<b>88,825.9</b>	<b>83,778.7</b>	<b>76,733.9</b>	<b>43,339.9</b>
Equity attributable to the owners	14,270.3	11,325.5	13,743.4	8,451.1
Equity of non-controlling interest	1,594.8	1,199.5	1,312.5	441.9
<b>Total equity</b>	<b>15,865.1</b>	<b>12,525.1</b>	<b>15,056.1</b>	<b>8,893.0</b>
Non-current Liabilities	57,746.8	55,302.1	46,764.7	26,847.6
Current liabilities	15,214.0	15,951.7	14,913.1	7,599.4
<b>Total liabilities</b>	<b>72,960.9</b>	<b>71,253.8</b>	<b>61,677.9</b>	<b>34,447.0</b>
<b>Total Equity and liabilities</b>	<b>88,825.9</b>	<b>83,778.7</b>	<b>76,733.9</b>	<b>43,339.9</b>



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

3. Income Statement figures presented comparatively with the previous years:  
(in millions of pesos)

	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Ordinary operating income	9,964.4	10,435.6	7,290.6	3,403.8
Financial results	(3,887.7)	(3,584.8)	(13,287.5)	(3,932.3)
<b>Ordinary net income/(loss)</b>	<b>6,076.7</b>	<b>6,850.8</b>	<b>(5,996.9)</b>	<b>(528.5)</b>
Income tax	(3,036.6)	(5,971.1)	976.8	1,108.0
<b>Income from continuing operations</b>	<b>3,040.1</b>	<b>879.7</b>	<b>(5,020.1)</b>	<b>579.5</b>
<b>Income/(Loss) for the year</b>	<b>3,040.1</b>	<b>879.7</b>	<b>(5,020.1)</b>	<b>579.5</b>
<b>Other comprehensive income/(loss)</b>	<b>429.9</b>	<b>(2,735.7)</b>	<b>8,339.8</b>	<b>(3.9)</b>
<b>Total comprehensive income/(loss)</b>	<b>3,470.0</b>	<b>(1,855.9)</b>	<b>3,319.7</b>	<b>575.6</b>

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

	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Cash flows provided by operating activities	9,387.4	8,025.7	1,971.0	6,972.4
Cash flows (used in) investing activities	(2,683.6)	(3,947.1)	(6,889.7)	(13,635.8)
Cash flows (used in)/provided by financing activities	(7,261.9)	(2,742.0)	5,616.1	4,740.7
<b>(Decrease)/Increase in cash and cash equivalents</b>	<b>(558.1)</b>	<b>1,336.6</b>	<b>697.4</b>	<b>(1,922.7)</b>

5. Ratios presented comparatively with the previous years:

	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Liquidity (1)	0.78	0.83	0.76	0.98
Solvency (2)	0.20	0.16	0.22	0.25
Tied-up capital (3)	0.87	0.84	0.85	0.83
Return on equity (4)	0.21	0.06	(0.42)	0.11

(1) Current Assets / Current Liabilities

(2) Equity / Total Liabilities

(3) Non-current Assets / Total Assets

(4) Net income/(loss) for the year (excluding Other comprehensive income/(loss)) / Average total equity

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

### 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. 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 units TG01 and TG02 expires in mid-November 2021, and such units will start to be considered as base machines.

#### Financial Position

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.

**Summary of Activity at December 31, 2020 and 2019**

## 7. Additional Information (\*)

For the purpose of providing information in the context of the transaction of the international Negotiable Obligation issue, a summarized statement of financial position and income statement deconsolidating the subsidiary Generación Centro SA, known as Non-restricted Subsidiary as per Minutes of the Board of Directors meeting dated August 27, 2018, which means its creditors have no recourse against ASA or any of its subsidiaries.

Statement of Financial Position (in millions of pesos)	Consolidated Albanesi S.A.	Deletion of GECEN	Deletion balances of related parties and equity value	Total
<b>Assets</b>				
Non-current Assets	76,979	(7,382)	1,864	71,461
Current assets	11,847	(9)	-	11,838
<b>Total Assets</b>	<b>88,826</b>	<b>(7,391)</b>	<b>1,864</b>	<b>83,299</b>
<b>Equity</b>				
Equity attributable to the owners	14,270	(165)	165	14,270
Non-controlling interest	1,595	-	(8)	1,587
<b>Total Equity</b>	<b>15,865</b>	<b>(165)</b>	<b>157</b>	<b>15,857</b>
<b>Liabilities</b>				
Non-current Liabilities	57,747	(6,928)	1,864	52,683
Current liabilities	15,214	(298)	(157)	14,759
<b>Total liabilities</b>	<b>72,961</b>	<b>(7,226)</b>	<b>1,708</b>	<b>67,442</b>
<b>Total liabilities and Equity</b>	<b>88,826</b>	<b>(7,391)</b>	<b>1,864</b>	<b>83,299</b>
<b>Statement of Income (in millions of pesos)</b>	<b>Consolidated Albanesi S.A.</b>	<b>Deletion of GECEN</b>	<b>Deletion equity value</b>	<b>Total</b>
Sales revenue	17,053	-	-	17,053
Cost of sales	(6,401)	-	-	(6,401)
<b>Gross income/(loss)</b>	<b>10,651</b>	<b>-</b>	<b>-</b>	<b>10,651</b>
Selling expenses	(72)	-	-	(72)
Administrative expenses	(677)	1	-	(677)
Income/(loss) on investment in associates	(32)	-	980	949
Other operating income	94	-	-	94
<b>Operating income/(loss)</b>	<b>9,964</b>	<b>1</b>	<b>980</b>	<b>10,945</b>
<b>Financial results, net</b>	<b>(3,888)</b>	<b>(1,659)</b>	<b>-</b>	<b>(5,547)</b>
<b>Pre-tax profit/(loss)</b>	<b>6,077</b>	<b>(1,658)</b>	<b>980</b>	<b>5,399</b>
Income tax	(3,037)	626	-	(2,410)
<b>Income(loss) for the year</b>	<b>3,040</b>	<b>(1,032)</b>	<b>980</b>	<b>2,988</b>
<b>Income(loss) for the year attributable to:</b>				
Owners of the company	2,761	(980)	980	2,761
Non-controlling interest	279	(52)	-	227
	<b>3,040</b>	<b>(1,032)</b>	<b>980</b>	<b>2,988</b>

(\*) Information not covered by the Audit Report.



## *Auditor's report issued by independent auditors*

To the Shareholders, President and Directors of  
Albanesi S.A.  
Legal address: Leandro N. Alem 855 - 14th Floor  
Tax code: 30--68250412-5

### **Report on the Audit of the consolidated Financial Statements**

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#### **Opinion**

We have audited the accompanying consolidated financial statements of Albanesi S.A. (the "Company"), including the consolidated statement of financial position at December 31, 2020 and the consolidated statements of income, of consolidated comprehensive income, of changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the most significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020 and its consolidated comprehensive income and its consolidated cash flows for the fiscal year then ended, in accordance with International Financial Reporting Standards (IFRS).

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#### **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 Consolidated 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 audit 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 consolidated financial statements in Argentina, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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## Key audit matters

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Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated 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
<b>Going concern</b> <p>The Company has prepared its consolidated financial statements based on the going concern assumption, as mentioned in Note 3 to the financial statements at December 31, 2020.</p> <p>As mentioned in Note 33, 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.</p> <p>In Note 41, 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.</p> <p>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.</p>	<p>Audit procedures that we have carried out to validate the correct application of the going concern principle included, among others:</p> <ul style="list-style-type: none"><li>• 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;</li><li>• verify the mathematical precision of Management's cash flow projections and validate the initial cash position;</li><li>• 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;</li><li>• 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;</li></ul>



Key audit matters	Audit response
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#### 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 subsidiaries' business will develop and how the Company will obtain the necessary resources for their 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 consolidated financial statements.

#### Fair value of property, plant and equipment

As described in notes 4, 6 and 7 of the consolidated financial statements as of December 31, 2020, the balance of property, plant and equipment is \$76,152,719,723, after recognition of an impairment of \$569,543,409.

The Company has opted to value land, buildings, facilities, machinery and turbines at fair value applying discounted cash flows or comparable techniques. As stated in Note 4.5, the participation of external appraisers to determine the fair value of Property, Plant and Equipment is decided by the Company's Board of Directors.

The fair value calculated by means of the discounted cash flow was used to value 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 competence, capacity and objectivity of the external appraisers hired by the Company, as well as their methods and assumptions;
- Review the key data and assumptions 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;



Key audit matters	Audit response
<p><b>Fair value of property, plant and equipment (cont'd)</b></p> <p>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.</p> <p>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.</p> <p>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.</p>	
	<ul style="list-style-type: none"> <li>✓ 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;</li> <li>✓ 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 comparable in the sector and the Company's particular risk;</li> </ul> <ul style="list-style-type: none"> <li>• evaluate the sensitivity of measurements to changes in certain assumptions;</li> <li>• confirm the mathematical accuracy of calculations and the adequate use of the model prepared by Management;</li> <li>• assess the disclosures included in the consolidated financial statements.</li> </ul> <p>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.</p>



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### **Information that accompanies the consolidated financial statements (“other information”)**

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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 consolidated financial statements will not cover the other information and, therefore, we do not express any audit conclusion.

In relation to our audit of the consolidated financial statements, our responsibility is to read the other information and when doing so, considering whether the other information contained is materially inconsistent with the consolidated 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.

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### **Board’s responsibility in respect of consolidated financial statements**

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The Board of Albanesi S.A. is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with IFRS, and for such internal control as the Board determines is necessary to enable the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing these consolidated 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.

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### **Auditor’s responsibilities for the Audit of the consolidated Financial Statements**

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The objective of our audit is to obtain reasonable assurance that the consolidated 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 consolidated 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 assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient and appropriate audit evidence in relation to the entities' financial information or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Company. We are the only responsible for our audit opinion.

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 the Company's Board of Directors, we determine those of most significance in the audit of the consolidated 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 consolidated financial statements of Albanesi S.A. are transcribed into the Inventory and Balance Sheet book and as regards those matters that are within our competence, they are in compliance with the provisions of the General Companies Law and pertinent resolutions of the National Securities Commission;



- b) the separate financial statements of Albanesi S.A. arise from accounting records carried in all formal respects in conformity with legal provisions which maintain the security and integrity conditions based on which they were authorized by the National Securities Commission;
- c) at December 31, 2020, there is no debt accrued in favor of the Argentine Integrated Social Security System, as shown by the accounting records;
- 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 December 31, 2020 account for:
  - d.1) 72% of the total fees for services billed to the Company for all items during that fiscal year;
  - d.2) 13% 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) 8% 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 the money laundering abatement and anti-terrorist financing procedures comprised in the professional standards issued by the Professional Council in Economic Sciences for 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  
Albanesi 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 consolidated financial statements of Albanesi S.A. which comprise the statement of financial position 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. The balances and other information corresponding to the fiscal year 2019 are an integral part of the financial statements mentioned above; therefore, they must be considered in connection with these financial statements.
2. 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 audit report on the consolidated financial statements with an emphasis-of-matter paragraph on the information contained in Note 42, on the same date as 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 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 Albanesi S.A. 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 consolidated financial statements of Albanesi 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 Autonomous 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 Albanesi 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. 797/2019, 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 consolidated 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.
6. 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

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For the Syndics' Committee  
Marcelo P. Lerner  
Full Syndic

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



## **Albanesi S.A.**

### **Separate Financial Statements**

At December 31, 2020  
presented in comparative format

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

# **Albanesi S.A.**

## **Separate Financial Statements**

At December 31, 2020

presented in comparative format

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## 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 separate financial statements of the Company.

<b>Terms</b>	<b>Definitions</b>
/day	Per day
AESA	Albanesi Energía S.A.
AFIP	Federal Administration of Public Revenue
AJSA	Alba Jet S.A.
ASA	Albanesi S.A./ the Company
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
GECE	Generación Centro S.A.
GLSA	Generación Litoral S.A.
GMSA	Generación Mediterránea S.A.
Large Users	WEM agents classified according to their consumption into: GUMAs, GUMEs, GUPAs and GUDIs
GROSA	Generación Rosario S.A.

## GLOSSARY OF TECHNICAL TERMS (Cont'd)

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
ON	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



# **Albanesi S.A.**

## **Composition of the Board of Directors and Syndics' Committee at December 31, 2020**

### **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

### **Alternate Directors**

José Leonel Sarti  
Juan Gregorio Daly  
Ricardo Martín López  
Romina Solange Kelleyian

### **Full Syndics**

Enrique Omar Rucq  
Francisco Agustín Landó  
Marcelo Pablo Lerner

### **Alternate Syndics**

Carlos Indalecio Vela  
Juan Cruz Nocciolino  
Marcelo Claudio Barattieri

## **Albanesi S.A.**

Company Name: Albanesi S.A.

Legal address: Av. L.N. Alem 855, 14th floor - City of Buenos Aires

Main business activity: Investing and financial activities

Tax Registration Number: 30-68250412-5

Dates of Registration with the Public Registry of Commerce:

Bylaws or incorporation agreement: June 28, 1994

Latest amendment: September 17, 2018

Registration with the Legal Entities Regulator under number: 6,216 of Book 115, Volume A of Corporations

Expiration of bylaws or incorporation agreement: June 28, 2093

<b>CAPITAL STATUS (Note 17)</b>			
<b>Shares</b>			
<b>Number</b>	<b>Type</b>	<b>Number of votes per share</b>	<b>Subscribed, paid-in and registered</b>
			<b>\$</b>
64,451,745	Ordinary, registered, non-endorsable \$1 par value	1	64,451,745

## Albanesi S.A.

### Separate statement of financial position

At December 31, 2020 and 2019

Stated in pesos

	Notes	12/31/2020	12/31/2019
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Investments in subsidiaries and associates	6	17,040,824,577	14,396,603,039
Other investments	8	309,167,100	-
Income tax credit balance		1,528,876	2,081,421
Other receivables	9	1,893,296,386	1,383,536,159
<b>Total non-current assets</b>		<b>19,244,816,939</b>	<b>15,782,220,619</b>
<b>CURRENT ASSETS</b>			
Other investments	8	12,812,186	-
Other receivables	9	400,010,684	254,058,925
Cash and cash equivalents	10	824,253	246,123,930
<b>Total current assets</b>		<b>413,647,123</b>	<b>500,182,855</b>
<b>Total Assets</b>		<b>19,658,464,062</b>	<b>16,282,403,474</b>
<b>EQUITY</b>			
Share Capital	17	64,451,745	64,451,745
Capital Adjustment		344,038,667	344,038,667
Legal reserve		85,211,392	44,452,401
Optional reserve		821,132,932	821,132,932
Special Reserve GR No. 777/18		4,813,993,813	5,094,739,021
Technical revaluation reserve		4,855,964,275	4,809,358,291
Other comprehensive income/(loss)		(23,539,777)	(25,927,118)
Unappropriated retained earnings		3,309,062,047	173,292,772
<b>TOTAL EQUITY</b>		<b>14,270,315,094</b>	<b>11,325,538,711</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities, net	20	89,296,192	29,160,086
Loans	12	5,103,516,872	3,946,612,142
Other liabilities	11	9,191,871	19,409,019
<b>Total non-current liabilities</b>		<b>5,202,004,935</b>	<b>3,995,181,247</b>
<b>CURRENT LIABILITIES</b>			
Loans	12	179,932,554	125,121,675
Other liabilities	11	5,064,726	830,764,843
Tax payables		39,609	-
Trade payables		1,107,144	5,796,998
<b>Total current liabilities</b>		<b>186,144,033</b>	<b>961,683,516</b>
<b>Total liabilities</b>		<b>5,388,148,968</b>	<b>4,956,864,763</b>
<b>Total liabilities and equity</b>		<b>19,658,464,062</b>	<b>16,282,403,474</b>

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

## Albanesi S.A.

### Separate Statement of Comprehensive Income

For the years ended December 31, 2020 and 2019

Stated in pesos

	<b>Notes</b>	<b>12/31/2020</b>	<b>12/31/2019</b>
Income/(loss) on investment in subsidiaries and associates	<b>6</b>	3,153,966,903	1,302,473,079
Selling expenses	<b>13</b>	(330,838)	(468,944)
Administrative expenses	<b>14</b>	(9,508,808)	(34,450,508)
Other operating income	<b>15</b>	5,957,147	8,526,251
<b>Operating income/(loss)</b>		<b>3,150,084,404</b>	<b>1,276,079,878</b>
Financial expenses	<b>16</b>	(1,187,896,565)	(1,154,888,136)
Other financial results	<b>16</b>	859,110,889	824,103,101
<b>Financial results, net</b>		<b>(328,785,676)</b>	<b>(330,785,035)</b>
<b>Pre-tax profit/(loss)</b>		<b>2,821,298,728</b>	<b>945,294,843</b>
Income tax	<b>20</b>	(60,136,106)	(117,915,283)
<b>Income for the year</b>		<b>2,761,162,622</b>	<b>827,379,560</b>
<b>Other comprehensive income/(loss)</b>			
<i>These items will not be reclassified under income</i>			
Other comprehensive income on investment in subsidiaries and associates		313,592,328	(2,582,022,909)
<b>Other comprehensive income/(loss) for the year</b>		<b>313,592,328</b>	<b>(2,582,022,909)</b>
<b>Comprehensive income/(loss) for the year</b>		<b>3,074,754,950</b>	<b>(1,754,643,349)</b>
<b>Earnings/(losses) per share</b>			
Basic and diluted earnings per share	<b>19</b>	<b>42.84</b>	<b>12.84</b>

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

## Albanesi S.A.

### Separate Statement of Changes in Equity For the years ended December 31, 2020 and 2019 Stated in pesos

	Shareholders' contributions		Retained earnings						Total equity
	Share Capital (Note 17)	Capital Adjustment	Legal reserve	Optional reserve	Special Reserve GR No. 777/18	Technical revaluation reserve	Other comprehensive income/(loss)	Unappropriated retained earnings/(losses)	
<b>Balances at December 31, 2018</b>	<b>64,451,745</b>	<b>344,038,667</b>	<b>44,452,401</b>	<b>1,484,389,700</b>	<b>5,320,151,699</b>	<b>7,696,395,921</b>	<b>(18,453,249)</b>	<b>(1,191,988,056)</b>	<b>13,743,438,828</b>
As resolved by the Extraordinary Shareholders' Meeting held on March 7, 2019:									
- Optional reserve	-	-	-	(663,256,768)	-	-	-	663,256,768	-
-Distribution of dividends	-	-	-	-	-	-	-	(663,256,768)	(663,256,768)
Other comprehensive income/(loss)	-	-	-	-	-	(2,574,549,040)	(7,473,869)	-	(2,582,022,909)
Reversal of technical revaluation reserve	-	-	-	-	(225,412,678)	(312,488,590)	-	537,901,268	-
Income for the year	-	-	-	-	-	-	-	827,379,560	827,379,560
<b>Balances at December 31, 2019</b>	<b>64,451,745</b>	<b>344,038,667</b>	<b>44,452,401</b>	<b>821,132,932</b>	<b>5,094,739,021</b>	<b>4,809,358,291</b>	<b>(25,927,118)</b>	<b>173,292,772</b>	<b>11,325,538,711</b>
As resolved by the Ordinary Shareholders' Meeting held on April 16, 2020:									
- Setting up of Legal Reserve	-	-	40,758,991	-	-	-	-	(40,758,991)	-
-Distribution of dividends	-	-	-	-	-	-	-	(129,978,567)	(129,978,567)
Other comprehensive income/(loss)	-	-	-	-	-	311,204,987	2,387,341	-	313,592,328
Reversal of technical revaluation reserve	-	-	-	-	(280,745,208)	(264,599,003)	-	545,344,211	-
Income for the year	-	-	-	-	-	-	-	2,761,162,622	2,761,162,622
<b>Balances at December 31, 2020</b>	<b>64,451,745</b>	<b>344,038,667</b>	<b>85,211,392</b>	<b>821,132,932</b>	<b>4,813,993,813</b>	<b>4,855,964,275</b>	<b>(23,539,777)</b>	<b>3,309,062,047</b>	<b>14,270,315,094</b>

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

## Albanesi S.A.

### Separate Statement of Cash Flow

For the years ended December 31, 2020 and 2019

Stated in pesos

	Notes	12/31/2020	12/31/2019
<b>Cash flow provided by operating activities:</b>			
Income for the year		2,761,162,622	827,379,560
<b>Adjustments to arrive at net cash flows provided by operating activities:</b>			
Income tax	20	60,136,106	117,915,283
Interest, exchange differences and other financial results	16	1,155,085,132	1,150,727,770
Income/(loss) from changes in the fair value of financial instruments	16	(46,572,260)	-
RECPAM (Purchasing Power Parity)	16	(784,884,719)	(823,283,764)
Income/(loss) on investment in subsidiaries and associates	6	(3,153,966,903)	(1,302,473,079)
<b>Changes in operating assets and liabilities:</b>			
(Increase) in other receivables		(1,493,505,143)	(1,622,440,986)
(Decrease) in trade payables		(2,172,758)	(5,379,806)
(Decrease) in other liabilities		(4,395,671)	(342,963,630)
<b>Net cash flow (used in) operating activities</b>		<b>(1,509,113,594)</b>	<b>(2,000,518,652)</b>
<b>Cash flow from investing activities:</b>			
Acquisition of other investments		(274,143,316)	-
Collection of dividends		-	223,685,147
<b>Net cash flow (used in) / provided by investing activities</b>		<b>(274,143,316)</b>	<b>223,685,147</b>
<b>Cash flow from financing activities:</b>			
Borrowings	12	153,032,165	-
Payment of interest	12	(103,490,260)	(218,950,601)
Payment of principal	12	(88,911,718)	-
Increase in loans with related companies	12	1,537,303,059	3,265,127,476
(Decrease) in loans with related companies	12	-	(1,025,964,160)
(Decrease) in other liabilities with related companies		(128,618)	(8,246,943)
<b>Net cash flow provided by financing activities</b>		<b>1,497,804,628</b>	<b>2,011,965,772</b>
<b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(285,452,282)</b>	<b>235,132,267</b>
Cash and cash equivalents at the beginning of the year		246,123,930	1,545,659
Financial results of cash and cash equivalents		26,713,373	9,066,279
Cash RECPAM		13,439,232	379,725
Cash and cash equivalents at year end	10	824,253	246,123,930
		<b>(285,452,282)</b>	<b>235,132,267</b>
<b>Significant transactions not representing changes in cash:</b>			
Compensation for dividends distributed with other receivables		(129,978,567)	(663,256,768)
Capitalization of other liabilities		(532,000)	(597,076)
Other comprehensive income on investment in subsidiaries and associates		313,592,328	(2,582,022,909)

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

## Albanesi S.A.

### Notes to the Separate Financial Statements For the fiscal years ended December 31, 2020 and 2019 Stated in pesos

#### **NOTE 1: GENERAL INFORMATION**

The Company was established in 1994 and is engaged in investment and financing activities. Through its subsidiaries and related entities, ASA has invested in the energy market, in the power generation and commercialization segment.

Grupo Albanesi, through ASA and its related company AESA, is engaged in the generation and sale of electricity and has focused on the gas transportation and sale business through RGA.

In recent years, the main strategy of Grupo Albanesi has been focused on achieving vertical integration, drawing on its vast experience and reputation in the natural gas sale market (obtained through RGA), with the subsequent addition of the electric power generation business. This approach seeks to capitalize the value added from the purchase from large gas producers in all the basins in the country to its transformation and sale as electric power.

Below is a detail of the participation of ASA in each company.

Companies	Country of creation	Main activity	% participation	
			12/31/2020	12/31/2019
CTR	Argentina	Electric power generation	75%	75%
GECEN	Argentina	Electric power generation	95%	95%
GLSA	Argentina	Electric power generation	95%	95%
GMSA	Argentina	Electric power generation	95%	95%
GROSA	Argentina	Electric power generation	95%	95%
Solalban Energía S.A.	Argentina	Electric power generation	42%	42%

At the date these separate 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.

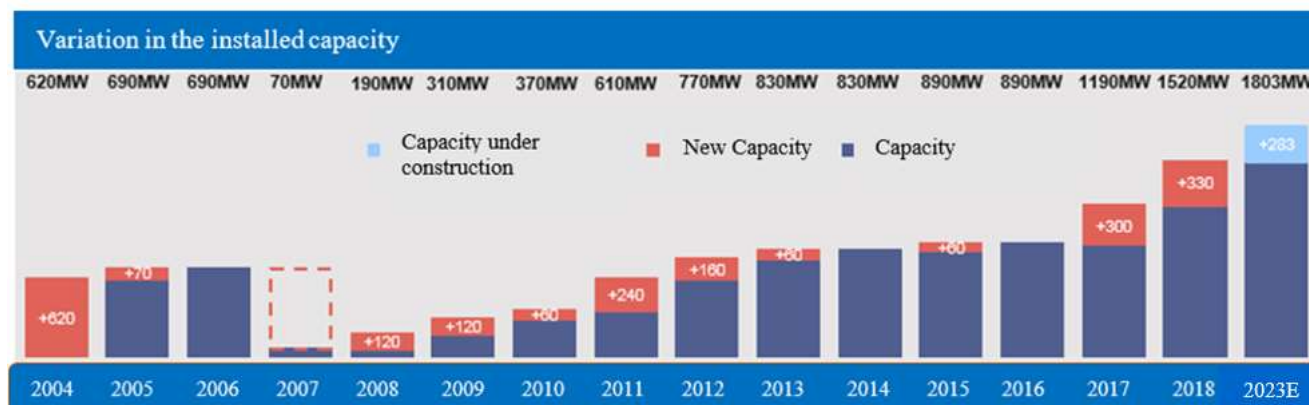
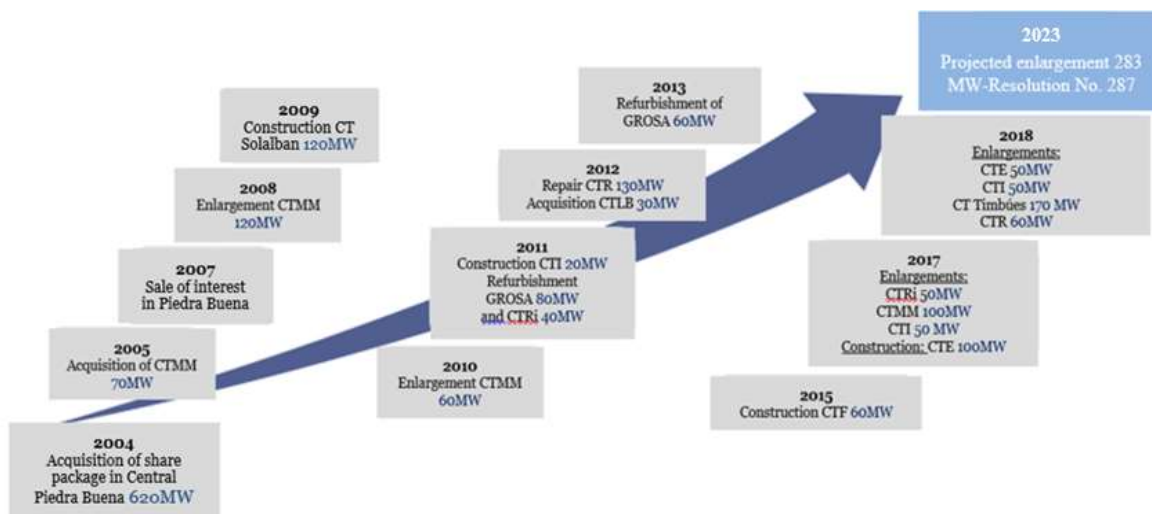
Power Plant	Company	Nominal installed capacity	Resolution	Location
Central Térmica Modesto Maranzana (CTMM)	GMSA	350 MW	ES Resolutions Nos. 220/07, 1281/06 Plus and ES 31/2020	Río Cuarto, Córdoba
Central Térmica Independencia (CTI)	GMSA	220 MW	ES Resolutions Nos. 220/07, 1281/06 Plus, EES 21/16 and ES 31/2020	San Miguel de Tucumán, Tucumán
Central Térmica Frías (CTF)	GMSA	60 MW	ES Resolutions Nos. 220/07 and 31/2020	Frías, Santiago del Estero
Central Térmica Riojana (CTRI)	GMSA	90 MW	ES Resolutions Nos. 220/07 and 31/2020	La Rioja, La Rioja
Central Térmica La Banda (CTLB)	GMSA	30 MW	ES Resolution No. 31/2020	La Banda, Santiago del Estero
Central Térmica Ezeiza (CTE)	GMSA	150 MW	EES Resolution No. 21/16	Ezeiza, Buenos Aires
Central Térmica Roca (CTR)	CTR	190 MW	ES Resolutions Nos. 220/07 and 31/2020	Gral Roca, Río Negro
Central Térmica Sorrento	GROSA	140 MW	ES Resolution No. 31/2020	Rosario, Santa Fe
Solalban Energía S.A.		120 MW	Resolution No. 1281/06 Plus	Bahía Blanca, Buenos Aires
<b>Total nominal installed capacity (Participation of ASA)</b>		<b>1,350 MW</b>		
Central Térmica Cogeneración Timbúes	AESA	170 MW	EES Resolution No. 21/16	Timbúes, Santa Fe
<b>Total nominal installed capacity Grupo Albanesi</b>		<b>1,520 MW</b>		

## Albanesi S.A.

### Notes to the Separate Financial Statements (Cont'd)

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

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 dated May 10, 2017, the Electric Energy Secretariat instructed CAMMESA to call for tenders for new thermal generation of closure of the combined cycle technology and co-generation, with the commitment to be available to meet the demand in WEM. GMSA participated in that call and was awarded two projects for closure of combined cycles through EES Resolution No. 926 – E/2017.



**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

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

One of those projects is the closure of the combined cycle of the TG06 and TG07 units at CTMM, located in Río Cuarto. The project consists in the installation of a new 50 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 recovery boiler will be installed at the gas turbines exit, which will produce steam in two pressures to feed an SST-600 steam turbine that will deliver a further 65 MW to the network; also, the necessary infrastructure will be installed 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 a new gas turbine will cause an additional demand for fuel to the system. The addition of the turbo steam machine will contribute 65 MW, without additional consumption of fuel, with the complete cycle recording a specific consumption of 1590 Kcal/kWh in the closure of the combined cycle.

One of them is the closure of the combined cycle of units TG01, TG02 and TG03 of CTE, located in the province of Buenos Aires. The project consists of: i) the installation of a fourth 50 MW Siemens SGT-800 gas turbine, and ii) the conversion into combined cycle of the four gas turbines. For the conversion into combined cycle, a recovery boiler will be installed at the gas turbines exit, 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 Argentine Interconnection System (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 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.

**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

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

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.

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.

**Co-generation Project Arroyo Seco**

Under ES Resolution No. 287/2017, the Energy Secretariat requested offers to implement projects of electricity generation through the closure of open cycles and co-generation. Within this framework, GECEN presented a cogeneration project in Arroyo Seco, Province of Santa Fe, for 100 MW power.

The installation of three projects including the project presented by GECEN was awarded through Resolution ES No. 820/2017 by the Energy Secretariat. The selected projects comply with the criteria of installing efficient generation and/or improve the thermal units of the current power generation plants. This means an economic benefit for the electric system in all scenarios.

The project consists in the installation of two SGT800 Siemens gas turbines with a nominal capacity of 50 MW and two recovery boilers which will generate steam using exhaust fumes from the turbine. The Company will thus generate (i) electricity that will be sold under a contract signed with CAMMESA within the framework of a public bidding under EES Resolution No. 287/2017 and awarded under EES Resolution No. 820/2017 for a term of 15 years, and (ii) steam, to be supplied to LDC Argentina S.A. for its plant in Arroyo Seco, by means of a steam and electric power generation contract for an extendable term of 15 years.

On August 9, 2017, the contract for the purchase of the turbines with Siemens was entered into for SEK 270,216,600 million. The contract is for the purchase of two gas turbines SGT800 Siemens Industrial Turbomachinery AB, including whatever is necessary for their installation and start-up.

On January 12, 2018, a contract was signed with the supplier Vogt Power International Inc. for the provision of two recovery steam boilers for a total amount of USD 14,548,000.

In turn, on March 26, 2018, a contract was signed with the supplier Siemens Ltda. for the purchase of a steam turbine for a total amount of USD 5,370,500. The contract comprises the purchase of an SST-300 steam turbine, including whatever is necessary for its installation and start-up.

GECEN and CAMMESA signed the Wholesale Demand contract on November 28, 2017.

**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

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

**Co-generation Project Arroyo Seco (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 ESS Resolution No. 287/2017.

For this purpose, the Company has stated as NFHCC July 11, 2022.

As established in Minutes of the Board of Directors Meeting held on November 5, 2019, in view of the NFHCC stated in the preceding paragraph, the process for the sale of assets was suspended and all necessary efforts would be made to seek financing for the Arroyo Seco thermal power co-generation project. This situation, added to the economic context in which the company operates described in Note 24, could generate a substantial doubt about the entity's ability to continue as a going concern in the event it failed to obtain the necessary financing to complete the project.

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.

The progress on the project 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.

**Appointment of GECEN as Non-restricted Subsidiary**

On August 27, 2018, the Board of Directors of ASA, parent company of GECEN, appointed the latter as a Non-restricted Subsidiary under the terms of the Indenture within the framework of the International Bond.

**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

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

Appointment of GECEN as Non-restricted Subsidiary (Cont'd)

It is important to note that GECEN is a Non-restricted Subsidiary of ASA under the terms of the International Bond, which means that its creditors have no recourse against ASA or any of its subsidiaries.

**NOTE 2: BASIS FOR PRESENTATION**

These separate 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 4.

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

**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.

**Financial reporting in hyperinflationary economies**

These separate Financial Statements have been disclosed in constant currency as established by IAS 29.

**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

**NOTE 2: BASIS FOR PRESENTATION (Cont'd)**

**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; 1/6 will be allocated in the relevant fiscal period and the remaining 5/6, in 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.

**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.

**NOTE 3: ACCOUNTING POLICIES**

See summary of most significant accounting policies applied by the Company for the preparation of these separate financial statements in Note 4 to the consolidated financial statements and based on the IFRS in effect at December 31, 2020.

**3.1 New accounting standards, amendments and interpretations issued by the International Accounting Standards Board which have been adopted by the Company**

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)

**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

**NOTE 3: ACCOUNTING POLICIES (Cont'd)**

- 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.

**NOTE 4: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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

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

***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 ASA's subsidiaries or associates 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.

**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

**NOTE 4: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)**

***a) Impairment of assets (Cont'd)***

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:

- a) First, to reduce the carrying value of goodwill allocated to the cash generating unit, and
- b) 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.

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.

***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. On December 29, 2017, the National Executive Branch enacted Law No. 27430 - Income Tax, see description of key components in Note 20.

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

**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

**NOTE 5: FINANCIAL RISK MANAGEMENT (Cont'd)**

**5.1) Financial risk factors (Cont'd)**

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.

See description of risk management principles, policies and procedures in Note 5 to the consolidated financial statements.

**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 adjusted EBITDA. Net borrowings correspond to total borrowings (including current and non-current borrowings) less cash and cash equivalents. Adjusted EBITDA accounts for earnings before net financial results, income tax, minimum notional income tax and depreciation.

See details of the capital risk management policy in Note 5 a to the consolidated financial statements.

**NOTE 6: INFORMATION ON SUBSIDIARIES AND ASSOCIATES**

The Company carries its businesses through various subsidiaries and associates. The development of investments in subsidiaries and associates of the Company for the years ended December 31, 2020 and 2019 is disclosed below:

	<b><u>12/31/2020</u></b>	<b><u>12/31/2019</u></b>
<b>At beginning of year</b>	13,572,733,346	15,075,371,247
Capital contribution	532,000	597,076
Dividends	-	(223,685,147)
Other comprehensive income/(loss)	313,592,328	(2,582,022,909)
Income/(loss) on investment in subsidiaries and associates	3,153,966,903	1,302,473,079
<b>Year end (i)</b>	<b><u>17,040,824,577</u></b>	<b><u>13,572,733,346</u></b>

(i) Includes (\$823,869,693) for the investment in GECEN at December 31, 2019, disclosed under Other liabilities (Note 11).



**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

**NOTE 6: INFORMATION ON SUBSIDIARIES AND ASSOCIATES (Cont'd)**

Below is a breakdown of the investments and the value of interests held by the Company in subsidiaries and associates for the years ended December 31, 2020 and 2019, as well as the Company's share of profits of these companies.

Name of the entity	Registered office of the entity	Main activity	Ordinary shares, entitled to 1 vote	Value of the Group's equity interest		Group share of profits		% share interest		Latest financial statement (1)		
				12/31/2020	12/31/2019 (3)	12/31/2020	12/31/2019	12/31/2020	12/31/2019	Share capital (par value)	Income/loss for the year	Equity
Subsidiaries												
CTR	Argentina	Electricity	54,802,853	2,524,705,700	1,772,865,043	396,392,626	(94,647,382)	75%	75%	73,070,470	528,523,501	3,386,016,816
GMSA	Argentina	Electricity	131,263,542	13,751,963,520	11,975,007,642	1,818,798,594	1,471,634,908	95%	95%	138,172,150	1,914,524,836	14,475,751,074
GROSA	Argentina	Electricity	16,473,625	307,718,602	317,474,449	(9,742,860)	(139,245,025)	95%	95%	17,340,658	(10,255,642)	323,914,318
GLSA	Argentina	Electricity	1,163,750	566,362	405,102	(370,740)	(417,052)	95%	95%	1,225,000	(390,253)	596,171
GECEN <sup>(2)</sup>	Argentina	Electricity	475,000	156,607,311	(823,869,693)	980,477,004	261,994,826	95%	95%	500,000	1,032,081,057	164,849,801
Associates												
Solalban Energía S.A.	Argentina	Electricity	73,184,200	299,263,082	330,850,803	(31,587,721)	(196,847,196)	42%	42%	174,248,000	(75,208,859)	712,531,147
				17,040,824,577	13,572,733,346	3,153,966,903	1,302,473,079					

(1) Information in the financial statements at December 31, 2020 under IFRS.

(2 ) On August 27, 2018, ASA's Board of Directors appointed GECEN as a Non-restricted Subsidiary under the terms of the Indenture within the framework of the International Bond guaranteed by the Company and issued by GMSA and CTR.

(i) Includes (\$823,869,693) for the investment in GECEN at December 31, 2019, disclosed under Other liabilities.

Information required by Exhibit C, in compliance with Section 1, Chapter III, Title IV of the CNV restated text.

**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

**NOTE 7: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES**

<b>At December 31, 2020</b>	<b>Financial assets/liabilities at amortized cost</b>	<b>Non-financial assets/liabilities</b>	<b>Total</b>
<b>Assets</b>			
Other investments	321,979,286	-	321,979,286
Other receivables	2,282,220,949	11,086,121	2,293,307,070
Cash and cash equivalents	824,253	-	824,253
Non-financial assets	-	17,042,353,453	17,042,353,453
<b>Total</b>	<b>2,605,024,488</b>	<b>17,053,439,574</b>	<b>19,658,464,062</b>
<b>Liabilities</b>			
Loans	5,283,449,426	-	5,283,449,426
Other liabilities	-	14,256,597	14,256,597
Trade payables	1,107,144	-	1,107,144
Non-financial liabilities	-	89,335,801	89,335,801
<b>Total</b>	<b>5,284,556,570</b>	<b>103,592,398</b>	<b>5,388,148,968</b>
<b>At December 31, 2019</b>	<b>Financial assets/liabilities at amortized cost</b>	<b>Non-financial assets/liabilities</b>	<b>Total</b>
<b>Assets</b>			
Other receivables	1,625,772,151	11,822,933	1,637,595,084
Cash and cash equivalents	246,123,930	-	246,123,930
Non-financial assets	-	14,398,684,460	14,398,684,460
<b>Total</b>	<b>1,871,896,081</b>	<b>14,410,507,393</b>	<b>16,282,403,474</b>
<b>Liabilities</b>			
Loans	4,071,733,817	-	4,071,733,817
Other liabilities	-	850,173,862	850,173,862
Trade payables	5,796,998	-	5,796,998
Non-financial liabilities	-	29,160,086	29,160,086
<b>Total</b>	<b>4,077,530,815</b>	<b>879,333,948</b>	<b>4,956,864,763</b>

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

**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

**NOTE 7: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES (Cont'd)**

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

<b>At December 31, 2020</b>	Financial assets at amortized cost	Financial liabilities at amortized cost	Non-financial instruments	Total
Interest paid	-	(1,182,739,042)	-	(1,182,739,042)
Exchange differences, net	27,834,639	-	-	27,834,639
RECPAM (Purchasing Power Parity)	-	-	784,884,719	784,884,719
Changes in the amortized cost of financial instruments	46,572,260	-	-	46,572,260
Other financial costs	-	(5,338,252)	-	(5,338,252)
<b>Total</b>	<b>74,406,899</b>	<b>(1,188,077,294)</b>	<b>784,884,719</b>	<b>(328,785,676)</b>

<b>At December 31, 2019</b>	Financial assets at amortized cost	Financial liabilities at amortized cost	Non-financial instruments	Total
Interest paid	-	(1,151,547,107)	-	(1,151,547,107)
Exchange differences, net	9,066,281	-	-	9,066,281
RECPAM (Purchasing Power Parity)	-	-	823,283,764	823,283,764
Other financial costs	-	(11,587,973)	-	(11,587,973)
<b>Total</b>	<b>9,066,281</b>	<b>(1,163,135,080)</b>	<b>823,283,764</b>	<b>(330,785,035)</b>

**NOTE 8: OTHER INVESTMENTS**

	<b>Note</b>	<b>12/31/2020</b>	<b>12/31/2019</b>
<b>Non-Current</b>			
Securities ALBAAR23 (i)	<b>24</b>	309,167,100	-
		<b>309,167,100</b>	-
<b>Current</b>			
Securities ALBAAR23 (i)	<b>24</b>	12,812,186	-
		<b>12,812,186</b>	-

(I) In the 3Q 2020, ASA acquired USD 3.7 million of ALBAAR23 par value (GMSA Bond) at a clean average price of USD 66.18/USD 100 par value.

**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

**NOTE 9: OTHER RECEIVABLES**

	<u>Note</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
<b>Non-Current</b>			
Related companies	21	1,882,488,825	1,377,384,279
Minimum notional income tax		3,734,645	5,084,368
Tax Law No. 25413		3,533,226	-
Turnover tax		2,057,898	-
Value added tax		976,239	-
Other tax credits		505,553	1,067,512
		<u><b>1,893,296,386</b></u>	<u><b>1,383,536,159</b></u>
<b>Current</b>			
Related companies	21	399,732,124	248,387,872
Value added tax		-	1,205,466
Turnover tax		-	2,074,616
Tax Law No. 25413		-	2,082,219
Other tax credits		278,560	308,752
		<u><b>400,010,684</b></u>	<u><b>254,058,925</b></u>

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

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 10: CASH AND CASH EQUIVALENTS**

	<u>Note</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Banks in local currency		652,482	806,938
Banks in foreign currency	24	171,771	245,316,992
<b>Cash and cash equivalents</b>		<u><b>824,253</b></u>	<u><b>246,123,930</b></u>

**NOTE 11: OTHER LIABILITIES**

	<u>Note</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
<b>Non-Current</b>			
<b>In local currency</b>			
Other income to be accrued		9,191,871	19,409,019
		<u><b>9,191,871</b></u>	<u><b>19,409,019</b></u>
<b>Current</b>			
<b>In local currency</b>			
Other income to be accrued		5,064,726	6,895,150
Investments in subsidiaries and associates	6	-	823,869,693
		<u><b>5,064,726</b></u>	<u><b>830,764,843</b></u>

**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

**NOTE 12: LOANS**

	<u>Note</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
<b>Non-current</b>			
Negotiable obligations		-	242,607,917
Foreign loan debt	<b>24</b>	127,761,804	-
Related parties	<b>21</b>	4,975,755,068	3,704,004,225
		<u><b>5,103,516,872</b></u>	<u><b>3,946,612,142</b></u>
<b>Current</b>			
Negotiable obligations		179,708,971	125,121,675
Foreign loan debt	<b>24</b>	223,583	-
		<u><b>179,932,554</b></u>	<u><b>125,121,675</b></u>

At December 31, 2020, the total financial debt amounts to \$5,283 million. The following table shows the total debt at that date.

	<u>Principal</u>	<u>12/31/2020</u>	<u>Interest rate</u>	<u>Currency</u>	<u>Date of Issue</u>	<u>Maturity date</u>
		(Pesos)	(%)			
<u>Debt securities</u>						
Class III Negotiable Obligations:	\$179,078,439	179,708,971	BADLAR + 4.25%	ARS	June 15, 2017	June 15, 2021
<b>Subtotal</b>		<u><b>179,708,971</b></u>				
<u>Other liabilities</u>						
Related parties (Note 21)	\$3,314,312,762	4,975,755,068	30%	ARS		Maturity date: 1 year, renewable automatically
Eurobanco	USD 1,616,436	127,985,387	7%	USD	September 21, 2020	July 27, 2023
<b>Subtotal</b>		<u><b>5,103,740,455</b></u>				
<b>Total financial debt</b>		<u><u><b>5,283,449,426</b></u></u>				

With the purpose of improving the financial profile of the company, on November 20, 2015 ASA obtained, under Resolution 17887 of the CNV, authorization for: (i) incorporation of ASA to the public offering system; and (ii) creation of a global program to issue simple (non-convertible) negotiable obligations for a total nominal value outstanding of USD 100,000,000 (one hundred million US dollars) or its equivalent in other currencies, in one or more classes or series.

Class III Negotiable Obligations:

On June 15, 2017 the Company issued Class III Negotiable Obligations under the conditions described below:

**Principal:** Nominal value: \$255,826,342

**Interest:** Private Banks BADLAR rate plus a 4.25% margin.

**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

**NOTE 12: LOANS (Cont'd)**

**Class III Negotiable Obligations (Cont'd)**

**Amortization term and method:** interest on Class III Negotiable Obligations will be paid on a quarterly basis, in arrears, on the following dates: September 15, 2017; December 15, 2017; March 15, 2018; June 15, 2018; September 15, 2018; December 15, 2018; March 15, 2019; June 15, 2019; September 15, 2019; December 15, 2019; March 15, 2020; June 15, 2020; September 15, 2020; December 15, 2020; March 15, 2021, and June 15, 2021; if other than a business day, or if such day does not exist, the interest payment date will be the immediately following business day.

Principal on the Class III Negotiable Obligations will be paid in three (3) consecutive installments, on a quarterly basis, the first two equivalent to 30% of the nominal value of the Negotiable Obligations and the last one to 40%, on the dates on which 42, 45 and 48 months shall have elapsed from the date of issuance; i.e., on December 7, 2020, March 15, 2021 and June 15, 2021; if other than a business day, or if such day does not exist, the payment date will be the immediately following business day.

The issuance of Class III Negotiable Obligations was fully paid up with in-kind contributions as follows: a partial payment of Class I Negotiable Obligations for \$52,519,884 and of Class II Negotiable Obligations for \$203,306,458.

Principal balance on that class of negotiable obligations outstanding at December 31, 2020 is \$179,078,439.

**Eurobanco Loan**

**Principal:** USD 1,616,436

**Interest:** 7% fixed rate, payable quarterly to maturity.

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

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

	<u>12/31/2020</u>	<u>12/31/2019</u>
<b>Fixed rate</b>		
Less than 1 year	223,583	-
Between 1 and 2 years	4,975,755,068	3,704,004,225
Between 2 and 3 years	127,761,804	-
	<u>5,103,740,455</u>	<u>3,704,004,225</u>
<b>Floating rate</b>		
Less than 1 year	179,708,971	125,121,675
Between 1 and 2 years	-	242,607,917
	<u>179,708,971</u>	<u>367,729,592</u>
	<u>5,283,449,426</u>	<u>4,071,733,817</u>

**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

**NOTE 12: LOANS (Cont'd)**

Company loans are denominated in the following currencies:

	<u>12/31/2020</u>	<u>12/31/2019</u>
Argentine pesos	5,155,464,039	4,071,733,817
US dollars	127,985,387	-
	<u><b>5,283,449,426</b></u>	<u><b>4,071,733,817</b></u>

Changes in Company loans were as follows:

	<u>12/31/2020</u>	<u>12/31/2019</u>
Loans at beginning of year	4,071,733,817	2,301,329,721
Loans received	1,690,335,224	3,265,127,476
Loans paid	(88,911,718)	(1,025,964,160)
Accrued interest	1,182,739,042	1,151,547,107
Interest paid	(103,490,260)	(218,950,601)
Exchange difference	142,444	-
RECPAM (Purchasing Power Parity)	(1,469,099,123)	(1,401,355,726)
<b>Loans at year end</b>	<u><b>5,283,449,426</b></u>	<u><b>4,071,733,817</b></u>

**NOTE 13: SELLING EXPENSES**

	<u>12/31/2020</u>	<u>12/31/2019</u>
Taxes and rates	(330,838)	(468,944)
	<u><b>(330,838)</b></u>	<u><b>(468,944)</b></u>

**NOTE 14: ADMINISTRATIVE EXPENSES**

	<u>12/31/2020</u>	<u>12/31/2019</u>
Fees	(7,604,053)	(16,953,122)
Insurance	(49,624)	(58,866)
Office expenses	(103,815)	(964,918)
Taxes and rates	(1,751,316)	(16,473,602)
	<u><b>(9,508,808)</b></u>	<u><b>(34,450,508)</b></u>

**NOTE 15: OTHER OPERATING INCOME**

	<u>Note</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Income from guarantees granted	<b>21</b>	5,957,147	8,526,251
		<u><b>5,957,147</b></u>	<u><b>8,526,251</b></u>

**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

**NOTE 16: FINANCIAL RESULTS**

	<u>12/31/2020</u>	<u>12/31/2019</u>
<u>Financial expenses</u>		
Interest on loans	(1,182,739,042)	(1,151,547,107)
Bank expenses and taxes	(5,157,523)	(3,341,029)
<b>Total financial expenses</b>	<b><u>(1,187,896,565)</u></b>	<b><u>(1,154,888,136)</u></b>
<u>Other financial results</u>		
Exchange difference	27,834,639	9,066,281
RECPAM (Purchasing Power Parity)	784,884,719	823,283,764
Changes in the amortized cost of financial instruments	46,572,260	-
Other financial results	(180,729)	(8,246,944)
<b>Total other financial results</b>	<b><u>859,110,889</u></b>	<b><u>824,103,101</u></b>
<b>Total financial results, net</b>	<b><u>(328,785,676)</u></b>	<b><u>(330,785,035)</u></b>

**NOTE 17: CAPITAL STATUS**

Subscribed and registered capital at December 31, 2020 amounted to \$64,451,745.

**NOTE 18: DISTRIBUTION OF PROFITS**

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.

Due to the issuance of the International Negotiable Obligation, co-issued by GMSA and CTR and guaranteed by ASA, the Company must comply with ratios on a combined basis to be allowed to distribute dividends.



**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

**NOTE 19: 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.

	<u>12/31/2020</u>	<u>12/31/2019</u>
Income attributable to the owners	2,761,162,622	827,379,560
Weighted average of outstanding ordinary shares	64,451,745	64,451,745
<b>Basic and diluted earnings per share</b>	<b>42.84</b>	<b>12.84</b>

There are no differences between the calculation of the basic earnings/(losses) per share and the diluted earnings/(losses) per share.

**NOTE 20: INCOME TAX**

**Tax Reform and Law on Social Solidarity and Productive Reactivation**

On December 29, 2017, the National Executive Branch enacted Law No. 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, 2019, 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, 2019 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, 2020 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.

**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

**NOTE 20: INCOME TAX (Cont'd)**

**Tax Reform and Law on Social Solidarity and Productive Reactivation (Cont'd)**

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.
- 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 for the years ended December 31, 2020 and 2019 is shown below:

	<b>12/31/2020</b>	<b>12/31/2019</b>
	<b>\$</b>	
Pre-tax profit (loss)	2,821,298,728	945,294,843
Current tax rate	30%	30%
Net income/(loss) at the tax rate	(846,389,618)	(283,588,453)
Income/(loss) on investment in subsidiaries and associates	946,190,071	390,741,924
Change in the income tax rate (a)	(5,098,876)	(4,880,052)
Tax inflation adjustment	(138,228,310)	(121,830,958)
Other permanent differences at the tax rate	(214,039,856)	(253,874,238)
Adjustment to the prior year provision	5,390,805	(308,510)
Accounting inflation adjustment	192,039,678	155,825,004
<b>Total income tax charge</b>	<b>(60,136,106)</b>	<b>(117,915,283)</b>

- (a) Corresponds to the effect of applying the changes in the income tax rates to the deferred tax assets and liabilities in accordance with the above-mentioned tax reform, based on the expected year of their realization.

**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

**NOTE 20: INCOME TAX (Cont'd)**

The income tax charge is broken down as follows:

	<b>12/31/2020</b>	<b>12/31/2019</b>
Deferred tax	(65,526,911)	(117,915,283)
Difference between the provision for income tax and the amount reported in the tax return	5,390,805	-
<b>Income tax</b>	<b>(60,136,106)</b>	<b>(117,915,283)</b>

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

<b>Deferred assets (liabilities)</b>	<b>Balance at 12/31/2019</b>	<b>Changes to income/(loss)</b>	<b>Balance at 12/31/2020</b>
		<b>\$</b>	
Tax inflation adjustment	(98,987,653)	(68,645,025)	(167,632,678)
Tax losses	64,550,884	(40,578,473)	23,972,411
Loans	5,410,808	49,051,787	54,462,595
Other liabilities	(134,125)	35,605	(98,520)
<b>Total Deferred tax assets, net</b>	<b>(29,160,086)</b>	<b>(60,136,106)</b>	<b>(89,296,192)</b>

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

<b>Year</b>	<b>\$</b>	<b>Year of expiration</b>
Tax loss for the year 2018	2,635,064	2023
Tax loss for the year 2019	93,254,581	2024
<b>Total accumulated tax losses at December 31, 2020</b>	<b>95,889,645</b>	

**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

**NOTE 21: TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

*a) Transactions for the year*

	<u>Relationship nature</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
		<u>Income/(loss)</u>	
<u>Interest expenses</u>			
GMSA	Subsidiary	(1,093,826,733)	(963,998,694)
		<u>(1,093,826,733)</u>	<u>(963,998,694)</u>
<u>Income from guarantees granted</u>			
CTR	Subsidiary	1,052,937	1,507,030
AJSA	Related company	344,838	493,555
GMSA	Subsidiary	4,559,372	6,525,666
		<u>5,957,147</u>	<u>8,526,251</u>
<u>Recovery of expenses</u>			
GECEN	Subsidiary	-	1,516,681
		<u>-</u>	<u>1,516,681</u>

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

	<u>Relationship nature</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
<u>Other receivables</u>			
<b>Non-Current</b>			
GECEN	Subsidiary	1,864,334,017	1,352,559,305
GLSA	Subsidiary	-	108,912
TEFU S.A.	Related company	18,154,808	24,716,062
		<u>1,882,488,825</u>	<u>1,377,384,279</u>
<b>Current</b>			
Shareholders' accounts	Related parties	399,732,124	248,387,872
		<u>399,732,124</u>	<u>248,387,872</u>
<u>Loans</u>			
<b>Non-current</b>			
GMSA	Subsidiary	4,975,755,068	3,704,004,225
		<u>4,975,755,068</u>	<u>3,704,004,225</u>

**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

**NOTE 21: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)***c) Loans received from related parties*

Entity	Principal amount	Interest rate	Conditions
<b>At 12/31/2020</b>			
GMSA	3,314,312,762	30%	Up to \$3,700,000,000. Maturity date: 1 year, renewable automatically
<b>Total in pesos</b>	<b>3,314,312,762</b>		

	12/31/2020	12/31/2019
<b>Loans from GMSA</b>		
Opening balances	(3,704,004,225)	(1,676,285,146)
Borrowings	(1,537,303,059)	(3,265,127,476)
Loans paid	-	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
<b>Closing balances</b>	<b>(4,975,755,068)</b>	<b>(3,704,004,225)</b>

**NOTE 22: GUARANTEES GRANTED FOR FINANCIAL OPERATIONS WITH SUBSIDIARIES AND RELATED PARTIES**

Below is a detail of guarantees granted by ASA for financial transactions of subsidiaries and related parties:

In favor of	Type of guarantee	Entity	Asset/Destination	From	Until	Amount secured	Balance at 12/31/2020
GMSA-GFSA-CTR	Guarantor (1)	International bond	Project financing	7/27/2016	7/27/2023	USD 250,000,000	USD 250,000,000
GMSA-CTR	Guarantor (1)	International bond	Project financing	12/5/2017	7/27/2023	USD 86,000,000	USD 86,000,000
GFSA	Guarantor	PW Power Systems, Inc.	Turbine financing	3/30/2016	12/31/2020	USD 12,000,000	USD 9,662,557
AJSA	Guarantor (2)	Export Development Canada	Leasing aircraft Bombardier Inc. Model BD-100-1A10 (Challenger 350 Variant)	7/19/2017	7/19/2027	USD 16,480,000	USD 11,948,000
GMSA	Guarantor	Cargill Limited	Working capital	2/16/2018	1/29/2021	USD 25,000,000	USD 5,000,000

**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

**NOTE 22: GUARANTEES GRANTED FOR FINANCIAL OPERATIONS WITH SUBSIDIARIES AND RELATED PARTIES (Cont'd)**

In favor of	Type of guarantee	Entity	Asset/Destination	From	Until	Amount secured	Balance at 12/31/2020
GECEM	Guarantor	Vogt Power International Inc.	Acquisition of two boilers	1/12/2018	In compliance with duties and obligations established in the contract	USD 14,768,000	-
GECEM	Guarantor	Credit Suisse AG London Branch	Project financing	4/25/2018	3/20/2023	USD 52,981,896	USD 51,217,055
GMSA	Guarantor	BLC	Project financing	1/17/2019	3/6/2023	USD 61,244,711	USD 54,244,711
GMSA	Guarantor (3)	JPMorgan Chase Bank, N.A.	Project financing	12/28/2020	11/15/2025	USD 14,808,483	USD 3,048,045
GMSA	Guarantor	ICBC / Hipotecario / Citibank	Debt swap	9/30/2020	8/30/2021	ARS 341,981,250	\$178,425,000
CTR	Guarantor	ICBC	Debt swap	9/30/2020	8/30/2021	ARS 64,450,313	\$33,626,250
AESA	Guarantor	Banco Ciudad	Working capital	10/21/2020	11/17/2021	USD 6,227,975	USD 4,667,975
GMSA-CTR	Guarantor	Co-issuance II Negotiable Obligations	Project financing	8/5/2019	5/5/2023	USD 80,000,000	USD 80,000,000
GMSA	Guarantor	Class X Negotiable Obligations	Working capital	12/4/2019	2/16/2021	USD 28,148,340	USD 6,627,073
GMSA	Guarantor	Class XI Negotiable Obligations	Working capital	6/23/2020	6/23/2021	USD 9,876,755	USD 9,876,755
GMSA	Guarantor	Class XIII Negotiable Obligations	Debt swap	12/2/2020	2/16/2024	USD 13,076,765	USD 13,076,765
GMSA-CTR	Guarantor	Co-issuance III Negotiable Obligations	Working capital	12/4/2019	4/12/2021	USD 25,730,782	USD 7,088,573
GMSA-CTR	Guarantor	Co-issuance IV Negotiable Obligations	Debt swap	12/2/2020	4/11/2022	USD 16,354,944	USD 16,356,968
GMSA-CTR	Guarantor	Co-issuance V Negotiable Obligations	Working capital	11/27/2020	11/27/2022	USD 14,369,484	USD 14,369,484

- (1) The Guarantee granted by ASA to the Co-Issuers of the International Bond GMSA, GFSA (absorbed by GMSA) and CTR was approved by the Board of Directors on June 6, 2016 and ratified by Board of Directors Minutes on April 26, 2017 and July 11, 2018. The fees agreed upon as consideration for the services and responsibilities assumed for the issuance at July 27, 2016, were \$47.6 million and for the issuance at December 5, 2017 were \$14.7 million.
- (2) The Guarantee provided to AJSA by ASA on July 13, 2017 and the fees agreed upon as consideration for the services and responsibilities assumed were worth \$5.3 million.
- (3) At December 31, 2020, GMSA has received the disbursement under that loan amounting to USD 3,048,045.

**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

**NOTE 23: WORKING CAPITAL**

At December 31, 2020, ASA has a surplus of \$227,503,090 in its working capital (calculated as current assets less current liabilities), which means an increase of \$689,003,751, compared to the working capital at the end of the previous year (a deficit of \$461,500,661).

In addition, consolidated subsidiaries of the Group disclose a deficit in working capital of \$3,367 million at December 31, 2020. With the aim of reversing the current deficit in its working capital, Group Management and its shareholders are planning to execute a plan for refinancing liabilities in the short term.

**NOTE 24: FOREIGN CURRENCY ASSETS AND LIABILITIES**

Breakdown of balances in foreign currency of monetary assets and liabilities is as follows:

	12/31/2020			12/31/2019
	Class and amount in foreign currency	Exchange rate <sup>(1)</sup>	Amount recorded in pesos	Amount recorded in pesos
<b>ASSETS</b>			<b>\$</b>	
<b>NON-CURRENT ASSETS</b>				
Other investments				
Securities ALBAAR23	USD 3,682,753	83.95	309,167,100	-
<b>Total Non-current Assets</b>			<b>309,167,100</b>	-
<b>CURRENT ASSETS</b>				
Cash and cash equivalents				
Banks	USD 2,046	83.95	171,771	245,316,992
Other investments				
Securities ALBAAR23	USD 152,617	83.95	12,812,186	-
<b>Total current assets</b>			<b>12,983,957</b>	<b>245,316,992</b>
<b>Total Assets</b>			<b>322,151,057</b>	<b>245,316,992</b>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Loans				
Foreign loan debt	USD 1,518,263	84.15	127,761,804	-
<b>Total Non-current Liabilities</b>			<b>127,761,804</b>	-
<b>CURRENT LIABILITIES</b>				
Loans				
Foreign loan debt	USD 2,657	84.15	223,583	-
<b>Total Current Liabilities</b>			<b>223,583</b>	-
<b>Total Liabilities</b>			<b>127,985,387</b>	-

(1) The exchange rate applied is that prevailing at closing published by Banco Nación.

Information required by Exhibit G, in compliance with Section 1, Chapter III, Title IV of the restated text by the CNV.

**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

**NOTE 25: 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:

	Other receivables	Income tax	Trade payables	Tax payables	Other liabilities	Loans	Deferred tax liabilities
	\$						
Falling due within							
First quarter	69,640	-	1,107,144	39,609	1,266,182	78,676,736	-
Second quarter	69,640	-	-	-	1,266,182	101,255,818	-
Third quarter	69,640	-	-	-	1,266,182	-	-
Fourth quarter	399,801,764	-	-	-	1,266,180	-	-
More than 1 year	1,893,296,386	1,528,876	-	-	9,191,871	5,103,516,872	89,296,192
Subtotal	2,293,307,070	1,528,876	1,107,144	39,609	14,256,597	5,283,449,426	89,296,192
Total	<b>2,293,307,070</b>	<b>1,528,876</b>	<b>1,107,144</b>	<b>39,609</b>	<b>14,256,597</b>	<b>5,283,449,426</b>	<b>89,296,192</b>
Non-interest bearing	2,293,307,070	1,528,876	1,107,144	39,609	14,256,597	-	89,296,192
At fixed rate	-	-	-	-	-	5,103,740,455	-
At floating rate	-	-	-	-	-	179,708,971	-
<b>Total at 12/31/2020</b>	<b>2,293,307,070</b>	<b>1,528,876</b>	<b>1,107,144</b>	<b>39,609</b>	<b>14,256,597</b>	<b>5,283,449,426</b>	<b>89,296,192</b>

Information required by Exhibit G, in compliance with Section 1, Chapter III, Title IV of the restated text by the CNV.

**NOTE 26: STORAGE OF DOCUMENTATION**

On August 14, 2014, the CNV issued General Resolution No. 629 that introduces amendments to its regulations involving storage and preservation of corporate books, accounting records and business documents. The Company keeps and preserves its corporate books, accounting records and relevant business documents at its principal place of business located at Av. L.N. Alem 855, 14th floor - City of Buenos Aires

Furthermore, it is informed that the Company sent its working papers and non-sensitive information for fiscal years not yet statute-barred to its storage services 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).



**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

**NOTE 27: COMMITMENTS FOR FINANCIAL TRANSACTIONS BETWEEN RELATED PARTIES**

On March 7, 2019, GECEN entered into an agreement with its creditors to repay a portion of its debt, which was jointly signed by ASA as co-debtor. The agreement was amended several times. 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 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 comprises two agreements, one signed with ASA alone and another signed jointly with GMSA. At December 31, 2020 the balance of the first agreement amounts to USD 24,383,333, with quarterly interest being paid accruing an annual interest rate of 7.75%. At the same date, the balance of the second agreement amounts to USD 26,833,722, with quarterly interest being paid accruing an annual rate of 13.09%.

In both cases, the loan will be amortized in 6 quarterly installments, with the first one falling due on March 20, 2022 and the last one on June 20, 2023.

**NOTE 28: 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.

**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

**NOTE 28: ECONOMIC CONTEXT IN WHICH THE COMPANY OPERATES (Cont'd)**

With these measures, which aim at restricting access to the exchange market to curb the demand for dollars, prior authorization from the Central Bank of Argentina is required for certain transactions; the following being applicable to the Company:

- 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

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 by the subsidiaries 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 29: 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.

**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

**NOTE 29: IMPACT OF COVID-19 (Cont'd)**

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.

At December 31, 2020, there was no adverse impact on the commercial operations or the customer service as a result of the remote work. The 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 12, 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 30: CORPORATE REORGANIZATION**

By means of Board of Director's Meeting dated December 21, 2020, the Company approved the convenience to carry out a corporate reorganization with effective date January 1, 2021, whereby GMSA absorbs the Company and GECEN (the "Companies Absorbed" and, jointly with GMSA, "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.

**Albanesi S.A.**  
**Notes to the Separate Financial Statements (Cont'd)**

**NOTE 30: CORPORATE REORGANIZATION (Cont'd)**

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 GECEN 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 31: 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.



## *Auditor's report issued by independent auditors*

To the Shareholders, President and Directors of  
Albanesi S.A.  
Legal address: Leandro N. Alem 855 - 14th Floor  
Tax Code No. 30--68250412--5

### **Report on the Audit of the Separate Financial Statements**

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#### **Opinion**

We have audited the accompanying separate financial statements of Albanesi S.A. (the "Company"), including the separate statement of financial position at December 31, 2020 and the statements of income, of comprehensive income, of changes in equity and cash flows for the year then ended, and notes to the separate financial statements, including a summary of the most significant accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Company at December 31, 2020 and its separate comprehensive income and its separate cash flows for the fiscal year then ended, in accordance with International Financial Reporting Standards (IFRS).

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#### **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 Separate 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 audit 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 separate financial statements in Argentina, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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P: +(54.11) 4850.0000, F: +(54.11) 4850.1800, [www.pwc.com/ar](http://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 separate financial statements for the current year. These matters were addressed in the context of our audit of the separate 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
<b>Going concern</b> <p>The Company has prepared its separate financial statements based on the going concern assumption, as mentioned in Note 2 of the separate financial statements at December 31, 2020.</p> <p>As mentioned in Note 1 to the separate financial statements, ASA is a company engaged in investment activities through the majority shareholding in Central Térmica Roca S.A., Generación Centro S.A., Generación Litoral S.A., Generación Mediterránea S.A. and Generación Rosario S.A., (all) engaged in the generation and commercialization of electric energy.</p> <p>In Note 6, the Company discloses the balance of investments in subsidiaries at December 31, 2020, for \$ 17,040 million pesos, which represent 87% of the Company's total assets as of that date.</p> <p>As mentioned in Note 23, at December 31, 2020, the subsidiaries have a working capital deficit. To reverse this situation, Company's Management has developed a refinancing plan for short-term financial liabilities for the subsidiaries.</p>	<p>We have audited the Company's consolidated financial statements and issued our audit opinion on this date. In the performance of the audit, we carried out audit procedures to validate the correct application of the going concern principle of the Company's subsidiaries, we used the procedures to assess the existence of events that could indicate an impairment in the amount of investments in subsidiaries from a separate financial statement perspective which included, among others:</p> <ul style="list-style-type: none"><li>• 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;</li><li>• verify the mathematical precision of Management's cash flow projections and validate the initial cash position;</li><li>• 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;</li></ul>



## Key audit matters

## Audit response

### Going concern (cont'd)

In Note 28, the Company states that debt issuances carried out in the capital market as well as renegotiations with local banks for its subsidiaries 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.

Management carried out a sensitivity analysis on its cash flow forecast for the significant subsidiaries Generación Mediterránea S.A. and Central Térmica Roca S.A. 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 subsidiaries' business will develop and how they will obtain the necessary resources for their normal operation in an uncertain context, have led us to consider this matter as a key issue in our audit.

- 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;
- carry out an acid test of liquidity verifying the Company's ability to comply with existing deadlines within one year without debt restructuring other than performed at 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 separate financial statements.



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### **Board's responsibility in respect of separate financial statements**

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The Board of Albanesi S.A. is responsible for the preparation and fair presentation of the accompanying separate financial statements in accordance with IFRS, and for such internal control as the Board determines is necessary to enable the preparation of separate financial statements that are free of material misstatement, whether due to fraud or error.

In preparing these separate 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.

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### **Auditor's responsibilities for the Audit of the separate Financial Statements**

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The objective of our audit is to obtain reasonable assurance that the separate 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 separate 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 assess the risks of material misstatement of the separate 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 separate 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 separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events 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 the Company's Board of Directors, we determine those of most significance in the audit of the separate 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 separate financial statements of Albanesi S.A. are transcribed into the Inventory and Balance Sheet book and as regards those matters that are within our competence, they are in compliance with the provisions of the General Companies Law and pertinent resolutions of the National Securities Commission;
- b) the separate financial statements of Albanesi S.A. arise from accounting records carried in all formal respects in conformity with legal provisions which maintain the security and integrity conditions based on which they were authorized by the National Securities Commission;
- c) at December 31, 2020, there is no debt accrued in favor of the Argentine Integrated Social Security System, as shown by the accounting records;
- 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 December 31, 2020 account for:
  - d.1) 72% of the total fees for services billed to the Company for all items during that fiscal year;
  - d.2) 13% 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) 8% 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 the money laundering abatement and anti-terrorist financing procedures comprised in the professional standards issued by the Professional Council in Economic Sciences for the City of Buenos Aires.

City of Buenos Aires, March 16, 2021.

PRICE WATERHOUSE & CO. S.R.L

(Partner)

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Raúl Leonardo Viglione

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

To the Shareholders of  
Albanesi S.A.

1. In accordance with Section 294 of Law No. 19550 and the standards issued by the National Securities Commission (CNV), we have examined the attached separate financial statements of Albanesi S.A. (the "Company") which comprise the statement of financial position at December 31, 2020, the statement of comprehensive income for the year ended December 31, 2020, statement of changes in equity and of cash flows for the year then ended, and notes to the financial statements. 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 Albanesi 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 about whether 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 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 Albanesi S.A. 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 separate financial statements of Albanesi S.A. present fairly, in all material respects, its financial position at 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 Albanesi 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. 797/2019, 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.
6. 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

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For the Syndics' Committee  
Marcelo P. Lerner  
Full Syndic