

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

Generación Mediterránea S.A.

Condensed Interim Financial Statements

At September 30, 2020 and for the nine- and three-month periods
ended September 30, 2020 and 2019
presented in comparative format

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Report on the Condensed Interim Financial Statements

Report of the Syndics' Committee

Generación Mediterránea S.A.

GLOSSARY OF TECHNICAL TERMS

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

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 Cuarto, 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
SHCT	Health, Safety and Hygiene at work
TRASNOA S.A.	Empresa de Transporte de Energía Eléctrica por Distribución Troncal del Noroeste Argentino S.A.
GU	Generating unit
CGU	Cash Generating Unit
USD	US Dollars

Generación Mediterránea S.A.

Composition of the Board of Directors and Syndics' Committee

President

Armando Losón (Jr.)

1st Vice President

Guillermo Gonzalo Brun

2nd Vice President

Julián Pablo Sarti

Full Directors

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

Alternate Directors

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

Full Syndics

Enrique Omar Rucq
Marcelo Pablo Lerner
Francisco Agustín Landó

Alternate Syndics

Juan Cruz Nocciolino
Carlos Indalecio Vela
Marcelo Claudio Barattieri

Legal information

Company Name: Generación Mediterránea S.A.

Legal address: Av. L. N. Alem 855, Floor 14, City of Buenos Aires.

Main business activity: Generation and sale of electric energy Development of energy projects, execution of projects, advisory services, provision of services, management, administration and performance of works of any kind. Investments and financial operations of any kind, except those established by Law No. 21526

Tax ID: 30-68243472-0

Date of registration with the Public Registry of Commerce:

By-Laws: January 28, 1993
Latest amendment: March 17, 2017

Registration with the Legal Entities Regulator under number: 644 of Book 112, Volume A of Corporations

Expiration date of Company By-laws: January 28, 2092

Parent company: Albanesi S.A.
Legal address: Av. L. N. Alem 855, Floor 14, City of Buenos Aires.

Main line of business of Parent Company: Investment and financial activities
Percentage of equity interest held by Parent Company: 95%
Percentage of voting rights of Parent Company: 95%

CAPITAL STATUS (Note 15)	
Class of shares	Subscribed, paid-in and registered
	\$
Ordinary, registered, non-endorsable shares of \$1 par value each and entitled to 1 vote per share.	138,172,150

Generación Mediterránea S.A.
Condensed Interim Statement of Financial Position
at September 30, 2020 and December 31, 2019
Stated in pesos

	Note	9/30/2020	12/31/2019
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	50,832,212,474	48,094,630,223
Investments in companies		79,536	158,808
Other receivables		4,646,715,520	3,403,935,927
Total non-current assets		55,479,007,530	51,498,724,958
CURRENT ASSETS			
Spare parts and materials		253,994,394	264,554,771
Other receivables		2,651,670,098	2,395,695,989
Trade receivables		3,229,781,704	3,715,484,208
Cash and cash equivalents	14	770,422,120	1,075,130,750
Total current assets		6,905,868,316	7,450,865,718
Total Assets		62,384,875,846	58,949,590,676
EQUITY			
Share Capital	15	138,172,150	138,172,150
Capital Adjustment		1,501,556,918	1,501,556,918
Additional paid-in capital		1,497,315,506	1,497,315,506
Legal reserve		67,902,774	67,902,774
Optional reserve		1,130,430,229	1,130,430,229
Technical revaluation reserve		3,708,018,635	3,847,198,270
Special Reserve GR No. 777/18		3,792,046,442	3,934,380,042
Other comprehensive income		(5,287,403)	(5,287,403)
Unappropriated retained earnings		791,310,599	(788,929,583)
TOTAL EQUITY		12,621,465,850	11,322,738,903
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liabilities, net	19	8,791,086,716	7,101,683,738
Defined benefit plan		37,689,173	30,433,622
Loans	17	24,539,278,451	28,027,507,740
Trade payables		1,808,069,378	1,792,876,315
Total non-current liabilities		35,176,123,718	36,952,501,415
CURRENT LIABILITIES			
Other liabilities		-	451,021
Tax payables		485,026,196	200,670,420
Salaries and social security liabilities		76,602,798	96,590,929
Defined benefit plan		2,878,301	3,519,842
Financial instruments		16,405,000	-
Loans	17	9,308,191,092	4,730,779,513
Trade payables		4,698,182,891	5,642,338,633
Total current liabilities		14,587,286,278	10,674,350,358
Total liabilities		49,763,409,996	47,626,851,773
Total liabilities and equity		62,384,875,846	58,949,590,676

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

Generación Mediterránea S.A.

Condensed Interim Statement of Comprehensive Income

For the nine- and three-month periods ended September 30, 2020 and 2019

Stated in pesos

		Nine months at		Three months at	
	Note	9/30/2020	9/30/2019	9/30/2020	9/30/2019
Sales revenue	7	8,941,441,167	10,027,403,408	3,077,772,419	3,516,840,953
Cost of sales	8	(3,011,428,167)	(4,059,428,567)	(1,030,680,835)	(1,441,687,785)
Gross profit/(loss)		5,930,013,000	5,967,974,841	2,047,091,584	2,075,153,168
Selling expenses	9	(956,503)	(2,932,501)	12,416	105,585
Administrative expenses	10	(273,225,128)	(265,131,847)	(75,224,814)	(102,574,794)
Other income	11	50,253,861	773,566	43,165,517	156,627
Operating income/(loss)		5,706,085,230	5,700,684,059	2,015,044,703	1,972,840,586
Financial income	12	1,105,954,167	799,700,725	320,730,672	311,537,888
Financial expenses	12	(3,061,118,614)	(2,151,993,740)	(1,096,806,089)	(882,282,411)
Other financial results	12	(762,790,858)	(2,424,324,342)	(52,380,717)	(5,156,516,721)
Financial results, net		(2,717,955,305)	(3,776,617,357)	(828,456,134)	(5,727,261,244)
Pre-tax profit/(loss)		2,988,129,925	1,924,066,702	1,186,588,569	(3,754,420,658)
Income tax	19	(1,689,402,978)	(2,268,686,462)	(832,462,528)	763,314,318
Income/(loss) for the period		1,298,726,947	(344,619,760)	354,126,041	(2,991,106,340)
<i>These items will be reclassified under income</i>					
Revaluation of property, plant and equipment	13	-	(3,528,922,227)	-	-
Impact on income tax	19	-	882,230,557	-	-
Other comprehensive income/(loss) for the period		-	(2,646,691,670)	-	-
Total comprehensive income/(loss) for the period		1,298,726,947	(2,991,311,430)	354,126,041	(2,991,106,340)
Earnings per share					
Basic and diluted earnings per share	15	9.40	(2.49)	2.56	(21.65)

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

Generación Mediterránea S.A.

Condensed Interim Statement of Changes in Equity For the nine-month periods ended September 30, 2020 and 2019 Stated in pesos

	Share capital (Note 15)	Capital Adjustment	Additional paid-in capital	Legal reserve	Optional reserve	Special Reserve GR No. 777/18	Special Reserve	Technical revaluation reserve	Other comprehensive income	Unappropriated retained earnings	Total equity
Balances at December 31, 2018	138,172,150	1,501,556,918	1,497,315,506	67,902,774	1,130,430,229	4,089,847,397	4,421,567	6,467,941,981	(1,592,616)	(2,586,160,537)	12,309,835,369
Shareholders' Meeting Minutes of April 18, 2019:											
- Reversal of special reserve	-	-	-	-	-	-	(4,421,567)	-	-	4,421,567	-
Other comprehensive income/(loss) for the nine-month period	-	-	-	-	-	-	-	(2,646,691,670)	-	-	(2,646,691,670)
Reversal of technical revaluation reserve	-	-	-	-	-	(121,696,545)	-	(192,458,573)	-	314,155,118	-
Income for the nine-month period	-	-	-	-	-	-	-	-	-	(344,619,760)	(344,619,760)
Balances at September 30, 2019	138,172,150	1,501,556,918	1,497,315,506	67,902,774	1,130,430,229	3,968,150,852	-	3,628,791,738	(1,592,616)	(2,612,203,612)	9,318,523,939
Other comprehensive income	-	-	-	-	-	-	-	271,813,815	(3,694,787)	-	268,119,028
Reversal of technical revaluation reserve	-	-	-	-	-	(33,770,810)	-	(53,407,283)	-	87,178,093	-
Loss for the supplementary three-month period	-	-	-	-	-	-	-	-	-	1,736,095,936	1,736,095,936
Balances at December 31, 2019	138,172,150	1,501,556,918	1,497,315,506	67,902,774	1,130,430,229	3,934,380,042	-	3,847,198,270	(5,287,403)	(788,929,583)	11,322,738,903
Reversal of technical revaluation reserve	-	-	-	-	-	(142,333,600)	-	(139,179,635)	-	281,513,235	-
Income for the nine-month period	-	-	-	-	-	-	-	-	-	1,298,726,947	1,298,726,947
Balances at September 30, 2020	138,172,150	1,501,556,918	1,497,315,506	67,902,774	1,130,430,229	3,792,046,442	-	3,708,018,635	(5,287,403)	791,310,599	12,621,465,850

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

Generación Mediterránea S.A.

Condensed Interim Statement of Cash Flows

For the nine-month periods ended September 30, 2020 and 2019

Stated in pesos

	Notes	9/30/2020	9/30/2019
Cash flow provided by operating activities:			
Income for the period		1,298,726,947	(344,619,760)
Adjustments to arrive at net cash flows provided by operating activities:			
Income tax	19	1,689,402,978	2,268,686,462
Accrued interest, net	12	1,947,555,034	1,348,804,923
Depreciation of property, plant and equipment	8 and 13	1,296,844,281	1,409,563,984
Income/(loss) from changes in the fair value of financial instruments	11	(43,017,790)	-
Income/(loss) from changes in the fair value of financial instruments	12	20,930,424	177,482,472
(Decrease) in provision for contingencies		-	(7,128,958)
Allowance for bad debts		-	(99,747)
Present value		36,943,430	50,313,344
Exchange differences, net	12	6,765,890,972	11,403,980,602
Other financial results		3,286,671	5,200,935
Employee benefit plans	8	3,327,339	2,388,132
RECPAM (Purchasing Power Parity)	12	(6,195,977,074)	(9,348,827,594)
Changes in operating assets and liabilities:			
Decrease in trade receivables		995,084,750	778,852,351
Decrease/(Increase) in other receivables (1)		1,415,065,617	(381,995,101)
Decrease / (Increase) in inventory		10,055,041	(223,205,515)
(Decrease) in trade payables (2)		(3,413,210,170)	(2,945,123,822)
(Decrease) in other liabilities		(449,226)	(1,782,843)
(Decrease) in salaries and social security liabilities		(19,701,797)	(10,937,098)
Employee benefit plans		-	(1,078,108)
Increase in tax payables		186,390,183	231,031,018
Net cash flow provided by operating activities		5,997,147,610	4,411,505,677
Cash flow provided by investing activities:			
Acquisition of property, plant and equipment	13	(959,939,882)	(2,423,937,002)
Collection from the sale of property, plant and equipment		25,105,500	-
Public securities		(1,474,056)	-
Redemption of mutual funds, net		-	(62,285,837)
Loans collected		-	1,100,965,105
Loans granted		(1,139,298,557)	(2,467,723,041)
Net cash flows used in investing activities		(2,075,606,995)	(3,852,980,775)
Cash flow from financing activities:			
Collection of financial instruments		(4,847,600)	268,837,161
Borrowings	17	2,565,257,281	6,209,630,848
Payment of loans	17	(3,165,435,663)	(3,516,572,837)
Payment of interest	17	(3,267,582,050)	(2,508,683,399)
Net cash flows (used in)/provided by financing activities		(3,872,608,032)	453,211,773
INCREASE IN CASH, NET		48,932,583	1,011,736,675
Cash and cash equivalents at the beginning of the period		1,075,130,750	581,123,067
Financial results of cash and cash equivalents		(15,374,228)	88,067,295
Gain/loss on purchasing power parity (RECPAM) of cash and cash equivalents		(338,266,985)	(192,358,423)
Cash and cash equivalents at the end of the period	14	770,422,120	1,488,568,614
		48,932,583	1,011,736,675

(1) Includes payments to suppliers for the purchase of property, plant and equipment for \$2,301,357,826 and \$1,872,024,170 at September 30, 2020 and 2019, respectively.

(2) Includes commercial payments for works financing. See Note 26.

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

Generación Mediterránea S.A.

Condensed Interim Statement of Cash Flows (Cont'd)

For the nine-month periods ended September 30, 2020 and 2019

Stated in pesos

	Notes	9/30/2020	9/30/2019
Material transactions not entailing changes in cash			
Acquisition of property, plant and equipment not yet paid	12	(1,934,508,021)	(2,308,901,872)
Decrease from technical revaluation		-	2,646,691,670
Interest and exchange difference capitalized in property, plant and equipment	12	(1,145,691,340)	(2,439,531,290)
Addition of Syndicated Loan	17	341,981,250	-
Addition BLC Loan	17	1,102,570,099	-
Sale of property, plant and equipment pending collection		23,625,001	-

Generación Mediterránea S.A.

Notes to the Condensed Interim Financial Statements

For the nine-month periods ended September 30, 2020 and 2019

and the fiscal year ended December 31, 2019

Stated in pesos

NOTE 1: GENERAL INFORMATION

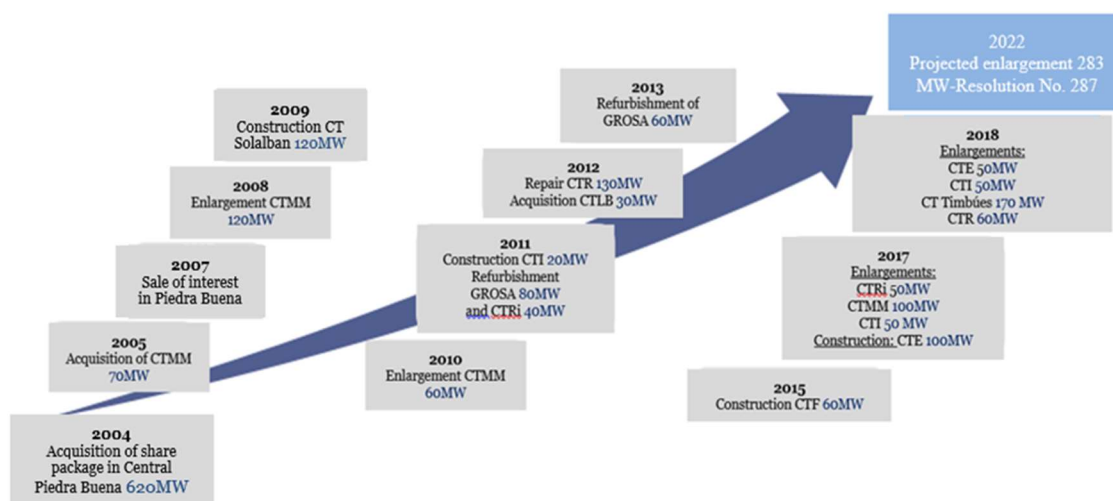
GMSA's main line of business is the conventional thermal power generation. It has six thermal power plants operating throughout the whole country fed with natural gas as well as diesel as alternative fuel. They sell the energy generated in accordance with different regulatory frameworks. GMSA's nominal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

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

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

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

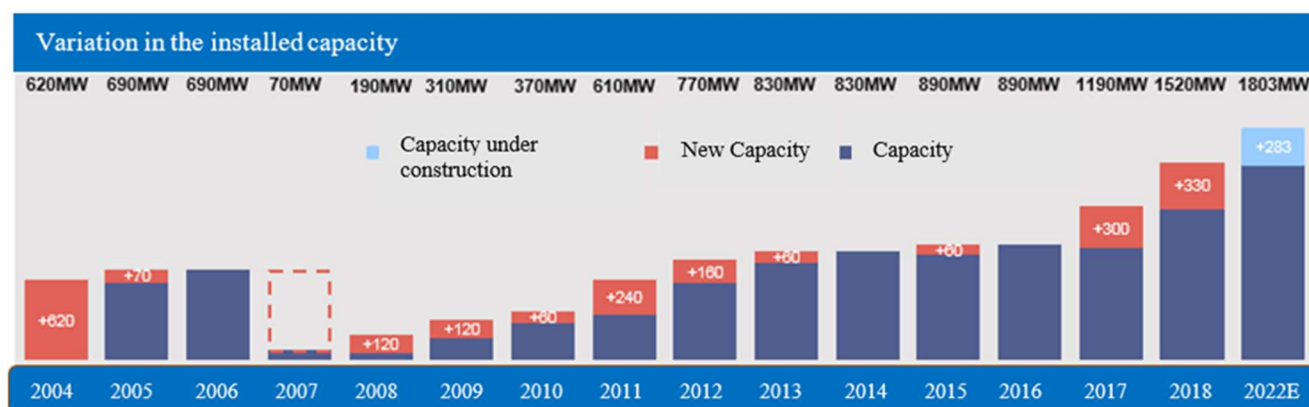
Albanesi Group entered the electricity market in 2004 with the purchase of the power plant Luis Piedra Buena S.A. In this way the development of the electricity market became one of the main purposes of the Group.



Generación Mediterránea S.A.

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

NOTE 1: GENERAL INFORMATION (Cont'd)



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

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

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

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

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

NOTE 1: GENERAL INFORMATION (Cont'd)

On September 2, 2019, the SRRYME Resolution No. 25/2019 was published whereby the generating agents awarded projects under 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.

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

Maintenance contract

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

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.

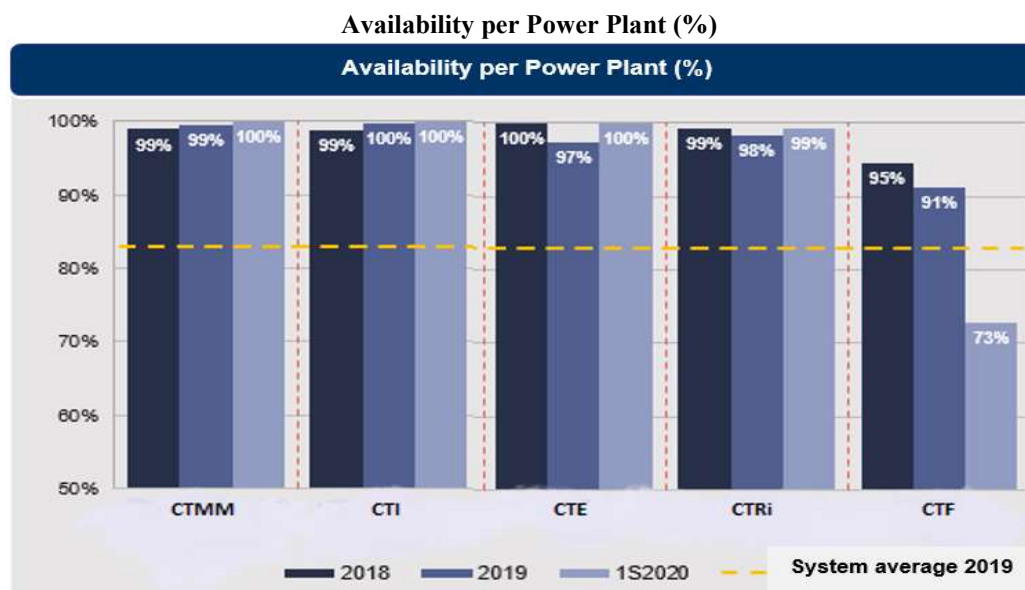
Generación Mediterránea S.A.

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

NOTE 1: GENERAL INFORMATION (Cont'd)

Maintenance contract (Cont'd)

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.



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.

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

NOTE 1: GENERAL INFORMATION (Cont'd)

The environment

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

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

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

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

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

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

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

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

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

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

ES Resolution No. 31/2020

ES Resolution 31/2020 was published on February 27, 2020, replacing SRRyME Resolution No. 1/2019.

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

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

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

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

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

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

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

b. DIGO Guaranteed Power

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

Further, they add a DIGO power remuneration for Internal Combustion Engines < 42 MW.
 All thermal units will be remunerated in accordance with their average monthly availability when not under maintenance.
 The DIGO unavailability will be recorded for any own flaw or due to the failure to consume fuel allocated in the economic dispatch.

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

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

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

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

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

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

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

The transactional adjustment index is temporarily suspended.

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 condensed interim Financial Statements for the nine- and three-month periods ended September 30, 2020 and 2019 have been prepared in accordance with IAS 34. This condensed interim financial information must be read jointly with the Company's Financial Statements for the year ended December 31, 2019.

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

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

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

The condensed interim Financial Statements for the nine-month period ended September 30, 2020 and 2019 have not been audited. Company Management considers that they include all the necessary adjustments to reasonably present the results for each period. The results for the nine- and three-month periods ended September 30, 2020 and 2019 do not necessary reflect the proportion of the Company's results for full fiscal years.

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

These condensed interim Financial Statements were approved for issuance by the Company's Board of Directors on November 9, 2020.

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

NOTE 3: BASIS FOR PRESENTATION (Cont'd)

Going concern principle

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

Comparative information

Balances at December 31, 2019 and for the nine- and three-month period ended September 30, 2019, disclosed for comparative purposes in these condensed interim Financial Statements, arise from financial statements at that date, restated in constant currency at September 30, 2020. Certain reclassifications have been included in the financial statement figures presented for comparative purposes to conform them to the current period presentation.

Financial reporting in hyperinflationary economies

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

Tax inflation adjustment

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

The company estimated that by September 30, 2020, CPI variation will exceed the index mentioned in the paragraph above; accordingly, the Company included this adjustment in the determination of the taxable income for the current year.

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

NOTE 4: ACCOUNTING POLICIES

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

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

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

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

At September 30, 2020, the Company has not revalued land, buildings, facilities and machinery, for there have not been important changes in the fair values of those assets caused by macroeconomic fluctuations.

4.1 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)

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.

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

NOTE 5: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

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

5.1) Fair value of property, plant and equipment

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

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

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

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

The criteria considered in each scenario were the following:

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

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

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

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

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

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

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

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

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

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

To increase the fair value of land, buildings, facilities and machinery by \$3,584 million, if it were favorable; or

To reduce the fair value of land, buildings, facilities and machinery by \$3,584 million, if it were not favorable.

At September 30, 2020, the Company performed an analysis of the variables that are considered for the calculation of the recoverable value of property, plant and equipment and concluded that there were no significant changes in such variables.

NOTE 6: FINANCIAL RISK MANAGEMENT

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

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

NOTE 6: FINANCIAL RISK MANAGEMENT(Cont'd)

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

NOTE 7: SALES REVENUE

	<u>9/30/2020</u>	<u>9/30/2019</u>
Sale of electricity Res. No. No. 95, as amended, plus spot	334,589,626	429,545,655
Energía Plus sales	1,484,106,642	2,203,119,413
Sale of electricity Res. No. 220	3,746,891,972	3,436,946,733
Sale of electricity Res. No. 21	3,375,852,927	3,957,791,607
	<u>8,941,441,167</u>	<u>10,027,403,408</u>

NOTE 8: COST OF SALES

	<u>9/30/2020</u>	<u>9/30/2019</u>
Purchase of electric energy	(409,224,399)	(1,474,617,799)
Gas and diesel consumption at the plant	(510,003,376)	(45,042,156)
Fees and compensation for services	(11,353,031)	(13,509,237)
Salaries and social security contributions	(266,077,974)	(267,874,321)
Defined benefit plan	(3,327,339)	(2,388,132)
Other employee benefits	(10,218,321)	(17,774,882)
Taxes, rates and contributions	(24,605,125)	(30,015,669)
Maintenance services	(393,502,472)	(700,160,537)
Depreciation of property, plant and equipment	(1,296,844,281)	(1,409,563,984)
Per diem, travel and representation expenses	(135,194)	(1,853,797)
Insurance	(67,782,945)	(70,714,159)
Communication expenses	(14,973,994)	(16,422,216)
Sundry	(3,379,716)	(9,491,678)
	<u>(3,011,428,167)</u>	<u>(4,059,428,567)</u>

NOTE 9: SELLING EXPENSES

	<u>9/30/2020</u>	<u>9/30/2019</u>
Taxes, rates and contributions	(956,503)	(2,832,754)
Bad debts	-	(99,747)
	<u>(956,503)</u>	<u>(2,932,501)</u>

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

NOTE 10: ADMINISTRATIVE EXPENSES

	9/30/2020	9/30/2019
Fees and compensation for services	(184,326,192)	(185,622,250)
Salaries and social security contributions	(38,017,747)	(53,062,177)
Taxes, rates and contributions	(2,215,597)	(2,017,574)
Per diem, travel and representation expenses	(353,876)	(13,827,066)
Office expenses	(3,900,627)	(845,409)
Communication expenses	(1,745,647)	(529,550)
Rental	(6,979,929)	(6,704,068)
Donations	(33,989,797)	(677,866)
Sundry	(1,695,716)	(1,845,887)
	<u>(273,225,128)</u>	<u>(265,131,847)</u>

NOTE 11: OTHER INCOME

	9/30/2020	9/30/2019
Sale of plot of land	43,017,790	-
Other income	7,236,071	773,566
	<u>50,253,861</u>	<u>773,566</u>

NOTE 12: FINANCIAL RESULTS

	9/30/2020	9/30/2019
<u>Financial income</u>		
Commercial interest	340,856,075	121,352,675
Interest on loans granted	765,098,092	678,348,050
Total financial income	<u>1,105,954,167</u>	<u>799,700,725</u>
<u>Financial expenses</u>		
Interest on loans	(2,851,852,495)	(2,003,179,883)
Commercial and other interest	(201,656,706)	(145,325,765)
Bank expenses and commissions	(7,609,413)	(3,488,092)
Total financial expenses	<u>(3,061,118,614)</u>	<u>(2,151,993,740)</u>
<u>Other financial results</u>		
Exchange differences, net	(6,765,890,972)	(11,403,980,602)
Changes in the fair value of financial instruments	(20,930,424)	(177,482,472)
RECPAM (Purchasing Power Parity)	6,195,977,074	9,348,827,594
Other financial results	(171,946,536)	(191,688,862)
Total other financial results	<u>(762,790,858)</u>	<u>(2,424,324,342)</u>
Total financial results, net	<u>(2,717,955,305)</u>	<u>(3,776,617,357)</u>

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

NOTE 13: PROPERTY, PLANT AND EQUIPMENT

Original values						Depreciation				Net amount at end of period/year	
Type of asset	At beginning of period/year	Increases	Transfers/ withdrawals	Technical revaluation	At the end of period/year	Accumulated at beginning of period/year	For the period/year (1)	Technical revaluation	Accumulated at the end of period/year	At 9/30/2020	At 12/31/2019
Land	1,142,032,428	3,288,131	(5,712,711)	-	1,139,607,848	-	-	-	-	1,139,607,848	1,142,032,428
Buildings	1,722,946,175	-	-	-	1,722,946,175	-	26,054,757	-	26,054,757	1,696,891,418	1,722,946,175
Facilities	3,953,898,946	2,055,104	-	-	3,955,954,050	-	184,500,385	-	184,500,385	3,771,453,665	3,953,898,946
Machinery	30,308,667,384	6,648,134	-	-	30,315,315,518	-	1,075,947,470	-	1,075,947,470	29,239,368,048	30,308,667,384
Works in progress - Extension of Plant	10,597,626,621	4,018,929,089	-	-	14,616,555,710	-	-	-	-	14,616,555,710	10,597,626,621
Computer and office equipment	67,154,069	9,218,785	-	-	76,372,854	51,857,394	6,174,746	-	58,032,140	18,340,714	15,296,675
Vehicles	42,111,251	-	-	-	42,111,251	23,969,305	4,166,923	-	28,136,228	13,975,023	18,141,946
Spare parts and materials	336,020,048	-	-	-	336,020,048	-	-	-	-	336,020,048	336,020,048
Total at 9/30/2020	48,170,456,922	4,040,139,243	(5,712,711)	-	52,204,883,454	75,826,699	1,296,844,281	-	1,372,670,980	50,832,212,474	-
Total at 12/31/2019	45,798,311,324	7,897,675,307	(137,280)	(5,525,392,429)	48,170,456,922	606,494,314	1,828,221,011	(2,358,888,626)	75,826,699	-	48,094,630,223
Total at 9/30/2019	45,798,311,324	7,172,370,164	(54,581,348)	(4,570,187,422)	48,345,912,718	606,494,314	1,409,563,984	(1,041,265,195)	974,793,103	47,371,119,615	-

(1) Depreciation charges for the nine-month period ended September 30, 2020 and 2019 and for the fiscal year ended December 31, 2019 were allocated to cost of sales.

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

NOTE 14: CASH AND CASH EQUIVALENTS

	<u>9/30/2020</u>	<u>12/31/2019</u>
Cash	486,674	567,241
Banks in local currency	28,734,930	33,956,202
Banks in foreign currency	461,179,862	864,560,701
Mutual funds	266,661,934	175,238,623
Checks to be deposited	13,358,720	807,983
	<u>770,422,120</u>	<u>1,075,130,750</u>

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

	<u>9/30/2020</u>	<u>9/30/2019</u>
Cash and cash equivalents	770,422,120	1,640,348,743
Bank overdraft (Note 17)	-	(151,780,129)
Cash and cash equivalents (bank overdraft included)	<u>770,422,120</u>	<u>1,488,568,614</u>

NOTE 15: CAPITAL STATUS

Share capital subscribed at September 30, 2020 amounted to \$ 138,172,150.

NOTE 16: EARNINGS PER SHARE

Basic

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

	<u>Nine months at</u>		<u>Three months at</u>	
	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2020</u>	<u>9/30/2019</u>
Income for the period	1,298,726,947	(344,619,760)	354,126,041	(2,991,106,340)
Weighted average of outstanding ordinary shares	138,172,150	138,172,150	138,172,150	138,172,150
Basic earnings per share	9.40	(2.49)	2.56	(21.65)

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

Generación Mediterránea S.A.

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

NOTE 17: LOANS

<u>Non-Current</u>	<u>9/30/2020</u>	<u>12/31/2019</u>
International bond	20,268,596,192	19,489,648,166
Foreign loan debt	467,925,665	365,957,417
Negotiable obligations	3,759,094,603	8,073,104,666
Other bank debts	-	24,412,934
Finance lease debts	43,661,991	74,384,557
	<u>24,539,278,451</u>	<u>28,027,507,740</u>
<u>Current</u>		
International bond	333,411,495	781,856,217
Related companies	1,190,576,793	378,086,458
Foreign loan debt	941,309,706	828,460,709
Syndicated loans	341,981,250	488,164,053
Negotiable obligations	5,963,796,516	1,539,454,404
Other bank debts	486,783,746	663,335,380
Finance lease debts	50,331,586	51,422,292
	<u>9,308,191,092</u>	<u>4,730,779,513</u>

At September 30, 2020, the total financial debt amounts to \$33,847 million. The following table shows the total debt at that date.

	<u>Principal</u>	<u>Balances at September 30, 2020</u>	<u>Interest rate</u>	<u>Currency</u>	<u>Date of Issue</u>	<u>Maturity date</u>
		(Pesos)	(%)			
<u>Loan agreement</u>						
Cargill	USD 6,666,667	522,037,381	LIBOR + 4.25%	USD	August 3, 2020	January 29, 2021
BLC	USD 13,037,210	887,197,990	12% first installment; 11.5% second installment; LIBOR USD 6m + 8.875% for the remaining installments	USD	June 26, 2020	March 6, 2023
Subtotal		<u>1,409,235,371</u>				
<u>Debt securities</u>						
International NO	USD 266,000,000	20,602,007,687	9.625%	USD	July 27, 2016	July 27, 2023
Class VIII Negotiable Obligations	\$ 312,884,660	309,377,679	BADLAR + 5%	ARS	August 28, 2017	August 28, 2021
Class X Negotiable Obligations	USD 19,703,838	1,520,080,506	8.50% until first amortization date 10.50% until the second amortization date 13.00% until the third amortization date	USD	December 4, 2019	February 16, 2021
Class XI Negotiable Obligations	USD 9,876,755	746,094,884	6.50%	USD	June 23, 2020	June 23, 2021
Class XII Negotiable Obligations	\$ 105,780,195	105,773,563	BADLAR + 8%	ARS	June 23, 2020	December 23, 2020
Class I Negotiable Obligation co-issuance	USD 3,014,000	212,409,559	6.68%	USD	October 11, 2017	October 11, 2020
Class II Negotiable Obligation co-issuance	USD 72,000,000	5,496,765,239	15.00%	USD	August 5, 2019	May 5, 2023
Class III Negotiable Obligation co-issuance	USD 17,153,855	1,332,389,689	8.00% until the first amortization date 13.00% until the second amortization date.	USD	December 4, 2019	April 12, 2021
Subtotal		<u>30,324,898,806</u>				
<u>Syndicated loan</u>						
ICBC / Hipotecario / Citibank	\$ 341,981,250	341,981,250	Tranche A: BADCOR + 10% and Tranche B: BADLAR + 11.34%	ARS	September 30, 2020	August 30, 2021
Subtotal		<u>341,981,250</u>				
<u>Other liabilities</u>						
Banco Macro loan	USD 1,666,667	127,488,448	10.00%	USD	August 30, 2018	January 12, 2021
Banco Chubut loan	USD 506,926	38,710,717	11.00%	USD	March 4, 2020	October 1, 2020
Banco Supervielle loan	\$37,912,012	48,158,121	54.50%	ARS	January 22, 2020	October 1, 2020
Banco Macro loan	\$96,400,000	96,845,093	BADLAR + 10%	ARS	August 3, 2020	July 12, 2021
Banco Supervielle loan	\$135,000,000	175,581,367	52.00%	ARS	March 3, 2020	October 1, 2020
Related parties (Note 21)	\$1,190,576,793	1,190,576,793	35.00%	ARS	September 2, 2019	September 1, 2020, automatically extendable
Finance lease		93,993,577				
Subtotal		<u>1,771,354,116</u>				
Total financial debt		<u><u>33,847,469,543</u></u>				

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

NOTE 17: LOANS (Cont'd)

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

a) Class XI Negotiable Obligations:

Principal: nominal value: USD 9,876,755

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

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

Principal outstanding balance on those negotiable obligations outstanding at September 30, 2020 is USD 9,876,755.

b) Class XII Negotiable Obligations:

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.

Principal outstanding balance on the Negotiable Obligations at September 30, 2020 is \$105,780,195.

c) Increase in the maximum amount of issuance

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

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

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

NOTE 17: LOANS (Cont'd)

d) Loan JPMorgan Chase Bank, N.A.

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

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

The allocation of funds is the financing of 85% of the service agreement signed with PWPS for the maintenance and upgrade of certain turbines in the plant Modesto Maranzana, located in Río Cuarto. Disbursements under the loan will 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 will 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.

At September 30, 2020, the disbursement was not yet received. It is expected in November.

e) BLC Loan

Principal: USD 13,037,210

Interest: 12% first installment; 11.5% second installment and LIBOR USD 6 months plus 8.875% for the remaining installments.

Payment term and method: Amortization: Principal will be amortized in 7 installments, with the first one falling due on September 14, 2020 and the last one on March 6, 2023.

The principal outstanding balance at September 30, 2020 amounts to USD 13,037,210.

At September 30, 2020, the Company has complied with the loan-related covenants.

f) Banco Macro Loan

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

Principal balance on that debt at September 30, 2020 is \$ 96,400,000.

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

NOTE 17: LOANS (Cont'd)

g) Cargill Loan

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

The loan amortization will 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 outstanding balance at September 30, 2020 amounts to USD 6,666,667.

h) 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 on that debt at September 30, 2020 is \$341,981,250.

i) 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.

j) Communication “A” 7106

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

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

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

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

NOTE 17: LOANS (Cont'd)

j) Communication “A” 7106 (Cont'd)

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.

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 initial amortization of Class III CTR-GMSA co-issuance and one amortization under the BLC loan fall within the period established by Communication “A” 7106, therefore, the Company is negotiating with the creditors in view of current regulations. This negotiation is still in process at the date of these Condensed Interim Financial Statements.

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

	<u>9/30/2020</u>	<u>12/31/2019</u>
Fixed rate		
Less than 1 year	7,462,572,215	3,343,072,740
Between 1 and 2 years	2,148,330,030	4,639,658,299
Between 2 and 3 years	21,879,360,765	2,053,447,783
After 3 years	-	20,513,422,083
	<u>31,490,263,010</u>	<u>30,549,600,905</u>
Floating rate		
Less than 1 year	1,845,618,877	1,387,706,773
Between 1 and 2 years	351,022,226	792,092,130
Between 2 and 3 years	160,565,430	28,853,233
After 3 years	-	34,212
	<u>2,357,206,533</u>	<u>2,208,686,348</u>
	<u>33,847,469,543</u>	<u>32,758,287,253</u>

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

NOTE 17: LOANS (Cont'd)

The fair value of Company's international bonds at September 30, 2020 and December 31, 2019 amounts to approximately \$12,260 million and \$12,371 million, respectively. Fair value was calculated based on the estimated market price of the Company's international bonds at the end of each fiscal year/period. The applicable fair value category would be Level 1.

The other loans at variable rates have been stated at fair value. Given the proximity of their issuance, fixed-rate loans do not differ significantly from their fair value.

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

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

Company loans are denominated in the following currencies:

	9/30/2020	12/31/2019
Argentine pesos	2,269,898,733	1,444,783,989
US dollars	31,577,570,810	31,313,503,264
	<u>33,847,469,543</u>	<u>32,758,287,253</u>

Changes in Company loans were as follows:

	9/30/2020	9/30/2019
Loans at beginning of the period	32,758,287,253	29,393,480,090
Loans received	3,909,808,630	6,209,630,848
Loans paid	(3,507,416,913)	(3,516,572,837)
Accrued interest	3,018,059,956	2,364,201,150
Interest paid	(3,267,582,050)	(2,508,683,399)
Exchange difference	7,365,061,207	12,630,281,293
Bank overdraft	-	151,780,129
Capitalized expenses	98,615,800	(320,816,434)
RECPAM (Purchasing Power Parity)	(6,527,364,340)	(9,195,560,809)
Loans at year end	<u>33,847,469,543</u>	<u>35,207,740,031</u>

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

NOTE 18: ALLOWANCES AND PROVISIONS

	For trade receivables
Balances at December 31, 2019	3,247,704
RECPAM (Purchasing Power Parity)	(591,940)
Balances at September 30, 2020	2,655,764

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

NOTE 19: INCOME TAX/ DEFERRED TAX

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

	9/30/2020	12/31/2019
Deferred tax assets:		
Deferred tax assets to be recovered over more than 12 months	3,556,661,069	3,873,369,800
	3,556,661,069	3,873,369,800
Deferred tax liabilities:		
Deferred tax liabilities to be settled over more than 12 months	(12,347,747,785)	(10,975,053,538)
	(12,347,747,785)	(10,975,053,538)
Deferred tax liabilities (net)	(8,791,086,716)	(7,101,683,738)

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

	9/30/2020	9/30/2019
Balances at beginning of year	(7,101,683,738)	(5,431,209,445)
Charge to income statement	(1,689,402,978)	(2,268,686,462)
Charge to other comprehensive income	-	882,230,557
Closing balances	(8,791,086,716)	(6,817,665,350)

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

	Balances at December 31, 2019	Charge to income statement	Balances at September 30, 2020
Trade and other receivables	66,097,778	105,760,614	171,858,392
Property, plant and equipment	(8,636,006,610)	(928,105,588)	(9,564,112,198)
Loans	1,565,957	(17,439,603)	(15,873,646)
Other liabilities	(8,371,193)	12,872,531	4,501,338
Pension plan	11,417,635	112,482	11,530,117
Tax inflation adjustment	(2,356,967,464)	(410,794,477)	(2,767,761,941)
Tax loss	3,807,272,021	(450,360,794)	3,356,911,227
Investments	13,308,138	(1,448,143)	11,859,995
	(7,101,683,738)	(1,689,402,978)	(8,791,086,716)

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

NOTE 19: INCOME TAX/ DEFERRED TAX (Cont'd)

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

The income tax charge is broken down as follows:

	<u>9/30/2020</u>	<u>9/30/2019</u>
Deferred tax	(1,689,402,978)	(2,268,686,462)
Income tax	<u>(1,689,402,978)</u>	<u>(2,268,686,462)</u>

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

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

Income tax rate: The Income Tax rates for Argentine companies will be reduced gradually from 35% to 30% for fiscal periods beginning on or after January 1, 2018 until December 31, 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, 2020 will be subject to tax at a rate of 7%, and; (ii) dividends deriving from profits obtained during fiscal years beginning on or after January 1, 2021 will be subject to tax at a rate of 13%.

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

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

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

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

NOTE 19: INCOME TAX/ DEFERRED TAX (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 is shown below:

	9/30/2020	9/30/2019
Pre-tax profit/(loss)	2,988,129,925	1,924,066,702
Current tax rate	30%	30%
Income/(loss) at the tax rate	(896,438,978)	(577,220,011)
Other permanent differences	(10,673,004)	(81,815,407)
Accounting inflation adjustment	286,948,707	245,815,749
Tax inflation adjustment	(1,450,760,646)	(2,230,591,238)
Change in the income tax rate (a)	438,854,987	412,582,478
Understatement in the prior year provision	(4,673,530)	-
Pre-registration of tax losses	(52,660,514)	(37,458,033)
Total income tax charge	<u>(1,689,402,978)</u>	<u>(2,268,686,462)</u>

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

Accumulated tax loss carry-forwards recorded by the Company which are pending use at September 30, 2020:

Year	\$	Year of expiration
Tax loss for the year 2016	274,877,603	2021
Tax loss for the year 2017	831,428,460	2022
Tax loss for the year 2018	6,835,744,539	2023
Tax loss for the year 2019	4,271,159,039	2024
Tax loss for the year 2020	1,214,435,266	2025
Total tax loss carry-forwards at September 30, 2020	<u>13,427,644,906</u>	

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

NOTE 20: FINANCIAL INSTRUMENTS

At September 30, 2020	Financial assets/ liabilities at amortized cost	At fair value through profit and loss	Non-financial assets/ liabilities	Total
Assets				
Trade receivables, other receivables and investments	7,774,586,476	79,536	2,753,580,846	10,528,246,858
Cash and cash equivalents	503,760,186	266,661,934	-	770,422,120
Non-financial assets	-	-	51,086,206,868	51,086,206,868
Total	8,278,346,662	266,741,470	53,839,787,714	62,384,875,846
Liabilities				
Trade and other payables	6,506,252,269	-	-	6,506,252,269
Derivative financial instruments	-	16,405,000	-	16,405,000
Loans (finance leases excluded)	33,753,475,966	-	-	33,753,475,966
Finance leases	93,993,577	-	-	93,993,577
Non-financial liabilities	-	-	9,393,283,184	9,393,283,184
Total	40,353,721,812	16,405,000	9,393,283,184	49,763,409,996
At December 31, 2019				
Assets				
Trade receivables, other receivables and investments	7,138,396,339	158,809	2,376,719,784	9,515,274,932
Cash and cash equivalents	899,892,127	175,238,623	-	1,075,130,750
Non-financial assets	-	-	48,359,184,994	48,359,184,994
Total	8,038,288,466	175,397,432	50,735,904,778	58,949,590,676
Liabilities				
Trade and other payables	7,435,665,969	-	-	7,435,665,969
Loans (finance leases excluded)	32,632,480,404	-	-	32,632,480,404
Finance leases	125,806,849	-	-	125,806,849
Non-financial liabilities	-	-	7,432,898,551	7,432,898,551
Total	40,193,953,222	-	7,432,898,551	47,626,851,773

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

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

NOTE 20: FINANCIAL INSTRUMENTS (Cont'd)

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

At September 30, 2020	Financial assets at amortized cost	Financial assets at fair value through profit and loss	Financial liabilities at amortized cost	Non-financial instruments	Total
Interest earned	1,105,954,167	-	-	-	1,105,954,167
Interest paid	-	-	(3,053,509,201)	-	(3,053,509,201)
Exchange differences, net	1,586,188,715	-	(8,352,079,687)	-	(6,765,890,972)
Other financial results	-	(20,930,424)	(179,555,949)	6,195,977,074	5,995,490,701
Total	2,692,142,882	(20,930,424)	(11,585,144,837)	6,195,977,074	(2,717,955,305)

At September 30, 2020	Financial assets at amortized cost	Financial assets at fair value through profit and loss	Financial liabilities at amortized cost	Non-financial instruments	Total
Interest earned	799,700,725	-	-	-	799,700,725
Interest paid	-	-	(2,148,505,648)	-	(2,148,505,648)
Exchange differences, net	2,525,273,206	-	(13,929,253,808)	-	(11,403,980,602)
Other financial results	-	(177,482,472)	(195,176,954)	9,348,827,594	8,976,168,168
Total	3,324,973,931	(177,482,472)	(16,272,936,410)	9,348,827,594	(3,776,617,357)

Fair value estimates

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

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

The following table shows the Company's financial assets and liabilities measured at fair value at September 30, 2020 and December 31, 2019. There were no reclassifications of financial instruments among the different levels.

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

NOTE 20: FINANCIAL INSTRUMENTS (Cont'd)

At September 30, 2020	Level 1	Level 2	Level 3	Total
Assets				
Shares	-	-	79,536	79,536
Mutual funds	266,661,934	-	-	266,661,934
Property, plant and equipment	-	-	35,847,320,979	35,847,320,979
Liabilities				
Derivative financial instruments	(16,405,000)	-	-	(16,405,000)
Total	<u>250,256,934</u>	<u>-</u>	<u>35,847,400,515</u>	<u>36,097,657,449</u>

At December 31, 2019	Level 1	Level 2	Level 3	Total
Assets				
Shares	-	-	158,809	158,809
Mutual funds	175,238,623	-	-	175,238,623
Property, plant and equipment	-	-	37,127,544,933	37,127,544,933
Total	<u>175,238,623</u>	<u>-</u>	<u>37,127,703,742</u>	<u>37,302,942,365</u>

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

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

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

- a) As for Land and Buildings, they have been adjusted by a method using coefficients that comprise changes in the purchasing power of the currency to conform a fair value at September 30, 2020.
- b) The fair values of "Facilities" and "Machinery" were calculated by means of the discounted cash flows (See Note 5, 5.1).

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

NOTE 21: TRANSACTIONS AND BALANCES WITH RELATED PARTIES

	Gain / (loss)	
	\$	
	9/30/2020	9/30/2019
<i>a) Sales of energy</i>		
<u>Other related parties:</u>		
Solalban Energía S.A.	26,837,228	634,983
RGA	14,812,269	98,664,781
	<u>41,649,497</u>	<u>99,299,764</u>
<i>b) Purchase of gas and energy</i>		
<u>Other related parties:</u>		
Solalban Energía S.A.	(39,589,343)	(46,585,768)
RGA (*)	(763,725,488)	(914,227,400)
	<u>(803,314,831)</u>	<u>(960,813,168)</u>
<i>c) Administrative services and management</i>		
<u>Other related parties:</u>		
RGA	(331,569,781)	(361,521,778)
	<u>(331,569,781)</u>	<u>(361,521,778)</u>
<i>d) Rental</i>		
<u>Other related parties:</u>		
RGA	(6,979,929)	(6,748,585)
	<u>(6,979,929)</u>	<u>(6,748,585)</u>
<i>e) Other purchases and services received</i>		
<u>Other related parties:</u>		
BDD – Purchase of wines	-	(163,845)
AJSA - Flights made	(38,965,333)	(57,636,326)
GECE - Acquisition of property, plant and equipment	-	(48,706,639)
ASA - guarantee	(3,192,207)	(4,629,609)
	<u>(42,157,540)</u>	<u>(111,136,419)</u>

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

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

NOTE 21: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

	Gain / (loss)	
	\$	
	9/30/2020	9/30/2019
<i>f) Recovery of expenses</i>		
Other related parties:		
RGA	2,328,645	2,110,779
GROSA	962,212	14,470,313
CTR	1,158,572	94,083,589
AESA	1,691,638	48,396,536
	6,141,067	159,061,217
<i>g) Interest generated due to loans obtained</i>		
Other related parties:		
CTR	(203,863,132)	(50,764,663)
	(203,863,132)	(50,764,663)
<i>h) Interest generated due to loans granted</i>		
Other related parties:		
CTR	-	50,638,614
GROSA	2,969,344	6,387,468
Directors/Shareholders	9,266,922	8,751,313
ASA	752,861,826	612,570,655
	765,098,092	678,348,050
<i>i) Gas pipeline works</i>		
Other related parties:		
RGA	(916,588)	(2,156,871)
	(916,588)	(2,156,871)
<i>j) Construction work management service</i>		
Other related parties:		
RGA	(114,037,162)	(156,688,662)
	(114,037,162)	(156,688,662)
<i>K) Other services rendered</i>		
Other related parties:		
RGA - guarantee	2,072,583	-
	2,072,583	-
<i>l) Remuneration of key managerial staff</i>		

The senior management includes directors (executive and non-executive). Managerial staff's fees at September 30, 2020 and 2019 amounted to \$33,870,591 and \$42,709,016, respectively.

Other related parties:

Salaries	(33,870,591)	(42,709,016)
	(33,870,591)	(42,709,016)

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

NOTE 21: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)*m) Balances at the date of the statements of financial position*

	<u>9/30/2020</u>	<u>12/31/2019</u>
<u>Other current receivables with other related parties</u>		
AESA	12,193,896	12,570,667
CTR	1,090,403	10,718,518
GROSA	22,261,326	36,227,704
Directors/Shareholders	55,403,834	36,257,566
	<u>90,949,459</u>	<u>95,774,455</u>
<u>Other non-current receivables with other parties related parties</u>		
ASA	4,453,855,313	3,327,137,677
	<u>4,453,855,313</u>	<u>3,327,137,677</u>
<u>Current trade payables with other related parties</u>		
RGA	939,310,292	1,611,094,667
AJSA	-	202,361
Solalban Energía S.A.	15,519,003	-
	<u>954,829,295</u>	<u>1,611,297,028</u>
<u>Other current debts with other related parties</u>		
BDD	-	451,021
	<u>-</u>	<u>451,021</u>
<u>Current loans with other parties related parties</u>		
CTR	1,190,576,793	378,086,458
	<u>1,190,576,793</u>	<u>378,086,458</u>

n) Loans granted to related parties

	<u>9/30/2020</u>	<u>12/31/2019</u>
Loans to ASA		
Balances at beginning of year	3,327,137,677	1,505,730,320
Loans granted	1,120,593,693	2,257,312,923
Loans repaid	-	(921,576,705)
Accrued interest	752,861,826	612,570,655
RECPAM (Purchasing Power Parity)	(746,737,883)	(744,588,566)
Closing balances	<u>4,453,855,313</u>	<u>2,709,448,627</u>

Entity	Amount	Interest rate	Conditions
At 9/30/2020			
ASA	3,038,929,709	30%	Maturity date: 1 year, renewable automatically for up to 5 years
Total in pesos	<u>3,038,929,709</u>		

Generación Mediterránea S.A.**Notes to the Condensed Interim Financial Statements (Cont'd)****NOTE 21: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)***n) Loans granted to related parties (Cont'd)*

	<u>9/30/2020</u>	<u>9/30/2019</u>
Loans to Directors/Shareholders		
Balances at beginning of year	36,257,566	28,511,247
Loans granted	18,704,864	12,443,033
Accrued interest	9,266,922	8,751,313
RECPAM (Purchasing Power Parity)	(8,825,518)	(10,457,144)
Closing balances	<u>55,403,834</u>	<u>39,248,449</u>

Entity	Amount	Interest rate	Conditions
At 9/30/2020			
Directors/Shareholders	38,984,296	BADLAR + 3%	Maturity date: 1 year
Total in pesos	<u>38,984,296</u>		

	<u>9/30/2020</u>	<u>9/30/2019</u>
Loans to GROS A		
Balances at beginning of year	13,377,822	44,829,321
Loans granted	-	183,340,689
Loans collected	-	(42,513,090)
Accrued interest	2,969,344	6,387,468
RECPAM (Purchasing Power Parity)	(2,702,909)	(12,585,415)
Closing balances	<u>13,644,257</u>	<u>179,458,973</u>

Entity	Amount	Interest rate	Conditions
At 9/30/2020			
GROS A	10,294,335	35%	Maturity date: 1 year
Total in pesos	<u>10,294,335</u>		

	<u>9/30/2020</u>	<u>9/30/2019</u>
Loans to CTR		
Balances at beginning of year	(378,086,458)	527,778,089
Loans granted	-	14,626,396
Loans collected	-	(136,875,309)
Loans received	(1,429,734,504)	(1,030,969,477)
Loans paid	566,376,622	-
Accrued interest	(203,863,132)	(126,049)
Interest paid	92,004,183	(76,770,811)
RECPAM (Purchasing Power Parity)	162,726,496	(26,544,907)
Closing balances	<u>(1,190,576,793)</u>	<u>(728,882,068)</u>

Entity	Amount	Interest rate	Conditions
Loans to CTR			
CTR	(1,014,257,319)	35%	Maturity date: 1 year
Total in pesos	<u>(1,014,257,319)</u>		Automatically extendable

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

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

NOTE 22: OTHER COMMITMENTS

Other commitments

Some of the contractual obligations relating to the supply of electric energy to large customers of the MAT at September 30, 2020 and periods in which those obligations must be fulfilled are detailed below. These commitments are originated in supply contracts (energy and power) entered into between the Company and large users on the Forward Market in accordance with regulations set forth by the Energy Secretariat under Resolution No. 1281/06 (Energía Plus). They are contracts denominated in United States dollars, entered into with private customers.

<i>Sale commitments⁽¹⁾</i>	Total	Up to 1 year	From 1 to 3 years
Electric energy and power - Plus	1,587,788,480	1,219,224,397	368,564,083

- (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 September 30, 2020, under ES Resolution No. 1281/06.

NOTE 23: WORKING CAPITAL

The Company reports at September 30, 2020 a deficit of \$7,681,417,962 in its working capital (calculated as current assets less current liabilities), which means an increase of \$4,457,933,322, compared to the deficit in working capital at December 31, 2019. The Company is restructuring its short-term liabilities. The variation is mainly due to the application of funds due to the progress of investment projects developed by the Company.

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

NOTE 24: STORAGE OF DOCUMENTATION

On August 14, 2014, the CNV adopted General Resolution No. 629 introducing amendments to its regulations on storage and preservation of corporate books, accounting records and business documents. It is informed that the Company has sent for storage its work papers and non-sensitive information for the not yet statute-barred fiscal years to the following supplier:

Entity responsible for warehousing of information - Domicile
 Iron Mountain Argentina S.A. – Av. Amancio Alcorta 2482, City of Buenos Aires
 Iron Mountain Argentina S.A. – San Miguel de Tucumán 601, Spegazzini, Ezeiza.
 Iron Mountain Argentina S.A. – Torcuato Di Tella 1800, Spegazzini, Ezeiza.
 Iron Mountain Argentina S.A. – Puente del Inca 2450, Tristán Suárez.

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

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

NOTE 25: SEGMENT REPORTING

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

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

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

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

NOTE 26: EXECUTION OF CONTRACTS TO PURCHASE MACHINERY

BLC Asset Solutions B.V.

On February 21, 2018, GMSA signed an agreement with BLC Asset Solutions B.V. (BLC) for the purchase of equipment to be installed at the electric power generation plants located in Río Cuarto, Province of Córdoba, and in Ezeiza, Province of Buenos Aires, for expansion through cycle closures at the two power plants. The purchase agreement sets forth financing by BLC for USD 61.200.000, according to the irrevocable commitment signed on July 22, 2019. At the date of signing these Financial Statements, machinery amounting to USD 41.2 million was received.

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

On June 26, 2020, GMSA and BLC through an amendment to the documents, agreed a new payment schedule for the Contracts for the Purchase of Equipment. In view of the agreement, the first payment was rescheduled from June 2020 to June 2021, with the final maturity remaining unchanged in March 2023.

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

NOTE 26: EXECUTION OF CONTRACTS TO PURCHASE MACHINERY (Cont'd)

Siemens Energy AB

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

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

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

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

In July 2019, the last installment of the deferred payment agreement signed for CTMM was paid. Additionally, with the proceeds from the issuance of Negotiable Obligations that took place on August 5, 2019, the deferred payment agreements signed for CTI and CTE, Stage II, were prepaid for a total of SEK 142,370,364. The payment of such agreements implies the release of the guarantees associated with those agreements.

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 September 30, 2020, the commercial financing agreed in 2016 with Siemens Energy AB has been fully paid.

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

NOTE 26: EXECUTION OF CONTRACTS TO PURCHASE MACHINERY (Cont'd)

Pratt & Whitney Power System Inc

Generación Frías S.A. signed an agreement with PWPS for the purchase of the FT4000™ SwiftPac® 60 turbine, including whatever is necessary for its installation and start-up. The purchase agreement sets out 4-year financing for USD 12 million by PWPS, upon provisional acceptance by Generación Frías S.A.

On July 3, 2020, a partial payment of USD 2.3 million was made, with an outstanding balance amounting to USD 10.5 million at September 30, 2020. This amount is disclosed under current trade payables for the equivalent to \$796,275,792.

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

NOTE 27: COMMITMENTS UNDER FINANCIAL TRANSACTIONS WITH RELATED PARTIES

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

The balance at September 30, 2020 amounts to USD 7,800,000.

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

NOTE 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.

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

NOTE 28: ECONOMIC CONTEXT IN WHICH THE COMPANY OPERATES (Cont'd)

The main indicators in our country are as follows:

- A 12% fall in GDP year-on-year is expected for 2020.
- Cumulative inflation between January 1, 2020 and September 30, 2020 was 22% (Consumer Price Index).
- Between January 1 and September 30, 2020, the peso was depreciated at 27%, as against the US dollar, according to the exchange rates of Banco de la Nación Argentina.
- The monetary authority imposed tighter foreign exchange restrictions, which have also affected the value of the foreign currency in existing alternative markets for certain exchange transactions that are restricted in the official market.

With these measures, which aim at restricting access to the exchange market to curb the demand for dollars, prior authorization from the Argentine Central Bank is required for certain transactions; the following being applicable to the Company (See Note 17 j)):

- 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 nonfinancial assets
- Sale of external assets

These foreign exchange restrictions, or those to be issued in the future, might affect the Company's ability to access the Single Free Foreign Exchange Market (Mercado Único y Libre de Cambios, MULC) for the purchase of the necessary foreign currency to meet its financial obligations. Foreign currency assets and liabilities at September 30, 2020 have been valued at the quoted prices in the MULC.

In addition, the Government announced a series of measures in October 2020 to contribute to the development of exportable assets and to boost the domestic market and the construction industry.

This context of volatility and uncertainty persisted at the date of issue of these Financial Statements.

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

NOTE 28: ECONOMIC CONTEXT IN WHICH THE COMPANY OPERATES (Cont'd)

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.

The aforementioned situations have affected the energy industry in Argentina, in relation to the generation market, the SADI electricity demand has diminished 6% on average since the beginning of the isolation. In addition, as a result of significant delays in the collections from distributors, large users and National Treasury contributions, CAMMESA has increased the payment terms to generators and hydrocarbon producers by more than 30 days. Furthermore, CAMMESA suspended the automatic adjustment mechanism for spot remuneration laid down by ES Resolution No. 31/20. These measures directly impact on the financial situation of the power generation sector, and if they become aggravated, they could affect not only the payment chain but also maintenance, with the availability of the installed power plants being jeopardized.

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 September 30, 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 the search for financing opportunities under reasonable market conditions as mentioned in Note 17.j) and 23, among other measures.

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

NOTE 29: IMPACT OF COVID-19 (Cont'd)

Despite the reduction of the electricity demand as compared with the same period for the prior year, the Company has not had any significant impacts on the operating results for the period owing to the pandemic and has recorded a positive cash flow in this quarter.

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: 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 31: SUBSEQUENT EVENTS

a) Contract for the recognition of debt with Banco de la Ciudad de Buenos Aires

On October 20, 2020, the Company has conducted negotiations with CTRO and Banco de la Ciudad de Buenos Aires in connection with the loan jointly and severally taken by the Company and CTRO for up to USD 5,018,181.78, with final maturity in May 2021. At this date, USD 4,509,442.29 are owed.

CTRO has executed a contract for the recognition of debt with Banco de la Ciudad for USD 4,509,442.29, under the following terms:

- i) Due dates of the loan will be rescheduled by paying, upon execution of the deed for recognition of debt, 56% of the amounts under the BCRA regulations, that is USD 1,130,000 and the rest will be prorated in the last three installments of the loan. The May 2021 installment remains unchanged and the maturities for November 2020, January 2021 and March 2021 are rescheduled for July 2021, September 2021 and November 2021.
- ii) To secure the payment of the debt, CTRO will assign on behalf of Banco Ciudad its collection rights arising from electricity supply contracts that GMSA has entered into with S.A. SAN MIGUEL AGICYF, CHEVRON ARGENTINA SRL and OPPFILM ARGENTINA S.A.

Generación Mediterránea S.A.

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

NOTE 32: 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 September 30, 2020 and 2019

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

In accordance with the provisions of CNV General Resolution No. 368/01, as amended, we present below an analysis of the results of the operations of GMSA and its financial position, which must be read together with the accompanying condensed interim Financial Statements.

Nine-month period ended September 30,

	2020	2019	Variation	Variation %
GW				
Sales by type of market				
Sale of energy Res. No. 220	83	212	(129)	(61%)
Energía Plus sales	317	426	(109)	(26%)
Sale of energy Res. No. 95, as amended, plus spot	77	114	(37)	(32%)
Sale of energy Res. No. 21	91	377	(286)	(76%)
	568	1,129	(561)	(50%)

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

Nine-month period ended September 30,

	2020	2019	Variation	Variation %
GW				
Sales by type of market				
Sale of energy Res. No. 220	3,746.9	3,436.9	310.0	9%
Energía Plus sales	1,484.1	2,203.1	(719.0)	(33%)
Sale of energy Res. No. 95, as amended, plus spot	334.6	429.5	(95.1)	(22%)
Sale of energy Res. No. 21	3,375.9	3,957.8	(581.9)	(15%)
	8,941.4	10,027.4	(1,086.0)	(11%)

Summary of Activity at September 30, 2020 and 2019

Income/(loss) for the nine-month period ended September 30, 2020 and 2019 (in millions of pesos):

	Nine-month period ended September 30,			
	2020	2019	Variation	Variation %
Sales of energy	8,941.4	10,027.4	(1,086.0)	(11%)
Net sales	8,941.4	10,027.4	(1,086.0)	(11%)
Purchase of electric energy	(409.2)	(1,474.6)	1,065.4	(72%)
Gas and diesel consumption at the plant	(510.0)	(45.0)	(465.0)	1033%
Salaries, social security charges and employee benefits	(276.3)	(285.6)	9.3	(3%)
Defined benefit plan	(3.3)	(2.4)	(0.9)	38%
Maintenance services	(393.5)	(700.2)	306.7	(44%)
Depreciation of property, plant and equipment	(1,296.8)	(1,409.6)	112.8	(8%)
Insurance	(67.8)	(70.7)	2.9	(4%)
Taxes, rates and contributions	(24.6)	(30.0)	5.4	(18%)
Other	(29.8)	(41.3)	11.5	(28%)
Cost of sales	(3,011.4)	(4,059.4)	1,048.0	(26%)
Gross income/(loss)	5,930.0	5,968.0	(38.0)	(1%)
Taxes, rates and contributions	(1.0)	(2.8)	1.8	(64%)
Bad debts	0.0	(0.1)	0.1	(100%)
Selling expenses	(1.0)	(2.9)	1.9	(66%)
Salaries, social security charges and employee benefits	(38.0)	(53.1)	15.1	(28%)
Fees and compensation for services	(184.3)	(185.6)	1.3	(1%)
Per diem, travel and representation expenses	(0.4)	(13.8)	13.4	(97%)
Leases	(7.0)	(6.7)	(0.3)	4%
Office expenses	(3.9)	(0.8)	(3.1)	388%
Gifts	(34.0)	(0.7)	(33.3)	4757%
Other	(5.7)	(4.4)	(1.3)	30%
Administrative expenses	(273.2)	(265.1)	(8.1)	3%
Other income	50.3	0.7	49.6	7086%
Operating income	5,706.1	5,700.7	5.4	0%
Commercial interest earned	340.9	121.4	219.5	181%
Interest on loans	(2,086.8)	(1,324.8)	(762.0)	58%
Tax and commercial interest paid	(201.7)	(145.3)	(56.4)	39%
Bank expenses and commissions	(7.6)	(3.5)	(4.1)	117%
Exchange difference, net	(6,765.9)	(11,404.0)	4,638.1	(41%)
Gain/(loss) on purchasing power parity (RECPAM)	6,196.0	9,348.8	(3,152.8)	(34%)
Other financial results	(192.9)	(369.2)	176.3	(48%)
Financial and holding results, net	(2,718.0)	(3,776.6)	1,058.6	(28%)
Pre-tax profit/(loss)	2,988.1	1,924.1	1,064.0	55%
Income tax	(1,689.4)	(2,268.7)	579.3	(26%)
Income/(loss) for the period	1,298.7	(344.6)	1,643.3	(477%)

Summary of Activity at September 30, 2020 and 2019

	Nine-month period ended September 30,		Variation	Variation %
	2020	2019		
Other comprehensive income for the period				
Revaluation of property, plant and equipment	-	(3,528.9)	3,528.9	(100%)
Impact on income tax	-	882.2	(882.2)	(100%)
Other comprehensive income/(loss) for the period	-	(2,646.7)	2,646.7	(100%)
Total comprehensive income/(loss) for the period	1,298.7	(2,991.3)	4,290.0	(143%)

Sales:

Net sales for the nine-month period ended September 30, 2020 amounted to \$8,941.4 million, compared to \$10,027.4 million for the same period in 2019, showing a drop of \$1,086.0 million (or 11%).

During the first nine months of 2020, energy dispatch reached 568 GW, 50% lower than the 1,129 GW for the same period in 2019.

The main sources of income of the Company and their performance during the nine-month period ended September 30, 2020 compared to the same period of the prior year are described below:

- (i) \$1,484.1 million from sales under Energía Plus, a 33% decrease from the \$2,203.1 million sold in the same period of 2019. The GW of energy sold was lower for the nine-month period ended September 30, 2020 compared to the same period in 2019.
- (ii) \$3,746.9 million for sales of energy under Resolution No. 220/07, which accounted for an increase of 9% from the \$3,436.9 million for the same period in 2019.
- (iii) \$334.6 million for sales of energy under Resolution No. 95/07, as amended plus spot, which accounted for a decrease of 22% from the \$429.5 million for the same period in 2019. The volume of energy sold for the nine-month period ended September 30, 2020 was lower compared to the same period in 2019. ES Resolution No. 31/2020 was also published, repealing SRRyME Resolution No. 1/2019.
- (iv) \$3,375.9 million from sales of energy under Resolution No. 21, down 15% from the \$3,957.8 million sold in the same period of 2019. The GW of energy sold was lower for the nine-month period ended September 30, 2020 compared to the same period in 2019.

Cost of sales:

The total cost of sales for the nine-month period ended September 30, 2020 reached \$3,011.4 million, compared with \$4,059.4 million for the same period in 2019, reflecting a \$1,048.0 million (26%) decrease.

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

Summary of Activity at September 30, 2020 and 2019

- (i) \$409.2 million from purchases of electric energy, a decrease of 72% from the \$1,474.6 million sold in the same period of 2019. Lower Energía Plus sales resulted in less purchases.
- (ii) \$510.0 million for gas and diesel consumption at the plant, representing an increase of 1,033% as against \$45.0 million for the same period of 2019. This is due to changes in the settlement of fuels by CAMMESA.
- (iii) \$393.5 million in maintenance services, down 44% from the \$700.2 million for the same period of 2019. This variation is due to changes in the conditions of maintenance contracts.
- (iv) \$1,296.8 million for depreciation of PP&E, down 8% from the \$1,409.6 million for the same period of 2019.
- (v) \$276.3 million for salaries and social security contributions, down 3% from the \$285.6 million recorded in the same period of 2019.

Gross income/(loss):

The gross income/(loss) for the nine-month period ended September 30, 2020 was a profit of \$5,930.0 million, compared with a profit of \$5,968.0 million for the same period in 2019, representing a decrease of \$38.0 million.

Selling expenses:

Selling expenses for the nine-month period ended September 30, 2020 amounted to a \$1.0 million loss, compared with \$2.9 million for the same period in 2019, representing a decrease of \$1.9 million (or 66%). This is due to the change in the turnover tax rate levied on energy generation.

Administrative expenses:

The administrative expenses for the nine-month period ended September 30, 2020 amounted to \$273.2 million, compared with \$265.1 million for the same period in 2019, reflecting an increase of \$8.1 million (or 3%).

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

- (i) \$184.3 million in fees and compensation for services, a decrease of 1% from the \$185.6 million for the same period in the previous year.
- (ii) \$7.0 million in leases, which accounted for an increase of 4% compared with \$6.7 million in the same period of the previous year.
- (iii) \$38.0 million for salaries and social security contributions, down 28% from the \$53.1 million recorded in the same period of 2019.
- (iv) \$34 million in gifts, up 4,757% from the \$0.7 million for the same period in 2019. This is largely due to donations to the Argentine Red Cross under the #ArgentinaNosNecesita Program.

Summary of Activity at September 30, 2020 and 2019

Other income and expenses:

- (v) Other operating income for the nine-month period ended September 30, 2020 amounted to \$50.3 million, which accounted for a 7,086% increase compared to \$0.7 million recorded in the same period of 2019, as a result of CTI's sale of plot of land.

Operating income/(loss):

Gross income for the nine-month period ended September 30, 2020 was \$5,706.1 million, compared to a profit of \$5,700.7 million for the same period in 2019, accounting for a 0.1% increase.

Financial results:

Financial results for the nine-month period ended September 30, 2020 amounted to a total loss of \$2,718.0 million, compared with a loss of \$3,776.6 million for the same period in 2019, which accounted for a 28% decrease.

The most noticeable aspects of the variation are:

- (i) \$2,086.8 million loss for financial interest, a 58% increase from the \$1,324.8 million loss for the same period in 2019. This is due to higher debts mainly in US dollars for the nine-month period ended September 30, 2020.
- (ii) \$192.9 million loss for other financial results, a 48% decrease from the \$369.2 million loss for the same period in 2019. This is due to the use of foreign exchange hedge contracts.
- (iii) \$6,765.9 million loss due to net exchange differences, reflecting a decrease of 41% compared to \$11,404.0 million loss for the same period in the previous year. This is the result of devaluation amounting to 27.20% for the nine-month period ended September 30, 2020 and to 52.76% for the same period in 2019.
- (iv) \$6,196.0 million profit due to RECPAM, reflecting a decrease of 34% compared to \$9,348.8 million profit for the same period in the previous year. This results from the variation in the CPI amounting to 22.29% for the nine-month period ended September 30, 2020 and to 37.70% for the same period in 2019.

Income/(loss) for the period:

The Company reported pre-tax profit for \$2,988.1 million for the nine-month period ended September 30, 2020, as against \$1,924.1 million for the same period in the previous year, which accounted for an increase of 55%. This variation is mainly due to the changes in the exchange rate and changes in loan interest increment.

Income tax for the current period amounted to \$1,689.4 million loss, compared to \$2,268.7 million loss for the same period in the previous year, thus obtaining an after-tax profit of \$1,298.7 million, compared with a \$344.6

Summary of Activity at September 30, 2020 and 2019

million loss for the same period in 2019.

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

	9/30/2020	9/30/2019	9/30/2018
Non-current assets	55,479.0	49,036.2	50,169.7
Current assets	6,905.9	8,515.7	8,477.0
Total assets	62,384.9	57,551.9	58,646.7
Equity	12,621.5	9,318.5	11,099.7
Total equity	12,621.5	9,318.5	11,099.7
Non-current liabilities	35,176.1	36,276.9	36,985.0
Current liabilities	14,587.3	11,956.4	10,562.0
Total liabilities	49,763.4	48,233.4	47,547.0
Total Liabilities and Shareholders' equity	62,384.9	57,551.9	58,646.7

3. Comparative Income Statement figures: (in millions of pesos)

	9/30/2020	9/30/2019	9/30/2018
Ordinary operating income	5,706.1	5,700.7	4,518.7
Financial and holding results	(2,718.0)	(3,776.6)	(17,223.7)
Ordinary net income/(loss)	2,988.1	1,924.1	(12,705.0)
Income tax	(1,689.4)	(2,268.7)	3,110.0
Net income/(loss)	1,298.7	(344.6)	(9,595.0)
Other comprehensive income/(loss)	-	(2,646.7)	13,279.3
Total comprehensive income/(loss)	1,298.7	(2,991.3)	3,684.3

4. Comparative Cash Flow figures: (in millions of pesos)

	9/30/2020	9/30/2019	9/30/2018
Cash provided by operating activities	5,997.1	4,411.5	1,057.7
Cash (used in) investing activities	(2,075.6)	(3,853.0)	(1,772.6)
Cash (used in) provided by financing activities	(3,872.6)	453.2	525.2
Increase in cash and cash equivalents	48.9	1,011.7	(189.7)

Summary of Activity at September 30, 2020 and 2019

5. Ratios presented comparatively with the previous period:

	9/30/2020	9/30/2019	9/30/2018
Liquidity (1)	0.47	0.71	0.80
Solvency (2)	0.25	0.19	0.23
Tied-up capital (3)	0.89	0.85	0.86
Indebtedness (4)	3.60	3.75	3.34
Interest coverage (5)	3.57	7.08	3.76
Return on equity (6)	0.12	(0.03)	(1.09)

(1) Current Assets / Current Liabilities

(2) Shareholders' Equity /Total Liabilities

(3) Non-current Assets / Total Assets

(4) Financial debt / annual EBITDA (*)

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

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

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

6. Brief comment on the 2020 outlook:

Commercial and operating sector

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

Financial situation

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

**ADDITIONAL INFORMATION REQUIRED BY SECTION 12, CHAPTER III, TITLE IV, OF THE
NATIONAL SECURITIES COMMISSION REGULATIONS, FOR THE NINE-MONTH PERIOD
ENDED SEPTEMBER 30, 2020**

General matters referred to the activity of GMSA

1. Significant and specific legal regimes implying contingent decline or renewal of benefits comprised in these legal provisions.

There are none.

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

There are none.

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

	Trade receivables	Other receivables	Trade payables	Loans	Salaries and social security liabilities	Tax payables and deferred tax liability	Defined benefit plan
	\$						
Falling due within							
1st quarter	2,228,817,370	704,171,143	2,453,623,442	1,528,413,166	63,263,438	207,279,229	719,576
2nd quarter	-	618,849,832	97,335,188	2,518,471,665	13,339,360	113,888,196	719,575
3rd quarter	-	618,849,832	3,148,593	3,412,631,623	-	-	719,575
4th quarter	-	709,799,291	7,871,368	1,472,708,953	-	-	719,575
After 1 year	-	4,646,715,520	1,808,069,378	24,539,278,451	-	8,791,086,716	37,689,173
Subtotal	2,228,817,370	7,298,385,618	4,370,047,969	33,471,503,858	76,602,798	9,112,254,141	40,567,474
Past due	1,000,964,334	-	2,136,204,300	375,965,685	-	163,858,771	-
Without stated term	-	-	-	-	-	-	-
Total at 9/30/2020	3,229,781,704	7,298,385,618	6,506,252,269	33,847,469,543	76,602,798	9,276,112,912	40,567,474
Non-interest bearing	2,228,817,370	2,775,482,214	4,415,289,311	-	76,602,798	8,827,746,382	40,567,474
At fixed rate	-	4,467,499,570	2,090,962,958	(1) 31,490,263,010	-	448,366,530	-
At floating rate	1,000,964,334	55,403,834	-	(1) 2,357,206,533	-	-	-
Total at 9/30/2020	3,229,781,704	7,298,385,618	6,506,252,269	33,847,469,543	76,602,798	9,276,112,912	40,567,474

(1) See Note 17 to the condensed interim Financial Statements at September 30, 2020.

4. Classification of receivables and liabilities as per the financial effects produced by their maintenance.

Headings	Type and amount of foreign currency	Closing exchange rate (1)	Amount recorded at 9/30/2020	Amount recorded at 12/31/2019
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents				
Cash	USD 1,400	75.98	106,372	102,192
Banks	USD 6,069,753	75.98	461,179,862	864,560,701
Trade receivables				
Trade receivables - Energía Plus	USD 3,880,038	75.98	294,805,256	500,113,293
Trade receivables - Res. No. 220/07 - Res. No. 1/17 - Res. No. 21/17	USD 11,234,763	75.98	853,617,301	3,017,674,119
Trade receivables - Rental of tanks			-	46,818,756
Total Current Assets			1,609,708,791	4,429,269,061
Total Assets			1,609,708,791	4,429,269,061
LIABILITIES				
CURRENT LIABILITIES				
Trade payables				
Related parties	USD 9,710,544	76.08	738,778,178	1,611,297,029
Suppliers	USD 43,567,679	76.18	3,318,985,760	2,828,807,642
Suppliers	SEK 23,018,470	8.56	196,988,290	572,915,102
Financial debts				
Loans	USD 92,390,790	76.18	7,038,330,361	3,667,506,364
Total Current Liabilities			11,293,082,589	8,680,526,137
NON-CURRENT LIABILITIES				
Trade payables				
Suppliers	USD 23,734,174	76.18	1,808,069,378	1,792,876,315
Financial debts				
Loans	USD 322,121,823	76.18	24,539,240,449	27,645,996,900
Total Non-Current Liabilities			26,347,309,827	29,438,873,215
Total liabilities			37,640,392,416	38,119,399,352

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

5. Intercompany:

Intercompany equity interest percentage:

There are no interests in intercompany.

Accounts payable and receivable with intercompany:

See Note 21 to the condensed interim Financial Statements at September 30, 2020.

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

See Note 21 to the interim condensed Financial Statements at September 30, 2020.

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

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

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

Current values

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

See Note 6 to the Financial Statements at December 31, 2019 and Note 4 to the condensed interim Financial Statements at September 30, 2020.

Property, plant and equipment

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

There are none.

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

There are none.

Interests in other companies

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

There are none.

Recoverable values

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

See Note 4 to the Financial Statements at December 31, 2019.

Insurance

Kind of risk	Insured amount 2020	Insured amount 2019
Operational all-risk - material damages	USD 531,980,000	USD 539,980,000
Operational all-risk - loss of profit	USD 137,179,863	USD 137,179,863
Contractors' all-risk - enlargement of power plants - material damages	USD 337,000,000	USD 337,000,000
Contractors' all-risk - enlargement of power plants - advance loss of profit (alop)	USD 116,986,000	USD 116,986,000
Civil liability (primary)	USD 6,000,000	USD 6,000,000
Civil liability (excess coverage)	USD 9,000,000	USD 9,000,000
Directors and Officers liability insurance	USD 15,000,000	USD 15,000,000
Transportation insurance for turbines	USD 133,000,000	USD 133,000,000
Automobile	\$22,265,000	\$7,329,000
Personal accidents	\$1,000,000	\$750,000
Personal accidents	USD 1,000,000	USD 1,000,000
Transport insurance, Argentine and international market	USD 12,000,000	USD 10,000,000
Directors' qualification bond	\$450,000	\$450,000
Customs bond	\$821,419,699	\$152,389,251
Contract execution bond	\$450,000	\$450,000
ENES bond	\$495,871,290	\$263,500,345
Bond for commercial authorization of projects	\$2,204,641,357	\$1,409,456,286
Judicial bond	\$5,000,000	\$5,000,000
Environmental insurance	\$165,407,886	\$90,476,474
Equipment technical insurance	USD 344,424	USD 305,234
Life - Mandatory life insurance	\$92,813	\$68,750
Life - mandatory group life insurance (LCT, employment contract law)	Disability: 1 salary per year Death: 1/2 salary per year	Disability: 1 salary per year Death: 1/2 salary per year
Life - Additional group life insurance	24 salaries	24 salaries

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

Operational all-risk:

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

Construction all-risk and ALOP:

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.

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.

Civil liability:

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

They are structured as follows:

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

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

Directors and Officers (D&O) liability insurance:

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

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

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

Automobile insurance:

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

Personal accidents insurance:

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

Transport insurance:

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

Directors' bond:

It is the guarantee required by the General Companies Law (Law No. 19550, Section 256, paragraph 2) from directors of corporations and members of the administrative bodies of other companies (LLC, joint stock company). This guarantee covers the Company in case of non-compliance with obligations by Directors or Managing partners while performing their duties.

Customs Bonds:

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

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

Financial bond:

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

Contract performance bond:

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

ENES Bond:

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

Authorization for project commercial operation bond:

It guarantees the compliance with the policy holder's obligations to obtain the authorization for commercial operation of the awarded project.

Judicial bond:

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

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

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

Environmental bond:

The environmental bond for damage with group incidence covers the environmental bond established by the General Environmental Law No. 25675, Section 22 in agreement with the provisions of enforcement authorities.

Technical insurance for contractors' equipment:

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

Mandatory life insurance:

The employer must take out mandatory life insurance coverage for its employees. It covers the risk of death of worker in an employment relationship, for any cause, without limitations of any kind, 24 hours a day, in or outside the country.

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

Life insurance (LCT, employment contract law):

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

Group Life insurance:

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

Technical insurance coverage for electronic equipment

This insurance provides coverage to fixed or mobile electronic data processing equipment and/or office equipment, such as PCs, notebooks, photocopiers, telephone exchange, etc., in case of accident or sudden and unforeseen events, as detailed in the policy provided by the insured.

Positive and negative contingencies

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

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

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

The following allowances and provisions have been set up:

a. Allowances from assets:

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

b. Provisions included in liabilities:

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

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

See Note 18 to the condensed interim Financial Statements at September 30, 2020.

Irrevocable advances on account of future subscriptions

15. Status of the capitalization procedure.

There are none.

16. Unpaid cumulative dividends on preferred shares

There are none.

17. Conditions, circumstances or terms for the removal of restrictions on the distribution of unappropriated earnings.

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



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

REVIEW REPORT ON THE CONDENSED INTERIM FINANCIAL STATEMENTS

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

Introduction

We have reviewed the accompanying condensed interim Financial Statements of Generación Mediterránea S.A. ("the Company"), including the Statement of financial position at September 30, 2020, the Statement of comprehensive income for the nine- and three-month periods ended September 30, 2020, the Statements of changes in equity and of cash flows for the nine-month period then ended, and the selected explanatory notes.

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

Board's responsibility

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

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Scope of our review

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

Conclusion

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

Emphasis of matter paragraph

Impact of COVID-19 on the Company's business and financial position

Without modifying our opinion, we want to put emphasis on the information included in Note 29 to the condensed interim Financial Statements regarding the impact of COVID-19 on the Company's business, as well as the measures adopted by Management to face this situation.

Report on compliance with current regulations

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

- a) the condensed interim Financial Statements of Generación Mediterránea S.A. have not yet been transcribed into the Inventory and Balance Sheet book, and as regards those matters that are within our field of competence, they are in compliance with the provisions of the General Companies Law and pertinent resolutions of the National Securities Commission;



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- b) the condensed interim Financial Statements of Generación Mediterránea S.A. arise from accounting records carried in all formal respects in accordance with legal requirements, except for the fact that they have not yet been transcribed into the Inventory and Balance Sheet book for the period ended September 30, 2020 and the accounting entries from July to September 2020 have not yet been transcribed into the Journal Book; the financial statements are transcribed in CD ROM;
- c) we have read the Summary of Activity and the additional information to the Notes to the condensed interim Financial Statements required by Section 12, Chapter III, Title IV of the National Securities Commission regulations, on which, as regards those matters that are within our competence, we have no observations to make;
- d) at September 30, 2020 the debt accrued by Generación Mediterránea S.A. in favor of the Argentine Integrated Social Security System according to the Company's accounting records amounted to \$6,327,747, none of which was claimable at that date.

City of Buenos Aires, November 9, 2020

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Raúl Leonardo Viglione

Report of the Syndics' Committee

To the Shareholders of
Generación Mediterránea S.A.

1. In accordance with Section 294 of Law No. 19550 and the standards issued by the National Securities Commission (CNV), we have examined the accompanying condensed interim Financial Statements of Generación Mediterránea S.A. (the "Company") which comprise the statement of financial position at September 30, 2020, the statement of comprehensive income for the nine-month period ended September 30, 2020, statement of changes in equity and of cash flows for the nine-month period then ended, and the selected explanatory notes. The balances and other information corresponding to the fiscal year 2019 are an integral part of the financial statements mentioned above; therefore, they must be considered in connection with these financial statements.
2. The Board of Directors of the Company is responsible for the preparation and presentation of the financial statements in accordance with International Financial Reporting Standards, adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards and included by the National Securities Commission (CNV) in its regulations, as approved by the International Accounting Standards Board (IASB), and is therefore responsible for the preparation and presentation of the condensed interim Financial Statements mentioned in the first paragraph, in accordance with International Accounting Standard 34 *Interim Financial Information* (IAS 34). Our responsibility is to express a conclusion based on the review that we have performed with the scope detailed in paragraph 3.
3. Our review was carried out in accordance with standards applicable to syndics. Those standards require the application of the procedures established by Technical Pronouncement No. 33 of the Argentine Federation of Professional Councils in Economic Sciences for limited reviews of interim financial statements, and include verifying the consistency of the documents reviewed with the information on corporate decisions, as disclosed in minutes and the conformity of those decisions to the law and by-laws insofar as concerns formal and documentary aspects. To fulfill our professional duties, we have reviewed the work done by the external auditors, Price Waterhouse & Co. S.R.L., who issued their Review Report on the condensed interim Financial Statements at the same date of this report, with an emphasis of matter paragraph as to the information contained in Note 29. A review of interim financial information consists of inquiries of Company staff responsible for preparing the information included in the condensed interim Financial Statements and of analytical and other review procedures. This review is substantially less in scope than an audit examination conducted in accordance with international standards on auditing and, consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion on the financial position, the comprehensive income, or the cash flows of the Company. We have not assessed the administrative, financing, marketing and operating business criteria as these matters fall within the exclusive competence of the Board of Directors and Shareholders' meeting.

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

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

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

City of Buenos Aires, November 9, 2020

For the Syndics' Committee
Marcelo P. Lerner
Full Syndic