

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

Generación Mediterránea S.A.

Condensed Interim Consolidated Financial Statements

At June 30, 2021 and for the six- and three-month periods
ended June 30, 2021 and 2020,
presented in comparative format

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GLOSSARY OF TECHNICAL TERMS

The following are not technical definitions, but they are helpful for the reader's understanding of some terms used in the notes to the condensed interim consolidated Financial Statements of the Group.

Terms	Definitions
/day	Per day
AESA	Albanesi Energía S.A.
AFIP	Federal Administration of Public Revenue
AJSA	Alba Jet S.A.
ASA	Albanesi S.A. (a company merged into GMSA)
AVRC	Alto Valle Río Colorado S.A.
BADCOR	Adjusted BADLAR rate
BADLAR	Average interest rate paid by financial institutions on time deposits for over one million pesos.
BCRA	Central Bank of Argentina
BDD	Bodega del Desierto S.A.
CAMMESA	Compañía Administradora del Mercado Mayorista Eléctrico S.A. (Wholesale Electricity Market Management Company)
CC	Combined cycle
IFRIC	International Financial Reporting Interpretations Committee
CNV	National Securities Commission
CTE	Central Térmica Ezeiza located in Ezeiza, Buenos Aires
CTF	Central Térmica Frías located in Frías, Santiago del Estero
CTI	Central Térmica Independencia located in San Miguel de Tucumán, Tucumán
CTLB	Central Térmica La Banda located in La Banda, Santiago del Estero
CTMM	Central Térmica Modesto Maranzana located in Río IV, Córdoba
CTR	Central Térmica Roca S.A.
CTRi	Central Térmica Riojana located in La Rioja, province of La Rioja
CVP	Variable Production Cost
Dam3	Cubic decameter Volume equivalent to 1,000 (one thousand) cubic meters
DH	Historical Availability
DIGO	Offered guaranteed Availability
Availability	Percentage of time in which the power plant or machinery, as applicable, is in operation (generating power) or available for power generation, but not called by CAMMESA
DMC	Minimum Availability Committed
DO	Target Availability
DR	Registered Availability
Grupo Albanesi	Generación Mediterránea 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
FONINMEMEM	Fund for investments required to increase the electric power supply in the WEM
GE	General Electric
GECEN	Generación Centro S.A. (a company merged into GMSA)
GLSA	Generación Litoral S.A.
GMSA	Generación Mediterránea S.A.
Large Users	WEM agents classified according to their consumption into: GUMAs, GUMEs, GUPAs and GUDIs
GROSA	Generación Rosario S.A.
GUDIs	Large Demand from Distributors' customers, with declared or demanded power of over 300 kW
GUMAs	Major Large Users

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Terms	Definitions
GUMEs	Minor Large Users
GUPAs	Large Users - Individuals
GW	Gigawatt Unit of power equivalent to 1,000,000,000 watts
GWh	Gigawatt-hour Unit of energy equivalent to 1,000,000,000 watts hour
HRSG	Heat recovery steam generator
IASB	International Accounting Standards Board
IGJ	Legal Entities Regulator
CPI	Consumer Price Index
WPI	Wholesale Price Index
kV	Kilovolt Unit of electromotive force which is equal to 1,000 (one thousand) volts
kW	Kilowatt Unit of power equivalent to 1,000 watts
kWh	Kilowatt-hour Unit of energy equivalent to 1,000 watts hour
The Company/The Group	Albanesi S.A. and its subsidiaries
LGS	General Companies Law
LVFVD	Sales liquidations with maturity date to be defined
MAPRO	Major Scheduled Maintenance
MAT	Futures market
WEM	Wholesale Electric Market
MMm3	Million cubic meters
MVA	Mega-volt ampere, unit of energy equivalent to 1 volt x 1 ampere x 10 ⁶
MW	Megawatt Unit of power equivalent to 1,000,000 watts
MWh	Megawatt hour Unit of energy equivalent to 1,000,000 watts hour
ARG GAAP	Argentine Generally Accepted Accounting Principles
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
NFHCC	New Date Committed for Commercial Authorization
SDG	Sustainable Development Goals
NO	Negotiable Obligations
PAS	Arroyo Seco Project
GDP	Gross Domestic Product
PWPS	Pratt & Whitney Power System Inc
RECPAM	Gain/loss on purchasing power parity
Resolution No. 220/07	Regulatory framework for the sale of energy to CAMMESA through the "WEM Supply Contracts" under Energy Secretariat Resolution No. 220/07
GR	General Resolution
RGA	Rafael G. Albanesi S.A.
RSE	Corporate social responsibility
TP	Technical Pronouncements
SADI	Argentine Interconnection System
ES	Energy Secretariat
SEK	Swedish crowns
GSE	Government Secretariat of Energy
OHHS	Health, Safety and Hygiene at work
TRASNOA S.A.	Empresa de Transporte de Energía Eléctrica por Distribución Troncal del Noroeste Argentino S.A.
GU	Generating unit
CGU	Cash Generating Unit
USD	US Dollars
UVA	Unit of purchasing power

Generación Mediterránea S.A.

Composition of the Board of Directors and Syndics' Committee at June 30, 2021

President

Armando Losón (Jr.)

1st Vice President

Guillermo Gonzalo Brun

2nd Vice President

Julián Pablo Sarti

Full Directors

María Eleonora Bauzas
Sebastian Andrés Sánchez Ramos
Oscar Camilo De Luise
Ricardo Martín López
Romina Solange Kelleyian
Osvaldo Enrique Alberto Cado

Alternate Directors

José Leonel Sarti
Juan Gregorio Daly
Juan Carlos Collin
Jorge Hilario Schneider
María Andrea Bauzas

Full Syndics

Enrique Omar Rucq
Marcelo Pablo Lerner
Francisco Agustín Landó

Alternate Syndics

Marcelo Claudio Barattieri
Marcelo Rafael Tavarone
Carlos Indalecio Vela

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Generación Mediterránea S.A.

Condensed Interim Consolidated Financial Statements

Corporate name: **Generación Mediterránea S.A.**

Legal address: Av. L.N. Alem 855, 14th floor - 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 Registration Number: 30-68243472-0

Dates of Registration with the Public Registry of Commerce:

Bylaws or incorporation agreement: January 28, 1993
Latest amendment: December 4, 2017

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

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

CAPITAL STATUS (see Note 10)				
Shares				
Number	Type	Number of votes per share	Subscribed, paid-in and registered	Subscribed and paid-in capital
203,123,895	Ordinary, registered, non-endorsable \$1 par value	1		\$
			138,172,150	203,123,895

Generación Mediterránea S.A.

Condensed Interim Consolidated Statement of Financial Position

At June 30, 2021 and December 31, 2020

Stated in pesos

	<u>Notes</u>	<u>06/30/2021</u>	<u>12/31/2020</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	87,440,752,175	57,076,720,074
Investments in associates	8	352,756,057	-
Investments in other companies		79,536	79,536
Deferred tax assets	20	383,257	-
Income tax credit balance, net		1,732,444	-
Other receivables		379,423,027	5,186,534,652
Total non-current assets		<u>88,175,126,496</u>	<u>62,263,334,262</u>
CURRENT ASSETS			
Inventories		375,393,585	230,546,997
Income tax credit balance, net		180,057	-
Other receivables		6,279,556,318	3,196,844,068
Trade receivables		5,357,511,461	3,574,781,727
Cash and cash equivalents	9	831,138,709	1,872,407,886
Total current assets		<u>12,843,780,130</u>	<u>8,874,580,678</u>
Total Assets		<u>101,018,906,626</u>	<u>71,137,914,940</u>

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

Generación Mediterránea S.A.

Condensed Interim Consolidated Statement of Financial Position (Cont'd)

At June 30, 2021 and December 31, 2020

Stated in pesos

	Notes	06/30/2021	12/31/2020
EQUITY			
Share capital	10	203,123,895	138,172,150
Capital adjustment		1,687,289,850	1,687,289,850
Additional paid-in capital		1,666,917,182	1,666,917,182
Legal reserve		75,594,155	75,594,155
Optional reserve		2,767,344,464	1,258,474,627
Special reserve GR No. 777/18		4,210,461,841	4,141,063,100
Technical revaluation reserve		4,239,111,310	4,003,485,542
Other comprehensive income/(loss)		(23,745,545)	(4,115,369)
Unappropriated retained earnings/(losses)		(2,799,057,261)	1,508,869,837
Translation reserve		489,106,584	-
Equity attributable to the owners		12,516,146,475	14,475,751,074
Non-controlling interest		668,966,955	-
Total Equity		13,185,113,430	14,475,751,074
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liabilities, net	20	21,677,964,080	9,899,697,312
Other liabilities		1,408,360	-
Defined benefit plan		76,970,764	40,480,367
Loans	12	49,078,501,481	30,473,603,250
Trade payables		2,464,709,745	2,661,355,267
Total non-current liabilities		73,299,554,430	43,075,136,196
CURRENT LIABILITIES			
Other liabilities		9,889,747	-
Tax payables		200,252,855	105,168,439
Defined benefit plan		14,107,658	695,368
Loans	12	9,484,095,323	8,234,028,010
Derivative financial instruments		76,320,000	25,500,000
Tax payables		625,198,054	373,442,038
Trade payables		4,124,375,129	4,848,193,815
Total current liabilities		14,534,238,766	13,587,027,670
Total liabilities		87,833,793,196	56,662,163,866
Total liabilities and equity		101,018,906,626	71,137,914,940

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

Generación Mediterránea S.A.

Condensed Interim Consolidated Statement of Comprehensive Income

For the six- and three-month periods ended June 30, 2021 and 2020,

Stated in pesos

	Notes	Six-month period at		Three-month period at	
		06/30/2021	06/30/2020	06/30/2021	06/30/2020
Sales revenue	14	9,177,151,685	6,527,849,439	4,822,577,224	3,192,984,126
Cost of sales	15	(3,822,999,039)	(2,205,107,572)	(2,079,015,148)	(910,360,454)
Gross income/(loss)		5,354,152,646	4,322,741,867	2,743,562,076	2,282,623,672
Selling expenses	16	(20,893,769)	(1,078,669)	(11,362,664)	(921,135)
Administrative expenses	17	(455,982,770)	(220,427,910)	(235,901,700)	(127,239,628)
Income from interests in associates	8	(22,293,486)	-	(11,895,235)	-
Other operating income		2,769,510	7,891,246	788,330	-
Operating income/(loss)		4,857,752,131	4,109,126,534	2,485,190,807	2,154,462,909
Financial income	18	399,413,627	874,166,153	226,277,393	420,918,180
Financial expenses	18	(3,475,007,977)	(2,186,811,187)	(1,806,099,405)	(1,170,511,169)
Other financial results	18	(451,866,660)	(790,878,653)	(592,691,522)	(1,136,493,407)
Financial results, net		(3,527,461,010)	(2,103,523,687)	(2,172,513,534)	(1,886,086,396)
Pre-tax profit/(loss)		1,330,291,121	2,005,602,847	312,677,273	268,376,513
Income tax	20	(4,939,068,935)	(954,006,524)	(4,199,336,724)	(163,033,908)
(Loss)/income for the period		(3,608,777,814)	1,051,596,323	(3,886,659,451)	105,342,605
Other comprehensive income/(loss)					
<i>These items will not be reclassified under income/(loss):</i>					
Change of Income Tax rate - Revaluation of property, plant and equipment		(1,429,519,711)	-	(1,429,519,711)	-
Translation difference		1,735,001,939	-	282,305,391	-
<i>These items will be reclassified under income/(loss):</i>					
Translation differences of subsidiaries and associates		619,225,159	-	314,348,535	-
Other comprehensive income/(loss) for the period		924,707,387	-	(832,865,785)	-
(Loss)/income for the period		(2,684,070,427)	1,051,596,323	(4,719,525,236)	105,342,605
	Note	06/30/2021	06/30/2020	06/30/2021	06/30/2020
(Loss)/income for the period attributable to:					
Owners of the company		(3,384,181,030)	1,051,596,323	(3,660,834,933)	105,342,605
Non-controlling interest		(224,596,784)	-	(225,824,518)	-
Comprehensive (loss)/income for the period attributable to:					
Owners of the company		(2,486,198,662)	1,051,596,323	(4,217,009,164)	105,342,605
Non-controlling interest		(197,871,765)	-	(502,516,072)	-
(Losses)/earnings per share attributable to the owners					
Basic and diluted earnings per share	19	(16.66)	7.61	(18.02)	0.76

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

Generación Mediterránea S.A.

Condensed Interim Consolidated Statement of Changes in Equity

For the six-month periods ended June 30, 2021 and 2020

Stated in pesos

	Shareholders' contributions			Attributable to Shareholders							Non-controlling interest	Total equity	
	Share capital (Note 10)	Capital Adjustment	Additional paid-in capital	Retained earnings						Total			
				Legal reserve	Optional reserve	Special Reserve GR No. 777/18	Technical revaluation reserve	Other comprehensive income/(loss)	Unappropriated retained earnings/(losses)				Translation reserve
Balances at December 31, 2019	138,172,150	1,687,289,850	1,666,917,182	75,594,155	1,258,474,627	4,380,029,236	4,282,972,342	(5,886,309)	(878,292,030)	-	12,605,271,203	-	12,605,271,203
Reversal of technical revaluation reserve	-	-	-	-	-	(77,724,406)	(76,002,114)	-	153,726,520	-	-	-	-
Income for the six-month period	-	-	-	-	-	-	-	-	1,051,596,323	-	1,051,596,323	-	1,051,596,323
Balances at June 30, 2020	138,172,150	1,687,289,850	1,666,917,182	75,594,155	1,258,474,627	4,302,304,830	4,206,970,228	(5,886,309)	327,030,813	-	13,656,867,526	-	13,656,867,526
Other comprehensive income/(loss)	-	-	-	-	-	-	(45,815,905)	1,770,940	-	-	(44,044,965)	-	(44,044,965)
Reversal of technical revaluation reserve	-	-	-	-	-	(161,241,730)	(157,668,781)	-	318,910,511	-	-	-	-
Income for the complementary six-month period	-	-	-	-	-	-	-	-	862,928,513	-	862,928,513	-	862,928,513
Balances at December 31, 2020	138,172,150	1,687,289,850	1,666,917,182	75,594,155	1,258,474,627	4,141,063,100	4,003,485,542	(4,115,369)	1,508,869,837	-	14,475,751,074	-	14,475,751,074
Addition due to merger as from January 1, 2021 (Note 1)	64,951,745	-	-	-	-	879,983,868	1,052,653,009	(19,630,176)	(1,451,364,383)	-	526,594,063	866,838,720	1,393,432,783
Shareholders' Meeting dated June 1, 2021:													
- Setting up of optional reserve	-	-	-	-	1,508,869,837	-	-	-	(1,508,869,837)	-	-	-	-
Other comprehensive income/(loss)	-	-	-	-	-	(669,446,057)	(674,151,807)	-	1,752,473,648	489,106,584	897,982,368	26,725,019	924,707,387
Reversal of technical revaluation reserve	-	-	-	-	-	(141,139,070)	(142,875,434)	-	284,014,504	-	-	-	-
Loss for the six-month period	-	-	-	-	-	-	-	-	(3,384,181,030)	-	(3,384,181,030)	(224,596,784)	(3,608,777,814)
Balances at June 30, 2021	203,123,895	1,687,289,850	1,666,917,182	75,594,155	2,767,344,464	4,210,461,841	4,239,111,310	(23,745,545)	(2,799,057,261)	489,106,584	12,516,146,475	668,966,955	13,185,113,430

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

Generación Mediterránea S.A.
Condensed Interim Consolidated Statement of Cash Flows
 For the six-month periods ended June 30, 2021 and 2020
 Stated in pesos

	<u>Notes</u>	<u>06/30/2021</u>	<u>06/30/2020</u>
Cash flows provided by operating activities:			
(Loss)/income for the period		(3,608,777,814)	1,051,596,323
Adjustments to arrive at net cash flows provided by operating activities:			
Income tax	20	4,939,068,935	954,006,524
Income/(loss) from interests in associates	8	22,293,486	-
Depreciation of property, plant and equipment	7 and 15	1,588,376,304	989,897,022
Present value of receivables and debts		37,868,421	28,530,808
Provision for Directors' fees	17	56,638,021	-
Income/(loss) from changes in the fair value of financial instruments	18	375,838,985	14,199,002
Income/(loss) from repurchase of negotiable obligations	18	(29,411,687)	-
Interest and exchange differences and other		2,893,110,088	6,284,894,942
RECPAM (Purchasing Power Parity)	18	(65,347,453)	(4,321,220,467)
Accrual of benefit plans	15	5,023,180	2,548,037
Changes in operating assets and liabilities:			
Decrease in trade receivables		319,311,700	1,272,192,546
(Increase)/decrease in other receivables (1)		(1,585,997,595)	1,859,603,170
(Increase)/Decrease in inventories		(48,999,483)	20,619,957
(Decrease) in trade payables (2)		(3,002,128,936)	(2,612,822,124)
(Decrease) in defined benefit plans		(749,124)	-
(Decrease) in other liabilities		(68,150,795)	(572,374)
Increase/(decrease) in social security liabilities and taxes		476,705,853	(274,609,194)
Net cash flows provided by operating activities		<u>2,304,672,086</u>	<u>5,268,864,172</u>
Cash flows from investing activities:			
Cash added due to merger		583,080,220	-
Acquisition of property, plant and equipment	7	(1,827,024,879)	(1,350,369,145)
Public securities		(4,494,928)	(1,641,023)
Loans granted	22	(281,143,234)	(696,295,040)
Loans collected		173,346,264	-
Net cash flows (used in) investing activities		<u>(1,356,236,557)</u>	<u>(2,048,305,208)</u>
Cash flows from financing activities:			
Collection of financial instruments		16,658,939	-
Payment of loans	12	(3,554,278,983)	(2,232,268,427)
Payment of interest	12	(3,221,785,214)	(1,940,310,368)
Borrowings	12	4,509,349,308	2,210,739,270
Cash flows (used in) financing activities		<u>(2,250,055,950)</u>	<u>(1,961,839,525)</u>
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		<u>(1,301,620,421)</u>	<u>1,258,719,439</u>
Cash and cash equivalents at the beginning of the period	9	1,872,407,886	1,196,911,347
Translation and exchange difference of cash and cash equivalents		116,026,682	-
Financial results of cash and cash equivalents		148,221,549	(21,034,142)
RECPAM (Purchasing Power Parity) of cash and cash equivalents		(3,896,987)	130,789,823
Cash and cash equivalents at the end of the period	9	<u>831,138,709</u>	<u>2,565,386,467</u>
		<u>(1,301,620,421)</u>	<u>1,258,719,439</u>

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

- (1) It includes prepayments to suppliers for the purchase of property, plant and equipment for \$4,793,659,056 and \$2,651,222,647 at June 30, 2021 and 2020, respectively.
- (2) It includes commercial payments for works financing. See Note 26.

Generación Mediterránea S.A.
Condensed Interim Consolidated Statement of Cash Flows (Cont'd)
 For the six-month periods ended June 30, 2021 and 2020
 Stated in pesos

Material transactions not entailing changes in cash:

	<u>Notes</u>	<u>06/30/2021</u>	<u>06/30/2020</u>
Material transactions not entailing changes in cash			
Acquisition of property, plant and equipment financed by suppliers	7	(152,389,790)	(949,586,910)
Advances to suppliers applied to the acquisition of property, plant and equipment	7	(2,334,717)	-
Financial costs capitalized in property, plant and equipment	7	(342,759,770)	(775,188,277)
Issue of negotiable obligations paid up in kind	12	1,321,155,131	-
Addition BLC Loan	12	-	1,116,131,716
Loans to Directors, repaid		(47,025,328)	-
Addition of balances due to merger by absorption			
Assets			
Property, plant and equipment		6,293,836,505	-
Other receivables		(4,824,081,503)	-
Investments in subsidiaries		3,132,253,778	-
Total assets		<u>4,602,008,780</u>	<u>-</u>
Liabilities			
Loans		(2,857,489,140)	-
Other liabilities		(4,242,693)	-
Tax payables		(1,103,418,496)	-
Salaries and social security liabilities		(2,668,000)	-
Trade payables		(117,865,468)	-
Total liabilities		<u>(4,085,683,797)</u>	<u>-</u>
Equity attributable to the owners		<u>(526,594,063)</u>	<u>-</u>
Cash added due to merger		<u>10,269,080</u>	<u>-</u>

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

Generación Mediterránea S.A.

Notes to the Condensed Interim Consolidated Financial Statements

For the six- and three-month periods ended June 30, 2021 and 2020,

and for the fiscal year ended December 31, 2020

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.

GMSA was controlled by Albanesi S.A., an investing and financing company, which held 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. As a result of the merger, GMSA absorbs ASA retrospectively as from January 1, 2021.

On December 21, 2020, the Board of Directors of the Company resolved to carry out a process of corporate reorganization between Generación Centro S.A. ("GECEN") and Albanesi S.A. ("ASA") whereby GECEN and ASA would be merged into GMSA (ASA and GECEN jointly referred to as the "Merged Companies") to achieve a consistent and coordinated performance of the business activities of the companies involved to their own benefit and to the benefit of their shareholders, third-party contractors, trading partners and, particularly, their investors and creditors. The merger into the Company will streamline costs, processes and resources, and the effective merger date is scheduled for January 1, 2021. Subsequently, on March 19, 2021, a Preliminary Merger Agreement was signed whereby all assets, liabilities, shareholders' equity, including recordable assets, rights and obligations of the Merged Companies would be added to the Company's equity subject to the registration of the Final Merger Agreement with the Legal Entities Regulator (IGJ) and National Securities Commission (CNV) on the Effective Merger Date. It was further agreed that the Company would act on its own behalf in relation to all acts it performs for the administration of the Merged Companies' business activities and the Company would be responsible for all profits, losses and consequences of the acts performed during that period. Notwithstanding the foregoing, it was also agreed that all the acts performed by the Merging Company as from the Effective Merger Date as a result of the administration of the business activities to be merged shall be deemed to be carried out on behalf of the Merged Companies in case that the Final Merger Agreement cannot be registered with the pertinent Public Registries for any reason. In addition, it was resolved to convene extraordinary meetings of shareholders of the companies involved in the merger process to consider all documents relating to the merger for May 11, 2021. The meetings were held and adjourned to be able to publish the merger offering circular in compliance with CNV rules. Upon expiration of the adjournment period, on May 26, 2021 the extraordinary general meetings were held and the shareholders resolved to approve the merger, its documentation, the execution of the final merger agreement, the dissolution of ASA and GECE and the consequent GMSA capital increase. At present, the merger is in the process of being registered with the CNV.

Generación Mediterránea S.A.

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

NOTE 1: GENERAL INFORMATION (Cont'd)

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

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

Below is a detail of the equity interest of GMSA in each company, acquired as a result of the merger by absorption:

Companies	Country of creation	Main activity	% participation	
			06/30/2021	12/31/2020
CTR	Argentina	Electric power generation	75%	-
GLSA	Argentina	Electric power generation	95%	-
GROSA	Argentina	Electric power generation	95%	-
Solalban Energía S.A.	Argentina	Electric power generation	42%	-

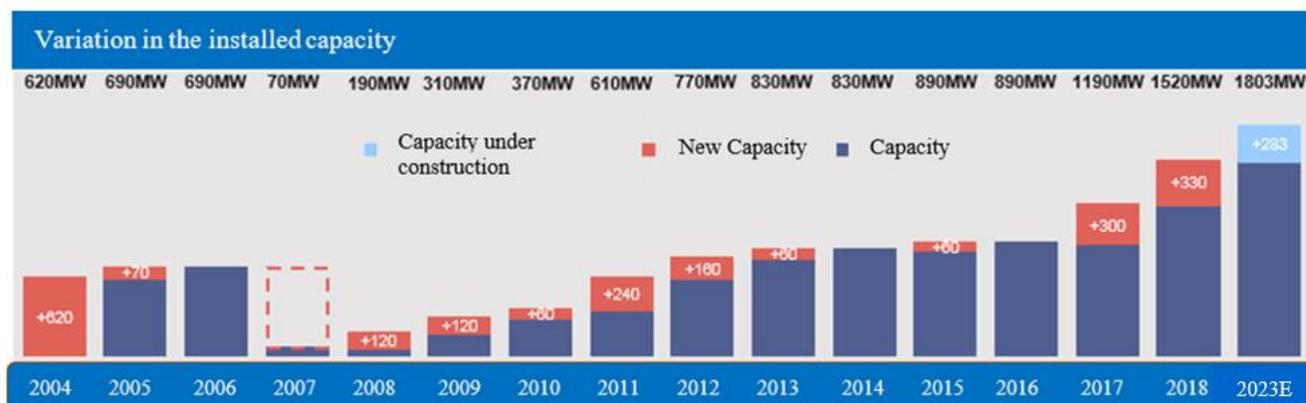
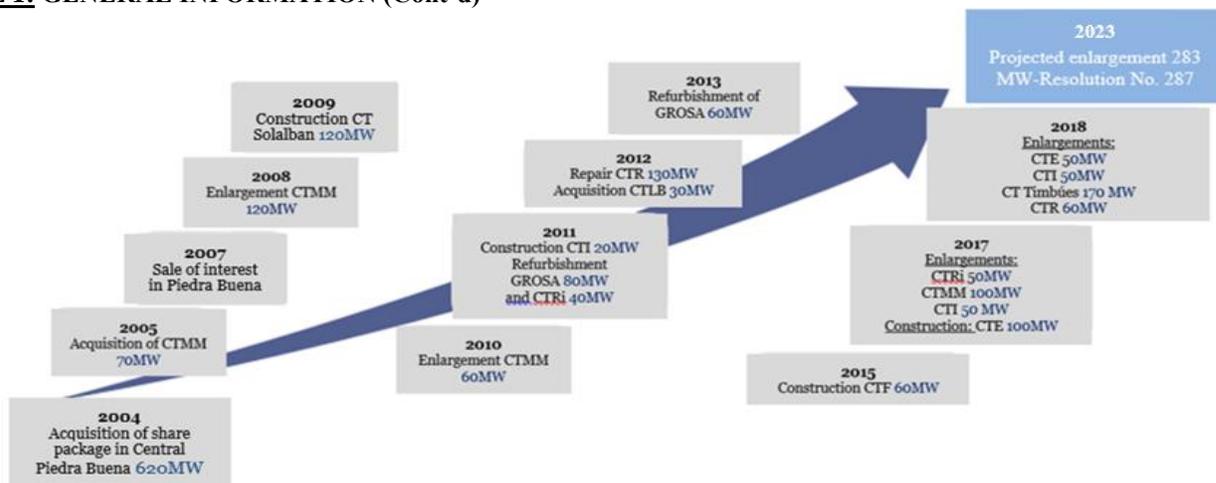
At the date these condensed interim consolidated Financial Statements were signed, Grupo Albanesi had a total installed capacity of 1,520 MW, which is being expanded with additional 283 MW with all the new projects awarded and currently under way.

Power Plant	Company	Nominal installed capacity	Resolution	Location
Central Térmica Modesto Maranzana (CTMM)	GMSA	350 MW	ES Resolutions Nos. 220/07, 1281/06 Plus and ES Resolution No. 31/2020	Río Cuarto, Córdoba
Central Térmica Independencia (CTI)	GMSA	220 MW	ES Resolutions Nos. 220/07, 1281/06 Plus, EES Resolution No. 21/16 and ES Resolution No. 31/2020	San Miguel de Tucumán, Tucumán
Central Térmica Frías (CTF)	GMSA	60 MW	ES Resolutions Nos. 220/07 and 21/2020	Frías, Santiago del Estero
Central Térmica Riojana (CTRi)	GMSA	90 MW	ES Resolutions Nos. 220/07 and 21/2020	La Rioja, La Rioja
Central Térmica La Banda (CTLB)	GMSA	30 MW	ES Resolution No. 31/2020	La Banda, Santiago del Estero
Central Térmica Ezeiza (CTE)	GMSA	150 MW	EES Resolution No. 21/16	Ezeiza, Buenos Aires
Total nominal installed capacity (GMSA)		900 MW		
Central Térmica Roca (CTR)	CTR	190 MW	ES Resolutions Nos. 220/07 and 31/2020	Gral. Roca, Río Negro
Central Térmica Sorrento	GROSA	140 MW	ES Resolution No. 31/2020	Rosario, Santa Fe
Solalban Energía S.A.		120 MW	Resolution No. 1281/06 Plus	Bahía Blanca, Buenos Aires
Total nominal installed capacity (Participation of GMSA)		450 MW		
Central Térmica Cogeneración Timbúes	AESA	170 MW	EES Resolution No. 21/16	Timbúes, Santa Fe
Total nominal installed capacity Grupo Albanesi		1,520 MW		

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

Generación Mediterránea S.A. Notes to the Condensed Interim Consolidated 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.

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

NOTE 1: GENERAL INFORMATION (Cont'd)

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

On September 2, 2019, the SRRYME Resolution No. 25/2019 was published whereby the generating agents awarded projects under 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 Committed for Commercial Authorization (NFHCC) under the wholesale demand agreements entered into in accordance with EES Resolution No. 287/2017 belonging to CTE and CTMM, respectively. For this purpose, the Company has stated as NFHCC December 6, 2022, for both agreements.

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

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

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

On July 16, 2021, the Company issued Class XV and XVI Negotiable Obligations for a total amount equivalent to USD 130,000,000; the proceeds shall be allocated exclusively to investments necessary for the start-up of the CTE enlargement during 2023 (see Note 30).

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

NOTE 1: GENERAL INFORMATION (Cont'd)

On July 1, 2021, a contract was executed with Sociedad Argentina de Construcción y Desarrollo Estratégico S.A. for the project of the CTE Closure of Cycle. The project includes the review of engineering, management of project's supplies and procurement, execution of civil and electromechanical works to install the main generation equipment and associated systems. The Company will rely on its own organization system to control the construction, supplies, progress of works and their certification.

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. In turn, the gas turbine equipment can be sent by plane, thus reducing the transportation time.

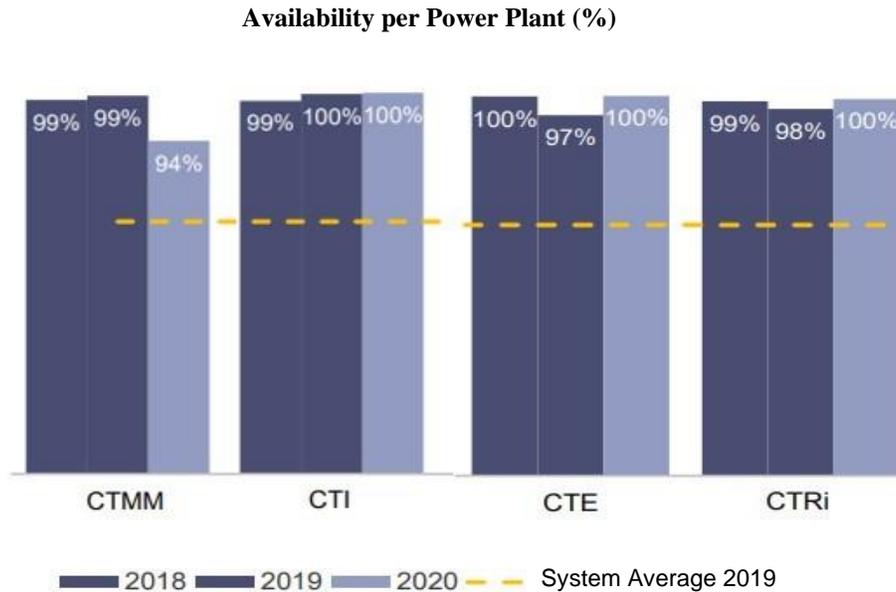
GMSA and PWPS Argentina entered into a service agreement for the power plant CTMM, whereby PWPS Argentina commits permanent on-site technical assistance as well as the provision of a remote monitoring system to follow-up the operation of turbines and 24-hour assistance.

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

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

NOTE 1: GENERAL INFORMATION (Cont'd)

Maintenance contract (Cont'd)



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

The environment

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

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

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

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

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

NOTE 1: GENERAL INFORMATION (Cont'd)

The environment (Cont'd)

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.

Co-generation Project Arroyo Seco

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

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

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

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

On January 12, 2018, a contract was signed with the supplier Vogt Power International Inc. for the provision of two recovery steam boilers for a total amount of USD 14,548,000. In turn, on March 26, 2018, a contract was signed with the supplier Siemens Ltda. for the purchase of a steam turbine for a total amount of USD 5,370,500. The contract comprises the purchase of an SST-300 steam turbine, including whatever is necessary for its installation and start-up.

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

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

NOTE 1: GENERAL INFORMATION (Cont'd)

Co-generation Project Arroyo Seco (Cont'd)

On September 2, 2019, the SRRYME Resolution No. 25/2019 was published whereby the generating agents awarded projects under ESS Resolution No. 287/2017 were authorized to extend the commercial authorization term. The date scheduled by GECEN for commercial authorization is July 11, 2022.

On November 5, 2019, through the minutes of the Board of Directors' Meeting, it was decided to set aside the sale of the Company's assets in view of the NFHCC mentioned in the preceding paragraph, and, accordingly, to devote all necessary efforts to finance the thermal power co-generation project at Arroyo Seco.

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.

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

NOTE 2: REGULATORY ASPECTS RELATING TO ELECTRICITY GENERATION

The regulatory aspects relating to electricity generation applied to these condensed interim consolidated Financial Statements are consistent with those used in the financial information corresponding to the last fiscal year, except for the changes introduced below:

ES Resolution No. 440/2021

ES Resolution No. 440/2021 has amended ES Resolution No. 31/2020 and adjusted the remuneration for the generation not committed under any kind of contracts for transactions as from February 2021.

An important aspect of this resolution is the repeal of Section 2 of the ES Resolution ES No. 31/2020, whereby an adjustment mechanism was established to the remuneration rates based on the variations in the Consumer Price Index (60%) and Wholesale Price Index (40%).

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

NOTE 2: REGULATORY ASPECTS RELATING TO ELECTRICITY GENERATION

ES Resolution No. 440/2021 (Cont'd)

The new remuneration rates are published and to become entitled to them, generators must send a note stating, to the satisfaction of CAMMESA, that they fully and unconditionally waive their right to prosecute any pending administrative or legal proceeding or claim against the National State, the Secretariat of Energy and/or CAMMESA and to file any administrative and/or legal proceeding or claim against the National State, the Secretariat of Energy and CAMMESA in relation to Section 2 of ES Resolution No. 31/2020 in the future. The term for filing such waiver is 30 calendar days after the publication of ES Resolution No. 440/2021. The Company filed its waiver on May 26, 2021.

In EXHIBIT I, specific values are indicated to determine the remuneration of the thermal power generation in the WEM System Tierra del Fuego.

In EXHIBIT II, different values for the Remunerations of thermal power generation are indicated.

Authorized generators are all those not having executed contracts in the Forward Market under any of its modalities (Resolutions Nos. 1281, 220, 21, and others).

Remuneration of the availability for power is subdivided into a minimum price associated with the Actual Power Availability (“DRP”, for its acronym in Spanish) and a price for the guaranteed power in compliance with the Offered Guaranteed Availability (DIGO).

Remuneration for power will be allocated depending on the use factor of the generation equipment.

1. Power prices:

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

Technology/Scale	PrecBasePot [\$/MW-month]
CC large P>150 MW	129,839
CC small P≤150 MW	144,738
TV large P>100 MW	185,180
TV small P≤100MW	221,364
TG large P>50 MW	151,124
TG small P≤50MW	195,822
Internal combustion engines >42 MW	221,364
CC small P≤15 MW	263,160
TV small P≤15 MW	402,480
TG small P≤15MW	356,040
Internal combustion engines ≤42 MW	402,480

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

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

ES Resolution No. 440/2021 (Cont'd)

b. DIGO Guaranteed Power

Period	PrecPotDIGO [\$/MW-month]
Summer: December - January - February	464,400
Winter: June - July - August	464,400
Rest of the year: March - April - May - September - October - November	348,300

If: UF (Use factor=dispatch) < 30% → REM TOTgm (\$/month) = REM DIGO * 0,6.

If: 30 % ≤ UF < 70% → REM TOTgm (\$/month) = REM DIGO * (FU + 0,3)

Si: UF ≥ 70% REM TOTgm (\$/month) = REM DIGO

Power remuneration is defined as the sum of three components: Generated Power, Operating Reserve (associated with Spinning reserve per hour) and the power actually generated in the hours of the month.

2. Energy prices

a. Operation and maintenance

Technology/Scale	Natural gas \$/MWh	Fuel Oil/ Gas Oil \$/MWh
CC large P>150 MW	310	542
CC small P≤150 MW	310	542
TV large P>100 MW	310	542
TV small P≤100MW	310	542
TG large P>50 MW	310	542
TG small P≤50MW	310	542
Internal combustion engines	310	542

For the hours the generating unit is dispatching due to forced output requirements to satisfy the demand for transport, voltage or safety controls, a remuneration shall be recognized for the generated energy when it is equal to 60% of net installed power generating capacity, regardless of the energy actually dispatched by the generating unit.

b. It will receive \$ 108/Mwh for Operating Reserve.

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

NOTE 3: BASIS FOR PRESENTATION

The condensed interim consolidated Financial Statements for the six- and three-month periods ended on June 30, 2021 and 2020 have been prepared in accordance with IAS 34. This condensed interim consolidated financial information should be read in conjunction with the annual consolidated Financial Statements of ASA (a company merged into GMSA on January 1, 2021) and the Company's Financial Statements at December 31, 2020.

The presentation in the condensed interim consolidated 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 on 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 consolidated Financial Statements for the six- and three-month periods ended on June 30, 2021 and 2020 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 six-month and three-month periods ended on June 30, 2021 and 2020 do not necessarily reflect the proportion of Company's results for full fiscal years.

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

These condensed interim consolidated Financial Statements were approved for issuance by the Company's Board of Directors on August 10, 2021.

Change in functional currency

As from April 1, 2021, the Company has changed its functional currency from Pesos to US Dollars, as a result of a change in the events and relevant conditions for its business operations. Therefore, since April 1, 2021, it has been recording its operations in US dollars, the new functional currency.

To adopt this modification, the Company has considered the following factors that have had an impact on the environment in which it operates and the selling prices:

- (i) the consolidation of the remuneration system for energy generation activity, with prices set by the Argentine government directly in US dollars (a system which remained in force despite the national and international context of financial instability);
- (ii) the increasing tendency to enter into contracts in US dollars, in line with the strategy of focusing investments and resources on expanding installed generation capacity.

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

NOTE 3: BASIS FOR PRESENTATION (Cont'd)

Change in functional currency (Cont'd)

(iii) the increasing tendency to obtain further financing in US dollars aimed at financing new projects for the closure of cycle and cogeneration awarded by EES Resolution No. 287 - E/2017.

The effect of the change in functional currency was recorded prospectively as from April 1, 2021, in accordance with IAS 21 - The Effects of Changes in Foreign Exchange Rates. For practical effects, to provide users with relevant, reliable, clear and comparable information, especially on the Company's financial returns and cash flows for fiscal year 2021, the change in functional currency was implemented on April 1, 2021, effective as from January 1, 2021. In view of the fact that the fluctuations in the US dollar and the inflation rate were similar in the first quarter (approximately 9% and 13%, respectively), this simplification has not produced any distortive effect on these condensed interim consolidated Financial Statements.

Following the change in functional currency, all transactions in currencies other than the US dollar are considered "transactions in foreign currency".

Effects of the foreign exchange rate fluctuations

1.1 Functional currency and presentation currency

The information included in the condensed interim consolidated Financial Statements is recorded in US dollars, which is the Company's functional currency, i.e. the currency of the primary economic environment in which the entity operates, and presented in pesos, the legal currency in Argentina, as required by the CNV.

1.2 Foreign currency balances and transactions

Transactions in foreign currency are translated into the functional currency at the selling exchange rate prevailing at the transaction date or valuation date, when the pertinent items are remeasured. Exchange gains and losses from the settlement of monetary items and from the translation of monetary items at year end using the closing exchange rate are recognized under Financial results, in the Statement of Comprehensive Income, except for the amounts that are capitalized.

1.3 Translation to the Group's presentation currency

The Company applies the consolidation method in stages, consequently, the Financial Statements of businesses abroad or in a currency other than the Company's functional currency are translated firstly into the Company's functional currency and afterwards into the presentation currency.

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

NOTE 3: BASIS FOR PRESENTATION (Cont'd)

Effects of the foreign exchange rate fluctuations (Cont'd)

The results and financial position of the Company, its subsidiaries and associates with the US dollar as functional currency are translated to presentation currency at the end of each period, as follows:

- assets and liabilities are translated at the closing exchange rates;
- results are translated at the exchange rates of the transactions;
- translation gain/(loss) from functional currency to presentation currency are recorded under Other comprehensive income/(loss).

The results and financial position of subsidiaries and associates with the peso as functional currency, corresponding to a hyperinflationary economy, are translated to presentation currency using the exchange rate prevailing at closing. The results from applying the IAS 29 adjustment mechanism corresponding to hyperinflationary economies, to the initial equity measured at functional currency are recorded under Other comprehensive income/(loss).

1.4 Classification of Other comprehensive income/(loss) within the Company's equity

The Company classifies and directly accumulates the translation differences (at the beginning and for the year) in the Retained earnings/accumulated losses account, within equity of the Company and its subsidiaries, joint ventures and associates with the US dollar as functional currency.

The Company classifies and directly accumulates the results from applying the IAS 29 adjustment mechanism to initial retained earnings/accumulated losses measured at functional currency in the Retained earnings/accumulated losses account, while the rest are disclosed as a component segregated from equity and are accumulated under Other comprehensive income/(loss) until the venture abroad is disposed of, according to IAS 21.

As a result of applying this policy, the translation from functional currency to a different presentation currency does not modify the way in which the underlying items are measured; thus, the amounts of both income/loss and capital are maintained in the functional currency in which they are generated.

Comparative information

Balances at December 31, 2020 and for the six-month period ended on June 30, 2020, disclosed for comparative purposes in these condensed interim consolidated Financial Statements, arise from Financial Statements at those dates, stated in terms of the measuring unit current at December 31, 2020, in accordance with IAS 29 - Financial Reporting in Hyperinflationary Economies. The change of functional currency has affected comparability with the comparative balances.

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

NOTE 3: BASIS FOR PRESENTATION (Cont'd)

Comparative Information (Cont'd)

Certain reclassifications have been included in the Financial Statement figures presented for comparative purposes to conform them to the current period presentation. On March 19, 2021, the Preliminary Merger Agreement was signed whereby ASA and GECEN were merged into GMSA effective as from January 1, 2021. The increase in the variations is mainly due to this condition. The information is not comparative.

Tax inflation adjustment

To determine the net taxable income, an adjustment for inflation computed according to Sections 105 to 108 of Income Tax Law must be deducted from or added to the tax result for the fiscal period being calculated. This will be applicable in the fiscal year in which the variation percentage of the 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 being computed will have effect either as a negative or positive adjustment, as applicable; 1/6 will be allocated in this fiscal period and the remaining 5/6, in equal parts, in the immediately following fiscal years.

The Company has estimated that at June 30, 2021 the CPI variation will exceed the index established in the above paragraph; therefore, said adjustment was included in the determination of the taxable income for the current period.

Going concern principle

At the date of these condensed interim consolidated 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.

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

NOTE 4: ACCOUNTING POLICIES

The accounting policies adopted for these condensed interim consolidated Financial Statements are consistent with those used in the audited financial statements for the last fiscal year of ASA, which ended on December 31, 2020, except for those mentioned below. Until December 2020, the Company applied IAS 29 - Financial Reporting in Hyperinflationary Economies, which required that the financial statements of an entity whose functional currency was that of a hyperinflationary economy be restated for the changes in a general price index and stated in terms of the measuring unit current at the end of the reporting period. The adjustment for inflation was calculated by a conversion factor derived from the Argentine price indexes published by the National Institute of Statistics and Census (INDEC). The applicable price index for the comparative results for the six-month period ended June 30, 2020 and until December 31, 2020 was 19.85% and had been converted at the exchange rate prevailing at December 31, 2020. As explained in Note 3, Management reviewed the Company's currency and concluded that the currency that most faithfully represents the economic effects of the entity is the US dollar. Accordingly, as from January 1, 2021, its functional currency was changed from local currency to US dollars, with IAS 29 being no longer applicable. This change does not affect the balances at December 31, 2020 or the results or cash flows for the year then ended. See Note 3 to the audited Financial Statements for the year ended on December 31, 2020.

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

These condensed interim consolidated Financial Statements should be read in conjunction with the audited consolidated Financial Statements of ASA at December 31, 2020 prepared under IFRS.

The Company measures buildings, facilities and machinery 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 consolidated Financial Statements of ASA at December 31, 2020). 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 June 30, 2021, the Company has not revalued land, buildings, facilities, and machinery, as there have not been important changes in the fair values of those assets caused by macroeconomic fluctuations.

NOTE 5: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

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

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

In the preparation of these condensed interim consolidated Financial Statements, certain critical judgments made by Management when applying Group's accounting policies and sources of information used for the pertinent estimates are the same as those applied to the audited consolidated Financial Statements of ASA for the fiscal year ended December 31, 2020.

Fair value of property, plant and equipment

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

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

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

The discounted cash flows at December 31, 2020 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 Group considers a historical average availability and an expected dispatch according to projections of the demand for energy with a vegetative growth. Probability of occurrence: 70%.
2. Pessimistic scenario: in this case the Group considers a historical average availability and a dispatch of less than expected of the demand for energy. Probability of occurrence: 30%.

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

The percentages of probability of occurrence assigned 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.

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

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

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

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

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

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

To increase the fair value of land, buildings, facilities and machinery by \$5,680 million, if it were favorable; or

To reduce the fair value of land, buildings, facilities, and machinery by \$5,680 million, if it were not favorable.

At June 30, 2021, the Company has analyzed the variables considered in the calculation of the recoverable value of property, plant and equipment and concluded that there were no significant changes in those variables.

NOTE 6: FINANCIAL RISK MANAGEMENT

In view of its business activities, the Group is exposed to sundry financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

These condensed interim consolidated Financial Statements do not include the information required for the annual consolidated Financial Statements regarding risk management. They must be read jointly with the Financial Statements of ASA for the year ended December 31, 2020. No significant changes have been made to risk management policies since the last annual closing.

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

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

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Captions	ORIGINAL VALUE							DEPRECIATION							NET VALUE	
	Value at the beginning of period/year	Addition due to merger/consolidation	Increases (1)	Decreases/ Transfers	Revaluation of original values	Value at the end of period/year	Revaluation of original values	Accumulated at beginning of period/year	Addition due to merger/consolidation	For the year/period	Revaluation of accumulated depreciation	Translation difference	Accumulated at the end of period/year	06/30/2021	12/31/2020	
Land	1,268,282,965	43,447,186	-	-	-	180,353,154	1,492,083,305	-	-	-	-	-	-	1,492,083,305	1,268,282,965	
Buildings	1,874,800,765	653,039,079	7,675,150	-	-	346,628,595	2,882,143,589	-	-	42,280,240	-	2,207,639	44,487,879	2,837,655,710	1,874,800,765	
Facilities	5,465,890,959	1,887,708,212	8,322,721	-	-	1,011,420,361	8,373,342,253	-	-	215,414,908	-	11,068,962	226,483,870	8,146,858,383	5,465,890,959	
Machinery and turbines	30,552,439,677	9,562,977,613	16,427,360	-	-	5,520,506,825	45,652,351,475	-	-	1,266,275,654	-	65,018,178	1,331,293,832	44,321,057,643	30,552,439,677	
Computer and office equipment	89,645,100	17,805,751	11,283,132	-	-	16,062,551	134,796,534	68,201,370	13,799,336	7,604,155	-	12,190,724	101,795,585	33,000,949	21,443,730	
Vehicles	46,880,919	9,985,519	-	-	-	7,885,412	64,751,850	32,374,699	8,917,207	3,534,996	-	6,051,154	50,878,056	13,873,794	14,506,220	
Tools	-	75,994,299	-	-	-	19,245,070	95,239,369	-	44,024,992	3,154,444	-	11,149,048	58,328,484	36,910,885	-	
Furniture and fixtures	-	5,162,694	-	-	-	1,307,419	6,470,113	-	5,043,190	12,595	-	1,277,156	6,332,941	137,172	-	
Works in progress	17,454,032,552	6,293,836,505	2,224,086,318	-	-	3,328,952,563	29,300,907,938	-	-	-	-	-	-	29,300,907,938	17,454,032,552	
Civil constructions on third party property	-	205,923,156	-	-	-	52,148,722	258,071,878	-	167,963,391	3,368,693	-	42,535,654	213,867,738	44,204,140	-	
Installations on third party property	-	1,183,100,703	12,951,949	-	-	299,612,685	1,495,665,337	-	995,350,812	17,683,902	-	252,066,226	1,265,100,940	230,564,397	-	
Machinery and turbines on third party property	-	829,063,142	9,435	-	-	213,134,651	1,042,207,228	-	636,857,883	17,225,282	-	164,459,898	818,543,063	223,664,165	-	
Right-of-use third party property	-	107,999,737	38,031,065	-	-	27,350,243	173,381,045	-	-	11,821,435	-	-	11,821,435	161,559,610	-	
Spare parts and materials	425,323,206	94,692,734	5,722,026	-	-	72,536,118	598,274,084	-	-	-	-	-	-	598,274,084	425,323,206	
Total at 06/30/2021	57,177,296,143	20,970,736,330	2,324,509,156	-	-	11,097,144,369	91,569,685,998	100,576,069	1,871,956,811	1,588,376,304	-	568,024,639	4,128,933,823	87,440,752,175	-	
Total at 12/31/2020	53,626,748,662	-	5,738,407,631	(6,359,792)	(2,181,500,358)	-	57,177,296,143	84,415,626	-	2,136,572,927	(2,120,412,484)	100,576,069	-	57,076,720,074	-	
Total at 06/30/2020	53,626,748,662	-	3,075,144,332	-	-	-	56,701,892,994	84,415,626	-	989,897,022	-	1,074,312,648	-	55,627,580,346	-	

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

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

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

NOTE 8: INVESTMENTS IN ASSOCIATES

At June 30, 2021 and 2020 and December 31, 2020, the Group's associate is Solalban Energía S.A.

In 2008, ASA, with a 42% interest, together with Solvay Indupa S.A.I.C. created Solalban Energía S.A. aimed at building a power plant with a generation capacity of 165 MW located in the petrochemical area of the city of Bahia Blanca, Province of Buenos Aires. On January 1, 2021, GMSA absorbed ASA.

Changes in the investments in the Group's associates for the six-month period ended on June 30, 2021 are as follows:

	06/30/2021
At the beginning of the period	-
Addition due to merger/consolidation	335,446,218
Income/(loss) from interests in associates	(22,293,486)
Other comprehensive income/(loss) - Translation difference	39,603,325
Period end	352,756,057

Below is a breakdown of the investments and the value of interests held by the Company in the associate at June 30, 2021 and December 31, 2020, as well as the Company's share of profits in the associate for the six-month periods ended on June 30, 2021 and 2020:

Name of issuing entity	Main activity	% share interest		Equity value		Share of profit of the Company in income/(loss)		Translation difference	
		06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Associates									
Solalban Energía S.A.	Electricity	42%	0%	352,756,057	-	(22,293,486)	-	39,603,325	-
				352,756,057	-	(22,293,486)	-	39,603,325	-

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

NOTE 9: CASH AND CASH EQUIVALENTS

	06/30/2021	12/31/2020
Cash	1,267,688	464,555
Checks to be deposited	29,887	29,940,766
Banks	773,354,922	582,817,667
Mutual funds	56,486,212	1,259,184,898
Cash and cash equivalents	831,138,709	1,872,407,886

For the purposes of the Statement of Cash Flows, cash and cash equivalents include:

	06/30/2021	06/30/2020
Cash and cash equivalents	831,138,709	2,565,386,467
Cash and cash equivalents	831,138,709	2,565,386,467

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

NOTE 10: CAPITAL STATUS

Subscribed, paid-in and registered capital at June 30, 2021 amounted to \$138,172,150. Once the merger is approved, the Company's subscribed and paid-in capital will amount to \$203,123,895, which is pending registration.

NOTE 11: DISTRIBUTION OF PROFITS

Dividends

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

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

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

Due to the issuance of the International bonds, the co-issuers must comply with ratios on a consolidated basis to be allowed to distribute dividends.

NOTE 12: LOANS

<u>Non-current</u>	<u>06/30/2021</u>	<u>12/31/2020</u>
International bonds		
Negotiable obligations	31,713,930,183	22,387,973,075
Foreign loan debt	10,870,180,954	7,329,048,455
Other bank debts	6,375,679,315	721,197,731
Finance lease debts	118,711,029	35,383,989
	<u>49,078,501,481</u>	<u>30,473,603,250</u>
<u>Current</u>		
International bonds	1,277,218,895	915,613,715
Negotiable obligations	5,160,414,528	4,044,304,302
Foreign loan debt	1,126,055,625	814,210,827
Syndicated loans	69,122,409	177,811,818
Other bank debts	1,538,615,312	552,876,461
Related companies	-	1,673,311,822
Finance lease debts	122,668,554	55,899,065
Bond insurance	190,000,000	-
	<u>9,484,095,323</u>	<u>8,234,028,010</u>

Generación Mediterránea S.A.

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

NOTE 12: LOANS (Cont'd)

At June 30, 2021, the financial debt totals \$58,563 million. The following table shows the total debt at that date.

	<u>Borrower</u>	<u>Principal</u>	<u>Balances at June 30, 2021</u>	<u>Interest rate</u>	<u>Currency</u>	<u>Date of Issue</u>	<u>Maturity date</u>	
			(Pesos)	(%)				
<u>Loan agreement</u>								
	Cargill	GMSA	USD 4,175,000	421,049,690	LIBOR + 10%	USD	August 3, 2020	September 6, 2022
	BLC	GMSA	USD 11,121,373	932,670,623	12% first installment, the remaining installments 12 month LIBOR USD + 11%	USD	June 26, 2020	June 12, 2023
	JP Morgan	GMSA	USD 13,327,635	1,094,435,186	LIBOR 6m + 1%	USD	December 28, 2020	November 15, 2025
	Eurobanco Loan	GMSA	USD 2,426,861	232,705,691	7.00%	USD	September 21, 2020	July 27, 2023
	Credit Suisse AG London Branch	GMSA	USD 51,217,055	4,820,873,750	7.75% - 13.094%	USD	April 25, 2018	June 20, 2023
	Subtotal			7,501,734,940				
<u>Syndicated loan</u>								
	ICBC/Hipotecario/Citibank	GMSA	\$69,387,500	69,122,409	Tranche A: BADCORI + 10% and Tranche B: BADLAR + 11.354%	ARS	September 30, 2020	August 30, 2021
				69,122,409				
<u>Debt securities</u>								
	International bonds (*)	GMSA/CTR	USD 331,326,000	32,991,149,078	9.625%	USD	July 27, 2016	July 27, 2023
	Class II Negotiable Obligation co-issuance	GMSA/CTR	USD 74,400,000	7,182,519,845	15.00%	USD	August 5, 2019	May 05, 2023
	Class IV Negotiable Obligation co-issuance	GMSA/CTR	USD 14,026,388	1,335,268,452	13% until the second interest payment date, 10.50% until maturity date	USD	December 2, 2020	April 11, 2022
	Class V Negotiable Obligation co-issuance	GMSA/CTR	USD 14,369,484	1,369,125,321	6.00%	USD	November 27, 2020	November 27, 2022
	Class VII Negotiable Obligation co-issuance	GMSA/CTR	USD 7,707,573	728,406,295	6.00%	USD	March 11, 2021	March 11, 2023
	Class VIII Negotiable Obligation co-issuance	GMSA/CTR	UVA 41,936,497	3,362,194,044	UVA + 4.60 %	ARS	March 11, 2021	March 11, 2023
	Class IX Negotiable Obligation co-issuance (**)	GMSA/CTR	USD 3,860,463	374,223,941	12.50%	USD	April 9, 2021	April 9, 2024
	Class VIII Negotiable Obligations	GMSA	\$195,926,408	202,559,975	BADLAR + 5%	ARS	August 28, 2017	August 28, 2021
	Class XIII Negotiable Obligations:	GMSA	USD 13,076,765	1,261,174,587	12.50%	USD	December 2, 2020	February 16, 2024
	Class IV Negotiable Obligations:	CTR	\$201,020,580	215,123,022	BADLAR + 5%	ARS	July 24, 2017	July 24, 2021
	Subtotal			49,021,744,560				
<u>Other liabilities</u>								
	Banco Macro loan	GMSA	\$96,400,000	98,350,752	BADLAR + 10%	ARS	August 3, 2020	July 12, 2021
	Banco Chubut loan	GMSA	USD 806,620	77,251,984	10.00%	USD	April 28, 2021	October 28, 2021
	Banco Ciudad loan	CTR	USD 2,752,170	265,945,497	LIBOR + 6%	USD	August 4, 2017	November 4, 2021
	BAPRO Loan	CTR	\$708,514,545	709,617,382	Adjusted Badlar	ARS	January 21, 2020	June 4, 2022
	ICBC Loan	CTR	\$13,076,875	13,076,875	BADCORI + 10%	ARS	September 30, 2020	August 31, 2021
	Banco Macro loan	CTR	\$48,200,000	49,129,666	BADLAR + 10%	ARS	August 3, 2020	July 12, 2021
	Banco Supervielle loan	CTR	\$300,000,000	325,243,156	48.75%	ARS	April 28, 2021	July 25, 2021
	Bond insurance	GMSA	\$50,000,000	50,000,000	49.00%	ARS	June 25, 2021	August 14, 2021
	Bond insurance	GMSA	\$70,000,000	70,000,000	35.00%	ARS	June 25, 2021	July 23, 2021
	Bond insurance	CTR	\$70,000,000	70,000,000	35.00%	ARS	June 22, 2021	July 23, 2021
	Bank overdraft	CTR	-	-				
	Related companies		-	-				
	Finance lease	GMSA/CTR/GROSA		241,379,583				
	Subtotal			1,969,994,895				
	Total financial debt			58,562,596,804				

(*) GMSA has ALBAAR23 (international bonds) for a nominal value of USD 4.7 million.

(**) GMSA has Class IX Negotiable Obligations Co-issuance for a nominal value of USD 405,000.

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

NOTE 12: LOANS (Cont'd)

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

	<u>06/30/2021</u>	<u>12/31/2020</u>
Fixed rate		
Less than 1 year	6,991,722,657	6,538,729,382
Between 1 and 2 years	14,669,548,224	3,843,557,519
Between 2 and 3 years	32,722,699,763	25,505,927,146
After 3 years	7,608,532	367,536,865
	<u>54,391,579,176</u>	<u>36,255,750,912</u>
Floating rate		
Less than 1 year	2,492,372,666	1,695,298,628
Between 1 and 2 years	1,056,536,781	302,179,455
Between 2 and 3 years	260,700,103	454,402,265
After 3 years	361,408,078	-
	<u>4,171,017,628</u>	<u>2,451,880,348</u>
	<u>58,562,596,804</u>	<u>38,707,631,260</u>

The fair value of Company's international bonds at June 30, 2021 and December 31, 2020 amounts to approximately \$24,415 million and \$14,073 million, respectively. This value was calculated based on the estimated market price of the Company's international bonds at the end of each 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 consolidated Financial Statements, the Company is in compliance with all commitments undertaken.

Group loans are denominated in the following currencies:

	<u>06/30/2021</u>	<u>12/31/2020</u>
Argentine pesos	5,376,213,085	2,499,641,048
US dollars	53,186,383,719	36,207,990,212
	<u>58,562,596,804</u>	<u>38,707,631,260</u>

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

NOTE 12: LOANS (Cont'd)

Changes in Group's loans during the period was the following:

	<u>06/30/2021</u>	<u>06/30/2020</u>
Loans at beginning of the period	38,707,631,260	36,468,834,829
Loans received	5,830,504,439	3,326,870,986
Loans paid	(4,866,812,970)	(2,232,268,427)
Accrued interest	3,584,754,650	2,128,495,632
Interest paid	(3,230,406,358)	(1,940,310,368)
Exchange difference	(800,116,161)	5,461,582,685
Translation difference	8,504,320,109	-
Changes in the fair value of financial instruments	475,873,491	-
Addition due to merger/consolidation	10,622,142,955	-
Capitalized expenses	(292,644,854)	63,275,728
RECPAM (Purchasing Power Parity)	27,350,243	(4,503,859,584)
Loans at period end	<u>58,562,596,804</u>	<u>38,772,621,481</u>

a) Negotiable obligations

On March 11, 2021, GMSA together with CTR issued Class VII and VIII Negotiable Obligations under the conditions described below:

a.1) GMSA and CTR Class VII Negotiable Obligations co-issuance:

Principal: total nominal value: USD 7,707,573; amount assigned to GMSA: USD 7,362,895; amount assigned to CTR: USD 344,678.

Interest: 6.0% annual nominal rate, payable quarterly to maturity, on March 11, 2023.

Payment term and method: Amortization: Principal on the Negotiable Obligations shall be amortized in 4 (four) consecutive installments equivalent to: 10% for the first installment, 15% for the second installment, 15% for the third installment and 60% for the fourth and last installment, of the nominal value of Class VII Negotiable Obligations, on the following dates: June 11, 2022, September 11, 2022, September 11, 2022 and on the maturity date.

Payment: The Negotiable Obligations were paid up in pesos at the initial exchange rate and in kind under the swap of ASA Class III Negotiable Obligations, CTR Class IV Negotiable Obligations, GMSA Class VIII Negotiable Obligations and GMSA Class XI Negotiable Obligations.

Principal balance due on those negotiable obligations at June 30, 2021 is USD 7,707,573.

a.2) GMSA and CTR Class VIII Negotiable Obligations co-issuance:

Principal: Total nominal value: UVAs 41,936,497; amount assigned to GMSA: UVAs 41,023,576; and amount assigned to CTR: UVAs 912,921.

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

NOTE 12: LOANS (Cont'd)

a) Negotiable obligations (Cont'd)

a.2) GMSA and CTR Class VIII Negotiable Obligations co-issuance: (Cont'd)

Interest: 4.6% annual nominal rate, payable quarterly to maturity, on March 11, 2023.

Payment term and method: Amortization: Principal on the Negotiable Obligations shall be amortized in 4 (four) consecutive installments equivalent to: 10% for the first installment, 15% for the second installment, 15% for the third installment and 60% for the fourth and last installment, of the nominal value of Class VIII Negotiable Obligations, on the following dates: June 11, 2022, September 11, 2022, September 11, 2022 and on the maturity date.

Payment: The Negotiable Obligations were paid up in pesos at initial UVA value and in kind under the swap of ASA Class III Negotiable Obligations, CTR Class IV Negotiable Obligations, GMSA Class VIII Negotiable Obligations and GMSA Class XI Negotiable Obligations.

Principal balance due on those Negotiable Obligations at June 30, 2021 is UVAs 41,936,497.

a.3) GMSA and CTR Class IX Negotiable Obligations co-issuance:

On April 9, 2021, GMSA and CTR co-issued Class IX Negotiable Obligations under the following conditions:

Principal: nominal value: USD 4,265,575; amount assigned to GMSA: USD 2,843,717; amount assigned to CTR: USD 1,421,858

Interest: 12.5% annual nominal rate, payable quarterly to maturity, on April 09, 2024.

Payment term and method: Amortization: Principal on the Negotiable Obligations shall be amortized in three consecutive installments, equivalent to 33% for the first installment; 33% for the second installment and 34% for the third and last installment, of the nominal value of Class IX Negotiable Obligations, on the following dates: April 9, 2022, April 9, 2023 and on the maturity date.

Payment: The Negotiable Obligations were paid up in kind through the swap of GMSA and CTR Class III Negotiable Obligations Co-issuance.

Principal balance due on those negotiable obligations at June 30, 2021 is USD 3,860,463. GMSA has Class IX Negotiable Obligations for a nominal value of USD 405,000.

b) JPMorgan Chase Bank, N.A. loan

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.

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

NOTE 12: LOANS (Cont'd)

b) JPMorgan Chase Bank, N.A. loan (Cont'd)

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 6-month LIBOR. 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.

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

A second disbursement was made on February 26, 2021 for USD 3,048,045, while a third disbursement was made on March 23, 2021 for USD 2,616,304.

On April 5, 2021 the last disbursement was made for USD 6,096,089.

At June 30, 2021, the balance due under the loan amounts to USD 13,327,635.

c) BLC Loan

Principal: USD 13,037,210

Interest: 12% for the period from 12/17/2020 to 12/13/2021 and 12-month LIBOR + 11% with a floor of 12% from 02/14/2021 to 06/12/2023.

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

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

Principal balance due at June 30, 2021 amounts to USD 11,121,373.

At June 30, 2021, the Company has complied with the loan-related covenants.

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

NOTE 12: LOANS (Cont'd)

d) GECEN - Credit Suisse AG London Branch loan

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

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

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

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

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

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

From this agreement, several complementary agreements arose, which were amended on a timely basis. The last amendment was executed on December 3, 2020 whereby the payment schedule and the due dates of the loan were changed to reduce payments of principal over the next 24 months, subject to fulfillment of certain conditions precedent. On December 17, those conditions precedent were fulfilled, and the amendments became effective. At the same time, the amendment fulfilled the requirements of Communication “A” 7106 of the Central Bank.

Principal balance at the date of presentation of these condensed interim consolidated Financial Statements totaled USD 51,217,055.

Amounts owed shall be paid as follows:

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

NOTE 12: LOANS (Cont'd)

d) GECEN - Credit Suisse AG London Branch loan (Cont'd)

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

The three tranches of debt originally taken out by GECEN have been transferred to GMSA due to the merger which is effective as from January 1, 2021.

e) ASA Class III Negotiable Obligations

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

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

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

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

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

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

At the closing date of these condensed interim consolidated Financial Statements the amount issued has been fully paid.

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

NOTE 13: ALLOWANCES AND PROVISIONS

Provisions cover contingencies arising in the ordinary course of business and other sundry risks that could create obligations for the Company. In estimating the amounts and probabilities of occurrence, the opinion of the Company's legal advisors has been considered. They include the activity of the provision for trade and other receivables disclosed in the pertinent captions.

	<u>For trade receivables</u>	<u>For other receivables</u>
Balances at December 31, 2020	2,655,764	-
Increases due to merger/consolidation	118,235	2,330,034
RECPAM (Purchasing Power Parity)	(23,892)	(470,826)
Balances at June 30, 2021	2,750,107	1,859,208

At June 30, 2021, the provision for contingencies has been paid.
 Information required by Exhibit E, in compliance with Section 1, Chapter III, Title IV of the CNV restated text.

NOTE 14: SALES REVENUE

	<u>06/30/2021</u>	<u>06/30/2020</u>
Sale of energy Res. No. 95, as amended, plus spot	440,897,215	265,042,412
Energía Plus sales	1,594,596,543	1,055,364,604
Sale of energy Res. No. 220	4,399,752,723	2,727,274,342
Sale of energy Res. No. 21	2,741,905,204	2,480,168,081
	9,177,151,685	6,527,849,439

NOTE 15: COST OF SALES

	<u>06/30/2021</u>	<u>06/30/2020</u>
Cost of purchase of electric energy	(1,232,639,811)	(319,033,455)
Cost of Gas and diesel consumption at the plant	(79,557,286)	(252,557,678)
Salaries and social security charges	(405,003,257)	(208,250,144)
Defined benefit plan	(5,023,180)	(2,548,037)
Other employee benefits	(5,806,698)	(7,194,296)
Fees for professional services	(2,857,541)	(11,911,623)
Depreciation of property, plant and equipment	(1,588,376,304)	(989,897,022)
Insurance	(130,710,841)	(51,462,508)
Maintenance	(301,466,950)	(328,776,311)
Electricity, gas, telephone and postage	(14,122,118)	(12,086,496)
Rates and taxes	(29,423,447)	(18,348,038)
Travel and per diem	(682,374)	(128,390)
Security guard and cleaning	(13,397,056)	-
Miscellaneous expenses	(13,932,176)	(2,913,574)
	(3,822,999,039)	(2,205,107,572)

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

NOTE 16: SELLING EXPENSES

	<u>06/30/2021</u>	<u>06/30/2020</u>
Rates and taxes	(20,893,769)	(1,078,669)
	<u>(20,893,769)</u>	<u>(1,078,669)</u>

NOTE 17: ADMINISTRATIVE EXPENSES

	<u>06/30/2021</u>	<u>06/30/2020</u>
Salaries and social security charges	(27,372,724)	(30,684,813)
Leases	(18,875,976)	(5,345,147)
Fees for professional services	(313,345,666)	(138,776,416)
Insurance	(105,505)	-
Directors' fees	(56,638,021)	-
Electricity, gas, telephone and postage	(5,372,897)	(4,636,332)
Rates and taxes	(29,399,545)	(2,134,092)
Travel and per diem	(243,810)	(393,959)
Gifts	(1,581,814)	(37,561,817)
Miscellaneous expenses	(3,046,812)	(895,334)
	<u>(455,982,770)</u>	<u>(220,427,910)</u>

NOTE 18: FINANCIAL RESULTS

	<u>06/30/2021</u>	<u>06/30/2020</u>
<u>Financial income</u>		
Interest on loans granted	61,233,181	602,692,294
Commercial interest	338,180,446	271,473,859
Total financial income	<u>399,413,627</u>	<u>874,166,153</u>
<u>Financial expenses</u>		
Interest on loans	(3,283,949,030)	(2,048,175,368)
Commercial and other interest	(178,843,984)	(133,477,422)
Bank expenses and commissions	(12,214,963)	(5,158,397)
Total financial expenses	<u>(3,475,007,977)</u>	<u>(2,186,811,187)</u>
<u>Other financial results</u>		
Exchange differences, net	234,322,117	(4,974,250,553)
Changes in the fair value of financial instruments	(375,838,985)	(14,199,002)
Income/(loss) from repurchase of negotiable obligations	29,411,687	-
RECPAM (Purchasing Power Parity)	65,347,453	4,321,220,467
Other financial results	(405,108,932)	(123,649,565)
Total other financial results	<u>(451,866,660)</u>	<u>(790,878,653)</u>
Total financial results, net	<u>(3,527,461,010)</u>	<u>(2,103,523,687)</u>

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

NOTE 19: EARNINGS/(LOSSES) PER SHARE

Basic

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

	<u>Six-month period at</u>		<u>Three months at</u>	
	<u>06/30/2021</u>	<u>06/30/2020</u>	<u>06/30/2021</u>	<u>06/30/2020</u>
Income/(loss) for the period attributable to the owners	(3,384,181,030)	1,051,596,323	(3,660,834,933)	105,342,605
Weighted average of outstanding ordinary shares	203,123,895	138,172,150	203,123,895	138,172,150
Basic and diluted earnings/(losses) per share	(16.66)	7.61	(18.02)	0.76

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

NOTE 20: INCOME TAX

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

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

	<u>06/30/2021</u>	<u>12/31/2020</u>
Deferred tax assets:		
Deferred tax assets to be recovered over more than 12 months	383,257	-
	<u>383,257</u>	<u>-</u>
Deferred tax liabilities:		
Deferred tax liabilities to be settled over more than 12 months	(21,677,964,080)	(9,899,697,312)
	<u>(21,677,964,080)</u>	<u>(9,899,697,312)</u>
Deferred tax (liabilities), net	<u>(21,677,580,823)</u>	<u>(9,899,697,312)</u>
	<u>06/30/2021</u>	<u>06/30/2020</u>
Opening balance	(9,899,697,312)	(7,906,095,005)
Addition due to merger/consolidation	(3,549,321,898)	-
Charge to Income Statement	(4,939,068,935)	(954,006,524)
Charge to other comprehensive income/(loss)	(1,429,519,711)	-
Translation difference	(1,859,972,967)	-
Closing balance	<u>(21,677,580,823)</u>	<u>(8,860,101,529)</u>

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

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

NOTE 20: INCOME TAX (Cont'd)

Items	Balances at 12/31/2020	Addition due to merger/consolidation	Charge to income statement	Charge to other comprehensive income/(loss)	Translation difference	Balances at June 30, 2021
Deferred tax - Assets (Liabilities)						
Property, plant and equipment	(10,485,388,062)	(3,737,541,407)	(1,712,217,057)	(1,429,519,711)	(1,964,625,075)	(19,329,291,312)
Investments	(1,992,642)	(476,131)	1,901,382	-	(342,043)	(909,434)
Trade receivables	-	1,329,841	(336,774)	-	336,774	1,329,841
Other receivables	229,035,308	(1,039,642)	(514,195,067)	-	32,183,183	(254,016,218)
Loans	(18,444,778)	(20,224,581)	(158,756,941)	-	(5,462,045)	(202,888,345)
Inventories	(89,652,737)	(22,563,515)	(54,373,274)	-	(20,350,492)	(186,940,018)
Provisions	18,967,490	2,563,759	119,073,539	-	5,421,274	146,026,062
Inflation adjustment	(3,367,392,423)	(1,411,836,637)	(497,468,565)	-	(659,185,865)	(5,935,883,490)
Subtotal	(13,714,867,844)	(5,189,788,313)	(2,816,372,757)	(1,429,519,711)	(2,612,024,289)	(25,762,572,914)
Deferred tax losses	3,815,170,532	1,640,466,415	(2,122,696,178)	-	752,051,322	4,084,992,091
Subtotal	3,815,170,532	1,640,466,415	(2,122,696,178)	-	752,051,322	4,084,992,091
Total	(9,899,697,312)	(3,549,321,898)	(4,939,068,935)	(1,429,519,711)	(1,859,972,967)	(21,677,580,823)

Tax Reform and Law on Social Solidarity and Productive Reactivation

On December 29, 2017, the National Executive Branch enacted Law No. 27430 on Income Tax. This law has introduced several changes in the treatment of income tax whose key components are the following:

Income Tax rate: The Income Tax rates for Argentine companies will be reduced gradually from 35% to 30% for fiscal years beginning on or after January 1, 2018 until December 31, 2019, and to 25% for fiscal years beginning on or after January 1, 2020, inclusive.

Tax on dividends: A tax is levied on dividends or profits distributed, among others, by Argentine companies or permanent establishments to: individuals, undivided estates or foreign beneficiaries, according to the following rates: (i) dividends deriving from profits generated during fiscal years beginning on or after January 1, 2018 until December 31, 2019 will be subject to tax at a rate of 7%, and; (ii) dividends deriving from profits obtained during fiscal years beginning on or after January 1, 2020 will be subject to tax at a rate of 13%.

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

Pursuant to General Companies Law No. 19550, 5% of the profit reported in the Statement of Comprehensive Income for the year, 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 General Consumer Price Index (CPI) 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 Consolidated Financial Statements (Cont'd)

NOTE 20: INCOME TAX (Cont'd)

On December 27, 2019, the National Executive Branch enacted Law No. 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%.

On June 16, 2021, the National Executive Branch enacted Law 27630. Detailed below are the amendments introduced by the law:

- Income Tax rate: the fixed rate for companies has been eliminated and a new progressive rate structure has been established for Income Tax, with three segments according to the range of cumulative taxable net income. The new rates are the following: 25% for cumulative taxable net income ranging between \$0 and \$5 million; 30% for the second segment, between \$5 million and \$50 million; and 35% for taxable income in excess of \$50 million. The law also provides that the fixed amounts in the tax brackets shall be CPI-adjusted as from the fiscal years beginning on or after January 1, 2022.
- Tax on dividends: the 7% rate shall apply.

These amendments apply as from fiscal years beginning on or after January 1, 2021.

The reconciliation of the income tax charged to income/loss for the year to that resulting from the application of the tax rate in force in Argentina to the pre-tax profit/loss for the six-month periods ended on June 30, 2021 and 2020 is the following:

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

NOTE 20: INCOME TAX (Cont'd)

	<u>06/30/2021</u>	<u>06/30/2020</u>
Pre-tax profit/(loss)	1,330,291,121	2,005,602,847
Current tax rate	35%	30%
Income/(loss) at the tax rate	(465,601,892)	(601,680,854)
Permanent differences	1,212,094,760	(12,320,711)
Difference between the income tax provision for the prior year and the tax returns	20,568,040	(3,487,233)
Income from interests in associates	(7,802,719)	-
Change in the income tax rate (a)	(3,903,073,966)	332,025,309
Accounting inflation adjustment	(3,975,259)	326,756,507
Tax inflation adjustment	(2,107,590,431)	(995,299,542)
Effects of exchange and translation differences of property, plant and equipment	316,312,532	-
	<u>(4,939,068,935)</u>	<u>(954,006,524)</u>
	<u>06/30/2021</u>	<u>06/30/2020</u>
Deferred tax	(4,945,349,883)	(954,006,524)
Variation between the income tax provision and the tax returns	6,280,948	-
Income tax	<u>(4,939,068,935)</u>	<u>(954,006,524)</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 period, except in the case of the adjustment to deferred liabilities generated from application of the revaluation model for certain types of property, plant and equipment, as it is related to items previously recognized in other comprehensive income. This impact has been disclosed in the Statement of Other Comprehensive Income.

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

At June 30, 2021, accumulated tax losses amount to \$11,672 million and pursuant to the tax laws in force, they can be offset against tax profits from future fiscal years according to the following breakdown:

<u>Year</u>	<u>Amount in \$</u>	<u>Year of expiration</u>
Tax loss for the year 2016	21,339	2021
Tax loss for the year 2017	96,945	2022
Tax loss for the year 2018	1,147,297,613	2023
Tax loss for the year 2019	6,276,078,311	2024
Tax loss for the year 2020	4,225,313,458	2025
Tax loss for the year 2021	23,023,742	2026
Total accumulated tax losses at June 30, 2021	<u>11,671,831,408</u>	

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

NOTE 21: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES

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

Financial assets and liabilities at June 30, 2021 and December 31, 2020 were as follows:

At June 30, 2021	Financial assets/liabilities at amortized cost	Financial assets/liabilities at fair value through profit or loss	Non-financial assets/ liabilities	Total
Assets				
Trade receivables, other receivables and others	6,121,609,518	-	5,894,881,288	12,016,490,806
Cash and cash equivalents	774,652,497	56,486,212	-	831,138,709
Non-financial assets	-	79,536	88,171,197,575	88,171,277,111
Total	6,896,262,015	56,565,748	94,066,078,863	101,018,906,626
Liabilities				
Trade and other payables	6,600,382,981	-	-	6,600,382,981
Derivate financial instruments	-	76,320,000	-	76,320,000
Loans (finance leases excluded)	58,321,217,221	-	-	58,321,217,221
Finance leases	241,379,583	-	-	241,379,583
Non-financial liabilities	-	-	22,594,493,411	22,594,493,411
Total	65,162,979,785	76,320,000	22,594,493,411	87,833,793,196
At December 31, 2020	Financial assets/liabilities at amortized cost	Financial assets/liabilities at fair value through profit or loss	Non-financial assets/ liabilities	Total
Assets				
Trade receivables, other receivables and others	8,732,751,424	79,536	3,225,409,023	11,958,239,983
Cash and cash equivalents	613,222,988	1,259,184,898	-	1,872,407,886
Non-financial assets	-	-	57,307,267,071	57,307,267,071
Total	9,345,974,412	1,259,264,434	60,532,676,094	71,137,914,940
Liabilities				
Trade and other payables	7,509,549,082	-	-	7,509,549,082
Derivate financial instruments	-	25,500,000	-	25,500,000
Loans (finance leases excluded)	38,616,348,206	-	-	38,616,348,206
Finance leases	91,283,054	-	-	91,283,054
Non-financial liabilities	-	-	10,419,483,524	10,419,483,524
Total	46,217,180,342	25,500,000	10,419,483,524	56,662,163,866

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

NOTE 21: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES (Cont'd)

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

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

At June 30, 2021	Financial assets at amortized cost	Financial liabilities at amortized cost	Non-financial instruments	Assets/Liabilities at fair value	Total
Interest earned	399,413,627	-	-	-	399,413,627
Interest paid	-	(3,462,793,014)	-	-	(3,462,793,014)
Changes in the fair value of financial instruments	-	-	-	(375,838,985)	(375,838,985)
Income/(loss) from repurchase of negotiable obligations	29,411,687	-	-	-	29,411,687
Exchange differences, net	(3,865,677,744)	4,099,999,861	-	-	234,322,117
Other financial costs	-	(417,323,895)	65,347,453	-	(351,976,442)
Total	(3,436,852,430)	219,882,952	65,347,453	(375,838,985)	(3,527,461,010)

At June 30, 2020	Financial assets at amortized cost	Financial liabilities at amortized cost	Non-financial instruments	Assets/Liabilities at fair value	Total
Interest earned	874,166,153	-	-	-	874,166,153
Interest paid	-	(2,181,652,790)	-	-	(2,181,652,790)
Changes in the fair value of financial instruments	-	-	-	(14,199,002)	(14,199,002)
Exchange differences, net	1,171,941,892	(6,146,192,445)	-	-	(4,974,250,553)
Other financial costs	-	(128,807,962)	4,321,220,467	-	4,192,412,505
Total	2,046,108,045	(8,456,653,197)	4,321,220,467	(14,199,002)	(2,103,523,687)

Determination of fair value

GMSA 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: Inputs such as (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).

These charts show financial assets and liabilities of the Group measured at fair value at June 30, 2021 and December 31, 2020 and their allocation to the different hierarchy levels:

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

NOTE 21: FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES (Cont'd)

<u>At June 30, 2021</u>	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
Assets			
<i>Cash and cash equivalents</i>			
Mutual funds	56,486,212	-	56,486,212
<i>Investment in shares</i>	-	79,536	79,536
<i>Property, plant and equipment at fair value</i>	-	56,797,655,041	56,797,655,041
Total	56,486,212	56,797,734,577	56,854,220,789
Liabilities			
<i>Derivate financial instruments</i>			
Derivate financial instruments	76,320,000	-	76,320,000
Total	76,320,000	-	76,320,000
<u>At December 31, 2020</u>	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
Assets			
<i>Cash and cash equivalents</i>			
Mutual funds	1,259,184,898	-	1,259,184,898
<i>Investment in shares</i>	-	79,536	79,536
<i>Property, plant and equipment at fair value</i>	-	39,161,414,366	39,161,414,366
Total	1,259,184,898	39,161,493,902	40,420,678,800
Liabilities			
<i>Derivate financial instruments</i>			
Derivate financial instruments	(25,500,000)	-	(25,500,000)
Total	(25,500,000)	-	(25,500,000)

There were no reclassifications of financial instruments among the different levels.

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

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

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

- a) The fair values of real properties and land have been adjusted by a method using coefficients that comprise changes in the purchasing power of the currency to conform a fair value at June 30, 2021.
- b) The fair values of Facilities and Machinery and turbines have been calculated by means of the discounted cash flows (see Note 5).

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.

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

NOTE 22: TRANSACTIONS AND BALANCES WITH RELATED PARTIESa) *Transactions with related parties and associates*

		06/30/2021	06/30/2020
		\$	
		Income/(Loss)	
Purchase of gas			
RGA (3)	Related company	(170,744,135)	(462,876,133)
Purchase of energy			
Solalban Energía S.A.	Associate	(9,905,390)	(987,386)
Purchase of wines			
BDD	Related company	(119,790)	-
Purchase of flights			
AJSA	Related company	-	(43,378,956)
Sale of energy			
RGA	Related company	-	16,490,062
Solalban Energía S.A.	Associate	6,986,626	25,242,256
Leases and services agreements			
RGA	Related company	(526,167,298)	(257,564,341)
Recovery of expenses			
RGA	Related company	(65,168)	1,695,519
AESA	Related company	4,309	1,454,927
CTR (2)	Subsidiary	-	711,186
GROSA (2)	Subsidiary	-	800,327
Gas pipeline works			
RGA	Related company	-	(1,020,411)
Work management service			
RGA	Related company	(136,605,000)	(63,334,240)
Interest generated due to loans received			
CTR (2)	Subsidiary	-	(150,284,316)
Interest generated due to loans granted			
Directors/Shareholders	Related parties	61,068,712	6,037,282
ASA (1)	Related company	-	594,389,134
GROSA (2)	Subsidiary	-	2,265,878
Commercial interest			
RGA	Related company	(755,376)	-
Guarantees provided/received			
ASA (1)	Related company	-	(2,444,554)
RGA	Related company	-	2,307,346
Exchange difference			
RGA	Related company	29,580,494	-

⁽¹⁾ Company merged into GMSA as from January 1, 2021, as a result of the merger by absorption of GMSA with ASA and GECEN. At December 31, 2020, parent company of GMSA.

⁽²⁾ Subsidiaries of GMSA as from January 1, 2021, as a result of the merger by absorption of GMSA with ASA and GECEN. At December 31, 2020, related companies of GMSA.

⁽³⁾ For purchases of gas, which are consumed for dispatch by the plant.

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

NOTE 22: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)*b) Remuneration of key managerial staff*

The senior management includes directors (executive and non-executive). Their remunerations for the six-month period at June 30, 2021 and 2020 amounted to \$33,208,902 and \$29,689,163, respectively.

	06/30/2021	06/30/2020
	\$	
	Income/(Loss)	
Salaries	(33,208,902)	(29,689,163)
	(33,208,902)	(29,689,163)

c) Balances at the date of the condensed interim consolidated Financial Statements

Captions	Type	06/30/2021	12/31/2020
NON-CURRENT ASSETS			
Other receivables			
ASA ⁽¹⁾	Related company	-	4,975,755,068
TEFU S.A.	Related company	18,154,808	-
		18,154,808	4,975,755,068
CURRENT ASSETS			
Other receivables			
RGA	Related company	9,267,025	-
AESA	Related company	-	49,258,077
CTR ⁽²⁾	Subsidiary	-	49,230,141
GROSA ⁽²⁾	Subsidiary	-	17,922,786
Loans to Directors/Shareholders	Related parties	641,339,238	65,803,625
		650,606,263	182,214,629
CURRENT LIABILITIES			
Trade payables			
Solalban Energía S.A.	Associate	-	2,708,102
RGA	Related company	116,589	1,480,925,356
		116,589	1,483,633,458
Other liabilities			
Directors' fees	Related parties	9,612,693	-
		9,612,693	-
Loans			
CTR ⁽²⁾	Subsidiary	-	1,673,311,822
		-	1,673,311,822

⁽¹⁾ Company merged into GMSA as from January 1, 2021, as a result of the merger by absorption of GMSA with ASA and GECEN. At December 31, 2020, parent company of GMSA.

⁽²⁾ Subsidiaries of GMSA as from January 1, 2021, as a result of the merger by absorption of GMSA with ASA and GECEN. At December 31, 2020, related companies of GMSA.

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

NOTE 22: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)*d) Loans granted to and received from related parties*

	<u>06/30/2021</u>	<u>06/30/2020</u>
<i>Loans to ASA (1)</i>		
Opening balance	4,975,755,068	3,704,004,225
Addition due to merger	(4,975,755,068)	-
Loans granted	-	682,691,303
Accrued interest	-	594,389,134
RECPAM (Purchasing Power Parity)	-	(495,113,024)
Closing balance	<u>-</u>	<u>4,485,971,638</u>
	<u>06/30/2021</u>	<u>06/30/2020</u>
<i>Loans to GROSA (2)</i>		
Opening balance	-	14,893,136
Accrued interest	-	2,265,878
RECPAM (Purchasing Power Parity)	-	(1,894,918)
Closing balance	<u>-</u>	<u>15,264,096</u>
	<u>06/30/2021</u>	<u>06/30/2020</u>
<i>Loans received from CTR (2)</i>		
Opening balance	(1,673,311,822)	(420,912,500)
Loans added due to merger but eliminated from consolidation	1,673,311,822	-
Loans received	-	(1,029,317,647)
Accrued interest	-	(150,284,316)
Interest paid	-	102,425,543
RECPAM (Purchasing Power Parity)	-	118,242,972
Closing balance	<u>-</u>	<u>(1,379,845,948)</u>
	<u>06/30/2021</u>	<u>06/30/2020</u>
<i>Loans to Directors/Shareholders</i>		
Opening balance	65,803,625	40,364,478
Loans added due to merger/consolidation	457,340,695	-
Loans granted	281,143,234	13,603,737
Loans repaid	(220,371,592)	-
Accrued interest	61,068,712	6,037,282
RECPAM (Purchasing Power Parity)	(3,645,436)	(5,637,753)
Closing balance	<u>641,339,238</u>	<u>54,367,744</u>

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

NOTE 22: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

d) *Loans granted to related parties (Cont'd)*

The loans are governed by the following terms and conditions:

Entity	Amount	Interest rate	Conditions
At June 30, 2021			
Directors/Shareholders	68,724,974	BADLAR + 3%	Maturity date: 1 year
Directors/Shareholders	<u>429,848,202</u>	25%	Maturity date: 1 year
Total in pesos	<u>498,573,176</u>		

Receivables from related parties arise mainly from transactions of services provided and fall due in the month following the transaction date. No allowances have been recorded for these receivables from related parties in any of the periods covered by these condensed interim consolidated Financial Statements. Trade payables with related parties arise mainly from transactions of purchases of gas 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.

NOTE 23: WORKING CAPITAL

At June 30, 2021, the Company reports a deficit of \$1,690,458,636 in its working capital (calculated as current assets less current liabilities), which means a decrease of \$3,021,988,356, compared to the deficit in working capital at December 31, 2020 (\$4,712,446,992). The Company is restructuring its short-term liabilities.

EBITDA(*) at June 30, 2021 amounted to \$6,468 million, in line with projections, which shows compliance with the objectives and efficiency of the transactions carried out by the Group.

(*) Amount not covered by the review report. It was determined based on the guidelines of the international bonds.

NOTE 24: SEGMENT REPORTING

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

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

The Board of Directors considers the business as a single segment: the electricity segment. It comprises the generation and sale of electricity and the development of energy projects, execution of projects, advisory, service delivery, management and execution of works of any nature.

The information used by the Board of Directors for decision-making is based primarily on operating indicators of the business.

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

NOTE 25: OTHER COMMITMENTS

A. GMSA

Some of the contractual obligations relating to the supply of electric energy to large customers of the MAT at June 30, 2021 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</i> ⁽¹⁾	Total	Up to 1 year	From 1 to 3 years
Electric energy and power - Plus	2,556,684,177	1,957,836,057	598,848,120

(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 June 30, 2021, under ES Resolution No. 1281/06.

B. GROSA

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

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

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

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

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

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

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

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.

As a result of Communication “A” 7106 dated September 15, 2020 issued by the Central Bank of Argentina, GMSA and BLC agreed to execute an amendment to reschedule debt payments. On December 17, 2020, BLC and GMSA executed an amendment whereby the payment schedule was changed, with quarterly amortizations, with the next payment of principal maturing in June 2021. Further, a new extension of the term was agreed to pay for the above-mentioned equipment, with the final maturity date being June 2023, thus significantly reducing payments throughout 2021.

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.

At June 30, 2021, the above-mentioned debt has been repaid.

Generación Mediterránea S.A.

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

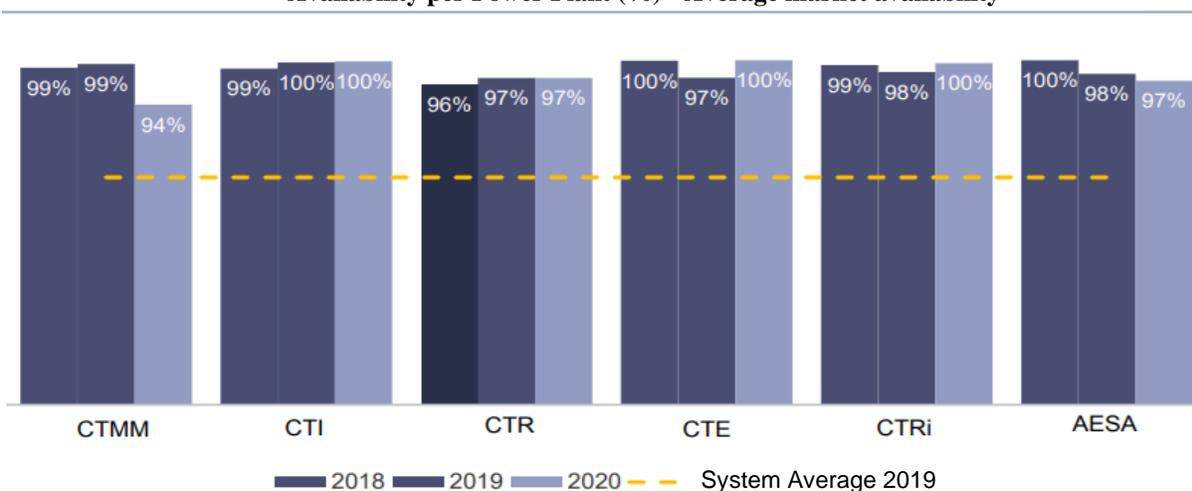
NOTE 27: LONG-TERM MAINTENANCE CONTRACT – CTMM, CTI, CTF, CTE, CTRi AND CTR POWER PLANTS

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

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

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

Availability per Power Plant (%) - Average market availability



Generación Mediterránea S.A.

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

NOTE 27: LONG-TERM MAINTENANCE CONTRACT – CTMM, CTL, CTF, CTE, CTRi AND CTR POWER PLANTS (Cont'd)

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

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

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

NOTE 28: 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. The Company keeps and preserves its corporate books, accounting records and relevant business documents at its principal place of business located at Av. L.N. Alem 855, Floor 14, City of Buenos Aires.

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

Entity responsible for warehousing of information - Domicile

Bank S.A. - Colectora oeste panamericana w/ calle 28. Garín

Bank S.A. - Colectora oeste panamericana km 31,7, Gral. Pacheco

Bank S.A. - Carlos Pellegrini 1201-Dock Sud

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 Consolidated Financial Statements (Cont'd)

NOTE 29: ECONOMIC CONTEXT IN WHICH THE GROUP OPERATES

The Group has been operating in a complex economic environment characterized by a strong volatility, as a result of the outbreak of the COVID-19 pandemic, both nationally and internationally.

As a result of the increase in the number of individuals infected with coronavirus in 2021, the governments of various countries around the world, including the Argentine Government, reimplemented temporary measures and imposed certain restrictions on the circulation of the population.

The Argentine economy was already in a recession and the COVID-19 pandemic outbreak in March 2020 worsened the scenario.

The main indicators in our country are as follows:

- A fall of 9.9% in GDP year-on-year is expected for 2021, according to the Level of Activity Progress Report of the INDEC.
- Cumulative inflation between January 1, 2021 and June 30, 2021 was 25.3% (CPI).
- Between January 1 and June 30, 2021, the peso depreciated 13.75% relative to the US dollar, according to the Banco de la Nación Argentina exchange rate.
- 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:

- Payment of financial loans granted by non-residents: companies that have scheduled payments of principal falling due between October 15, 2020 and March 31, 2021 must submit a refinancing plan of at least 60% of the principal amount due, with a new external indebtedness with an average life of two years, allowing them to access the foreign exchange market only to pay 40% of the principal amount due.
- Payment for the issuance of publicly traded debt securities
- Payment for imports of goods abroad
- Formation of external assets

Additionally, the currency system had already determined that funds obtained from the following transactions and items have to be brought in and traded in the local exchange market:

- Exports of goods and services.
- Collections of pre-export financing, advances and post-export financing of goods.
- Service exports.
- Sale of nonproduced non-financial assets.
- Sale of external assets.

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

NOTE 29: ECONOMIC CONTEXT IN WHICH THE GROUP OPERATES (Cont'd)

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

At June 30, 2021, there was no adverse impact on the commercial operations or the customer service as a result of the remote work. Management will continue reviewing and modifying plans as conditions change, with the aim of guaranteeing compliance with operation and maintenance tasks in due time and manner, the rescheduling of investments and the search for financing opportunities under reasonable market conditions.

The Group has not had significant impacts on its operating results for the year as a result of the pandemic, and recorded a positive operating cash flow.

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 30: SUBSEQUENT EVENTS

***a)* Increase in the public offering Program submitted to the National Securities Commission**

On June 17, 2021, at the Ordinary Shareholders' Meeting, the shareholders approved the increase in the amount of the Generación Mediterránea's Public Offering Program for up to USD 250,000,000 and the amendment to its terms and conditions to add the units of purchasing power to the issuances. On July 4, 2021, the National Securities Commission, by means of Resolution No. DI-2021-31-APN-GE#CNV, resolved to authorize the amendments and increase in the Global Program to issue simple negotiable obligations not convertible into shares for a total outstanding nominal value of up to UNITED STATES DOLLARS TWO HUNDRED AND FIFTY MILLION (NV USD 250,000,000) or its equivalent in other currencies or units of purchasing power.

***b)* Class XV and XVI Negotiable Obligations**

On July 16, 2021, the Company issued Class XV and XVI Negotiable Obligations.

The Company will allocate the proceeds from the two issuances exclusively to capital investments necessary to complete the construction, installation and start-up of the project for the CTE Closure of Cycle.

Through EES Resolution No. 287 - E/2017 of May 10, 2017, the Energy Secretariat instructed CAMMESA to call for interested parties to put out to tender new thermal power 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 for electricity in the WEM. GMSA participated in that call for tenders and was awarded the project for closure of combined cycles through EES Resolution 926 - E/2017, relating to the enlargement of CTE by 138 MW.

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

NOTE 30: SUBSEQUENT EVENTS (Cont'd)

***b)* Class XV and XVI Negotiable Obligations (Cont'd)**

The CTE enlargement project consists in the installation of a fourth Siemens SGT-800 gas turbine of 54 MW nominal capacity and two Siemens SST-600 steam turbines, of 50 MW nominal capacity each (2x1) to close the current open cycles of the power plant and convert them into combined cycle with the four boilers. In total, 154 MW will be added to the power plant's nominal capacity. It is expected that the construction works will end during 2023.

Upon completion of this project, the Ezeiza power plant, located in the province of Buenos Aires, will be among the most efficient power plants in Argentina, making available to the system 304 MW of generation capacity fully operating as combined cycle.

The terms and conditions of the NO are described below:

NO are fully guaranteed until the total payment of all amounts owed by:

- The Guarantee and Payment Trust
- The pledge on the equipment of the project for Closure of Cycle

Until the date of completion of the Project:

- The pledge on the equipment for the Open Cycle.

b.1) Class XV Negotiable Obligations:

Principal: nominal value: 36,621,305 UVAs equivalent to USD 31,227,242;

Interest: 6.5% annual nominal rate.

Maturity date: July 28, 2026

Amortization dates: they shall be amortized in 29 (twenty-nine) consecutive installments, payable monthly as from the month 32 (thirty-two). Amortization dates for Class XV NO shall be: March 28, 2024; April 28, 2024; May 28, 2024; June 28, 2024; July 28, 2024; August 28, 2024; September 28, 2024; October 28, 2024; November 28, 2024; December 28, 2024; January 28, 2025; February 28, 2025; March 28, 2025; April 28, 2025; May 28, 2025; June 28, 2025; July 28, 2025; August 28, 2025; September 28, 2025; October 28, 2025; November 28, 2025; December 28, 2025; January 28, 2026; February 28, 2026; March 28, 2026; April 28, 2026; May 28, 2026; June 28, 2026; July 28, 2026.

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

NOTE 30: SUBSEQUENT EVENTS (Cont'd)

b) Class XV and XVI Negotiable Obligations (Cont'd)

b.1) Class XV Negotiable Obligations: (Cont'd)

Interest payment dates: Interest shall be paid (i) on a six-month basis until the date when 24 months from the Issue and Settlement Date have elapsed; (ii) 31 months from the Issue and Settlement Date and (iii) on a monthly basis, as from the month 32 from the Issue and Settlement Date, in each case, on the day 28 of each calendar month or, if other than a business day, the payment date will be the immediately following business day. That is, on January 28, 2022; July 28, 2022; January 28, 2023; July 28, 2023; February 28, 2024; March 28, 2024; April 28, 2024; May 28, 2024; June 28, 2024; July 28, 2024; August 28, 2024; September 28, 2024; October 28, 2024; November 28, 2024; December 28, 2024; January 28, 2025; February 28, 2025; March 28, 2025; April 28, 2025; May 28, 2025; June 28, 2025; July 28, 2025; August 28, 2025; September 28, 2025; October 28, 2025; November 28, 2025; December 28, 2025; January 28, 2026; February 28, 2026; March 28, 2026; April 28, 2026; May 28, 2026; June 28, 2026; July 28, 2026.

b.2) Class XVI Negotiable Obligations:

Principal: nominal value: USD 98,772,758

Interest: 7.75% annual nominal rate.

Maturity date: July 28, 2029

Amortization dates: they shall be amortized in 48 (twenty-nine) consecutive installments, payable monthly as from the month 49 (thirty-two). The amortization dates for Class XVI NO shall be: August 28, 2025, September 28, 2025; October 28, 2025; November 28, 2025; December 28, 2025; January 28, 2026; February 28, 2026; March 28, 2026; April 28, 2026; May 28, 2026; June 28, 2026; July 28, 2026; August 28, 2026, September 28, 2026; October 28, 2026; November 28, 2026; December 28, 2026; January 28, 2027; February 28, 2027; March 28, 2027; April 28, 2027; May 28, 2027; June 28, 2027; July 28, 2027; August 28, 2027; September 28, 2027; October 28, 2027; November 28, 2027; December 28, 2027; January 28, 2028; February 28, 2028; March 28, 2028; April 28, 2028; May 28, 2028; June 28, 2028; July 28, 2028; August 28, 2028; September 28, 2028; October 28, 2028; November 28, 2028; December 28, 2028; January 28, 2029; February 28, 2029; March 28, 2029; April 28, 2029; May 28, 2029; June 28, 2029; July 28, 2029.

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

NOTE 30: SUBSEQUENT EVENTS (Cont'd)

***b)* Class XV and XVI Negotiable Obligations (Cont'd)**

b.2) Class XVI Negotiable Obligations:

Interest payment dates: Interest shall be paid (i) on a six-month basis until the date when 24 months from the Issue and Settlement Date have elapsed; (ii) 31 months from the Issue and Settlement Date and (iii) on a monthly basis, as from the month 32 from the Issue and Settlement Date, in each case, on the day 28 of each calendar month or, if other than a business day, the payment date will be the immediately following business day. That is, January 28, 2022; July 28, 2022; January 28, 2023; July 28, 2023; February 28, 2024; March 28, 2024; April 28, 2024; May 28, 2024; June 28, 2024; July 28, 2024; August 28, 2024; September 28, 2024; October 28, 2024; November 28, 2024; December 28, 2024; January 28, 2025; February 28, 2025; March 28, 2025; April 28, 2025; May 28, 2025; June 28, 2025; July 28, 2025; August 28, 2025, September 28, 2025; October 28, 2025; November 28, 2025; December 28, 2025; January 28, 2026; February 28, 2026; March 28, 2026; April 28, 2026; May 28, 2026; June 28, 2026; July 28, 2026; August 28, 2026, September 28, 2026; October 28, 2026; November 28, 2026; December 28, 2026; January 28, 2027; February 28, 2027; March 28, 2027; April 28, 2027; May 28, 2027; June 28, 2027; July 28, 2027; August 28, 2027; September 28, 2027; October 28, 2027; November 28, 2027; December 28, 2027; January 28, 2028; February 28, 2028; March 28, 2028; April 28, 2028; May 28, 2028; June 28, 2028; July 28, 2028; August 28, 2028; September 28, 2028; October 28, 2028; November 28, 2028; December 28, 2028; January 28, 2029; February 28, 2029; March 28, 2029; April 28, 2029; May 28, 2029; June 28, 2029; July 28, 2029.

NOTE 31: FINANCIAL STATEMENTS TRANSLATION INTO ENGLISH LANGUAGE

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

Summary of Activity at June 30, 2021 and 2020

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

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

Six-month period ended June 30:

	2021	2020	Variation	Variation %
	GW			
Sales by type of market				
Sale of energy Res. No. 95, as amended, plus Spot	110	66	44	67%
Energía Plus sales	307	199	108	54%
Sale of electricity Resolution No. 220	618	57	561	984%
Sale of energy Res. No. 21	78	67	11	16%
	1,113	389	724	186%

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

Six-month period ended June 30:

	2021	2020	Variation	Variation %
	(in millions of pesos)			
Sales by type of market				
Sale of energy Res. No. 95, as amended, plus spot	440.9	265.0	175.9	66%
Energía Plus sales	1,594.6	1,055.4	539.2	51%
Sale of electricity Resolution No. 220	4,399.8	2,727.3	1,672.5	61%
Sale of energy Res. No. 21	2,741.9	2,480.2	261.7	11%
Total	9,177.2	6,527.8	2,649.4	41%

Summary of Activity at June 30, 2021 and 2020

Income/Loss for the six-month period ended June 30, 2021 and 2020 (in millions of pesos):

	Six-month period ended June 30:			
	2021	2020	Variation	Variation %
Sales of energy	9,177.2	6,527.8	2,649.4	41%
Net sales	9,177.2	6,527.8	2,649.4	41%
Cost of purchase of electric energy	(1,232.6)	(319.0)	(913.6)	286%
Gas and diesel consumption at the plant	(79.6)	(252.6)	173.0	(68%)
Salaries and social security liabilities	(405.0)	(208.3)	(196.7)	94%
Defined benefit plan	(5.0)	(2.5)	(2.5)	100%
Maintenance services	(301.5)	(328.8)	27.3	(8%)
Depreciation of property, plant and equipment	(1,588.4)	(989.9)	(598.5)	60%
Insurance	(130.7)	(51.5)	(79.2)	154%
Sundry	(80.2)	(52.6)	(27.6)	52%
Cost of sales	(3,823.0)	(2,205.1)	(1,617.9)	73%
Gross income/(loss)	5,354.2	4,322.7	1,031.5	24%
Rates and taxes	(20.9)	(1.1)	(19.8)	1800%
Selling expenses	(20.9)	(1.1)	(19.8)	1800%
Salaries and social security charges	(27.4)	(30.7)	3.3	(11%)
Fees for professional services	(313.3)	(138.8)	(174.5)	126%
Directors' fees	(56.6)	-	(56.6)	100%
Travel and per diem	(0.2)	(0.4)	0.2	(50%)
Rates and taxes	(29.4)	(2.1)	(27.3)	1300%
Gifts	(1.6)	(37.6)	36.0	(96%)
Sundry	(27.4)	(10.9)	(16.5)	151%
Administrative expenses	(456.0)	(220.4)	(235.6)	107%
Income/(loss) from interest in associates	(22.3)	-	(22.3)	100%
Other operating income	2.8	7.9	(5.1)	(65%)
Operating income	4,857.8	4,109.1	748.7	18%
Commercial interest, net	159.3	138.0	21.3	15%
Interest on loans, net	(3,222.7)	(1,445.5)	(1,777.2)	123%
Bank expenses and commissions	(12.2)	(5.2)	(7.0)	135%
Exchange differences, net	234.3	(4,974.3)	5,208.6	(105%)
Gain/(loss) on purchasing power parity (RECPAM)	65.3	4,321.2	(4,255.9)	(98%)
Other financial results	(751.5)	(137.8)	(613.7)	445%
Financial results, net	(3,527.5)	(2,103.5)	(1,424.0)	68%
Pre-tax profit/(loss)	1,330.3	2,005.6	(675.3)	(34%)
Income tax	(4,939.1)	(954.0)	(3,985.1)	418%
Net income/(loss) for the period	(3,608.8)	1,051.6	(4,660.4)	(443%)
<i>Items that will not be reclassified under income:</i>				
Change in the income tax rate - revaluation of property, plant and equipment	(1,429.5)	-	(1,429.5)	100%
Translation difference	1,735.0	-	1,735.0	100%
<i>Items that will be reclassified under income:</i>				
Translation differences of subsidiaries and associates	619.2	-	619.2	100%
Other comprehensive income/(loss) for the period	924.7	-	924.7	100%
Total comprehensive income/(loss) for the period	(2,684.1)	1,051.6	(3,735.7)	(355%)

Summary of Activity at June 30, 2021 and 2020

Sales:

Net sales for the six-month period ended June 30, 2021 amounted to \$9,177.2 million, compared to \$6,527.8 million for the same period in 2020, showing an increase of \$2,649.4 million (or 41%).

In the six-month period ended June 30, 2021, energy sales reached 1,113 GW, representing a 186% rise compared with the 389 GW for the same period in 2020.

Below we discuss the major income sources of the Company and their performance in the six-month period ended June 30, 2021 as compared with the same period of the prior year:

- (i) \$440.9 million for sales of energy under Resolution 95, as amended plus spot market, which accounted for an increase of 66% from the \$265.0 million for the same period in 2020. This is mainly due to the fact that the current period includes sales of GMSA, CTR and GROSA, due to the merger through absorption of GMSA with ASA and GECEN and resulting consolidation, while the financial statements for comparative purposes only include sales of GMSA.
- (ii) \$1,594.6 million from sales under Energía Plus, up 51% from the \$1,055.4 million sold for the same period in 2020. The GW of energy sold was higher for the six-month period ended June 30, 2021 compared to the same period in 2020.
- (iii) \$4,399.8 million for sales of energy in the forward market to CAMMESA under the framework of Resolution No. No. 220/07, which accounted for an increase of 61% from the \$2,727.3 million for the same period in 2020. The current period includes sales of GMSA, CTR and GROSA, due to the merger through absorption of GMSA with ASA and GECEN and resulting consolidation, while the financial statements for comparative purposes only include sales of GMSA.
- (iv) \$2,741.9 million from sales under Resolution No. 21, up 11% from the \$2,480.2 million sold for the same period in 2020. The GW of energy sold was higher for the six-month period ended June 30, 2021 compared to the same period in 2020.

Cost of sales:

Total cost of sales for the six-month period ended June 30, 2021 reached \$3,823.0 million, compared with \$2,205.1 million for the same period in 2020, reflecting a \$1,617.9 million (73%) increase.

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

- (i) \$1,232.6 million for purchase of electricity, representing an increase of 286% compared to \$319,0 million recorded in the same period of 2020, as a result of the lower sales of GW under Energía Plus.
- (ii) \$79.6 million for gas and diesel consumption at the plant, representing a decrease of 68% as against \$252.6 million for the same period in 2020. This is due to changes in the settlement of fuels by CAMMESA.
- (iii) \$301.5 million in maintenance services, down 8% from the \$328.8 million for the same period in 2020. This variation is mainly due to changes in the conditions of maintenance contracts.
- (iv) \$1,588.4 million for depreciation of PP&E, up 60% from the \$989.9 million for the same period in 2020. This change is mainly due to the effect of depreciation arising from the technical revaluation in 2020. This item does not entail an outlay of cash.

Summary of Activity at June 30, 2021 and 2020

Gross income/(loss):

The gross income/(loss) for the six-month period ended June 30, 2021 was \$5,354.2 million profit, compared with \$4,322.7 million profit for the same period in 2020, representing a decrease of \$1,031.5 million. This variation is mainly due to the sales revenue and cost of sales of GMSA, CTR, GROSA and GLSA in the current period, on account of the merger through absorption of GMSA with ASA and GECEN and resulting consolidation, while the financial statements for comparative purposes only show income/(loss) of GMSA.

Selling expenses:

Selling expenses for the six-month period ended June 30, 2021 amounted to \$20.9 million, compared with \$1.1 million for the same period in 2020, reflecting an increase of \$19.8 million. This is due to the change in the Turnover Tax rate levied on energy generation and the variation in sales and also because this period includes rates and taxes of GMSA, CTR and GROSA, due to the merger through absorption of GMSA with ASA and GECEN and resulting consolidation, while the financial statements for comparative purposes only show income/(loss) of GMSA.

Administrative expenses:

The administrative expenses for the six-month period ended June 30, 2021 amounted to \$456.0 million, compared to \$220.4 million for the same period in 2020, reflecting an increase of \$235.6 million (107%).

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

- (i) \$313.3 million in professional fees, up 126% from the \$138.8 million for the same period in 2020. This variation is due to the fact that this period includes administrative services billed by RGA to GMSA and CTR, due to the merger through absorption of GMSA with ASA and GECEN and resulting consolidation, while the financial statements for comparative purposes only show income/(loss) of GMSA.
- (ii) \$56.6 million of directors' fees, which represented a 100% increase compared to the same period in 2020. Corresponds to the provision of fees for directors of GMSA for fiscal year 2020.

Other operating income:

Total other operating income for the six-month period ended June 30, 2021 amounted to \$2.8 million, down 65% compared with \$7.9 million recorded for the same period in 2020.

Operating income/(loss):

Operating income for the six-month period ended June 30, 2021 was \$4,857.8 million, compared with an income of \$4,109.1 million for the same period in 2020, accounting for a \$748.7 million increase.

Financial results:

Financial results for the six-month period ended June 30, 2021 were a loss of \$3,527.5 million, compared with a loss of \$2,103.5 million for the same period in 2020, which accounted for a decrease of \$1,424.0 million.

The most noticeable aspects of the variation are:

Summary of Activity at June 30, 2021 and 2020

- (i) \$3,222.7 million loss for interest on loans, a 123% increase from the \$1,445.5 million loss for the same period in 2020. This is mainly due to the fact that the current period includes interest on loans of GMSA and CTR, due to the merger through absorption of GMSA with ASA and GECEN and resulting consolidation, while the financial statements for comparative purposes only include income/(loss) of GMSA. This is also due to an increase in financial debt generated by investment projects.
- (ii) \$234.3 million gain due to net exchange differences, reflecting an increase of \$5,208.6 million compared to \$4,974.3 million loss for the same period in 2020. This variation is primarily due to the fact that the Company has changed its functional currency from pesos to US Dollars in 2021, leading to an asset position in pesos for the six-month period at June 30, 2021, which generates less exchange rate differential than the liability position in US dollars for the same period in 2020. In addition, the current period includes sales of GMSA, CTR and GROSA, due to the merger through absorption of GMSA with ASA and GECEN and resulting consolidation, while the financial statements for comparative purposes only include income/(loss) of GMSA.
- (iii) \$65.3 million profit for RECPAM, which represented a decrease of \$4,255.9 million compared to \$4,321.2 million profit for the same period in 2020. The variation is primarily due to the application of the US Dollar as functional currency in GMSA and CTR. The variation is due to the effects of the restatement by the CPI, the inflation increase being 20.4% in 2021 compared to 13.2% for 2020. In addition, the current period includes gain/(loss) on purchasing power parity (RECPAM) of GROSA and GLSA, due to the merger through absorption of GMSA with ASA and GECEN and resulting consolidation, while the financial statements for comparative purposes only include income/(loss) of GMSA.

Pre-tax profit/(loss):

The Company reported profits before tax for \$1,330.3 million for the six-month period ended June 30, 2021, as against \$2,005.6 million profits for the same period in 2020, which accounted for a decrease of \$675.3 million.

The income tax charge was \$4,939.1 million loss for the six-month period ended June 30, 2021, representing an increase of the loss of \$3,985.1 million as compared with the \$954.0 million loss for the same period in 2020. This variation is mainly due to the fact that the impact generated by the change in the tax rate on the balances of net deferred assets and liabilities, has been recorded, based on the amendments to Law No. 27630.

Net income/loss:

The net income/(loss) for the six-month period ended June 30, 2021 was a loss of \$3,608.8 million, compared with the \$1,051.6 million income reported for the same period in 2020, accounting for a \$4,660.4 million decrease.

Comprehensive income/(loss):

Income from other comprehensive income for the period ended June 30, 2021 amounted to \$924.7 million, and includes the impact of the income tax rate change on the Revaluation of properties, plant and equipment, representing a 100% increase compared to the same period in 2020, in which there were no other comprehensive income/(loss).

Total comprehensive loss for the period amounted to \$2,684.1 million, representing a 355% decrease, compared to a comprehensive income of \$1,051.6 million for the same period in 2020.

Summary of Activity at June 30, 2021 and 2020

Adjusted EBITDA

**Six-month period ended
June 30:**

2020

Adjusted EBITDA in millions of US dollars ⁽¹⁾

70.2

**Twelve-month period ended
June 30,**

2021

Adjusted EBITDA in millions of US dollars ⁽¹⁾

145.9

(1) (1) Amounts not covered in the Review Report.

Summary of Activity at June 30, 2021 and 2020

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

	06/30/2021	06/30/2020	06/30/2019	06/30/2018
Non-current assets	88,175.1	60,326.1	50,216.6	41,711.9
Current assets	12,843.8	9,295.9	7,598.8	10,125.1
Total assets	101,018.9	69,622.0	57,815.4	51,837.0
Equity attributable to the owners	12,516.1	13,656.9	13,704.0	7,960.0
Equity of non-controlling interest	669.0	-	-	-
Total equity	13,185.1	13,656.9	13,704.0	7,960.0
Non-current liabilities	73,299.6	39,986.7	31,426.9	32,334.8
Current liabilities	14,534.2	15,978.4	12,684.3	11,542.2
Total liabilities	87,833.8	55,965.1	44,111.4	43,877.0
Total equity and liabilities	101,018.9	69,622.0	57,815.4	51,837.0

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

	06/30/2021	06/30/2020	06/30/2019	06/30/2018
Ordinary operating income	4,857.8	4,109.1	4,150.1	2,598.2
Financial result	(3,527.5)	(2,103.5)	2,171.5	(8,943.0)
Ordinary net income/(loss)	1,330.3	2,005.6	6,321.6	(6,344.8)
Income tax	(4,939.1)	(954.0)	(3,375.4)	1,264.8
Income from continuing operations	(3,608.8)	1,051.6	2,946.2	(5,080.0)
Income/(loss) for the period	(3,608.8)	1,051.6	2,946.2	(5,080.0)
Other comprehensive income/(loss)	924.7	-	(2,946.5)	4,784.7
Total comprehensive income/(loss)	(2,684.1)	1,051.6	(0.3)	(295.3)

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

	06/30/2021	06/30/2020	06/30/2019	06/30/2018
Cash flows provided by operating activities	2,304.7	5,268.9	4,503.3	815.7
Cash flows (used in) investing activities	(1,356.2)	(2,048.3)	(1,575.2)	(2,444.0)
Cash flows (used in)/provided by financing activities	(2,250.1)	(1,961.8)	(2,899.9)	2,790.6
(Decrease)/Increase in cash and cash equivalents	(1,301.6)	1,258.7	28.2	1,162.3

5. Comparative ratios:

	06/30/2021	06/30/2020	06/30/2019	06/30/2018
Liquidity (1)	0.88	0.58	0.60	0.88
Solvency (2)	0.14	0.24	0.31	0.18
Tied-up capital (3)	0.87	0.87	0.87	0.80
Return on equity (4)	(0.27)	0.08	0.27	(0.67)

(1) Current Assets/Current Liabilities

(2) Shareholders' Equity/Total Liabilities

(3) Non-current Assets/Total Assets

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

Summary of Activity at June 30, 2021 and 2020

6. Brief remarks on the outlook for fiscal year 2021

Electric power

Company's Management expects to continue operating and normally maintaining the various generating units to achieve high levels of availability in 2021. The fact of introducing more efficient group machines to the Electricity System would imply obtaining higher levels of dispatch, and thus, increasing the generation of electricity.

Progress is being made to complete the project for closure of cycle at the CTE plant awarded under Resolution No. 287/17, which will add 154 MW of generation capacity to the system. It is expected that the project will start commercial operation by the end of 2023.

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

Financial position

During this fiscal year, the Company aims at continuing with the optimization of its financing structure, ensuring a progressive debt reduction for the Company.

At the same time, it is noteworthy the financing obtained at the beginning of July 2021 through the issuance of the NO to finance the works of the project for closure of cycle at the CTE plant, through the issuance of Class XV and XVI NO.



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

REVIEW REPORT ON THE CONDENSED INTERIM CONSOLIDATED 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 consolidated Financial Statements of Generación Mediterránea S.A. ("the Company"), including the consolidated Statement of financial position at June 30, 2021, the consolidated Statement of comprehensive income for the six- and three-month periods ended June 30, 2021, the Statements of changes in equity and of cash flows for the six-month period ended June 30, 2021, and the selected explanatory notes.

The balances and other information for the fiscal year 2020 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 consolidated 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 consolidated 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 consolidated financial position, the consolidated comprehensive income, or consolidated cash flows of the Company.

Conclusion

On the basis of our review, nothing has come to our attention that makes us think that the condensed interim consolidated financial statements mentioned in the first paragraph of this report have not been prepared, in all material respects, in accordance with International Accounting Standard No. 34.

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 consolidated Financial Statements of Generación Mediterránea S.A. have been transcribed into the Inventory and Balance Sheet book and as regards those matters that are within our field of competence, they are in compliance with the provisions of the General Companies Law and pertinent resolutions of the National Securities Commission;
- b) the condensed interim separate Financial Statements of Generación Mediterránea S.A. arise from accounting records kept in all formal respects in conformity with legal regulations, except for the fact that the accounting entries from April to June 2021 have not yet been transcribed into the Journal Book. The Company is authorized to replace the accounting books with mechanical or computerized recording systems, as provided by Section 23, sub-section VII, Chapter IV, Title II of the 2013 restated text of the National Securities Commission; the financial statements are transcribed in CD ROM; which maintain the security and integrity conditions based on which they were authorized by the National Securities Commission;



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- c) we have read the summary of activity on which, as regards those matters that are within our field of competence, we have no observations to make;
- d) at June 30, 2021 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 \$15,291,487, none of which was claimable at that date.

City of Buenos Aires, August 10, 2021.

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Raúl Leonardo Viglione

Report of the Syndics' Committee

To the Shareholders of
Generación Mediterránea S.A.

1. In accordance with Section 294 of Law No. 19550 and the regulations issued by the National Securities Commission (CNV), we have examined the attached condensed interim consolidated Financial Statements of Generación Mediterránea S.A. which comprise the Statement of Financial Position at June 30, 2021, the Statement of Comprehensive Income for the three-month period ended June 30, 2021 and the Statements of Changes in Equity and of Cash Flows for the six-month period then ended, and Notes to the Financial Statements. The balances and other information corresponding to the fiscal year 2020 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 condensed interim consolidated 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 consolidated 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 consolidated Financial Statements on the same date of this report. A review of interim financial information consists of inquiries of Company staff responsible for preparing the information included in the condensed interim consolidated 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 consolidated 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 consolidated 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, August 10, 2021

For the Syndics' Committee
Marcelo P. Lerner
Full Syndic

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Generación Mediterránea S.A.

Condensed Interim Separate Financial Statements

At June 30, 2021 and for the six- and three-month periods
ended June 30, 2021 and 2020
presented in comparative format

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Generación Mediterránea S.A.

Condensed Interim Separate Financial Statements

At June 30, 2021 and for the six- and three-month periods
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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 separate 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. (a company merged into GMSA)
AVRC	Alto Valle Río Colorado S.A.
BADCOR	Adjusted BADLAR rate
BADLAR	Average interest rate paid by financial institutions on time deposits for over one million pesos.
BCRA	Central Bank of Argentina
BDD	Bodega del Desierto S.A.
CAMMESA	Compañía Administradora del Mercado Mayorista Eléctrico S.A. (Wholesale Electricity Market Management Company)
CC	Combined cycle
IFRIC	International Financial Reporting Interpretations Committee
CNV	National Securities Commission
CTE	Central Térmica Ezeiza located in Ezeiza, Buenos Aires
CTF	Central Térmica Frías located in Frías, Santiago del Estero
CTI	Central Térmica Independencia located in San Miguel de Tucumán, Tucumán
CTLB	Central Térmica La Banda located in La Banda, Santiago del Estero.
CTMM	Central Térmica Modesto Maranzana located in Río IV, Córdoba
CTR	Central Térmica Roca S.A.
CTRi	Central Térmica Riojana located in La Rioja, province of La Rioja
CVP	Variable Production Cost
Dam3	Cubic decameter Volume equivalent to 1,000 (one thousand) cubic meters
DH	Historical Availability
DIGO	Offered guaranteed Availability
Availability	Percentage of time in which the power plant or machinery, as applicable, is in operation (generating power) or available for power generation, but not called by CAMMESA
DMC	Minimum Availability Committed
DO	Target Availability
DR	Registered Availability
Grupo Albanesi	Albanesi S.A., its subsidiaries and other related companies
ENARSA	Energía Argentina S.A.
Energía Plus	Plan created under ES Resolution No. 1281/06
ENRE	National Electricity Regulatory Authority
EPEC	Empresa Provincial de Energía de Córdoba
FACPCE	Argentine Federation of Professional Councils in Economic Sciences
FONINVEMEM	Fund for investments required to increase the electric power supply in the WEM
GE	General Electric
GECEN	Generación Centro S.A. (a company merged into GMSA)
GLSA	Generación Litoral S.A.
GMSA	Generación Mediterránea S.A. (the Company)
Large Users	WEM agents classified according to their consumption into: GUMAs, GUMEs, GUPAs and GUDIs
GROSA	Generación Rosario S.A.

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Terms	Definitions
GUDIs	Large Demand from Distributors' customers, with declared or demanded power of over 300 kW
GUMAs	Major Large Users
GUMEs	Minor Large Users
GUPAs	Large Users - Individuals
GW	Gigawatt Unit of power equivalent to 1,000,000,000 watts
GWh	Gigawatt-hour Unit of energy equivalent to 1,000,000,000 watts hour
HRSG	Heat recovery steam generator
IASB	International Accounting Standards Board
IGJ	Legal Entities Regulator
CPI	Consumer Price Index
WPI	Wholesale Price Index
kV	Kilovolt Unit of electromotive force which is equal to 1,000 (one thousand) volts
kW	Kilowatt Unit of power equivalent to 1,000 watts
kWh	Kilowatt-hour Unit of energy equivalent to 1,000 watts hour
LGS	General Companies Law
LVFVD	Sales liquidations with maturity date to be defined
MAPRO	Major Scheduled Maintenance
MAT	Futures market
WEM	Wholesale Electric Market
MMm3	Million cubic meters
MVA	Mega-volt ampere, unit of energy equivalent to 1 volt x 1 ampere x 10 ⁶
MW	Megawatt Unit of power equivalent to 1,000,000 watts
MWh	Megawatt hour Unit of energy equivalent to 1,000,000 watts hour
ARG GAAP	Argentine Generally Accepted Accounting Principles
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
NFHCC	New Date Committed for Commercial Authorization
SDG	Sustainable Development Goals
NO	Negotiable Obligations
PAS	Arroyo Seco Project
GDP	Gross Domestic Product
PWPS	Pratt & Whitney Power System Inc
RECPAM	Gain/loss on purchasing power parity
Resolution No. 220/07	Regulatory framework for the sale of energy to CAMMESA through the "WEM Supply Contracts" under Energy Secretariat Resolution No. 220/07
GR	General Resolution
RGA	Rafael G. Albanesi S.A.
RSE	Corporate social responsibility
TP	Technical Pronouncements
SADI	Argentine Interconnection System
ES	Energy Secretariat
SEK	Swedish crowns
GSE	Government Secretariat of Energy
OHHS	Health, Safety and Hygiene at work
TRASNOA S.A.	Empresa de Transporte de Energía Eléctrica por Distribución Troncal del Noroeste Argentino S.A.
GU	Generating unit
CGU	Cash Generating Unit
USD	US Dollars
UVA	Purchasing power unit

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

María Eleonora Bauzas
Sebastian Andrés Sánchez Ramos
Oscar Camilo De Luise
Ricardo Martín López
Romina Solange Kelleyian
Osvaldo Enrique Alberto Cado

Alternate Directors

José Leonel Sarti
Juan Gregorio Daly
Juan Carlos Collin
Jorge Hilario Schneider
María Andrea Bauzas

Full Syndics

Enrique Omar Rucq
Marcelo Pablo Lerner
Francisco Agustín Landó

Alternate Syndics

Marcelo Claudio Barattieri
Marcelo Rafael Tavarone
Carlos Indalecio Vela

Legal information

Company Name: Generación Mediterránea S.A.

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

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

Tax ID: 30-68243472-0

Date of registration with the Public Registry of Commerce:

By-Laws: January 28, 1993
Latest amendment: December 4, 2017

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

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

Parent company: Albanesi S.A. (See Note 1)
Legal address: Av. L. N. Alem 855, Floor 14, City of Buenos Aires.

CAPITAL STATUS (see Note 14)				
Shares				
Number	Type	Number of votes per share	Subscribed, paid-in and registered	Subscribed and paid-in capital
			\$	
203,123,895	Ordinary, registered, non-endorsable \$1 par value	1	138,172,150	203,123,895

Generación Mediterránea S.A.
Condensed Interim Separate Statement of Financial Position

at June 30, 2021 and December 31, 2020

Stated in pesos

	Notes	ARS	
		06/30/2021	12/31/2020
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	73,221,044,397	57,076,720,074
Investments in subsidiaries and associates	29	2,686,910,844	-
Investments in companies		79,536	79,536
Other receivables		299,064,350	5,186,534,652
Total non-current assets		76,207,099,127	62,263,334,262
CURRENT ASSETS			
Inventories		265,806,394	230,546,997
Other receivables		6,257,958,008	3,196,844,068
Trade receivables		3,990,209,116	3,574,781,727
Cash and cash equivalents	13	645,389,603	1,872,407,886
Total current assets		11,159,363,121	8,874,580,678
Total Assets		87,366,462,248	71,137,914,940
EQUITY			
Share capital	14	203,123,895	138,172,150
Capital adjustment		1,687,289,850	1,687,289,850
Additional paid-in capital		1,666,917,182	1,666,917,182
Legal reserve		75,594,155	75,594,155
Optional reserve		2,767,344,464	1,258,474,627
Technical revaluation reserve		4,239,111,310	4,003,485,542
Special reserve GR No. 777/18		4,210,461,841	4,141,063,100
Other comprehensive income/(loss)		(23,745,545)	(4,115,369)
Unappropriated retained earnings/(losses)		(2,799,057,261)	1,508,869,837
Translation reserve		489,106,584	-
TOTAL EQUITY		12,516,146,475	14,475,751,074
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liabilities, net	18	17,168,195,948	9,899,697,312
Other liabilities		1,408,360	-
Defined benefit plan		54,564,579	40,480,367
Loans	16	41,574,668,898	30,473,603,250
Trade payables		2,464,709,745	2,661,355,267
Total non-current liabilities		61,263,547,530	43,075,136,196
CURRENT LIABILITIES			
Other liabilities		7,616,887	-
Tax payables		424,370,744	373,442,038
Salaries and social security liabilities		140,173,620	105,168,439
Defined benefit plan		695,368	695,368
Derivative financial instruments	16	76,320,000	25,500,000
Loans		8,862,579,207	8,234,028,010
Trade payables		4,075,012,417	4,848,193,815
Total current liabilities		13,586,768,243	13,587,027,670
Total liabilities		74,850,315,773	56,662,163,866
Total liabilities and equity		87,366,462,248	71,137,914,940

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

Generación Mediterránea S.A.**Condensed Interim Separate Statement of Comprehensive Income**

For the six- and three-month periods ended June 30, 2021 and 2020

Stated in pesos

	Notes	Six months at		Three-month period at	
		06/30/2021	06/30/2020	06/30/2021	06/30/2020
Sales revenue	7	7,411,559,402	6,527,849,439	3,893,555,766	3,192,984,126
Cost of sales	8	(3,061,312,545)	(2,205,107,572)	(1,667,381,802)	(910,360,454)
Gross income/(loss)		4,350,246,857	4,322,741,867	2,226,173,964	2,282,623,672
Income/(loss) on investment in subsidiaries and associates	29	(694,263,184)	-	(694,224,188)	-
Selling expenses	9	(880,923)	(1,078,669)	(502,779)	(921,135)
Administrative expenses	10	(299,107,139)	(220,427,910)	(149,389,893)	(127,239,628)
Other income		174,691	7,891,246	101,396	-
Operating income/(loss)		3,356,170,302	4,109,126,534	1,382,158,500	2,154,462,909
Financial income	11	314,560,950	874,166,153	177,655,683	420,918,180
Financial expenses	11	(2,876,973,055)	(2,186,811,187)	(1,514,350,347)	(1,170,511,169)
Other financial results	11	(415,798,153)	(790,878,653)	(605,058,030)	(1,136,493,407)
Financial results, net		(2,978,210,258)	(2,103,523,687)	(1,941,752,694)	(1,886,086,396)
Pre-tax profit/(loss)		377,960,044	2,005,602,847	(559,594,194)	268,376,513
Income tax	18	(3,762,141,074)	(954,006,524)	(3,101,240,739)	(163,033,908)
(Loss)/Income for the period		(3,384,181,030)	1,051,596,323	(3,660,834,933)	105,342,605
<i>These items will not be reclassified under income</i>					
Other comprehensive income/(loss) on investment in subsidiaries and associates		(257,658,043)	-	(257,658,043)	-
Translation differences		1,735,001,939	-	585,721,964	-
Change of Income Tax rate - Revaluation of property, plant and equipment		(1,085,939,821)	-	(1,085,939,821)	-
<i>These items will be reclassified under income</i>					
Translation differences of subsidiaries and associates		506,578,293	-	201,701,669	-
Other comprehensive income/(loss) for the period		897,982,368	-	(556,174,231)	-
Total comprehensive income/(loss) for the period		(2,486,198,662)	1,051,596,323	(4,217,009,164)	105,342,605
Earnings/(losses) per share					
Basic and diluted (losses)/earnings per share	15	(16.66)	7.61	(18.02)	0.76

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

Generación Mediterránea S.A.

Condensed Interim Separate Statement of Changes in Equity

For the six-month periods ended June 30, 2021 and 2020

Stated in pesos

	Share capital (Note 14)	Capital Adjustment	Additional paid-in capital	Legal reserve	Optional reserve	Special Reserve GR No. 777/18	Technical revaluation reserve	Other comprehen- sive income/ (loss)	Unappropriated retained earnings/(losses)	Translation reserve	Total equity
Balances at December 31, 2019	<u>138,172,150</u>	<u>1,687,289,850</u>	<u>1,666,917,182</u>	<u>75,594,155</u>	<u>1,258,474,627</u>	<u>4,380,029,236</u>	<u>4,282,972,342</u>	<u>(5,886,309)</u>	<u>(878,292,030)</u>	<u>-</u>	<u>12,605,271,203</u>
Reversal of technical revaluation reserve	-	-	-	-	-	(77,724,406)	(76,002,114)	-	153,726,520	-	-
Income for the six-month period	-	-	-	-	-	-	-	-	1,051,596,323	-	1,051,596,323
Balances at June 30, 2020	<u>138,172,150</u>	<u>1,687,289,850</u>	<u>1,666,917,182</u>	<u>75,594,155</u>	<u>1,258,474,627</u>	<u>4,302,304,830</u>	<u>4,206,970,228</u>	<u>(5,886,309)</u>	<u>327,030,813</u>	<u>-</u>	<u>13,656,867,526</u>
Other comprehensive income/(loss)	-	-	-	-	-	-	(45,815,905)	1,770,940	-	-	(44,044,965)
Reversal of technical revaluation reserve	-	-	-	-	-	(161,241,730)	(157,668,781)	-	318,910,511	-	-
Income for the complementary six-month period	-	-	-	-	-	-	-	-	862,928,513	-	862,928,513
Balances at December 31, 2020	<u>138,172,150</u>	<u>1,687,289,850</u>	<u>1,666,917,182</u>	<u>75,594,155</u>	<u>1,258,474,627</u>	<u>4,141,063,100</u>	<u>4,003,485,542</u>	<u>(4,115,369)</u>	<u>1,508,869,837</u>	<u>-</u>	<u>14,475,751,074</u>
Addition due to merger as from January 1, 2021 (Note 1)	64,951,745	-	-	-	-	879,983,868	1,052,653,009	(19,630,176)	(1,451,364,383)	-	526,594,063
Shareholders' Meeting dated June 1, 2021: - Setting up of optional reserve	-	-	-	-	1,508,869,837	-	-	-	(1,508,869,837)	-	-
Other comprehensive income/(loss)	-	-	-	-	-	(669,446,057)	(674,151,807)	-	1,752,473,648	489,106,584	897,982,368
Reversal of technical revaluation reserve	-	-	-	-	-	(141,139,070)	(142,875,434)	-	284,014,504	-	-
Loss for the six-month period	-	-	-	-	-	-	-	-	(3,384,181,030)	-	(3,384,181,030)
Balances at June 30, 2021	<u>203,123,895</u>	<u>1,687,289,850</u>	<u>1,666,917,182</u>	<u>75,594,155</u>	<u>2,767,344,464</u>	<u>4,210,461,841</u>	<u>4,239,111,310</u>	<u>(23,745,545)</u>	<u>(2,799,057,261)</u>	<u>489,106,584</u>	<u>12,516,146,475</u>

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

Generación Mediterránea S.A.**Condensed Interim Separate Statement of Cash Flows**

For the six-month periods ended June 30, 2021 and 2020

Stated in pesos

	Notes	06/30/2021	06/30/2020
Cash flows provided by operating activities:			
(Loss)/Income for the period		(3,384,181,030)	1,051,596,323
Adjustments to arrive at net cash flows provided by operating activities:			
Income tax	18	3,762,141,074	954,006,524
Accrued interest, net	11	2,556,082,653	1,307,486,637
Depreciation of property, plant and equipment	8 and 12	1,124,813,979	989,897,022
Provision for Directors' fees	10	54,365,161	-
Income/(loss) from changes in the fair value of financial instruments	11	424,336,579	14,199,002
Income/(loss) from repurchase of negotiable obligations	11	(29,411,687)	-
Present value		19,300,233	28,530,808
Exchange differences, net	11	(327,682,791)	4,974,250,553
Other financial results		10,814,249	3,157,752
Employee benefit plans	8	3,269,963	2,548,037
RECPAM (Purchasing Power Parity)	11	-	(4,321,220,467)
Income/(loss) on investment in subsidiaries and associates	29	694,263,184	-
Changes in operating assets and liabilities:			
Decrease in trade receivables		532,906,430	1,272,192,546
(Increase)/Decrease in other receivables (1)		(1,135,060,486)	1,859,603,170
(Increase)/Decrease in inventories		(3,560,894)	20,619,957
(Decrease) in trade payables (2)		(2,579,776,388)	(2,612,822,124)
(Decrease) in other liabilities		(49,582,607)	(572,374)
Increase/(Decrease) in salaries and social security liabilities		17,877,307	(21,963,055)
Increase/(Decrease) in tax payables		(227,007,005)	(252,646,139)
Net cash flows provided by operating activities		1,463,907,924	5,268,864,172
Cash flow provided by investing activities:			
Acquisition of property, plant and equipment	12	(1,760,191,386)	(1,350,369,146)
Government securities		(4,494,928)	(1,641,023)
Collection of financial instruments		130,529,673	-
Addition of cash due to merger		10,269,080	-
Loans collected	20	158,424,564	-
Loans granted	20	(275,839,894)	(696,295,040)
Net cash flows used in investing activities		(1,741,302,891)	(2,048,305,209)
Cash flows from financing activities:			
Collection of financial instruments		(30,415,550)	-
Repurchase of negotiable obligations		(101,117,986)	-
Borrowings	16	4,061,715,845	2,210,739,270
Payment of loans	16	(2,516,267,377)	(2,232,268,427)
Payment of interest	16	(2,552,357,220)	(1,940,310,368)
Net cash flows used in financing activities		(1,138,442,288)	(1,961,839,525)
(DECREASE)/INCREASE IN CASH, NET		(1,415,837,255)	1,258,719,438
Cash and cash equivalents at the beginning of the period		1,872,407,886	1,196,911,347
Financial results of cash and cash equivalents		95,102,405	(21,034,142)
Translation and exchange difference of cash and cash equivalents		93,716,567	-
Gain/loss on purchasing power parity (RECPAM) of cash and cash equivalents		-	130,789,824
Cash and cash equivalents at the end of the period	13	645,389,603	2,565,386,467
		(1,415,837,255)	1,258,719,438

(1) It includes payments to suppliers for the purchase of property, plant and equipment for \$4,773,035,924 and \$2,651,222,647 at June 30, 2021 and 2020, respectively.

(2) It includes commercial payments for works financing. See Note 25.

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

Generación Mediterránea S.A.

Condensed Interim Statement of Cash Flows (Cont'd)

For the six-month periods ended June 30, 2021 and 2020

Stated in pesos

	<u>Notes</u>	<u>06/30/2021</u>	<u>06/30/2020</u>
Material transactions not entailing changes in cash			
Acquisition of property, plant and equipment financed by suppliers	12	(150,695,695)	(949,586,910)
Advances to suppliers applied to the acquisition of property, plant and equipment	12	(342,759,770)	(775,188,276)
Addition BLC Loan		-	1,116,131,716
Loans to Directors, repaid	20	(47,025,328)	-
Addition of property, plant and equipment due to merger	12	6,293,836,505	-
Addition of other receivables due to merger		(4,824,081,503)	-
Addition of trade payables due to merger		(117,865,468)	-
Addition of other liabilities due to merger		(4,242,693)	-
Addition of loans due to merger	16	(2,857,489,140)	-
Addition of salaries and social security liabilities due to merger		(2,668,000)	-
Addition of tax payables due to merger		(1,103,418,496)	-
Issuance of Negotiable Obligations paid up in kind	16	1,090,923,308	-
Loans to GROSA	20	(91,893,559)	-

Generación Mediterránea S.A.

Notes to the Condensed Interim Separate Financial Statements

For the six- and three-month periods ended June 30, 2021 and 2020,

and the fiscal year ended December 31, 2020

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.

GMSA was controlled by Albanesi S.A., an investing and financing company, which held 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. As a result of the merger, GMSA absorbs ASA retrospectively as from January 1, 2021.

On December 21, 2020, the Board of Directors of the Company resolved to carry out a process of corporate reorganization between Generación Centro S.A. ("GECEN") and Albanesi S.A. ("ASA") whereby GECEN and ASA would be merged into GMSA (ASA and GECEN jointly referred to as the "Merged Companies") to achieve a consistent and coordinated performance of the business activities of the companies involved to their own benefit and to the benefit of their shareholders, third-party contractors, trading partners and, particularly, their investors and creditors. The merger into the Company will streamline costs, processes and resources, and the effective merger date is scheduled for January 1, 2021. Subsequently, on March 19, 2021, a Preliminary Merger Agreement was signed whereby all assets, liabilities, shareholders' equity, including recordable assets, rights and obligations of the Merged Companies would be added to the Company's equity subject to the registration of the Final Merger Agreement with the Legal Entities Regulator (IGJ) and National Securities Commission (CNV) on the Effective Merger Date. It was further agreed that the Company would act on its own behalf in relation to all acts it performs for the administration of the Merged Companies' business activities and the Company would be responsible for all profits, losses and consequences of the acts performed during that period. Notwithstanding the foregoing, it was also agreed that all the acts performed by the Merging Company as from the Effective Merger Date as a result of the administration of the business activities to be merged shall be deemed to be carried out on behalf of the Merged Companies in case that the Final Merger Agreement cannot be registered with the pertinent Public Registries for any reason. In addition, it was resolved to convene extraordinary meetings of shareholders of the companies involved in the merger process to consider all documents relating to the merger for May 11, 2021. The meetings were held and adjourned to be able to publish the merger offering circular in compliance with CNV rules. Upon expiration of the adjournment period, on May 26, 2021 the extraordinary general meetings were held and the shareholders resolved to approve the merger, its documentation, the execution of the final merger agreement, the dissolution of ASA and GECE and the consequent GMSA capital increase. At present, the merger is in the process of being registered with the CNV.

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

Generación Mediterránea S.A.

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

NOTE 1: GENERAL INFORMATION (Cont'd)

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

Below is a detail of the participation of GMSA in each company:

Companies	Country of creation	Main activity	% participation	
			06/30/2021	12/31/2020
CTR	Argentina	Electric power generation	75%	-
GLSA	Argentina	Electric power generation	95%	-
GROSA	Argentina	Electric power generation	95%	-
Solalban Energía S.A.	Argentina	Electric power generation	42%	-

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

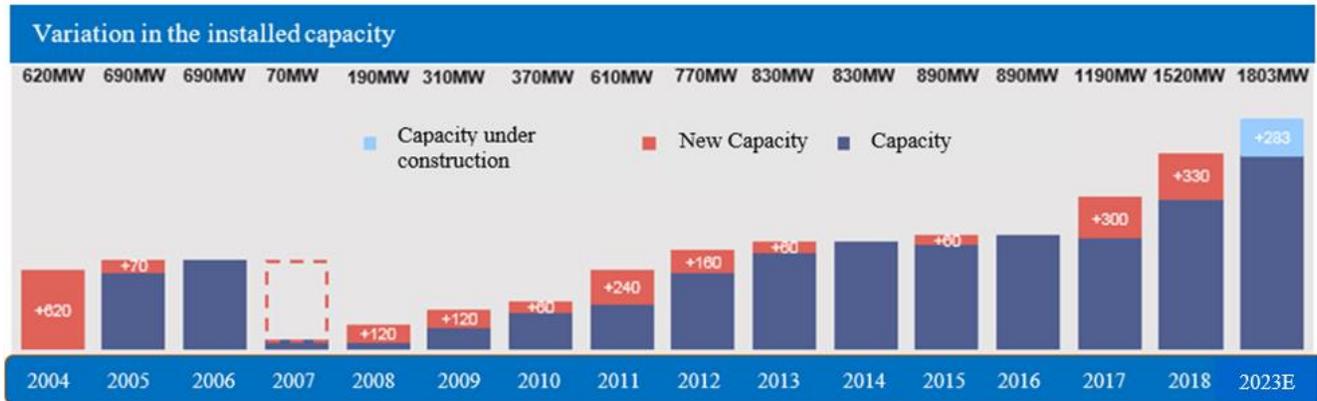
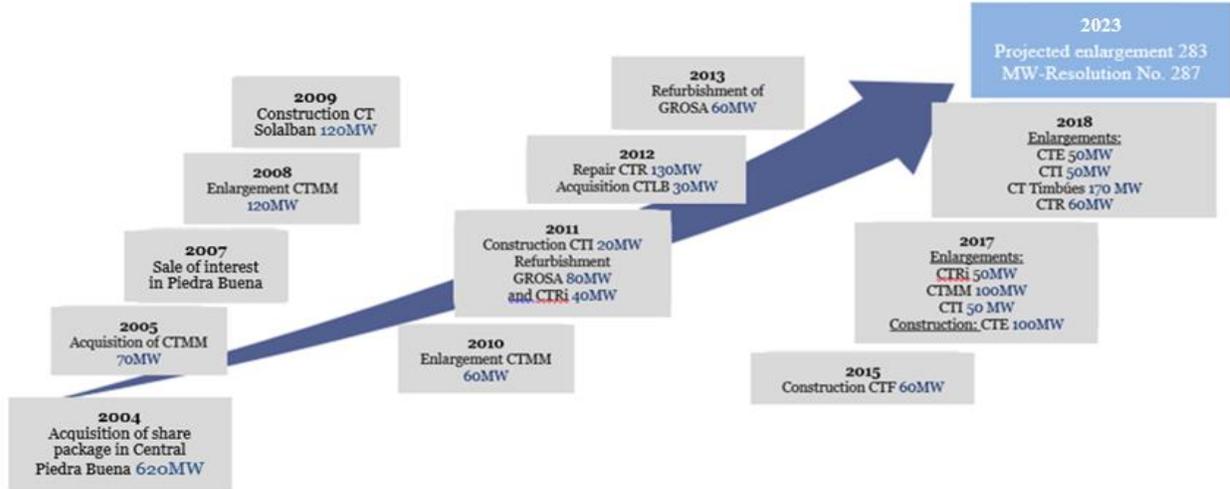
Power Plant	Company	Nominal installed capacity	Resolution	Location
Central Térmica Modesto Maranzana (CTMM)	GMSA	350 MW	ES Resolutions Nos. 220/07, 1281/06 Plus and ES No. 440/2020	Río Cuarto, Córdoba
Central Térmica Independencia (CTI)	GMSA	220 MW	ES Resolutions Nos. 220/07, 1281/06 Plus, EES No. 21/16 and ES No. 440/2020	San Miguel de Tucumán, Tucumán
Central Térmica Frías (CTF)	GMSA	60 MW	ES Resolutions Nos. 220/07 and 440/2020	Frías, Santiago del Estero
Central Térmica Riojana (CTRi)	GMSA	90 MW	ES Resolutions Nos. 220/07 and 440/2020	La Rioja, La Rioja
Central Térmica La Banda (CTLB)	GMSA	30 MW	ES Resolution No. 440/2020	La Banda, Santiago del Estero
Central Térmica Ezeiza (CTE)	GMSA	150 MW	EES Resolution No. 21/16	Ezeiza, Buenos Aires
Total nominal installed capacity (GMSA)		900 MW		
Central Térmica Roca (CTR)	CTR	190 MW	ES Resolutions Nos. 220/07 and 440/2020	Gral. Roca, Río Negro
Central Térmica Sorrento	GROSA	140 MW	ES Resolution No. 440/2020	Rosario, Santa Fe
Solalban Energía S.A.		120 MW	Resolution No. 1281/06 Plus	Bahía Blanca, Buenos Aires
Total nominal installed capacity (Participation of GMSA)		450 MW		
Central Térmica Cogeneración Timbúes	AESA	170 MW	EES Resolution No. 21/16	Timbúes, Santa Fe
Total nominal installed capacity Grupo Albanesi		1,520 MW		

Generación Mediterránea S.A.

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

NOTE 1: GENERAL INFORMATION (Cont'd)

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



Through EES Resolution No. 287 - E/2017 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.

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

NOTE 1: GENERAL INFORMATION (Cont'd)

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

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

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

Generación Mediterránea S.A.

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

NOTE 1: GENERAL INFORMATION (Cont'd)

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

On July 16, 2021, the Company issued Class XV and XVI Negotiable Obligations for a total amount equivalent to USD 130,000,000; the proceeds shall be allocated exclusively to investments necessary for the start-up of the CTE enlargement during 2023 (see Note 33).

On July 1, 2021, a contract was executed with Sociedad Argentina de Construcción y Desarrollo Estratégico S.A. for the project of the CTE Closure of Cycle. The project includes the review of engineering, management of project's supplies and procurement, execution of civil and electromechanical works to install the main generation equipment and associated systems. The Company will rely on its own organization system to control the construction, supplies, progress of works and their certification.

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. In turn, the gas turbine equipment can be sent by plane, thus reducing the transportation time.

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

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

Generación Mediterránea S.A.

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

NOTE 1: GENERAL INFORMATION (Cont'd)

Maintenance contract (Cont'd)

Availability per Power Plant (%)



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

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.

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

NOTE 1: GENERAL INFORMATION (Cont'd)

The environment (Cont'd)

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.

Co-generation Project Arroyo Seco

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

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

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

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

On January 12, 2018, a contract was signed with the supplier Vogt Power International Inc. for the provision of two recovery steam boilers for a total amount of USD 14,548,000. In turn, on March 26, 2018, a contract was signed with the supplier Siemens Ltda. for the purchase of a steam turbine for a total amount of USD 5,370,500. The contract comprises the purchase of an SST-300 steam turbine, including whatever is necessary for its installation and start-up.

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

NOTE 1: GENERAL INFORMATION (Cont'd)

Co-generation Project Arroyo Seco (Cont'd)

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

On September 2, 2019, the SRRYME Resolution No. 25/2019 was published whereby the generating agents awarded projects under ESS Resolution No. 287/2017 were authorized to extend the commercial authorization term. The date scheduled by GECEN for commercial authorization is July 11, 2022.

On November 5, 2019, through the minutes of the Board of Directors' Meeting, it was decided to set aside the sale of the Company's assets in view of the NFHCC mentioned in the preceding paragraph, and, accordingly, to devote all necessary efforts to finance the thermal power co-generation project at Arroyo Seco.

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.

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

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

The regulatory aspects related to electricity generation applied to these condensed interim separate Financial Statements are consistent with those used in the financial information corresponding to the last fiscal year, except for the changes introduced below:

ES Resolution No. 440/2021

ES Resolution No. 440/2021 has amended ES Resolution No. 31/2020 and adjusted the remuneration for the generation not committed under any kind of contracts for transactions as from February 2021.

An important aspect of this resolution is the repeal of Section 2 of the ES Resolution ES No. 31/2020, whereby an adjustment mechanism was established to the remuneration rates based on the variations in the Consumer Price Index (60%) and Wholesale Price Index (40%).

Generación Mediterránea S.A.

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

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

ES Resolution No. 440/2021 (Cont'd)

The new remuneration rates are published and to become entitled to them, generators must send a note stating, to the satisfaction of CMMESA, that they fully and unconditionally waive their right to prosecute any pending administrative or legal proceeding or claim against the National State, the Secretariat of Energy and/or CMMESA and to file any administrative and/or legal proceeding or claim against the National State, the Secretariat of Energy and CMMESA in relation to Section 2 of ES Resolution No. 31/2020 in the future. The term for filing such waiver is 30 calendar days after the publication of ES Resolution No. 440/2021. The Company filed its waiver on May 26, 2021.

In EXHIBIT I, specific values are indicated to determine the remuneration of the thermal power generation in the WEM System Tierra del Fuego.

In EXHIBIT II, different values for the Remunerations of thermal power generation are indicated.

Authorized generators are all those not having executed contracts in the Forward Market under any of its modalities (Resolutions Nos. 1281, 220, 21, and others).

Remuneration of the availability for power is subdivided into a minimum price associated with the Actual Power Availability (“DRP”, for its acronym in Spanish) and a price for the guaranteed power in compliance with the Offered Guaranteed Availability (DIGO). Remuneration for power will be allocated depending on the use factor of the generation equipment.

1. Power prices:

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

Technology/Scale	PrecBasePot [\$/MW-month]
CC large P>150 MW	129,839
CC small P≤150 MW	144,738
TV large P>100 MW	185,180
TV small P≤100MW	221,364
TG large P>50 MW	151,124
TG small P≤50MW	195,822
Internal combustion engines >42 MW	221,364
CC small P≤15 MW	263,160
TV small P≤15 MW	402,480
TG small P≤15MW	356,040
Internal combustion engines ≤42 MW	402,480

Generación Mediterránea S.A.

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

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

ES Resolution No. 440/2021 (Cont'd)

b. DIGO Guaranteed Power

Period	PrecPotDIGO [\$/MW-month]
Summer: December - January - February	464,400
Winter: June - July - August	464,400
Rest of the year: March - April - May - September - October - November	348,300

If: UF (Use factor=dispatch) < 30% → $REM\ TOTgm$ (\$/month) = $REM\ DIGO * 0,6$.

If: $30\% \leq UF < 70\%$ → $REM\ TOTgm$ (\$/month) = $REM\ DIGO * (FU + 0,3)$

Si: $UF \geq 70\%$ $REM\ TOTgm$ (\$/month) = $REM\ DIGO$

Power remuneration is defined as the sum of three components: Generated Power, Operating Reserve (associated with Spinning reserve per hour) and the power actually generated in the hours of the month.

2. Energy prices

a. Operation and maintenance

Technology/Scale	Natural gas \$/MWh	Fuel Oil/ Gas Oil \$/MWh
CC large P>150 MW	310	542
CC small P≤150 MW	310	542
TV large P>100 MW	310	542
TV small P≤100MW	310	542
TG large P>50 MW	310	542
TG small P≤50MW	310	542
Internal combustion engines	310	542

For the hours the generating unit is dispatching due to forced output requirements to satisfy the demand for transport, voltage or safety controls, a remuneration shall be recognized for the generated energy when it is equal to 60% of net installed power generating capacity, regardless of the energy actually dispatched by the generating unit.

b. It will receive \$108/Mwh for Operating Reserve.

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

NOTE 3: BASIS FOR PRESENTATION

The condensed interim separate Financial Statements for the six- and three-month periods ended on June 30, 2021 and 2020 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 on December 31, 2020.

The presentation in the condensed interim separate 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 separate Financial Statements for the six- and three-month periods ended on June 30, 2021 and 2020 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 six-month and three-month periods ended on June 30, 2021 and 2020 do not necessarily reflect the proportion of Company's results for full fiscal years.

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

These condensed interim separate Financial Statements have been approved for issuance by the Board of Directors of the Company on August 10, 2021.

Change in functional currency

As from April 1, 2021, the Company has changed its functional currency from Pesos to US Dollars, as a result of a change in the events and relevant conditions for its business operations. Therefore, since April 1, 2021, it has been recording its operations in US dollars, the new functional currency.

To adopt this modification, the Company has considered the following factors that have had an impact on the environment in which it operates and the selling prices:

(i) the consolidation of the remuneration system for energy generation activity, with prices set by the Argentine government directly in US dollars (a system which remained in force despite the national and international context of financial instability);

(ii) the increasing tendency to enter into contracts in US dollars, in line with the strategy of focusing investments and resources on expanding installed generation capacity.

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

NOTE 3: BASIS FOR PRESENTATION (Cont'd)

Change in functional currency (Cont'd)

(iii) the increasing tendency to obtain further financing in US dollars aimed at financing new projects for the closure of cycle and cogeneration awarded by EES Resolution No. 287 - E/2017.

The effect of the change in functional currency was recorded prospectively as from April 1, 2021, in accordance with IAS 21 - The Effects of Changes in Foreign Exchange Rates. For practical effects, to provide users with relevant, reliable, clear, and comparable information, especially on the Company's financial returns and cash flows for fiscal year 2021, the change in functional currency was implemented on April 1, 2021, effective as from January 1, 2021. In view of the fact that the fluctuations in the US dollar and the inflation rate were similar in the first quarter (approximately 9% and 13%, respectively), this simplification has not produced any distortive effect on these Financial Statements.

Following the change in functional currency, all transactions in currencies other than the US dollar are considered "transactions in foreign currency".

Effects of the foreign exchange rate fluctuations

1.1 Functional currency and presentation currency

The information included in the Financial Statements is recorded in US dollars, which is the Company's functional currency, i.e. the currency of the primary economic environment in which the entity operates, and presented in pesos, the legal currency in Argentina, as required by the CNV.

1.2 Foreign currency balances and transactions

Transactions in foreign currency are translated into the functional currency at the selling exchange rate prevailing at the transaction date or valuation date, when the pertinent items are remeasured. Exchange gains and losses from the settlement of monetary items and from the translation of monetary items at year end using the closing exchange rate are recognized under Financial results, in the Statement of Comprehensive Income, except for the amounts that are capitalized.

1.3 Translation to the Group's presentation currency

The Company applies the consolidation method in stages, consequently, the Financial Statements of businesses abroad or in a currency other than the Company's functional currency are translated firstly into the Company's functional currency and afterwards into the presentation currency.

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

NOTE 3: BASIS FOR PRESENTATION (Cont'd)

Effects of the foreign exchange rate fluctuations (Cont'd)

The results and financial position of the Company, its subsidiaries and associates with the US dollar as functional currency are translated to presentation currency at the end of each period, as follows:

- assets and liabilities are translated at the closing exchange rates;
- results are translated at the exchange rates of the transactions;
- translation gain/(loss) from functional currency to presentation currency are recorded under Other comprehensive income/(loss).

The results and financial position of subsidiaries and associates with the peso as functional currency, corresponding to a hyperinflationary economy, are translated to presentation currency using the exchange rate prevailing at closing. The results from applying the IAS 29 adjustment mechanism corresponding to hyperinflationary economies, to the initial equity measured at functional currency are recorded under Other comprehensive income/(loss).

1.4 Classification of Other comprehensive income/(loss) within the Company's equity

The Company classifies and directly accumulates the translation differences (at the beginning and for the year) in the Retained earnings/accumulated losses account, within equity of the Company and its subsidiaries, joint ventures, and associates with the US dollar as functional currency.

The Company classifies and directly accumulates the results from applying the IAS 29 adjustment mechanism to initial retained earnings/accumulated losses measured at functional currency in the Retained earnings/accumulated losses account, while the rest are disclosed as a component segregated from equity and are accumulated under Other comprehensive income/(loss) until the venture abroad is disposed of, according to IAS 21.

As a result of applying this policy, the translation from functional currency to a different presentation currency does not modify the way in which the underlying items are measured; thus, the amounts of both income/loss and capital are maintained in the functional currency in which they are generated.

Comparative information

Balances at December 31, 2020 and for the six- and three-month periods ended on June 30, 2020, disclosed for comparative purposes in these condensed interim Financial Statements, arise from Financial Statements at those dates, stated in terms of the measuring unit current at December 31, 2020, in accordance with IAS 29 - Financial Reporting in Hyperinflationary Economies. The change of functional currency has affected comparability with the comparative balances.

Certain reclassifications have been included in the financial statement figures presented for comparative purposes to conform them to the current period presentation. On March 19, 2021, the Preliminary Merger Agreement was signed whereby ASA and GECEN were merged into GMSA effective as from January 1, 2021. The increase in the variations is mainly due to this condition. The information is not comparative.

Generación Mediterránea S.A.

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

NOTE 3: BASIS FOR PRESENTATION (Cont'd)

Tax inflation adjustment

To determine the net taxable income, an adjustment for inflation computed according to Sections 105 to 108 of Income Tax Law must be deducted from or added to the tax result of the fiscal period being calculated. This will apply in the fiscal year in which a variation percentage of the Consumer Price Index (CPI) accumulated over the 36 months prior to the year end exceeds 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 being computed will have effect either as a negative or positive adjustment, as applicable; 1/6 will be allocated in this fiscal period and the remaining 5/6, in equal parts, in the five immediately following fiscal years.

The company has estimated that by June 30, 2021, CPI variation will exceed the index mentioned in the paragraph above; therefore, this adjustment was included in the determination of the taxable income for the current period.

Going concern principle

At the date of these condensed interim separate 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.

NOTE 4: ACCOUNTING POLICIES

The accounting policies adopted for these condensed interim separate Financial Statements are consistent with those used in the audited financial statements for the last fiscal year, which ended on December 31, 2020, except for those mentioned below. Until December 2020, the Company applied IAS 29 - Financial Reporting in Hyperinflationary Economies, which required that the financial statements of an entity whose functional currency was that of a hyperinflationary economy be restated for the changes in a general price index and stated in terms of the measuring unit current at the end of the reporting period. The adjustment for inflation was calculated by a conversion factor derived from the Argentine price indexes published by the National Institute of Statistics and Census (INDEC). The applicable price index for the comparative results for the six-month period ended June 30, 2020 and until December 31, 2020 was 19.85% and had been converted at the exchange rate prevailing at December 31, 2020. As explained in Note 3, Management reviewed the Company's currency and concluded that the currency that most faithfully represents the economic effects of the entity is the US dollar. Accordingly, as from January 1, 2021, its functional currency was changed from local currency to US dollars, with IAS 29 being no longer applicable. This change does not affect the balances at December 31, 2020 or the results or cash flows for the year then ended. See Note 3 to the audited Financial Statements for the year ended on December 31, 2020.

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

Generación Mediterránea S.A.

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

NOTE 4: ACCOUNTING POLICIES (Cont'd)

These condensed interim separate Financial Statements should be read in conjunction with the audited Financial Statements at December 31, 2020 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, 2020). 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 June 30, 2021, the Company has not revalued land, buildings, facilities, and machinery, as there have not been important changes in the fair values of those assets caused by macroeconomic fluctuations.

NOTE 5: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

In preparing these condensed interim separate 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 audited Financial Statements for the fiscal year ended on December 31, 2020.

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.

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

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

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

The discounted cash flows at December 31, 2020 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 a lower demand for energy than expected, as well as a lesser adjustment index of remuneration that impact on cash flows. Probability of occurrence: 30%.

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

The percentages of probability of occurrence assigned 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 \$4,390 million, if it were favorable; or
To reduce the fair value of land, buildings, facilities, and machinery by \$4,390 million, if it were not favorable.

At June 30, 2021, 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.

Generación Mediterránea S.A.

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

NOTE 6: FINANCIAL RISK MANAGEMENT

In view of its business activities, the Company is exposed to sundry financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

These condensed interim separate 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 on December 31, 2020. No significant changes have been made to risk management policies since the last annual closing.

NOTE 7: SALES REVENUE

	06/30/2021	06/30/2020
Sale of energy Res. No. 95, as amended, plus spot	268,493,442	265,042,412
Energía Plus sales	1,594,596,543	1,055,364,604
Sale of energy Res. No. 220	2,806,564,213	2,727,274,342
Sale of energy Res. No. 21	2,741,905,204	2,480,168,081
	7,411,559,402	6,527,849,439

NOTE 8: COST OF SALES

	06/30/2021	06/30/2020
Purchase of electric energy	(1,223,038,088)	(319,033,455)
Gas and diesel consumption at the plant	(79,145,430)	(252,557,678)
Fees and compensation for services	(1,827,728)	(11,911,623)
Salaries and social security liabilities	(249,556,516)	(208,250,144)
Defined benefit plan	(3,269,963)	(2,548,037)
Other employee benefits	(3,088,266)	(7,194,296)
Taxes, rates, and contributions	(18,275,894)	(18,348,038)
Maintenance services	(246,704,016)	(328,776,311)
Depreciation of property, plant and equipment	(1,124,813,979)	(989,897,022)
Per diem, travel, and representation expenses	(35,662)	(128,390)
Insurance	(98,531,874)	(51,462,508)
Communication expenses	(10,667,639)	(12,086,496)
Sundry	(2,357,490)	(2,913,574)
	(3,061,312,545)	(2,205,107,572)

NOTE 9: SELLING EXPENSES

	06/30/2021	06/30/2020
Taxes, rates, and contributions	(880,923)	(1,078,669)
	(880,923)	(1,078,669)

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

NOTE 10: ADMINISTRATIVE EXPENSES

	<u>06/30/2021</u>	<u>06/30/2020</u>
Fees and compensation for services	(168,559,344)	(138,776,416)
Directors' fees	(54,365,161)	-
Salaries and social security contributions	(27,269,222)	(30,684,813)
Taxes, rates, and contributions	(27,709,252)	(2,134,092)
Per diem, travel, and representation expenses	(238,521)	(393,959)
Office expenses	(4,305,834)	(3,080,730)
Communication expenses	(897,782)	(1,555,603)
Leases	(11,688,471)	(5,345,147)
Gifts	(1,581,814)	(37,561,817)
Sundry	(2,491,738)	(895,333)
	<u>(299,107,139)</u>	<u>(220,427,910)</u>

NOTE 11: FINANCIAL RESULTS

	<u>06/30/2021</u>	<u>06/30/2020</u>
<u>Financial income</u>		
Commercial interest	257,430,935	271,473,859
Interest on loans granted	57,130,015	602,692,294
Total financial income	<u>314,560,950</u>	<u>874,166,153</u>
<u>Financial expenses</u>		
Interest on loans	(2,724,457,407)	(2,048,175,368)
Commercial and other interest	(146,186,196)	(133,477,422)
Bank expenses and commissions	(6,329,452)	(5,158,397)
Total financial expenses	<u>(2,876,973,055)</u>	<u>(2,186,811,187)</u>
<u>Other financial results</u>		
Exchange differences, net	327,682,791	(4,974,250,553)
Changes in the fair value of financial instruments	(424,336,579)	(14,199,002)
Income/(loss) from repurchase of negotiable obligations	29,411,687	-
RECPAM (Purchasing Power Parity)	-	4,321,220,467
Other financial results	(348,556,052)	(123,649,565)
Total other financial results	<u>(415,798,153)</u>	<u>(790,878,653)</u>
Total financial results, net	<u>(2,978,210,258)</u>	<u>(2,103,523,687)</u>

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

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

ARS														
Type of asset	Original values							Depreciation				Net amount at end of period/year		
	At beginning of year	Addition due to merger	Increases	Transfers/withdrawals	Technical revaluation	Translation difference	At the end of period/year	Accumulated at beginning of year	For the period/year (1)	Technical revaluation	Translation difference	Accumulated at the end of period/year	At June 30, 2021	At December 31, 2020
Land	1,268,282,965	-	-	-	-	174,379,488	1,442,662,453	-	-	-	-	-	1,442,662,453	1,268,282,965
Buildings	1,874,800,765	-	-	-	-	257,771,179	2,132,571,944	-	34,616,956	-	1,868,156	36,485,112	2,096,086,832	1,874,800,765
Facilities	5,465,890,959	-	5,259,369	-	-	751,760,010	6,222,910,338	-	157,874,282	-	8,519,923	166,394,205	6,056,516,133	5,465,890,959
Machinery	30,552,439,677	-	13,051,428	-	-	4,205,565,426	34,771,056,531	-	923,000,240	-	49,811,095	972,811,335	33,798,245,196	30,552,439,677
Works in progress - Extension of Plant	17,454,032,552	6,293,836,505	2,224,086,318	-	-	3,328,952,563	29,300,907,938	-	-	-	-	-	29,300,907,938	17,454,032,552
Computer and office equipment	89,645,100	-	11,249,736	-	-	12,952,800	113,847,636	68,201,370	5,958,923	-	9,698,762	83,859,055	29,988,581	21,443,730
Vehicles	46,880,919	-	-	-	-	6,325,769	53,206,688	32,374,699	3,363,578	-	4,632,801	40,371,078	12,835,610	14,506,220
Spare parts and materials	425,323,206	-	-	-	-	58,478,448	483,801,654	-	-	-	-	-	483,801,654	425,323,206
Total at June 30, 2021	57,177,296,143	6,293,836,505	2,253,646,851	-	-	8,796,185,683	74,520,965,182	100,576,069	1,124,813,979	-	74,530,737	1,299,920,785	73,221,044,397	-
Total at December 31, 2020	53,626,748,662	-	5,738,407,631	(6,359,792)	(2,181,500,358)	-	57,177,296,143	84,415,626	2,136,572,927	(2,120,412,484)	-	100,576,069	-	57,076,720,074
Total at 06/30/2020	53,626,748,662	-	3,075,144,332	-	-	-	56,701,892,994	84,415,625	989,897,022	-	-	1,074,312,647	55,627,580,347	-

(1) Depreciation charges for the six-month period ended on June 30, 2021 and 2020 and for the fiscal year ended December 31, 2020 were allocated to cost of sales.

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

NOTE 13: CASH AND CASH EQUIVALENTS

	<u>06/30/2021</u>	<u>12/31/2020</u>
Cash	1,127,688	464,555
Banks in local currency	71,941,781	73,496,261
Banks in foreign currency	515,804,035	509,321,406
Mutual funds	56,486,212	1,259,184,898
Checks to be deposited	29,887	29,940,766
	<u>645,389,603</u>	<u>1,872,407,886</u>

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

	<u>06/30/2021</u>	<u>12/31/2020</u>
Cash and cash equivalents	645,389,603	2,565,386,467
Cash and cash equivalents	<u>645,389,603</u>	<u>2,565,386,467</u>

NOTE 14: CAPITAL STATUS

Subscribed, paid-in and registered capital at June 30, 2021 amounted to \$138,172,150. Once the merger is approved, the Company's subscribed and paid-in capital will amount to \$203,123,895, which is pending registration.

NOTE 15: 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>Six-month period at</u>		<u>Three-month period at</u>	
	<u>06/30/2021</u>	<u>06/30/2020</u>	<u>03/31/2020</u>	<u>03/31/2020</u>
(Loss)/Income for the period	(3,384,181,030)	1,051,596,323	(3,660,834,933)	105,342,605
Weighted average of outstanding ordinary shares	203,123,895	138,172,150	203,123,895	138,172,150
Basic (loss)/income per share	(16.66)	7.61	(18.02)	0.76

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 Separate Financial Statements (Cont'd)

NOTE 16: LOANS

<u>Non-Current</u>	06/30/2021	12/31/2020
International bond	25,021,796,403	22,387,973,075
Foreign loan debt	6,375,679,315	721,197,731
Negotiable obligations	10,166,013,214	7,329,048,455
Finance lease debts	11,179,966	35,383,989
	41,574,668,898	30,473,603,250
<u>Current</u>		
International bond	1,013,509,175	915,613,715
Related companies	2,063,737,368	1,673,311,822
Foreign loan debt	1,126,055,625	814,210,827
Syndicated loans	69,122,409	177,811,818
Negotiable obligations	4,231,178,782	4,044,304,302
Other bank debts	175,602,736	552,876,461
Bond insurance	120,000,000	-
Finance lease debts	63,373,112	55,899,065
	8,862,579,207	8,234,028,010

At June 30, 2021, the total financial debt amounts to \$50,437 million. The following table shows the total debt at that date.

<u>Principal</u>	<u>Balances at June 30, 2021</u>	<u>Interest rate</u>	<u>Currency</u>	<u>Date of Issue</u>	<u>Maturity date</u>	
	(Pesos)	(%)				
<u>Loan agreement</u>						
Cargill	USD 4,175,000	421,049,690	LIBOR + 10%	USD	August 3, 2020	September 6, 2022
BLC	USD 11,121,373	932,670,623	12% first installment, the remaining installments 12 month USD LIBOR + 11%	USD	June 26, 2020	June 12, 2023
Eurobanco Loan	USD 2,426,861	232,705,691	7%	USD	September 21, 2020	July 27, 2023
Credit Suisse AG London Branch	USD 51,217,055	4,820,873,750	7.75-13.094%	USD	April 25, 2018	June 20, 2023
JP Morgan	USD 13,327,635	1,094,435,186	LIBOR 6m + 1%	USD	December 28, 2020	November 15, 2025
Subtotal		7,501,734,940				
<u>Debt securities</u>						
International bonds (*)	USD 261,326,000	26,035,305,578	9.625%	USD	July 27, 2016	July 27, 2023
Class VIII Negotiable Obligations	\$195,926,408	202,559,975	BADLAR + 5%	ARS	August 28, 2017	August 28, 2021
Class XIII Negotiable Obligations	USD 13,076,765	1,261,174,587	12.50%	USD	December 2, 2020	February 16, 2024
Class II Negotiable Obligation co-issuance	USD 66,960,000	6,459,030,335	15.00%	USD	August 5, 2019	May 5, 2023
Class IV Negotiable Obligation co-issuance	USD 9,349,576	887,994,472	13% until the second interest payment date, 10.50% until maturity date	USD	December 2, 2020	April 11, 2022
Class V Negotiable Obligation co-issuance	USD 14,369,484	1,369,125,321	6%	USD	November 27, 2020	November 27, 2022
Class VII Negotiable Obligation co-issuance	USD 7,362,895	695,306,438	6%	USD	March 11, 2021	March 11, 2023
Class VIII Negotiable Obligation co-issuance	UVA 41,023,576	3,287,943,835	UVA + 4.60 %	ARS	March 11, 2021	March 11, 2023
Class IX Negotiable Obligation co-issuance (**)	USD 2,438,717	234,057,033	12.50%	USD	April 9, 2021	April 9, 2024
Subtotal		40,432,497,574				
<u>Syndicated loan</u>						
ICBC / Hipotecario / Citibank	\$69,387,500	69,122,409	Tranche A: Adjusted BADLAR (BADCOR) + 10% and Tranche B: BADLAR + 11.34%	ARS	September 30, 2020	August 30, 2021
Subtotal		69,122,409				
<u>Other liabilities</u>						
Banco Macro loan	\$96,400,000	98,350,752	BADLAR + 10%	ARS	August 3, 2020	July 12, 2021
Banco Chubut loan	USD 806,620	77,251,984	10%	USD	April 28, 2021	October 28, 2021
Related parties (Note 20)	\$2,063,737,368	2,063,737,368	35%	ARS	September 2, 2019	September 1, 2021, automatically extendable
Bond insurance	\$50,000,000	50,000,000	49%	ARS	June 25, 2021	August 14, 2021
Bond insurance	\$70,000,000	70,000,000	35%	ARS	June 25, 2021	July 23, 2021
Finance lease		74,553,078				
Subtotal		2,433,893,182				
Total financial debt		50,437,248,105				

(*) GMSA has ALBAAR23 (international bonds) for a nominal value of USD 4.7 million.

(**) GMSA has Class IX Negotiable Obligations co-issuance for a nominal value of USD 405,000.

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

NOTE 16: LOANS (Cont'd)

On March 11, 2021, the Company together with CTR issued Class VII and VIII Negotiable Obligations under the conditions described below:

a) Class VII Negotiable Obligations:

Principal: nominal value: USD 7,707,573

Amount assigned to GMSA: USD 7,362,895

Interest: 6.0% annual nominal rate, payable quarterly to maturity, on March 11, 2023.

Payment term and method: Amortization: Principal on the NO shall be amortized in 4 (four) consecutive installments equivalent to: 10% for the first installment, 15% for the second installment, 15% for the third installment and 60% for the fourth and last installment, of the nominal value of Class VII Negotiable Obligations, on the following dates: June 11, 2022, September 11, 2022, December 11, 2022 and on the maturity date.

Payment: The Negotiable Obligations were paid up in pesos at the initial exchange rate and in kind under the swap of Albanesi S.A. Class III Negotiable Obligations, CTR Class IV Negotiable Obligations, GMSA Class VIII Negotiable Obligations and GMSA Class XI Negotiable Obligations.

Principal balance due on those negotiable obligations at June 30, 2021 is USD 7,362,895.

b) Class VIII Negotiable Obligations:

Principal: nominal value: UVAs 41,936,497.

Amount assigned to GMSA: UVAs 41,023,576.

Interest: 4.6% annual nominal rate, payable quarterly to maturity, on March 11, 2023.

Payment term and method: Amortization: Principal on the NO shall be amortized in 4 (four) consecutive installments equivalent to: 10% for the first installment, 15% for the second installment, 15% for the third installment and 60% for the fourth and last installment, of the nominal value of Class VIII Negotiable Obligations, on the following dates: June 11, 2022, September 11, 2022, December 11, 2022 and on the maturity date.

Payment: The Negotiable Obligations were paid up in pesos at initial UVA value and in kind under the swap of Albanesi S.A. Class III Negotiable Obligations, CTR Class IV Negotiable Obligations, GMSA Class VIII Negotiable Obligations and GMSA Class XI Negotiable Obligations.

Principal balance due on those Negotiable Obligations at June 30, 2021 is UVAs 41,023,576.

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

NOTE 16: LOANS (Cont'd)

c) Class IX Negotiable Obligations:

On April 9, 2021, GMSA and CTR co-issued Class IX Negotiable Obligations under the following conditions:

Principal: nominal value: USD 4,265,575

Amount assigned to GMSA: USD 2,843,717

Interest: 12.5% annual nominal rate, payable quarterly to maturity, on April 09, 2024.

Payment term and method: Amortization: Principal on the Negotiable Obligations shall be amortized in three consecutive installments, equivalent to 33% for the first installment; 33% for the second installment and 34% for the third and last installment, of the nominal value of Class IX Negotiable Obligations, on the following dates: April 9, 2022, April 9, 2023 and on the maturity date.

Payment: The Negotiable Obligations were paid up in kind through the swap of GMSA and CTR Class III Negotiable Obligations Co-issuance.

Principal balance due on those negotiable obligations at June 30, 2021 is USD 2,843,717. GMSA has Class IX Negotiable Obligations for a nominal value of USD 405,000.

d) JPMorgan Chase Bank, N.A. loan

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

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

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

The loan will accrue interest at a rate of 1% plus LIBOR 6 months. Interest are payable on a half-year basis. The loan 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.

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

A second disbursement was made on February 26, 2021 for USD 3,048,045, while a third disbursement was made on March 23, 2021 for USD 2,616,304.

On April 5, 2021 the last disbursement was made for USD 6,096,089.

At June 30, 2021, the balance due under the loan amounts to USD 13,327,635.

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

NOTE 16: LOANS (Cont'd)

e) BLC Loan

Principal: USD 13,037,210

Interest: 12% for the period from 12/17/2020 to 12/13/2021 and 12-month LIBOR + 11% with a floor of 12% from 02/14/2021 to 06/12/2023.

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

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

Principal balance at June 30, 2021 amounts to USD 11,121,373.

At June 30, 2021, the Company has complied with the loan-related covenants.

f) GECEN - Credit Suisse AG London Branch loan

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

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

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

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

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

NOTE 16: LOANS (Cont'd)

f) GECEN - Credit Suisse AG London Branch loan (Cont'd)

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

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

From this agreement, several complementary agreements arose, which were amended on a timely basis. The last amendment was executed on December 3, 2020 whereby the payment schedule and the due dates of the loan were changed to reduce payments of principal over the next 24 months, subject to fulfillment of certain conditions precedent. On December 17, those conditions precedent were fulfilled, and the amendments became effective. At the same time, the amendment fulfilled the requirements of Communication "A" 7106 of the Central Bank.

Principal balance at the date of presentation of these condensed interim separate Financial Statements totaled USD 51,217,055.

Amounts owed shall be paid as follows:

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

The three tranches of debt originally taken out by GECEN have been transferred to GMSA due to the merger which is effective as from January 1, 2021.

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

NOTE 16: LOANS (Cont'd)

g) ASA Class III Negotiable Obligations

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

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

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

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

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

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

At the closing date of these condensed interim Financial Statements the amount issued has been fully paid.

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

	<u>06/30/2021</u>	<u>12/31/2020</u>
Fixed rate		
Less than 1 year	7,642,020,425	6,538,729,382
Between 1 and 2 years	13,971,448,734	3,843,557,519
Between 2 and 3 years	25,931,037,233	25,505,927,146
After 3 years	-	367,536,865
	<u>47,544,506,392</u>	<u>36,255,750,912</u>
Floating rate		
Less than 1 year	1,220,558,782	1,695,298,628
Between 1 and 2 years	1,050,074,750	302,179,455
Between 2 and 3 years	260,700,103	454,402,265
After 3 years	361,408,078	-
	<u>2,892,741,713</u>	<u>2,451,880,348</u>
	<u>50,437,248,105</u>	<u>38,707,631,260</u>

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

NOTE 16: LOANS (Cont'd)

The fair value of Company's international bonds at June 30, 2021 and December 31, 2020 amounts to approximately \$19,257 million and \$14,073 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 separate Financial Statements, the Company is in compliance with all commitments undertaken.

Company loans are denominated in the following currencies:

	06/30/2021	12/31/2020
Argentine pesos	5,842,029,319	2,499,641,048
US dollars	44,595,218,786	36,207,990,212
	<u>50,437,248,105</u>	<u>38,707,631,260</u>

Changes in Company loans were as follows:

	06/30/2021	06/30/2020
Loans at beginning of the period	38,707,631,260	36,468,834,829
Addition due to merger	2,857,489,140	-
Loans received	5,152,639,153	3,326,870,986
Loans paid	(3,607,190,685)	(2,232,268,427)
Accrued interest	3,025,270,286	2,128,495,632
Interest paid	(2,552,357,220)	(1,940,310,368)
Exchange difference	(370,015,684)	5,461,582,685
Translation difference	7,040,553,218	-
Changes in the fair value of financial instruments	475,873,491	-
Capitalized expenses	(292,644,854)	63,275,728
RECPAM (Purchasing Power Parity)	-	(4,503,859,584)
Loans at year end	<u>50,437,248,105</u>	<u>38,772,621,481</u>

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

NOTE 17: ALLOWANCES AND PROVISIONS

	For trade receivables
Balances at December 31, 2020	2,655,764
Balance at period end	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 18: INCOME TAX/ DEFERRED TAX

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

	06/30/2021	12/31/2020
Deferred tax assets:		
Deferred tax assets to be recovered over more than 12 months	3,388,053,905	4,061,180,688
	3,388,053,905	4,061,180,688
Deferred tax liabilities:		
Deferred tax liabilities to be settled over more than 12 months	(20,556,249,853)	(13,960,878,000)
	(20,556,249,853)	(13,960,878,000)
Deferred tax liabilities (net)	(17,168,195,948)	(9,899,697,312)

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

	06/30/2021	06/30/2020
Opening balances	(9,899,697,312)	(7,906,095,005)
Addition due to merger	(931,243,786)	-
Charge to income statement	(3,762,141,074)	(954,006,524)
Charge to other comprehensive income	(2,575,113,776)	-
Closing balances	(17,168,195,948)	(8,860,101,529)

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

NOTE 18: INCOME TAX/ DEFERRED TAX (Cont'd)

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, 2020	Addition due to merger	Charge to Income Statement	OCI	Translation difference	Balances at June 30, 2021
Trade and other receivables	229,035,308	-	(512,542,872)	-	31,490,654	(252,016,910)
Property, plant and equipment	(10,485,388,062)	(1,200,866,503)	(1,034,529,513)	(1,085,939,821)	(1,601,851,616)	(15,408,575,515)
Loans	(18,444,778)	54,166,765	(139,848,113)	-	4,911,508	(99,214,618)
Other liabilities	9,263,870	(99,462)	110,456,053	-	1,260,038	120,880,499
Pension plan	9,703,620	-	7,476,746	-	1,334,176	18,514,542
Tax inflation adjustment	(3,367,392,423)	(571,104,269)	(415,313,645)	-	(541,514,043)	(4,895,324,380)
Unrecorded tax losses	-	(3,285,649)	(1,207,510)	-	(632,453)	(5,125,612)
Tax loss	3,815,170,532	789,945,332	(1,731,754,973)	-	633,349,929	3,506,710,820
Investments	(1,992,642)	-	1,357,180	-	(273,972)	(909,434)
Inventories	(89,652,737)	-	(46,234,427)	-	(17,248,176)	(153,135,340)
	(9,899,697,312)	(931,243,786)	(3,762,141,074)	(1,085,939,821)	(1,489,173,955)	(17,168,195,948)

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:

	06/30/2021	06/30/2020
Deferred tax	<u>(3,762,141,074)</u>	<u>(954,006,524)</u>
Income tax	<u>(3,762,141,074)</u>	<u>(954,006,524)</u>

Accumulated tax loss carry-forwards recorded by the Company which are pending use at June 30, 2021:

Year	ARS	Year of expiration
Tax loss for the year 2018	356,790,102	2023
Tax loss for the year 2019	5,473,071,084	2024
Tax loss for the year 2020	4,174,667,977	2025
Total tax loss carry-forwards at June 30, 2021	<u>10,004,529,163</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:

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

NOTE 18: INCOME TAX/ DEFERRED TAX (Cont'd)

Tax Reform in Argentina and Law on Social Solidarity and Productive Reactivation (Cont'd)

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

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

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 Consumer Price Index (CPI) provided by the National Institute of Statistics and Census, this will increase the deductible depreciation and its computable cost in case of sale.

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

- It maintains the tax rate at 30% for 2020 (this rate should have been reduced to 25% in accordance with the 2017 Tax Reform).
- Tax inflation adjustment: The allocation of the tax inflation adjustment for the first and second year commenced as from January 1, 2019 must be allocated in equal parts during 6 fiscal years.
- Personal assets tax, shares and equity interests: Tax rate rises from 0.25% to 0.50%.

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

NOTE 18: INCOME TAX/ DEFERRED TAX (Cont'd)

Tax Reform in Argentina and Law on Social Solidarity and Productive Reactivation (Cont'd)

On June 16, 2021, the National Executive Branch enacted Law 27630. Detailed below are the amendments introduced by the law:

- Income Tax rate: the fixed rate for taxation of Companies' income was discontinued and a progressive scale was set up, starting from a 25% rate for income from \$0 to 5 million, a 30% rate for income from \$5 to 50 million and a 35% rate for income above \$50 million. The law also provides that the fixed amounts in the tax brackets shall be CPI-adjusted as from the fiscal years beginning on or after January 1, 2022.
- Tax on dividends: the 7% rate shall apply.

These amendments apply as from fiscal years beginning on or after January 1, 2021.

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:

	<u>06/30/2021</u>	<u>06/30/2020</u>
Pre-tax profit/(loss)	377,960,044	2,005,602,847
Current tax rate	35%	30%
Income/(loss) at the tax rate	(132,286,015)	(601,680,854)
Income/(loss) on investment in subsidiaries and associates	(242,992,114)	-
Other permanent differences	1,225,753,274	(12,320,711)
Accounting inflation adjustment	-	326,756,507
Tax inflation adjustment	(1,386,016,931)	(995,299,542)
Change in the income tax rate (a)	(3,240,886,380)	332,025,309
Understatement in the prior year provision	14,287,092	(3,487,233)
Total income tax charge	<u>(3,762,141,074)</u>	<u>(954,006,524)</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.

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

NOTE 19: FINANCIAL INSTRUMENTS

At June 30, 2021	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	4,703,258,493	79,536	5,843,972,981	10,547,311,010
Cash and cash equivalents	588,903,391	56,486,212	-	645,389,603
Non-financial assets	-	-	76,173,761,635	76,173,761,635
Total	5,292,161,884	56,565,748	82,017,734,616	87,366,462,248
Liabilities				
Trade and other payables	6,548,747,409	-	-	6,548,747,409
Derivative financial instruments	-	76,320,000	-	76,320,000
Loans (finance leases excluded)	50,362,695,027	-	-	50,362,695,027
Finance leases	74,553,078	-	-	74,553,078
Non-financial liabilities	-	-	17,788,000,259	17,788,000,259
Total	56,985,995,514	76,320,000	17,788,000,259	74,850,315,773
At December 31, 2020	Financial assets/liabilities at amortized cost	At fair value through profit and loss	Non-financial assets/ liabilities	Total
Assets				
Trade receivables, other receivables and investments	8,732,751,424	79,536	3,225,409,023	11,958,239,983
Cash and cash equivalents	613,222,988	1,259,184,898	-	1,872,407,886
Non-financial assets	-	-	57,307,267,071	57,307,267,071
Total	9,345,974,412	1,259,264,434	60,532,676,094	71,137,914,940
Trade and other payables	7,509,549,082	-	-	7,509,549,082
Derivative financial instrument	-	25,500,000	-	25,500,000
Loans (finance leases excluded)	38,616,348,206	-	-	38,616,348,206
Finance leases	91,283,054	-	-	91,283,054
Non-financial liabilities	-	-	10,419,483,524	10,419,483,524
Total	46,217,180,342	25,500,000	10,419,483,524	56,662,163,866

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

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

NOTE 19: FINANCIAL INSTRUMENTS (Cont'd)

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

At June 30, 2021	Financial assets at amortized cost	Financial assets at fair value through profit and loss	Financial liabilities at amortized cost	Financial liabilities at fair value through profit and loss	Non-financial instruments	Total
Interest earned	314,560,950	-	-	-	-	314,560,950
Interest paid	-	-	(2,870,643,603)	-	-	(2,870,643,603)
Exchange differences, net	(2,422,297,101)	-	2,749,979,892	-	-	327,682,791
Income/(loss) from repurchase of negotiable obligations	29,411,687	-	-	-	-	29,411,687
Other financial results	-	132,772,462	(354,885,504)	(557,109,041)	-	(779,222,083)
Total	(2,078,324,464)	132,772,462	(475,549,215)	(557,109,041)	-	(2,978,210,258)

At June 30, 2020	Financial assets at amortized cost	Financial assets at fair value through profit and loss	Financial liabilities at amortized cost	Financial liabilities at fair value through profit and loss	Non-financial instruments	Total
Interest earned	874,166,153	-	-	-	-	874,166,153
Interest paid	-	-	(2,181,652,790)	-	-	(2,181,652,790)
Exchange differences, net	1,171,941,892	-	(6,146,192,445)	-	-	(4,974,250,553)
Other financial results	-	(14,199,002)	(128,807,962)	-	4,321,220,467	4,178,213,503
Total	2,046,108,045	(14,199,002)	(8,456,653,197)	-	4,321,220,467	(2,103,523,687)

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 June 30, 2021 and December 31, 2020. There were no reclassifications of financial instruments among the different levels.

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

NOTE 19: FINANCIAL INSTRUMENTS (Cont'd)

<u>At June 30, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<i>Investments in companies</i>				
<i>Investments in subsidiaries and associates</i>	-	-	2,686,910,844	2,686,910,844
Shares	-	-	79,536	79,536
Mutual funds	56,486,212	-	-	56,486,212
Property, plant and equipment	-	-	43,393,510,614	43,393,510,614
Liabilities				
<i>Derivative financial instruments</i>				
Derivative financial instruments	(76,320,000)	-	-	(76,320,000)
Total	(19,833,788)	-	46,080,500,994	46,060,667,206
<u>At December 31, 2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Shares	-	-	79,536	79,536
Mutual funds	1,259,184,898	-	-	1,259,184,898
Property, plant and equipment	-	-	39,161,414,366	39,161,414,366
Liabilities				
<i>Derivative financial instruments</i>				
Derivative financial instruments	(25,500,000)	-	-	(25,500,000)
Total	1,233,684,898	-	39,161,493,902	40,395,178,800

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.

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

NOTE 20: TRANSACTIONS AND BALANCES WITH RELATED PARTIES

	Gain / (loss)	
	\$	
	06/30/2021	06/30/2020
<i>a) Sale of energy</i>		
Other related parties:		
Solalban Energía S.A.	6,986,626	25,242,256
RGA	-	16,490,062
	6,986,626	41,732,318
<i>b) Purchase of gas and energy</i>		
Other related parties:		
Solalban Energía S.A.	(9,905,390)	(987,386)
RGA (*)	(170,744,135)	(462,876,133)
	(180,649,525)	(463,863,519)
<i>c) Administrative services and management</i>		
Other related parties:		
RGA	(376,508,753)	(252,219,193)
	(376,508,753)	(252,219,193)
<i>d) Rental</i>		
Other related parties:		
RGA	(11,688,471)	(5,345,147)
	(11,688,471)	(5,345,147)
<i>e) Other purchases and services received</i>		
Other related parties:		
BDD – Purchase of wines	(119,790)	-
RGA - Office 365	(957,681)	-
AJSA - Flights made	-	(43,378,956)
ASA - guarantee	-	(2,444,554)
	(1,077,471)	(45,823,510)
<i>f) Recovery of expenses</i>		
Other related parties:		
RGA	980,882	1,695,519
GROSA	452,389	800,327
CTR	1,335,563	711,186
AESA	4,309	1,454,927
	2,773,143	4,661,959

(*) 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 Separate Financial Statements (Cont'd)

NOTE 20: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

	Gain / (loss)	
	\$	
	06/30/2021	06/30/2020
<i>g) Interest generated due to loans obtained</i>		
<u>Other related parties:</u>		
CTR	(247,624,148)	(150,284,316)
	(247,624,148)	(150,284,316)
 <i>h) Interest generated due to loans granted</i>		
<u>Other related parties:</u>		
GROSA	-	2,265,878
Directors/Shareholders	57,130,015	6,037,282
ASA (*)	-	594,389,134
	57,130,015	602,692,294
 <i>i) Gas pipeline works</i>		
<u>Other related parties:</u>		
RGA	-	(1,020,411)
	-	(1,020,411)
 <i>i) Construction work management service</i>		
<u>Other related parties:</u>		
RGA	(136,605,000)	(63,334,240)
	(136,605,000)	(63,334,240)
 <i>j) Other services rendered</i>		
<u>Other related parties:</u>		
RGA - guarantee	-	2,307,346
CTR - guarantee	447,600	-
	447,600	2,307,346
 <i>k) Exchange difference</i>		
<u>Other related parties:</u>		
RGA	29,580,494	-
	29,580,494	-

1) *Remuneration of key managerial staff*

The senior management includes directors (executive and non-executive). Managerial staff's fees at June 30, 2021 and 2020 amounted to \$21,712,872 and \$29,689,163, respectively.

	06/30/2021	06/30/2020
<u>Other related parties:</u>		
Salaries	(21,712,872)	(29,689,163)
	(21,712,872)	(29,689,163)

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

NOTE 20: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

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

	<u>06/30/2021</u>	<u>12/31/2020</u>
<u>Other current receivables with other related parties</u>		
AESA	-	49,258,077
RGA	9,267,025	-
CTR	201,017	49,230,141
GROSA - Loan for consumption	91,893,559	17,922,786
GROSA	77,201	-
Directors/Shareholders	593,055,767	65,803,625
	<u>694,494,569</u>	<u>182,214,629</u>
<u>Other non-current receivables with other parties related parties</u>		
TEFU	18,154,808	-
GELI	400,000	-
ASA (*)	-	4,975,755,068
	<u>18,554,808</u>	<u>4,975,755,068</u>
<u>Current trade payables with other related parties</u>		
RGA	-	1,480,925,356
Solalban Energía S.A.	-	2,708,102
	<u>-</u>	<u>1,483,633,458</u>
<u>Other current debts with other related parties</u>		
Directors' fees	7,339,833	-
	<u>7,339,833</u>	<u>-</u>
<u>Current loans with other parties related parties</u>		
CTR	2,063,737,368	1,673,311,822
	<u>2,063,737,368</u>	<u>1,673,311,822</u>

n) Loans granted to related parties

	<u>06/30/2021</u>	<u>06/30/2020</u>
Loans to ASA (*)		
Opening balances	4,975,755,068	3,704,004,225
Addition due to merger	(4,975,755,068)	-
Loans granted	-	682,691,303
Accrued interest	-	594,389,134
RECPAM (Purchasing Power Parity)	-	(495,113,024)
Closing balances	<u>-</u>	<u>4,485,971,638</u>

(*) Company merged into GMSA as from January 1, 2021, as a result of the merger of GMSA with ASA and GECEN. At December 31, 2020, parent company of GMSA.

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

NOTE 20: TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Cont'd)

n) Loans granted to related parties (Cont'd)

	<u>06/30/2021</u>	<u>06/30/2020</u>
Loans to Directors/Shareholders		
Balances at beginning of year	65,803,625	40,364,478
Addition due to merger	399,732,124	-
Loans granted	275,839,894	13,603,737
Loans repaid	(205,449,892)	-
Accrued interest	57,130,016	6,037,282
RECPAM (Purchasing Power Parity)	-	(5,637,753)
Closing balances	<u>593,055,767</u>	<u>54,367,744</u>

<u>Entity</u>	<u>Amount</u>	<u>Interest rate</u>	<u>Conditions</u>
At June 30, 2021			
Directors/Shareholders	37,065,095	BADLAR + 3%	Maturity date: 1 year
Directors/Shareholders	<u>429,848,202</u>	25%	Maturity date: 1 year
Total in pesos	<u>466,913,297</u>		

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Loans to GROSA		
Balances at beginning of year	-	14,893,136
Loans granted	91,893,559	-
Accrued interest	-	2,265,878
RECPAM (Purchasing Power Parity)	-	(1,894,918)
Closing balances	<u>91,893,559</u>	<u>15,264,096</u>

<u>Entity</u>	<u>Amount</u>	<u>Interest rate</u>	<u>Conditions</u>
Entity			
GROSA	<u>91,893,559</u>	35%	Maturity date: 1 year
Total in pesos	<u>91,893,559</u>		

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Loans to CTR		
Balances at beginning of year	(1,673,311,822)	(420,912,500)
Loans collected	-	-
Loans received	(422,825,863)	(1,029,317,647)
Loans paid	207,147,753	630,530,385
Accrued interest	(247,624,148)	(150,284,316)
Interest paid	72,876,712	102,425,543
RECPAM (Purchasing Power Parity)	-	118,242,972
Closing balances	<u>(2,063,737,368)</u>	<u>(749,315,563)</u>

<u>Entity</u>	<u>Amount</u>	<u>Interest rate</u>	<u>Conditions</u>
Entity			
CTR	<u>(1,624,098,518)</u>	35%	Maturity date: 1 year
Total in pesos	<u>(1,624,098,518)</u>		

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 separate 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 Separate Financial Statements (Cont'd)

NOTE 21: OTHER COMMITMENTS

Some of the contractual obligations relating to the supply of electric energy to large customers of the MAT at June 30, 2021 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	2,556,684,177	1,957,836,057	598,848,120

(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 June 30, 2021, under ES Resolution No. 1281/06.

NOTE 22: WORKING CAPITAL

The Company reports at June 30, 2021 a deficit of \$2,427,405,122 in its working capital (calculated as current assets less current liabilities), which means a decrease of \$2,285,041,870, compared to the deficit in working capital at December 31, 2020. The Company restructured its current financial liabilities, noticeably reducing the deficit in its working capital.

GMSA and its shareholders continue evaluating additional measures to reverse the current deficit in its working capital.

NOTE 23: 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. The Company keeps and preserves its corporate books, accounting records and relevant business documents at its principal place of business located at Av. L.N. Alem 855, Floor 14, City of Buenos Aires.

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

Entity responsible for warehousing of information - Domicile

Bank S.A. - Colectora oeste panamericana km 31,7, Gral. Pacheco Garín

Bank S.A. - Colectora oeste panamericana km 31,7, Gral. Pacheco

Bank S.A. - Carlos Pellegrini 1201-Dock Sud

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 Separate Financial Statements (Cont'd)

NOTE 24: 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 25: 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.

As a result of Communication "A" 7106 dated September 15, 2020 issued by the Central Bank of Argentina, GMSA and BLC agreed to execute an amendment to reschedule debt payments. On December 17, 2020, BLC and GMSA executed an amendment whereby the payment schedule was changed, with quarterly amortizations, with the next payment of principal maturing in June 2021. Further, a new extension of the term was agreed to pay for the above-mentioned equipment, with the final maturity date being June 2023, thus significantly reducing payments throughout 2021.

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

NOTE 25: 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.

At June 30, 2021, the above-mentioned debt has been repaid.

NOTE 26: ECONOMIC CONTEXT IN WHICH THE COMPANY OPERATES

The Company has been operating in a complex economic environment characterized by a strong volatility, as a result of the outbreak of the COVID-19 pandemic, both nationally and internationally.

As a result of the increase in the number of individuals infected with coronavirus in 2021, the governments of various countries around the world, including the Argentine Government, reimplemented temporary measures and imposed certain restrictions on the circulation of the population.

The Argentine economy was already in a recession and the COVID-19 pandemic outbreak in March 2020 worsened the scenario.

The main indicators in our country are as follows:

- A fall of 9.9% in GDP year-on-year is expected for 2021, according to the Level of Activity Progress Report of the INDEC.
- Cumulative inflation between January 1, 2021 and June 30, 2021 was 25.3% (CPI).
- Between January 1 and June 30, 2021, the peso depreciated 13.75% relative to the US dollar, according to the Banco de la Nación Argentina exchange rate.
- 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 foreign 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:

- 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

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

NOTE 26: ECONOMIC CONTEXT IN WHICH THE COMPANY OPERATES (Cont'd)

Additionally, the currency system had already determined that funds obtained from the following transactions and items have to be brought in and traded in the local exchange market:

- Exports of goods and services
- Collections of pre-export financing, advances and post-export financing of goods
- Service exports
- Sale of nonproduced non-financial assets
- Sale of external assets

This context of volatility and uncertainty still persists at the date of issuance of these condensed interim separate Financial Statements.

At June 30, 2021, there was no adverse impact on the commercial operations or the customer service as a result of the remote work. Management will continue reviewing and modifying plans as conditions change, with the aim of guaranteeing compliance with operation and maintenance tasks in due time and manner, the rescheduling of investments and the search for financing opportunities under reasonable market conditions.

The Company has not had significant impacts on its operating results for the year as a result of the pandemic, and recorded an operating cash flow surplus.

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.

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

NOTE 27: CLASSIFICATION OF RECEIVABLES AND DEBTS BY DUE DATES AND INTEREST ACCRUAL

The breakdown of receivables and debts at June 30, 2021, according to their collection or payment term and restatement clauses, is detailed in the table below:

	Trade receivables	Other receivables	Trade payables	Loans	Salaries and social security liabilities	Tax payables and deferred tax liability	Derivative financial instruments	Defined benefit plan	Other liabilities
	\$								
Falling due within									
First quarter	2,553,084,713	1,425,469,803	3,147,700,987	3,218,663,534	122,494,038	360,190,740	76,320,000	173,842	69,264
Second quarter	-	1,379,331,212	362,572,579	1,624,779,828	-	8,847,896	-	173,842	7,409,095
Third quarter	-	1,379,331,212	226,032,022	1,897,136,201	17,679,582	-	-	173,842	69,264
Fourth quarter	-	2,073,825,781	301,376,029	2,121,999,644	-	-	-	173,842	69,264
After 1 year	-	299,064,350	2,464,709,745	41,574,668,898	-	17,168,195,948	-	54,564,579	1,408,360
Subtotal	2,553,084,713	6,557,022,358	6,502,391,362	50,437,248,105	140,173,620	17,537,234,584	76,320,000	55,259,947	9,025,247
Past due	1,437,124,403	-	37,330,800	-	-	55,332,108	-	-	-
Without stated term	-	-	-	-	-	-	-	-	-
Total at June 30, 2021	3,990,209,116	6,557,022,358	6,539,722,162	50,437,248,105	140,173,620	17,592,566,692	76,320,000	55,259,947	9,025,247
Non-interest bearing	2,553,084,713	5,872,073,032	3,050,312,408	-	140,173,620	17,485,435,637	76,320,000	55,259,947	9,025,247
At fixed rate	-	647,884,231	3,489,409,754	(1) 47,544,506,392	-	107,131,055	-	-	-
At floating rate	1,437,124,403	37,065,095	-	(1) 2,892,741,713	-	-	-	-	-
Total at June 30, 2021	3,990,209,116	6,557,022,358	6,539,722,162	140,173,620	140,173,620	17,592,566,692	76,320,000	55,259,947	9,025,247

(1) See Note 16 to the Financial Statements at June 30, 2021.

Generación Mediterránea S.A.**Notes to the Condensed Interim Separate Financial Statements (Cont'd)****NOTE 28: ASSETS AND LIABILITIES DENOMINATED IN CURRENCIES OTHER THAN THE ARGENTINE PESO (1)**

Captions	Type and amount of foreign currency	Closing exchange rate (2)	Amount recorded at 06/30/2021	Amount recorded at 12/31/2020	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents					
Cash	USD	1,400	95.52	133,728	117,530
Banks	USD	5,399,958	95.52	515,804,035	509,321,406
Trade receivables					
Trade receivables - Energía Plus	USD	4,641,365	95.52	443,343,160	380,170,328
Trade receivables- Resolution No. 220/07 - Resolution No. 1/19 - Resolution No. 21/17	USD	7,591,569	95.52	725,146,674	932,328,173
Total Current Assets				1,684,427,597	1,821,937,437
Total Assets				1,684,427,597	1,821,937,437
LIABILITIES					
NON-CURRENT LIABILITIES					
Trade payables					
Suppliers	USD	25,749,162	95.72	2,464,709,745	2,661,355,267
Financial debts					
Loans	USD	403,246,594	95.72	38,598,763,996	30,473,583,353
Total non-current liabilities				41,063,473,741	33,134,938,620
CURRENT LIABILITIES					
Trade payables					
Related parties	USD	-	95.62	-	1,204,883,434
Suppliers	EUR	822,863	113.57	93,454,023	-
Suppliers	USD	27,187,268	95.72	2,602,365,252	2,604,348,822
Suppliers	SEK	18,282,007	11.25	205,663,583	179,401,668
Financial debts					
Loans	USD	62,645,788	95.72	5,996,454,790	5,734,406,859
Total current liabilities				8,897,937,648	9,723,040,783
Total liabilities				49,961,411,389	42,857,979,403

(1) Information submitted in compliance with CNV rules.

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

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

NOTE 29: INFORMATION ON SUBSIDIARIES AND ASSOCIATES

The Company carries its businesses through various subsidiaries and associates. The development of investments in subsidiaries and associates of the Company for the six-month period ended on June 30, 2021 and for the year ended on December 31, 2020 is disclosed below:

	<u>06/30/2021</u>	<u>06/30/2020</u>
At the beginning of the period	-	-
Addition due to merger by absorption	3,132,253,778	-
Income/(loss) on investment in subsidiaries and associates	(694,263,184)	-
Other comprehensive income/(loss) on investment in subsidiaries and associates	(257,658,043)	-
Other comprehensive income/(loss) - Translation difference	506,578,293	-
Period end	<u>2,686,910,844</u>	-

Below is a breakdown of the investments and the values of interests held by the Company in subsidiaries and associates at June 30, 2021, as well as the Company's share of profits of these companies for the six-month periods ended on June 30, 2021.

Name of the entity	Registered office of the entity	Main activity	Ordinary shares, entitled to 1 vote	Value of the Group's equity interest		Group share of profits		Translation difference		% share interest		Latest financial statement (1)		
				06/30/2021	12/31/2020	06/30/2021	06/30/2020	06/30/2021	12/31/2020	06/30/2021	06/30/2020	Share capital (par value)	Income/(loss) for the period	Equity
Subsidiaries														
CTR	Argentina	Electricity	54,802,853	1,945,636,583	-	(674,131,709)	-	380,468,767	-	75%	0%	73,070,470	(898,842,281)	2,594,182,110
GROSA	Argentina	Electricity	16,473,625	388,107,032	-	2,460,632	-	86,388,645	-	95%	0%	17,340,658	2,590,139	408,533,684
GLSA	Argentina	Electricity	1,163,750	411,172	-	(298,621)	-	117,556	-	95%	0%	1,225,000	(314,337)	432,812
Associates														
Solalban Energía S.A.	Argentina	Electricity	73,184,200	352,756,057	-	(22,293,486)	-	39,603,325	-	42%	0%	174,248,000	(53,079,728)	839,895,373
				<u>2,686,910,844</u>	<u>-</u>	<u>(694,263,184)</u>	<u>-</u>	<u>506,578,293</u>	<u>-</u>					

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

NOTE 30: MAIN INSURANCE CONTRACTS IN FORCE

All-risk insurance policy with coverage for loss of profit

The Company has taken out all-risk insurance coverage for all the risks of loss or physical damage, whether it is accidental or unforeseeable, including machinery failures and loss of profit as a result, up to 12 months, directly and totally attributable to any cause. The aim of this policy is to cover the losses caused by the interruption of the activities as a result of the accident, both as regards the profit that is no longer obtained and the expenses the Company continues to bear despite its inactivity, such that the insured may be in the same financial situation as if the accident had not occurred.

This insurance covers all physical assets of any type and description, not expressly excluded from the text of the policy, belonging to the insured or in his/her care, custody or control, for which the insured has assumed a responsibility for insuring against any damage, or for which the insured may acquire an insurable interest.

On October 15, 2020, the all-risk insurance policy of all generators of Grupo Albanesi was renewed for a further 12 months through first-class insurers such as: Starr Insurance Companies, Federación Patronal, La Meridional, Provincia Seguros, Chubb, Sancor and Zurich.

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.

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

NOTE 30: MAIN INSURANCE CONTRACTS IN FORCE (Cont'd)

Directors and Officers (D&O) liability insurance: (Cont'd)

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.

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

NOTE 30: MAIN INSURANCE CONTRACTS IN FORCE (Cont'd)

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 \$118,800, as established by the National Insurance Superintendence.

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

NOTE 30: MAIN INSURANCE CONTRACTS IN FORCE (Cont'd)

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 to the benefit of all Group's employees. This Policy provides coverage by granting compensation in case of death, partial losses caused by accidents, total and permanent disability, advance payments in case of serious diseases, organ transplants and birth of posthumous child.

NOTE 31: GUARANTEES GRANTED FOR FINANCIAL OPERATIONS WITH SUBSIDIARIES AND RELATED PARTIES

Below is a detail of guarantees granted by GMSA for financial transactions of subsidiaries and related parties:

In favor of	Type of guarantee	Entity	Asset/Destination	From	Until	Amount secured	Balance at June 30, 2021
AJSA	Guarantor	Export Development Canada	Leasing aircraft Bombardier Inc. Model BD-100-1A10 (Challenger 350 Variant)	July 19, 2017	July 19, 2027	USD 16,480,000	USD 11,779,300
CTR	Guarantor	ICBC	Debt swap	September 30, 2020	August 30, 2021	\$64,450,313	\$13,076,875
AESA	Guarantor	Banco Ciudad	Working capital	October 21, 2020	November 17, 2021	USD 6,227,975	USD 3,802,590

They were added as a result of the merger of ASA.

NOTE 32: DISTRIBUTION OF PROFITS

Dividends

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

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

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

NOTE 32: DISTRIBUTION OF PROFITS (Cont'd)

Dividends (Cont'd)

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

Due to the issuance of the International bonds, the co-issuers must comply with ratios on a consolidated basis to be allowed to distribute dividends.

NOTE 33: SUBSEQUENT EVENTS

a) Increase in the public offering Program submitted to the National Securities Commission

On June 17, 2021, at the Ordinary Shareholders' Meeting, the shareholders approved the increase in the amount of the Generación Mediterránea's Public Offering Program for up to USD 250,000,000 and the amendment to its terms and conditions to add the units of purchasing power to the issuances. On July 4, 2021, the National Securities Commission, by means of Resolution No. DI-2021-31-APN-GE#CNV, resolved to authorize the amendments and increase in the Global Program to issue simple negotiable obligations not convertible into shares for a total outstanding nominal value of up to UNITED STATES DOLLARS TWO HUNDRED AND FIFTY MILLION (NV USD 250,000,000) or its equivalent in other currencies or units of purchasing power.

b) Class XV and XVI Negotiable Obligations

On July 16, 2021, the Company issued Class XV and XVI Negotiable Obligations.

The Company will allocate the proceeds from the two issuances exclusively to capital investments necessary to complete the construction, installation and start-up of the project for the CTE Closure of Cycle.

Through EES Resolution No. 287 - E/2017 of May 10, 2017, the Energy Secretariat instructed CAMMESA to call for interested parties to put out to tender new thermal power 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 for electricity in the WEM. GMSA participated in that call for tenders and was awarded the project for closure of combined cycles through EES Resolution 926 – E/2017, relating to the enlargement of CTE by 138 MW.

The CTE enlargement project consists in the installation of a fourth Siemens SGT-800 gas turbine of 54 MW nominal capacity and two Siemens SST-600 steam turbines, of 50 MW nominal capacity each (2x1) to close the current open cycles of the power plant and convert them into combined cycle with the four boilers. In total, 154 MW will be added to the power plant's nominal capacity. It is expected that the construction works will end during 2023.

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

NOTE 33: SUBSEQUENT EVENTS (Cont'd)

***b)* Class XV and XVI Negotiable Obligations (Cont'd)**

Upon completion of this project, the Ezeiza power plant, located in the province of Buenos Aires, will be among the most efficient power plants in Argentina, making available to the system 304 MW of generation capacity fully operating as combined cycle.

The terms and conditions of the NO are described below:

NO are fully guaranteed until the total payment of all amounts owed by:

- The Guarantee and Payment Trust
- The pledge on the equipment of the project for Closure of Cycle

Until the date of completion of the Project:

- The pledge on the equipment for the Open Cycle.

b.1) Class XV Negotiable Obligations:

Principal: nominal value: 36,621,305 UVAs equivalent to USD 31,227,242;

Interest: 6.5% annual nominal rate.

Maturity date: July 28, 2026

Amortization dates: they shall be amortized in 29 (twenty-nine) consecutive installments, payable monthly as from the month 32 (thirty-two). Amortization dates for Class XV NO shall be: March 28, 2024; April 28, 2024; May 28, 2024; June 28, 2024; July 28, 2024; August 28, 2024; September 28, 2024; October 28, 2024; November 28, 2024; December 28, 2024; January 28, 2025; February 28, 2025; March 28, 2025; April 28, 2025; May 28, 2025; June 28, 2025; July 28, 2025; August 28, 2025; September 28, 2025; October 28, 2025; November 28, 2025; December 28, 2025; January 28, 2026; February 28, 2026; March 28, 2026; April 28, 2026; May 28, 2026; June 28, 2026; July 28, 2026.

Interest payment dates: Interest shall be paid (i) on a six-month basis until the date when 24 months from the Issue and Settlement Date have elapsed; (ii) 31 months from the Issue and Settlement Date and (iii) on a monthly basis, as from the month 32 from the Issue and Settlement Date, in each case, on the day 28 of each calendar month or, if other than a business day, the payment date will be the immediately following business day. That is, on January 28, 2022; July 28, 2022; January 28, 2023; July 28, 2023; February 28, 2024; March 28, 2024; April 28, 2024; May 28, 2024; June 28, 2024; July 28, 2024; August 28, 2024; September 28, 2024; October 28, 2024; November 28, 2024; December 28, 2024; January 28, 2025; February 28, 2025; March 28, 2025; April 28, 2025; May 28, 2025; June 28, 2025; July 28, 2025; August 28, 2025; September 28, 2025; October 28, 2025; November 28, 2025; December 28, 2025; January 28, 2026; February 28, 2026; March 28, 2026; April 28, 2026; May 28, 2026; June 28, 2026; July 28, 2026.

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

NOTE 33: SUBSEQUENT EVENTS (Cont'd)

***b)* Class XV and XVI Negotiable Obligations (Cont'd)**

b.2) Class XVI Negotiable Obligations:

Principal: nominal value: USD 98,772,758

Interest: 7.75% annual nominal rate.

Maturity date: July 28, 2029

Amortization dates: they shall be amortized in 48 (twenty-nine) consecutive installments, payable monthly as from the month 49 (thirty-two). The amortization dates for Class XVI NO shall be: August 28, 2025, September 28, 2025; October 28, 2025; November 28, 2025; December 28, 2025; January 28, 2026; February 28, 2026; March 28, 2026; April 28, 2026; May 28, 2026; June 28, 2026; July 28, 2026; August 28, 2026, September 28, 2026; October 28, 2026; November 28, 2026; December 28, 2026; January 28, 2027; February 28, 2027; March 28, 2027; April 28, 2027; May 28, 2027; June 28, 2027; July 28, 2027; August 28, 2027; September 28, 2027; October 28, 2027; November 28, 2027; December 28, 2027; January 28, 2028; February 28, 2028; March 28, 2028; April 28, 2028; May 28, 2028; June 28, 2028; July 28, 2028; August 28, 2028; September 28, 2028; October 28, 2028; November 28, 2028; December 28, 2028; January 28, 2029; February 28, 2029; March 28, 2029; April 28, 2029; May 28, 2029; June 28, 2029; July 28, 2029.

Interest payment dates: Interest shall be paid (i) on a six-month basis until the date when 24 months from the Issue and Settlement Date have elapsed; (ii) 31 months from the Issue and Settlement Date and (iii) on a monthly basis, as from the month 32 from the Issue and Settlement Date, in each case, on the day 28 of each calendar month or, if other than a business day, the payment date will be the immediately following business day. That is, January 28, 2022; July 28, 2022; January 28, 2023; July 28, 2023; February 28, 2024; March 28, 2024; April 28, 2024; May 28, 2024; June 28, 2024; July 28, 2024; August 28, 2024; September 28, 2024; October 28, 2024; November 28, 2024; December 28, 2024; January 28, 2025; February 28, 2025; March 28, 2025; April 28, 2025; May 28, 2025; June 28, 2025; July 28, 2025; August 28, 2025; September 28, 2025; October 28, 2025; November 28, 2025; December 28, 2025; January 28, 2026; February 28, 2026; March 28, 2026; April 28, 2026; May 28, 2026; June 28, 2026; July 28, 2026; August 28, 2026, September 28, 2026; October 28, 2026; November 28, 2026; December 28, 2026; January 28, 2027; February 28, 2027; March 28, 2027; April 28, 2027; May 28, 2027; June 28, 2027; July 28, 2027; August 28, 2027; September 28, 2027; October 28, 2027; November 28, 2027; December 28, 2027; January 28, 2028; February 28, 2028; March 28, 2028; April 28, 2028; May 28, 2028; June 28, 2028; July 28, 2028; August 28, 2028; September 28, 2028; October 28, 2028; November 28, 2028; December 28, 2028; January 28, 2029; February 28, 2029; March 28, 2029; April 28, 2029; May 28, 2029; June 28, 2029; July 28, 2029.

NOTE 34: 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.



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REVIEW REPORT ON THE CONDENSED INTERIM SEPARATE 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 separate Financial Statements of Generación Mediterránea S.A. ("the Company"), including the separate Statement of financial position at June 30, 2021, the separate Statement of comprehensive income for the six- and three-month periods ended June 30, 2021, the Statements of changes in equity and of cash flows for the six-month period ended June 30, 2021, and the selected explanatory notes.

The balances and other information for the fiscal year 2020 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 separate 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 separate 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 separate financial position, the separate comprehensive income, or separate 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 separate 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.

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 separate Financial Statements of Generación Mediterránea S.A. have been transcribed into the Inventory and Balance Sheet book and as regards those matters that are within our field of competence, they are in compliance with the provisions of the General Companies Law and pertinent resolutions of the National Securities Commission;
- b) the condensed interim separate Financial Statements of Generación Mediterránea S.A. arise from accounting records kept in all formal respects in conformity with legal regulations, except for the fact that the accounting entries from April to June 2021 have not yet been transcribed into the Journal Book. The Company is authorized to replace the accounting books with mechanical or computerized recording systems, as provided by Section 23, subsection VII, Chapter IV, Title II of the 2013 restated text of the National Securities Commission; the financial statements are transcribed in CD ROM; which maintain the security and integrity conditions based on which they were authorized by the National Securities Commission;



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- c) at June 30, 2021 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 \$15,291,487, none of which was claimable at that date.

City of Buenos Aires, August 10, 2021.

PRICE WATERHOUSE & CO. S.R.L.

(Partner)

Raúl Leonardo Viglione

Report of the Syndics' Committee

To the Shareholders of
Generación Mediterránea S.A.

1. In accordance with Section 294 of Law No. 19550 and the regulations 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 June 30, 2021, the Statement of comprehensive income for the six-month period ended June 30, 2021, and the Statements of changes in equity and of cash flows for the six-month period then ended, and the selected explanatory notes. The balances and other information corresponding to the fiscal year 2020 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 with an emphasis of matter paragraph on the information included in Note 29 on the same date of this report. A review of interim financial information consists of inquiries of Company staff responsible for preparing the information included in the condensed interim Financial Statements and of analytical and other review procedures. This review is substantially less in scope than an audit examination conducted in accordance with international standards on auditing and, consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the financial position, the

comprehensive income, 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, August 10, 2021

For the Syndics' Committee
Marcelo P. Lerner
Full Syndic