City of Buenos Aires, March 6, 2020

Transportadora de Gas del Norte S.A. (hereinafter the "Company" or "TGN") is pleased to announce results for the twelve month period ended December 31, 2019

Stock information:

Market capitalization as of December 30, 2019: ***AR$ 17,662.8 million.***

20% of its capital stock trades on BYMA(*); Ticker: TGNO4

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Main indicators for the twelve month period ended December 31, 2019:

• Income for the period amounted to AR$ 4,255.1 million (AR$ 9.6844 per share) compared to AR$ 5,725.6 million (AR$ 13.0312 per share) during the same period in previous year, principally due to lower deferred tax results, which was partially offset by higher financial incomes.

• Revenues for the period amounted to AR$ 17,791.5 million, equivalent to a decrease of 2.5% in comparison with the same period in previous year where revenues amounted to AR$ 18,247.7 million. This decrease is explained as a result of the suspension of rate adjustments in an accelerated inflationary context.

• EBITDA[1] for the period reached AR$ 11,380.0 million, representing a decrease of 4.4% compared to the same period in previous year where EBITDA amounted to AR$ 11,904.6 million.

[1] EBITDA: Earnings before interest, tax, depreciation and amortization, have been calculated as "Income before other income and expenses" plus depreciation for the period for items of "Property, plant and equipment".

1- Accounting considerations for the period:

As of December 31 2019, our Financial Statements were adjusted by inflation due to the International Accounting Standard N° 29 on "Financial Reporting in Hyperinflationary Economies" ("IAS 29") requires that financial statements of an entity which functional currency is that of an hyperinflationary economy, whether based on the historical or current cost approach, be stated in terms of the measuring unit current as of the closing date of the reporting period. Consequently, in general terms, non-monetary items should include actual inflation since their acquisition or revaluation date, as appropriate. Said requirements also apply to comparative information included in financial statements.

The standard describes a number of factors indicative of a hyperinflationary economy under IAS 29, such as when the cumulative inflation rate over three years approaches, or exceeds 100%. This is why Argentina's economy should have been regarded as hyperinflationary as from July 1, 2018.

In turn, Law No. 27,468 (published in Official Gazette on December 4, 2018), amended article 10 of Law 23,928 as amended, by repealing all statutory or regulatory pieces of legislation that established or authorized price adjustment based on price increases, currency restatement, cost variation or other forms of boosting debts, taxes, prices or rates for goods, works or services. This does not apply to financial statements in respect of which the provisions of article 62 in fine of the General Company Law No 19,550 (as restated in 1984) as amended will continue to apply. Said legislation also repealed Decree No. 1269/2002 dated July 16, 2002 as amended, and delegated to PEN, through its supervisory entities, the power to establish the date as from which said provisions will apply to financial statements filed with it. Therefore, CNV instructed, through General Resolution 777/2018 (published in Official Gazette on December 28, 2018), that issuing entities subject to its supervision restate their annual, interim or special financial statements closed after December 31, 2018 in constant currency as per IAS 29. Therefore, these financial statements as of December 31, 2019 have been restated.

Pursuant to IAS 29 any entity reporting its financial statements in the currency of a hyperinflationary economy shall report them in the measuring unit current as of the date of those financial statements. All such amounts in the balance sheet as are not reported in terms of the measuring unit as of the date of the financial statements shall be adjusted by applying a general price index. All items in the statement of income shall be reported in terms of the measuring unit adjusted as of the date of the financial statements, by applying the general Price index variation experienced since the date when income and expenses were originally recognized in the financial statements.

The inflation adjustment to initial balances was determined considering the indexes established by FACPCE on the basis of price indexes published by INDEC. The average price index variation for fiscal year ended December 31, 2019 was 53.83%.

2- Current economic context:

The Company operates within an economic context where the main variables have recently been highly volatile as a result of political and economic events both at national and international level. Particularly, at the domestic market, stocks of the main publicly traded companies, government bonds and the Argentine peso, have experienced a significant drop.

As a whole, the economic measures adopted by the new government simultaneously aim to increase tax collection increasing tax pressure, to de-index the economy in order to contain inflationary inertia via reduction of salary and retirement adjustments, price agreements and suspension of increases in public service rates, and stimulate consumption to improve the economy. Also, to maintain exchange stability by strengthening exchange controls, protecting local industry. Consequently, the monetary policy outlined by the BCRA points to a progressive decrease in interest rates in pesos and a monetary base expansion. On the other hand, the new authorities expressed their intention to start a renegotiation of the government debt to ensure its sustainability over time. Although these measures could generate positive effects in the short term, we cannot assure that in the long term they will improve the productivity of the Argentine economy and increase its exports to overcome the external restriction that chronically affects it.

Renegotiating sovereign debt is one of the main challenges of the new administration, since in the first half of 2020 it will face net maturities of almost US$ 23,000 million in capital and interest, and will have to enter in a renegotiation agreement with the IMF given the impossibility of obtaining voluntary financing in the capital markets. Likewise, the resolution of the sovereign debt renegotiation is necessary to define the path to be followed by the different Provinces to face their renegotiations of their debts.

There is uncertainty as to whether the Argentine government will succeed in renegotiating the debt with both the IMF and private holders of public debt. In this regard, for all the above, Argentina could face a complicated access to the international capital market in the years to come. The potential consequences of the lack of success could negatively affect the ability of the Argentine government to issue debt or obtain favorable terms when the need to access international capital markets arises, the debt default could be decreed and, consequently, our ability to access these markets could also be limited.

The Company's Management regularly monitors how all those events aforementioned evolve in order to determine possible actions to be adopted and identify potential impacts on the Company's economic and financial position required to be disclosed in future financial statements. These financial statements should be read in the light of these circumstances.

3- Revenues for the twelve month period ended December 31, 2019:

The decrease in inflation adjusted revenues amounts to $ 456.2 million between fiscal years ended December 31, 2019 and 2018 is due to:

- AR$ 985.4 million increase in revenues, as a result of an increase in export transportation and other services;

- AR$ 1,200.0 million decrease in revenues, as a result of the suspension of rate adjustments in an accelerated inflationary context. See Notes 1.2 and 1.3.3 to the Company's financial Statements for fiscal year ended December 31, 2019;

- AR$ 299.7 million of lower revenues from "interruptible" and "exchange and displacement" transportation services; and

- AR$ 58.2 million increase, net of inflation, in "Gas pipeline operation and maintenance and other services". During the year, TGN started to render operation and maintenance services at the new San José de Añelo Turbo Compressor Plant owned by Gas Pacífico S.A. and in certain sections of Northeast gas pipeline located in the provinces of Santa Fe and Chaco.

In 2019, TGN became the successful bidder in the tender conducted by IEASA for the provision of operation and maintenance services for GNEA. So, said service began to be provided in September 2019. This system comprises 1,719 km of piping, 73 meter and regulating stations, four new sections and a headcount of approximately fifteen people. With the award of this new contract, TGN became the largest pipeline operator in South America, operating a system of more than 11,000 km.

As of December 31, 2019, 96.3% of the Company's revenues came from the gas transportation services (regulated business), with the remaining 3.7% being represented by gas pipeline operation and maintenance and other services (non-regulated business). As of December 31, 2018, revenues from the regulated business accounted for 96.7% while those from the non-regulated business accounted for the remaining 3.3%.

National Executive Branch Decree No. 251/2018 dated as of March 27, 2018, ratified and implemented the Memorandum of Understanding for Updating the License Agreement executed between TGN and the Ministry of Energy and Mining and Ministry of Finance on March 30, 2017 (“Memorandum of Understanding”).

The Memorandum of Understanding contains the terms and conditions agreed between the National Executive Branch and TGN for updating the Transportation License, and puts an end to the renegotiation process conducted pursuant to the Economic Emergency Law. The Memorandum covers the contractual period beginning January 6, 2002 to the expiration date of the Transportation License.

Accordingly, ENARGAS approved TGN rate tables resulting from the Integral Tariff Review (ITR) carried out during 2017.

In June 2019, the Government Energy Secretariat (“the Energy Secretariat”) established, through Resolution 336/2019, on an exceptional basis, for the benefit of residential users of natural gas and undiluted propane through networks, a 22% payment deferral for invoices issued from July 1, 2019 to October 31, 2019. Said deferral will be recovered from invoices already issued and to be issued as from December 1, 2019, along five monthly, equal consecutive periods. The financial cost of the deferral shall be borne by the National Government by way of subsidy through payment of interest to distributors, sub-distributors, transporters and producers, based on the interest rate for 30- or 35-day term deposits for $ 20 million and higher amounts, published by the Central Bank of Argentina (“BCRA”). On August 23, 2019, the Energy Secretariat through Resolution 488/2019, established the procedure for distributors to defer payment to transporters, as well as the methodology for calculating and paying applicable interest. According to said resolution, distributors must disclose to transporters and ENARGAS, in the form of a sworn statement, the amounts to be deferred, and ENARGAS in turn must forward the so compiled information to the Energy Secretariat, which will be the one responsible for calculating and issuing interest payment orders to licensees within 30 business days from the relevant deferral month end. As of today, the amount deferred by distributors in their payments to TGN, as shown in the respective sworn statements, has reached $ 406.7 million. The reporting and interest calculation process is delayed, with no interest payment orders having been issued as of today.

In September 2019, the Energy Secretariat passed Resolution 521/2019 (amended by Resolution 751/2019) deferring the semiannual rate adjustment that should have been applied effective October 1, 2019, until February 1, 2020, and further established that licensees would be compensated with the Mandatory Investment Plan review to the extent of the lower revenues derived from said measure. Consequently, between October and December 2019 the Company submitted proposals to ENARGAS for adjusting the MIP for an amount of $ 459.2 million (at December 2016 currency).

However, upon enactment of the Solidarity Law, the new administration that took power in December 2019 announced its intention to suspend rate adjustments for natural gas and electricity transportation and distribution utility services under federal jurisdiction for 180 days, to start renegotiating the ITR in place since 2017, or embark on a rate review on an exceptional basis.

4- Costs and expenses for the twelve month period ended December 31, 2019:

During the twelve month period of 2019, the cost of services amounted to AR$ 9,940.4 million, which represented an increase of 7.5% in comparison with the same period in previous year. This increase is principally due to higher "Property, plant and equipment" depreciation during the current fiscal year, as a result of the revaluation made as of December 31, 2018, which was partially offset by lower easements costs.

Administrative and selling expenses for the period amounted to AR$ 2,108.5 million, showing a 8.7% decrease with respect to the same period in previous year, explained by lower taxes, rates and contributions.

5- Financial situation:

As of December 31, 2019, TGN total financial debt amounted to $ 7,239.8 million, which was composed by a US dollars loan and a Pesos loan. A brief description of the loans follows:

- US dollars loan: this is a syndicated loan taken in October 2017 with Industrial and Commercial Bank of China Limited (Dubai Branch), Citibank N.A. and Itaú Unibanco S.A. (Nassau Branch), for an original amount of US$ 220 million, and having an outstanding balance of US$ 110 million as of year-end. Payment principal schedule is as follows:

Date	Concept	Principal
April 2020	Amortization	25%
October 2020	Amortization	25%

The current interest rate of the financial debt in US dollars is Libor plus 4.00%.

During 2019, TGN has paid principal for US$ 110 million, and interest for US$ 14.6 million in due time and manner, thereby reducing the outstanding balance of said loan to a half.

- Loan in Pesos: this loan relates to a disbursement made by Banco Macro for $ 600 million at a "BADLAR + 12%" rate that was due and paid in January 2020. During 2019, TGN paid $64.4 million of interest.

Company's net debt as of December 31, 2019 amounted to AR$ 3,312.3 million.

During 2019 the company has paid a total of AR$ 3,866.4 million as dividends.

6- Operating data:

Volumes dispatched during the twelve month period of 2019 increased by 4.7% compared to the same period of the previous year. This was mainly as a result of an increase in export transportation services.

The volume of gas received and transported by TGN during 2019 fiscal year reached 18,836 MMm3, that is, an average of 51.6 MMm3/d, distributed as follows: 27.8 MMm3/d, Central West pipeline, 18.0 MMm3/d, Northern pipeline, and 5.8 MMm3/d, were delivered in the Province of Buenos Aires.

Maximum daily injection values at intake were 33.8 MMm3 in Central West pipeline and 25.1 MMm3 in Northern pipeline.

As regards the Northern pipeline, average injection by local producers was 4.0 MMm3/d, while the rest was injection of gas imported from Bolivia, which reached an average of 14.0 MMm3/d, in volumes of around 18 MMm3/d during winter months and 10.5 MMm3/d during all other months.

As to injection received in the Province of Buenos Aires, a total volume of 1,739 MMm3 of LNG was received in the district of Escobar, mostly during the months of May and August. In turn, TGS injected a total of 380 MMm3 in the district of General Rodríguez. It is worth mentioning that during 2019 no LNG was injected in Bahía Blanca and therefore part of the gas injected in the district of Escobar was delivered to TGS to meet residential demand in the area covered by said transporter.

For temperatures similar to those in previous year, there was approximately a 5% reduction in residential consumption and also a lower demand from both industries and thermal power plants. Volumes exported through Gasandes and Norandino gas pipelines reached 1,150 MMm3 and 10 MMm3, respectively.

Below are volumes dispatched broken down by type of contract, by source and by destination:

Per source in million m³	As of 12.31	
	2019	2018
Northern Pipeline	9,777	9,649
Central West Pipeline	11,415	14,295
Final Sections	3,876	-
Total	**25,068**	**23,944**

Dispatched volumes in million m³	As of 12.31	
	2019	2018
Firm	14,092	14,743
Interruptible & exchange and displacement	10,976	9,201
Total	**25,068**	**23,944**

Per destination in million m³	As of 12.31	
	2019	2018
Domestic market	23,909	23,816
Export market	1,159	128
Total	**25,068**	**23,944**

TGN

ANNEXES:

1- Statement of Income (in millions AR$)

-	Twelve month period ended	
-	**12.31.2019**	**12.31.2018**
Revenues	17,791.5	18,247.7
Cost of service	(9,940.4)	(9,243.2)
Gross profit	**7,851.1**	**9,004.5**
Selling expenses	(733.0)	(808.6)
Administrative expenses	(1,375.5)	(1,500.7)
Other net income and expenses	207.1	(167.3)
Income before financial income	**5,949.7**	**6,528.0**
Other net financial income	90.5	(3,104.6)
Financial income	1,068.6	238.3
Financial costs	(841.0)	(637.0)
Gain on monetary position	(744.7)	906.5
Income from investments in affiliated companies	22.7	14.0
Income before income tax	**5,545.8**	**3,945.1**
Income tax	(1,290.7)	1,780.5
Income for the fiscal year	**4,255.1**	**5,725.6**
Other comprehensive income for fiscal year	(2,184.8)	5,135.8
Comprehensive income for the year	**2,070.3**	**10,861.4**

2- Balance Sheet (in millions AR$)

	12.31.2019	12.31.2018
ASSETS		
Non-current assets		
Property, plant and equipment, net	49,052.6	54,701.0
Investments in affiliated companies, net	60.4	43.1
Materials and spare parts, net	844.1	764.6
Other accounts receivable	7.7	15.4
Trade accounts receivable, net	5,097.2	4,945.3
Investments at amortized cost	11.0	29.8
Total non-current assets	**55,073.0**	**60,499.2**
Current assets		
Materials and spare parts	170.2	85.8
Derivative financial instruments	79.9	-
Other accounts receivable, net	432.1	466.7
Trade accounts receivable, net	2,955.8	2,194.6
Investments at amortized cost	1,574.1	3,769.6
Investments at fair value	229.7	559.0
Cash and cash equivalents	2,123.8	3,602.8
Total current assets	**7,565.5**	**10,678.5**
Total assets	**62,638.5**	**71,177.7**
SHAREHOLDERS´ EQUITY		
Common stock	439.4	439.4
Common stock integral adjustment	13,626.4	13,626.4
Property, plant and equipment revaluation allowance	17,378.8	22,182.8
Statutory Reserve	2,813.1	199.6
Optional reserve for working capital and liquidity coverage	1,307.0	-
Voluntary reserve for future dividends	232.9	-
Other reserves	(5.3)	(2.1)
Retained earnings	7,141.8	8,284.2
Total shareholders´ equity	**42,934.2**	**44,730.2**
LIABILITIES		
Non-current liabilities		
Deferred income tax liability	8,934.0	9,854.7
Loans	-	6,363.5
Lease debts	10.3	-
Other debts	47.0	50.3
Trade accounts payable	267.2	372.9
Total non-current liabilities	**9,258.6**	**16,641.3**
Current liabilities		
Contingencies	155.1	255.4
Loans	7,239.8	6,527.6
Lease debts	6.0	-
Salaries and social security contributions	385.0	351.9
Income tax	1,358.3	1,358.1
Taxes payable	192.5	225.7
Other debts	97.1	108.4
Trade accounts payable	1,011.9	979.2
Total current liabilities	**10,445.7**	**9,806.1**
Total liabilities	**19,704.3**	**26,447.4**
Total liabilities and shareholders´ equity	**62,638.5**	**71,177.7**

3- Statement of Cash Flows (in millions AR$)

	12.31.2019	12.31.2018
Profit for fiscal year	4,255.1	5,725.6
Adjustments to cash generated by (used in) operating activities:		
Property, plant and equipment depreciation	5,637.5	5,209.3
Residual value of property, plant and equipment written-off	23.4	7.4
Income tax	1,290.7	(1,780.5)
Accrued interest generated by liabilities	1,117.7	931.9
Accrued interest generated by assets	(171.6)	(179.6)
Increase in allowances and provisions (net of recoveries)	(116.9)	2,653.5
Income from derivative financial instruments	(420.5)	-
Exchange rate differences and other net financial income	(5,432.6)	368.8
Loss from investments in affiliated companies	(22.7)	(14.0)
Net changes in operating assets and liabilities		
Decrease (increase) in trade accounts receivable	1,819.3	(1,375.2)
Decrease in other accounts receivable	103.9	158.3
Increase in materials and spare parts	(85.5)	(347.2)
Decrease in trade accounts payable	(254.7)	(85.8)
Increase in salaries and social security contributions	33.1	34.3
Decrease in taxes payable	(1,249.2)	(215.7)
Increase in derivative financial instruments	340.6	-
(Decrease) in other debts	(27.7)	(127.9)
Decrease in contingencies	(100.2)	-
Income tax payment	(311.3)	-
Net cash flow generated by operating activities	**6,428.5**	**10,963.3**
Acquisition of property, plant and equipment	(2,772.6)	(3,450.1)
Subscriptions net of recovery of investments at amortized cost and investments at fair value (non-cash equivalents)	5,993.6	(3,882.6)
Principal received from investments at amortized cost and investments at fair value	8.4	15.7
Interest received from investments at amortized cost and investments at fair value	11.9	27.6
Net cash flow used in investing activities	**3,241.3**	**(7,289.5)**
Loans obtained	648.9	-
Principal paid on loans	(6,704.8)	-
Interest paid on loans	(749.6)	(616.9)
Interest paid on surety bonds	(90.2)	-
Dividend payment in cash	(3,866.4)	(762.1)
Lease payment	(8.8)	-
Net cash flow used in financing activities	**(10,770.9)**	**(1,378.9)**
Net (decrease) increase in cash and cash equivalents	(1,101.1)	2,294.9
Cash and cash equivalents at the beginning of fiscal year	3,602.8	1,080.0
Financial income generated by cash	(378.0)	228.0
Cash and cash equivalents at the end of fiscal year	**2,123.8**	**3,602.8**

This earnings release should be read in connection with the financial statements for the period ended December 31, 2019 that are available at:

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