



**Interim Condensed Financial Statements as of March 31, 2020 in thousand Pesos,
on a comparative basis**



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Overview

Additional information to the Notes to the Interim Condensed Financial Statements required under Title IV, Chapter III, Section 12 of the National Securities Commission regulations.

Review Report on the Interim Condensed Financial Statements

Report from the Supervisory Committee



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Registered address: Don Bosco 3672 – 3rd floor – City of Buenos Aires.

INTERIM CONDENSED FINANCIAL STATEMENTS for the three-month period ended March 31, 2020, on a comparative basis.

Main activity of the Company: provision of natural gas transportation utility service.

Date of registration with the Public Registry: December 1st, 1992.

Registration number with the Superintendency of Corporations: 11,667 – Book 112 - Volume A - Corporations.

Amendments to by-laws registered with the Public Registry: March 7, 1994; June 9, 1994; July 5, 1994; February 14, 1995; August 9, 1995; June 27, 1996; December 23, 1996; September 20, 2000; July 7, 2004; August 24, 2005; August 18, 2006 and September 15, 2017.

Date of expiry of Company's existence: December 1st, 2091.

Controlling shareholder: Gasinvest S.A.

Registered address: Avda. Roque Sáenz Peña 938 – 3rd floor – City of Buenos Aires.

Main activity: investments in securities, real estate and financial activities.

Percentage of shares held by controlling shareholder: 56.354%.

Percentage of votes held by controlling shareholder: 56.354%.

Nominal Capital Structure (Note 14)

Classes of Shares	Subscribed and Paid-in	
	03.31.20	12.31.19
	Thousand \$	
Book-entry class A common shares, of \$1 par value each and entitled to one vote per share	179,264	179,264
Book-entry class B common shares, of \$1 par value each and entitled to one vote per share ⁽¹⁾	172,235	172,235
Book-entry class C common shares, of \$1 par value each and entitled to one vote per share ⁽²⁾	87,875	87,875
Total	439,374	439,374

⁽¹⁾ Authorized for public offering in Argentina and admitted for listing on Bolsas y Mercados Argentinos S.A.

⁽²⁾ Authorized for public offering in Argentina. Listed on Bolsas y Mercados Argentinos S.A.

Juan José Valdez Follino
Regular Statutory Auditor

Emilio Daneri Conte-Grand
President



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INTERIM CONDENSED BALANCE SHEETS AS OF MARCH 31, 2020 AND DECEMBER 31, 2019 (in thousand pesos)

	Note	<u>03.31.2020</u>	<u>12.31.2019</u>
ASSETS			
Non-current assets			
Property, plant and equipment, net	5	52,342,104	52,878,425
Investments in affiliated companies, net	6	70,901	65,100
Materials and spare parts, net	10	953,624	909,949
Other accounts receivable	11	8,705	8,306
Trade accounts receivable, net	12	5,488,263	5,494,798
Investments at amortized cost	8	9,262	11,869
Total non-current assets		58,872,859	59,368,447
Current assets			
Materials and spare parts		164,525	183,431
Derivative financial instruments	8	-	86,136
Other accounts receivable, net	11	728,335	465,788
Trade accounts receivable, net	12	3,185,200	3,186,322
Investments at amortized cost	8	1,085,901	1,696,863
Investments at fair value	8	186,018	247,579
Cash and cash equivalents	13	3,557,679	2,289,409
Total current assets		8,907,658	8,155,528
Total assets		67,780,517	67,523,975

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INTERIM CONDENSED BALANCE SHEETS AS OF MARCH 31, 2020 AND DECEMBER 31, 2019 (in thousand pesos)

	Note	<u>03.31.2020</u>	<u>12.31.2019</u>
SHAREHOLDERS' EQUITY			
Common stock	14	439,374	439,374
Common stock integral adjustment		14,723,423	14,723,423
Property, plant and equipment revaluation surplus		18,234,630	18,734,290
Statutory reserve		3,032,561	3,032,561
Optional reserve for working capital and liquidity coverage		1,408,987	1,408,987
Voluntary reserve for future dividends		251,105	251,105
Other reserves		(9,620)	(5,760)
Retained earnings		8,999,644	7,698,831
Total shareholders' equity		<u>47,080,104</u>	<u>46,282,811</u>
LIABILITIES			
Non-current liabilities			
Deferred income tax liability	7	9,290,912	9,630,861
Lease debts	18	10,227	11,055
Other debts	17	50,904	50,705
Trade accounts payable	19	257,692	288,080
Total non-current liabilities		<u>9,609,735</u>	<u>9,980,701</u>
Current liabilities			
Contingencies	20	155,750	167,246
Loans	15	7,265,309	7,804,449
Lease debts	18	6,786	6,495
Salaries and social security contributions		388,388	414,983
Income tax	7	1,933,330	1,464,223
Taxes payable	16	194,315	207,531
Other debts	17	113,247	104,716
Trade accounts payable	19	1,033,553	1,090,820
Total current liabilities		<u>11,090,678</u>	<u>11,260,463</u>
Total liabilities		<u>20,700,413</u>	<u>21,241,164</u>
Total liabilities and shareholders' equity		<u>67,780,517</u>	<u>67,523,975</u>

The accompanying notes 1 to 27 are an integral part of these interim condensed financial statements.

Juan José Valdez Follino
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Emilio Daneri Conte-Grand
President



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INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019 (in thousand pesos)

	Note	03.31.2020	03.31.2019
Revenues	21	4,300,547	4,504,499
Cost of service	22	<u>(2,335,855)</u>	<u>(2,806,451)</u>
Gross profit		1,964,692	1,698,048
Selling expenses	22	(300,817)	(203,581)
Administrative expenses	22	<u>(321,793)</u>	<u>(330,128)</u>
Income before other net income and expenses		1,342,082	1,164,339
Other net income and expenses	23	<u>(5,423)</u>	<u>6,415</u>
Income before financial income		1,336,659	1,170,754
Net financial income			
Other net financial (loss) / income	24	(11,123)	108,421
Financial income	24	18,375	69,613
Financial costs	24	(125,353)	(198,692)
(Loss) / gain on monetary position	24	<u>(130,686)</u>	<u>99,221</u>
Net financial (loss) / income		(248,787)	78,563
Income from investments in affiliated companies	6	9,661	4,908
Income before income tax		1,097,533	1,254,225
Income tax			
Current	7	(636,329)	(542,824)
Deferred	7	339,949	188,817
Subtotal income tax		(296,380)	(354,007)
Income for the period		801,153	900,218
Items that will be reclassified through profit or loss			
Affiliated companies' financial statements currency translation adjustment	6	(3,860)	147
Other comprehensive income for the period ⁽¹⁾		(3,860)	147
Comprehensive income for the period		797,293	900,365
Net income (loss) per share, basic and diluted	25	1.8234	2.0489

⁽¹⁾ Comprehensive income is shown net of income tax effect.

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INTERIM CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019 (in thousand pesos)

ITEM	Common stock	Common stock integral adjustment	Property, plant and equipment revaluation surplus	Statutory reserve	Optional reserve for working capital and liquidity coverage	Voluntary reserve for future dividends	Other reserves	Retained earnings	Total shareholders' equity
Balances as of December 31, 2018	439,374	14,723,423	23,912,953	215,155	-	-	(2,292)	8,930,379	48,218,992
Profit for the three-month period ended March 31, 2019	-	-	-	-	-	-	-	900,218	900,218
Other comprehensive income	-	-	(887,491)	-	-	-	147	887,491	147
Balances as of March 31, 2019	439,374	14,723,423	23,025,462	215,155	-	-	(2,145)	10,718,088	49,119,357
Resolution at Ordinary Shareholders' Meeting dated April 10, 2019:									
Reinstatement of Statutory Reserve	-	-	-	2,817,406	-	-	-	(2,817,406)	-
Creation of Voluntary Reserve for future dividends	-	-	-	-	-	1,007,504	-	(1,007,504)	-
Creation of Optional Reserve for working capital and liquidity coverage	-	-	-	-	1,408,987	-	-	(1,408,987)	-
Distribution of Dividends in cash	-	-	-	-	-	-	-	(3,411,535)	(3,411,535)
Absorption of Other reserves	-	-	-	-	-	-	2,292	(2,292)	-
Distribution of Voluntary Reserve for future dividends	-	-	-	-	-	(756,399)	-	-	(756,399)
Profit for the complementary nine-month period until December 31, 2019	-	-	-	-	-	-	-	3,686,716	3,686,716
Other comprehensive income	-	-	(4,291,172)	-	-	-	(5,907)	1,941,751	(2,355,328)
Balances as of December 31, 2019	439,374	14,723,423	18,734,290	3,032,561	1,408,987	251,105	(5,760)	7,698,831	46,282,811
Profit for the three-month period ended March 31, 2020	-	-	-	-	-	-	-	801,153	801,153
Other comprehensive income	-	-	(499,660)	-	-	-	(3,860)	499,660	(3,860)
Balances as of March 31, 2020	439,374	14,723,423	18,234,630	3,032,561	1,408,987	251,105	(9,620)	8,999,644	47,080,104

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**INTERIM CONDENSED STATEMENTS OF CASH FLOWS FOR THE THREE-MONTH PERIODS ENDED
MARCH 31, 2020 AND 2019 (in thousand pesos)**

	Note	<u>03.31.2020</u>	<u>03.31.2019</u>
Profit for the period		801,153	900,218
Adjustments to cash generated by operating activities:			
Property, plant and equipment depreciation	5	1,428,929	1,916,220
Residual value of property, plant and equipment written-off	5	78	7,026
Income tax	7	296,380	354,007
Accrued interest generated by liabilities	24	160,488	266,115
Accrued interest generated by assets	24	(18,375)	(69,613)
Increase in allowances and provisions (net of recoveries)		128,203	38,789
Income from derivative financial instruments	24	61,193	-
Exchange rate differences and other net financial income		(267,777)	(355,946)
Loss from investments in affiliated companies	6	(9,661)	(4,908)
Net changes in operating assets and liabilities:			
Decrease in trade accounts receivable		295,176	771,674
(Increase) decrease in other accounts receivable		(249,978)	55,592
Increase in materials and spare parts		(49,566)	(60,699)
Decrease in trade accounts payable		(116,267)	(80,537)
Decrease in salaries and social security contributions		(26,595)	(93,948)
Decrease in taxes payable		(114,088)	(372,143)
Increase in derivative financial instruments		24,943	-
Increase (decrease) in other debts		7,675	(4,805)
Decrease in contingencies		(11,496)	(54,925)
Income tax payment		(66,350)	-
Net cash flow generated by operating activities		<u>2,274,065</u>	<u>3,212,117</u>
Acquisition of property, plant and equipment	5	(890,534)	(870,942)
Subscriptions net of recovery of investments at amortized cost and investments at fair value (non-cash equivalents)		952,397	(1,069,033)
Principal received from investments at amortized cost and investments at fair value		2,094	3,107
Interest received from investments at amortized cost and investments at fair value		2,242	4,325
Net cash flow generated by (used in) investing activities		<u>66,199</u>	<u>(1,932,543)</u>
Payment of loan with Banco Macro	15.1	(632,547)	-
Lease payment		(2,839)	3,058
Net cash flow (used in) generated by financing activities		<u>(635,386)</u>	<u>3,058</u>
Net increase in cash and cash equivalents		<u>1,704,878</u>	<u>1,282,632</u>
Cash and cash equivalents at the beginning of fiscal year		2,289,409	3,883,830
Financial income generated by cash		(436,608)	20,469
Cash and cash equivalents at the end of the period	13	<u>3,557,679</u>	<u>5,186,931</u>
Transactions not affecting cash:			
Right-of-use on property, plant and equipment through leases	5	<u>(2,152)</u>	<u>(29,750)</u>

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

1 – OVERVIEW

1.1 - Incorporation of the Company

Transportadora de Gas del Norte S.A. (“the Company” or “TGN”) was incorporated on November 24, 1992 as a result of the enactment of Laws Nos. 23,696 on State Reform and 24,076 (“Natural Gas Act”) and the issuance of National Executive Branch Decree No. 1,189/92 which regulates such law, whereby the privatization of the natural gas transportation and distribution services and the setting up of the companies that would receive the licenses to operate those services were established. The Company was granted a license (the “License”) pursuant to which TGN is authorized to provide the public service of natural gas transportation through the exclusive utilization of its two pipelines in the northern and central-western regions of Argentina.

1.2 –Effects of the economic emergency on the License

The License has been subject to a renegotiation process under the Public Emergency Law 25,561 (“LEP”), enacted in January 2002, which further established the pesification of the rates for natural gas transportation services within the domestic market and repealed the semi-annual adjustment mechanism based on the Producer Price Index. Under said legal framework and after more than thirteen years of rate freezing, in March 2017, the Company entered into an Agreement with the PEN toward amendment of its License (the “Comprehensive Agreement”), which was ratified and came into force with the enactment of Decree No. 251 on March 27, 2018. This put an end to the renegotiation process conducted under the LEP. The Comprehensive Agreement covers the contractual period from January 6, 2002 to the end of the License.

The Comprehensive Agreement requires the Company to hold the National Government harmless from and against any arbitration awards obtained by former shareholders CMS and Total prior to the execution of the Comprehensive Agreement. The amount of that indemnity, to be determined, will not include the proportional reduction percentage established under the respective payment agreements, will exclude default interest accrued against the National Government, and will be calculated at its present value. By way of illustration, the amounts awarded are as follows: CMS Gas Transmission Company v. Argentine Republic (Case No. ARB/01/8 in favor of CMS for US\$ 133.2 million, dated May 12, 2005) and Total S.A. v. Argentine Republic (Case No. ARB/04/1 in favor of Total for US\$ 85.2 million, dated November 27, 2013).

TGN shall indemnify the National Government –for such amount to be determined based on the above - only through sustainable investments, additional to those established by the National Gas Regulatory Entity (“ENARGAS”) as mandatory investments in gas pipelines and complementary facilities in “Neuquina Basin”. These investments shall not form part of the Company’s rate base.

Furthermore, the Comprehensive Agreement, which came into force in March 2018 for the 2017 – 2021 period, established rules for the conduct of TGN rate review. See Note 1.3.3 to these interim condensed financial statements as of March 31, 2020.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

1 – OVERVIEW (Cont.)

1.2 – Effects of the economic emergency on the License (Cont.)

The Social Solidarity and Productive Reactivation under the Public Emergency Framework Law No. 27,541 (the “Solidarity Law”), enacted in December 2019, empowered the PEN to maintain natural gas rates that are under federal jurisdiction, and to start renegotiating the comprehensive rate review in force, or else a rate review of an exceptional nature, in the terms of the Gas Act, for a maximum term of up to 180 days, aimed at reducing the actual rate burden on household, commercial and industrial users in year 2020. The PEN was further empowered to administratively intervene ENARGAS for a one-year term. Indeed, on March 16, 2020 the PEN instructed the intervention of the ENARGAS until December 31, 2020, entrusting the comptroller, to conduct a legal, technical and economic audit of all aspects regulated under the Solidarity Law in energetic matters, and to prepare a report to be submitted to the PEN.

1.3 - Regulatory framework

1.3.1 - General

The Natural Gas Act and its regulations, together with the License, the Transfer Agreement, the Bidding Terms and Conditions for the privatization of Gas del Estado S.E. and the resolutions adopted by ENARGAS establish the legal framework pursuant to which the Company carries out its business. The License was granted for an initial term of 35 years, which expires in December 2027. However, the Natural Gas Act and the License provide that the Company may request from ENARGAS an extension of the License for an additional ten-year term. At that time ENARGAS is required to evaluate the Company’s performance and make a recommendation to the National Executive Branch. The request for extension may be filed no less than 18 months nor more than 54 months prior to the expiration date of the initial term.

1.3.2 - Rates

Gas transportation rates were established under the License and are regulated by ENARGAS. Section 38 of the Natural Gas Act establishes that rates must allow covering reasonable operating costs, taxes and depreciation charges, enable to obtain a reasonable profit margin similar to that derived from other comparable or equivalent risky activities and must be in line with the degree of efficiency in the provision of the services. Rates are subject to:

- i. adjustments under the five-year rate review by ENARGAS, concerning the "X" efficiency factor and "K" investment factor, where "X" reduces rates as a result of increased efficiency while "K" increases rates to promote unprofitable investments;
- ii. non-recurring adjustments to reflect changes in costs resulting from changes in tax regulations (except for changes in income tax); and
- iii. non-scheduled adjustments for other objective and justifiable reasons at the discretion of ENARGAS.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

1 – OVERVIEW (Cont.)

1.3 - Regulatory framework (Cont.)

1.3.3 – 2017 Comprehensive rate review

From April 2014 to December 2017 TGN received successive interim rate increases until March 2018 when ENARGAS approved the rates resulting from the Comprehensive Rate Review (“CRR”) conducted by ENARGAS starting in March 2016. Additionally, the CRR provides that between April 1, 2017 and March 31, 2022, the Company must implement a Mandatory Investment Plan (“MIP”) for approximately \$ 5.6 billion, which amount shall be adjusted in line with TGN rates. The Company is bound to both invest the amount committed and to carry out those works described under the MIP.

The regulatory framework provides for non-automatic semiannual transportation rate procedures for rate reviews, due to changes experienced in the cost of the service, in order to maintain the economic-financial balance and quality of the service.

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 has been invoiced in five monthly, equal consecutive periods starting on December 1, 2019. 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 \$ 60,2 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 MIP 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 CRR in place since 2017, or embark on a rate review of an exceptional nature.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

1 – OVERVIEW (Cont.)

1.4 – Current economic context

In addition to the rate issue mentioned earlier, worth noting is the fact that the Company operates within a complex economic context where main variables have recently experienced a strong volatility. Domestically, in particular, the price of the main listed companies' shares, sovereign bonds and the Argentine peso, has dropped substantially. See Note 1.4 to the Company's financial statements as of December 31, 2019, where the economic measures timely adopted by the new national administration which took power in December 2019, are described.

Note also that the outbreak and spread of the so-called Coronavirus (or "Covid-19") toward the end of 2019, have had several consequences on business and economic transactions globally. Given the magnitude of the virus spread, in March 2020 various governments around the world implemented drastic measures to stop the virus spreading including, among other things, closure of borders, prohibition on travels to and from certain parts of the world for a period of time, and finally, a mandatory lockdown on population, together with the suspension of non-essential commercial activities. On March 11, the World Health Organization ("WHO") declared Covid-19 a 'pandemic' globally. Specifically, in Argentina, the National Government issued the Necessity and Urgency Decree No. 260/20 whereby the public emergency in health matters as a result of the WHO pandemic declaration due to Covid-19 was extended for a one-year period. Consequently, a number of preventive measures were adopted aimed at reducing the population traffic, such as a mandatory social distancing from March 20 to May 24, 2020, with only those persons engaged in the provision and/or production of essential goods and services and other permitted activities being allowed to move on the streets. Said isolation might be extended for as long as necessary while the pandemic persists. The ultimate extent of the Coronavirus outbreak and its impact on the global and domestic economy are uncertain, and governments are still likely to adopt tougher measures which are unpredictable at this point in time. As of the date of issue of these interim condensed financial statements, the extent to which the Coronavirus will impact on the Company's business and results of operations, if the current state of affairs extends further in time cannot be reasonably quantified.

Finally, worth mentioning is that in April 2020 the National Government announced the launch of a public debt exchange offer subject to foreign legislation for an amount of US\$ 66.238 billion, which as of the date of issue of these interim condensed financial statements has not been consented to by the majorities required to make such offer extensive to all holders, and further that it would delay bond payment subject to local legislation for an amount of US\$ 49.752 billion until December 31, 2020 or such earlier date to be determined by the Ministry of Economy. Furthermore, in order to mitigate the adverse economic effects of the preventive social distancing mandate, the Government also implemented massive subsidies to the population, reinforced food assistance and adopted other measures in support of companies (including deferral of tax payments and subsidized loans), which lead the Central Bank (BCRA) to increase the issue of currency in order to fund public expenditure, raising concerns about the exchange rate and inflation.

As of the date of issue of these interim consolidated financial statements, the Company has not experienced a significant impact on its results of operations due to the events above described. The Company's Board is keeping track of the events and adopting all necessary measures.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

2 - PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

These interim condensed financial statements for the three-month period ended March 31, 2020 have not been audited. The Company's Management believes that all adjustments necessary have been made to reasonably present the results for the period. The results for the three-month period ended March 31, 2020 do not necessarily reflect the Company's full year results.

In addition, these interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 ("Interim Financial Reporting").

The National Securities Commission ("CNV") under Title IV "Periodic Reporting Regime", Chapter III "Regulations relative to the manner of presentation and valuation criteria for financial statements" – article 1 of its regulations, has established the application of Technical Resolution No. 26 of the Argentine Federation of Professional Councils in Economic Sciences ("FACPCE"), as amended, which adopt International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB"), to certain entities encompassed by the public offering regime of Law No. 26,831, either because of their capital or negotiable obligations, or because those entities have requested authorization to be encompassed by said regime. Furthermore, the provisions of ENARGAS Resolution No. 1660/00 (as amended by Resolution No. 1903/00, also enacted by ENARGAS) regulating certain valuation and disclosure criteria for the regulated natural gas transportation and distribution activity have been applied. These criteria are similar to those established by IFRS. If applicable, certain amounts from prior interim condensed financial statements have been reclassified in order to compare them to the interim condensed financial statements for this period.

These interim condensed financial statements, which were approved for their release by the Company's Board on May 21, 2020, should be read together with the audited financial statements as of December 31, 2019, which have been prepared in accordance with IFRS. These interim condensed financial statements have been prepared following the same accounting policies applied in preparing the audited financial statements as of December 31, 2019.

The interim condensed financial statements have been prepared based on the historic cost, in the measuring unit applicable as of the closing date of the reporting period, except for the revaluation of financial assets and liabilities (including derivative instruments), for which the fair value approach has been used, with the variation shown in the interim condensed statement of comprehensive income.

2.1 – Changes in Interpretation and Accounting Standards

a) New accounting standards, amendments and interpretations issued by IASB applicable as from March 31, 2020, adopted by the Company

There are no new accounting standards, interpretations and/or amendments in effect as of this fiscal year that might have a significant impact on the Company's financial statements.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

2 - PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.1 – Changes in Interpretation and Accounting Standards (Cont.)

b) New accounting standards, interpretations and/or amendments published but not yet effective for this fiscal year

There are no new accounting standards, interpretations and/or amendments in effect as of this fiscal year that might have a significant impact on the Company's financial statements.

3 – FINANCIAL RISK MANAGEMENT

Except as mentioned in Note 3.1. below, as of March 31, 2020 no significant variations in financial risks have been identified with respect to Note 3 to the Company's Financial Statements as of December 31, 2019.

3.1 – Currency Risks

The potential impact on the statement of comprehensive income and the statement of changes in shareholders' equity as of March 31, 2020, resulting from each percentage point of depreciation or appreciation of the peso against the US dollar would account for an approximate loss or profit, as applicable, of \$ 9.5 million, provided that the other economic and financial variables affecting the Company remain stable. This sensitivity analysis is based on reasonable assumptions and information. Yet, actual results might significantly differ from such analysis.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

3 – FINANCIAL RISK MANAGEMENT (Cont.)

Foreign Currency denominated Assets and Liabilities

	03.31.20			12.31.19	
	Amount and type of foreign currency ⁽¹⁾	Current trading price in \$	Amount in local currency ⁽¹⁾	Amount and type of foreign currency ⁽¹⁾	Amount in local currency ⁽¹⁾
ASSETS					
NON-CURRENT ASSETS					
Trade accounts receivable					
Trade accounts receivable with third parties	US\$ 189,378	64.269	12,171,125	US\$ 189,378	12,185,619
Total non-current assets			12,171,125		12,185,619
CURRENT ASSETS					
Other accounts receivable					
Other sundry accounts receivable	US\$ 2,822	64.269	181,367	US\$ 736	47,358
Guarantee deposits – rentals			-	US\$ 250	16,093
Other receivables with controlling company	US\$ 4	64.269	263	US\$ 4	273
Other receivables with affiliated companies	US\$ 2	64.269	120	US\$ 11	688
	R\$ 109	14.90	1,625	R\$ 106	1,604
			183,375		66,016
Trade accounts receivable					
Trade accounts receivable with third parties	US\$ 2,194	64.269	141,025	US\$ 188	12,108
Trade accounts receivable with related parties	US\$ 62	64.269	4,012	US\$ 118	7,577
Trade accounts receivable with affiliated companies	US\$ 22	64.269	1,409	US\$ 11	716
	R\$ 59	14.90	886	R\$ 41	622
			147,332		21,023
Derivative financial instruments					
Derivative financial instruments			-	US\$ 1,339	86,136
			-		86,136
Investments at amortized cost					
Government bonds in US\$ - T-BILLS	US\$ 14,997	64.269	963,851	US\$ 24,461	1,573,954
Government bonds in US\$ - Letes	US\$ 1,772	64.269	113,858	US\$ 1,764	113,516
			1,077,709		1,687,470
Investments at fair value					
Mutual funds in US\$	US\$ 1,288	64.269	82,749	US\$ 985	63,357
Government bonds in US\$	US\$ 1,607	64.269	103,269	US\$ 2,863	184,222
			186,018		247,579
Cash and cash equivalents					
Term deposits in US\$			-	US\$ 5,522	355,322
Mutual funds in US\$	US\$ 30,093	64.269	1,934,060	US\$ 27,601	1,776,005
Bank balances	US\$ 14,720	64.269	946,064	US\$ 501	32,226
			2,880,124		2,163,553
Total current assets			4,474,558		4,271,777
Total assets			16,645,683		16,457,396



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

3 – FINANCIAL RISK MANAGEMENT (Cont.)

Foreign Currency denominated Assets and Liabilities (Cont.)

	03.31.20			12.31.19	
	Amount and type of foreign currency ⁽¹⁾	Current trading price in \$	Amount in local currency ⁽¹⁾	Amount and type of foreign currency ⁽¹⁾	Amount in local currency ⁽¹⁾
LIABILITIES					
CURRENT LIABILITIES					
Trade accounts payable					
Suppliers - goods and services	US\$ 1,625	64.469	104,792	US\$ 1,201	77,565
	£ 433	84.2919	36,483	£ 188	15,955
Unbilled Goods and Services	US\$ 5,829	64.469	375,809	US\$ 6,769	437,012
	£ 361	84.2919	30,427	£ 39	3,301
	€ 18	73.2623	1,351	€ 24	1,744
			548,862		535,577
Loans					
Syndicated loan	US\$ 112,695	64.469	7,265,309	US\$ 110,866	7,157,652
			7,265,309		7,157,652
Total Current Liabilities			7,814,171		7,693,229
Total Liabilities			7,814,171		7,693,229

US\$: US Dollars
 £: Pound sterling
 €: Euros
 R\$: Brazilian Reais

⁽¹⁾ Does not include allowances, provisions for contingencies or discounts at present value.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

4 – BUSINESS SEGMENT INFORMATION

Segment reporting is presented in a manner consistent with the internal reporting submitted to the Chief Operating Decision Maker (“CODM”). The Company’s General Director has been identified as CODM. The management information used by the CODM for decision making is prepared on a quarterly basis, in million Pesos, and does not include any breakdown by business segment, which means that the information is presented as a single segment, and reflects the Company as a whole. It has been determined that the representative measure used for decision making by the CODM is the “management EBITDA”, together with acquisition of “Property, plant and equipment”. Here is the information provided to the CODM (in million Pesos);

	<u>03.31.2020</u>	<u>03.31.2019</u>
Revenues	4,300.5	4,504.5
Operating costs	(1,529.5)	(1,423.9)
Management EBITDA	<u>2,771.0</u>	<u>3,080.6</u>
Acquisition of “Property, plant and equipment”	<u>892.7</u>	<u>900.7</u>

The reconciliation of management EBITDA to net income, before income tax is shown below:

	<u>03.31.2020</u>	<u>03.31.2019</u>
Management EBITDA in million pesos	2,771.0	3,080.6
“Property, plant and equipment” depreciation	(1,428.9)	(1,916.2)
Other net income and expenses	(5.4)	6.4
Net financial income	(248.8)	78.6
Income (loss) from investments in affiliated companies	<u>9.7</u>	<u>4.9</u>
Income before income tax	<u>1,097.6</u>	<u>1,254.3</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

5 – PROPERTY, PLANT AND EQUIPMENT

	03.31.2020										Net book value			
	Original Value					Depreciation					03.31.2020	12.31.2019	03.31.2019	
	At the beginning of fiscal year	Additions	Disposals	Transfers	Impairment/ Revaluation	At the end of period	At the beginning of fiscal year	From the period	Disposals	At the end of period				
Essential assets:														
Gas pipelines and branch lines	38,632,493	-	-	478,559	-	39,111,052	-	1,092,530	-	1,092,530	38,018,522	38,632,493	42,707,374	
Compressor plants	5,380,318	-	(899)	334,260	-	5,713,679	-	221,797	(865)	220,932	5,492,747	5,380,318	6,153,509	
Meter and regulating stations	716,855	-	-	-	-	716,855	-	17,525	-	17,525	699,330	716,855	650,308	
SCADA system	651,525	-	-	-	-	651,525	-	35,163	-	35,163	616,362	651,525	815,856	
Gas inventory	894,103	-	-	-	-	894,103	-	-	-	-	894,103	894,103	950,291	
Lands	45,658	-	-	-	-	45,658	-	-	-	-	45,658	45,658	48,967	
Buildings and civil construction works	1,000,818	-	-	-	-	1,000,818	-	10,114	-	10,114	990,704	1,000,818	1,094,645	
Other technical installations	530,024	-	-	78,457	-	608,481	-	25,921	-	25,921	582,560	530,024	484,091	
Sub-total essential assets	47,851,794	-	(899)	891,276	-	48,742,171	-	1,403,050	(865)	1,402,185	47,339,986	47,851,794	52,905,041	
Other revalued assets														
Lands	25,898	-	-	-	-	25,898	-	-	-	-	25,898	25,898	27,369	
Buildings and civil construction works	300,134	-	-	-	-	300,134	-	2,998	-	2,998	297,136	300,134	328,069	
Sub-total other revalued assets	326,032	-	-	-	-	326,032	-	2,998	-	2,998	323,034	326,032	355,438	
Total revalued assets	48,177,826	-	(899)	891,276	-	49,068,203	-	1,406,048	(865)	1,405,183	47,663,020	48,177,826	53,260,479	
Non-essential assets:														
Building installations	76,117	-	-	-	-	76,117	35,105	742	-	35,847	40,270	41,012	43,768	
Machinery, equipment and tools	383,585	3,474	(751)	-	-	386,308	325,400	3,861	(751)	328,510	57,798	58,185	41,804	
Other technical installations	437,219	2,304	(1,774)	-	-	437,749	422,898	1,580	(1,730)	422,748	15,001	14,321	16,963	
Communication equipment and devices	49,220	-	(28)	-	-	49,192	46,662	227	(28)	46,861	2,331	2,558	2,126	
Vehicles	384,440	-	-	-	-	384,440	228,322	12,547	-	240,869	143,571	156,118	110,099	
Furniture and fixtures	197,842	129	(379)	-	-	197,592	178,931	749	(379)	179,301	18,291	18,911	28,332	
Right of use (Note 18)	31,562	2,152	-	-	-	33,714	12,577	3,175	-	15,752	17,962	18,985	27,173	
Works in progress	4,390,509	884,627	-	(891,276)	-	4,383,860	-	-	-	-	4,383,860	4,390,509	4,414,146	
Sub-total non-essential assets	5,950,494	892,686	(2,932)	(891,276)	-	5,948,972	1,249,895	22,881	(2,888)	1,269,888	4,679,084	4,700,599	4,684,411	
Balances as of March 31, 2020	54,128,320	892,686	(3,831)	-	-	55,017,175	1,249,895	1,428,929	(3,753)	2,675,071	52,342,104	-	-	
Balances as of December 31, 2019	60,175,420	3,020,421	(73,018)	-	(3,007,070)	60,115,753	1,207,976	6,077,172	(47,820)	7,237,328	-	52,878,425	-	
Balances as of March 31, 2019	60,175,420	900,692	(30,299)	-	-	61,045,813	1,207,976	1,916,220	(23,273)	3,100,923	-	-	57,944,890	



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5 – PROPERTY, PLANT AND EQUIPMENT (Cont.)

5.1 – Commitments

As of March 31, 2020, the Company has firm contractual commitments with suppliers for the acquisition of Property, plant and equipment for \$ 520,980.

6 – INVESTMENTS IN AFFILIATED COMPANIES

	<u>03.31.2020</u>	<u>12.31.2019</u>
Balance at the beginning of fiscal year	65,100	46,442
Income from investments in affiliated companies ⁽¹⁾	<u>5,801</u>	<u>18,658</u>
Balance at the end of period	<u>70,901</u>	<u>65,100</u>

⁽¹⁾ Includes \$ (3,860) and \$ (5,760) that have been charged to “Other comprehensive income” in the Statement of Comprehensive Income, as of March 31, 2020 and December 31, 2019, respectively.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

6 – INVESTMENTS IN AFFILIATED COMPANIES (Cont.)

The interest held by the Company in its unlisted affiliated companies was as follows:

Issuer	Description		Amount	Cost	Book value as of		Information on issuer						
	Shares	Face Value			03.31.20	12.31.19	Main Activity	Most Recent Financial Statements					
								Date	Capital Stock and Capital Adjustment	Other Reserves	Retained Earnings	Shareholders' Equity	Percentage of Direct Interest
Comgas Andina S.A.	Common	(1) 1 per share	490	246	68,446	62,418	Gas pipeline operation and maintenance service	03.31.20	115	-	139,574	139,689	49.0
Companhia Operadora do Rio Grande do Sul	Common	(2) 1 per share	49	0.1	2,455	2,682	Gas pipeline operation and maintenance service	03.31.20	1	5,075	(66)	5,010	49.0
Total					70,901	65,100							

- (1) Chilean pesos
(2) Brazilian Reais



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

7 – INCOME TAX

Deferred income tax assets and liabilities are offset when it is legally possible, derive from income tax corresponding to the same entity, are subject to the same tax authority and are presented to the authority on a net basis. The deferred income tax net position is as follows:

	<u>03.31.2020</u>	<u>12.31.2019</u>
Deferred income tax assets:		
Deferred income tax assets to be recovered after 12 months	197,299	244,985
Deferred income tax assets to be recovered within 12 months	<u>62,703</u>	<u>63,790</u>
	<u>260,002</u>	<u>308,775</u>
Deferred income tax liabilities:		
Deferred income tax liabilities to be recovered after 12 months	(9,011,882)	(8,751,278)
Deferred income tax liabilities to be recovered within 12 months	<u>(539,032)</u>	<u>(1,188,358)</u>
	<u>(9,550,914)</u>	<u>(9,939,636)</u>
Deferred income tax liabilities (net)	<u>(9,290,912)</u>	<u>(9,630,861)</u>

Deferred tax assets and liabilities, excluding the settlement of balances, are as follows:

Deferred income tax assets	Trade accounts payable and financial liabilities	Materials and spare parts	Contingencies	Other debts	Other accounts receivable	Total
Balances as of December 31, 2018	191,721	223,517	71,906	15,304	3,276	505,724
Charged to statement of comprehensive income	(110,535)	(50,552)	(28,673)	(6,167)	(1,022)	(196,949)
Balances as of December 31, 2019	81,186	172,965	43,233	9,137	2,254	308,775
Charged to statement of comprehensive income	(5,098)	(40,089)	(2,947)	(661)	22	(48,773)
Balances as of March 31, 2020	76,088	132,876	40,286	8,476	2,276	260,002

Deferred income tax liabilities	Property, plant and equipment	Trade accounts receivable	Revaluation of Property, plant and equipment ⁽¹⁾	Investments at fair value	Tax inflation adjustment	Total
Balances as of December 31, 2018	(1,659,949)	(1,253,108)	(8,204,219)	(11,720)	-	(11,128,996)
Charged to statement of comprehensive income	202,483	(14,219)	1,725,437	(21,199)	(703,142)	1,189,360
Balances as of December 31, 2019	(1,457,466)	(1,267,327)	(6,478,782)	(32,919)	(703,142)	(9,939,636)
Charged to statement of comprehensive income	(2,112)	35,391	249,933	12,448	93,062	388,722
Balances as of March 31, 2020	(1,459,578)	(1,231,936)	(6,228,849)	(20,471)	(610,080)	(9,550,914)

⁽¹⁾ As of March 31, 2020, included net of revaluation balance of “Property, plant and equipment” under Shareholders’ Equity.



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7 – INCOME TAX (Cont.)

Reconciliation between income tax charged to income and the amounts obtained by applying the income tax rate to pre-tax income is presented below:

	<u>03.31.2020</u>	<u>03.31.2019</u>
Income before income tax	1,097,533	1,254,225
Statutory income tax rate	30%	30%
Income tax charge determined by applying statutory tax rate to the income for the fiscal year	<u>(329,260)</u>	<u>(376,267)</u>
Exceptions to statutory income tax rate:		
- Equity items inflation adjustment	(596,460)	(766,803)
- Deferred tax liabilities inflation adjustment at beginning	159,642	178,429
- Income from investments in affiliated companies	2,820	1,399
- Change in income tax rate ⁽¹⁾	83,821	61,061
- Tax inflation adjustment – Title VI and updates art 89 – Income Tax Law	(134,336)	(106,769)
- Tax revaluation – Law 27,430 – Chapter X – art.1	445,789	655,104
- Non-deductible items	-	(161)
- Untaxed items	71,604	-
Total income tax charge	<u>(296,380)</u>	<u>(354,007)</u>

⁽¹⁾ Derived from applying changes in income tax rate to the deferred tax assets and liabilities, as provided under law 27,430, based on the year in which their realization is expected to occur.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

8 – INVESTMENTS

Non-Current:	<u>03.31.2020</u>	<u>12.31.2019</u>
Financial Assets at amortized cost:		
VRD bonds in \$	9,262	11,869
Total financial assets at amortized cost	9,262	11,869
Current:		
Financial Assets at amortized cost:		
Government bonds in US\$ - T-BILLS	963,851	1,573,954
Government bonds in US\$ - Letes	113,858	113,516
VRD bonds in \$	8,192	9,393
Total financial assets at amortized cost	1,085,901	1,696,863
Current:		
Financial assets at fair value:		
Mutual funds in US\$	82,749	63,357
Government bonds in US\$	103,269	184,222
Total financial assets at fair value	186,018	247,579

9 – FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets at fair value⁽¹⁾:

Current:

Classified as “Investments at fair value”:

Mutual funds in US\$	82,749	63,357
Government bonds in US\$	103,269	184,222
Subtotal	186,018	247,579

Classified as “Cash and cash equivalents”:

Mutual funds in \$ (Note 13)	651,944	107,476
Mutual funds in US\$ (Note 13)	1,934,060	1,776,005
Subtotal	2,586,004	1,883,481
Derivative financial instruments ⁽³⁾	-	86,136
Subtotal	-	86,136
Total financial assets at fair value - Current	2,772,022	2,217,196



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

9 – FINANCIAL INSTRUMENTS BY CATEGORY (Cont.)

Financial assets at amortized cost:

	<u>03.31.2020</u>	<u>12.31.2019</u>
Current:		
Classified as “Investments at amortized cost”:		
Government bonds in US\$ - T-BILLS	963,851	1,573,954
Government bonds in US\$ - Letes	113,858	113,516
VRD bonds in \$	8,192	9,393
Subtotal	<u>1,085,901</u>	<u>1,696,863</u>
Classified as “Cash and cash equivalents”:		
Cash and banks (Note 13)	971,675	50,606
Term deposits in US\$ ⁽²⁾ (Note 13)	-	355,322
Subtotal	<u>971,675</u>	<u>405,928</u>
Classified as “Trade accounts receivable” and “Other accounts receivable”	3,501,659	3,306,832
Total financial assets at amortized cost - Current	<u>5,559,235</u>	<u>5,409,623</u>

Non-Current:

Classified as “Investments at amortized cost”:		
VRD bonds in \$	9,262	11,869
Subtotal	<u>9,262</u>	<u>11,869</u>
Classified as “Trade accounts receivable” and “Other accounts receivable”	5,496,968	5,503,104
Total financial assets at amortized cost – Non-Current	<u>5,506,230</u>	<u>5,514,973</u>

Financial liabilities at amortized cost:

Current:

Loans	7,265,309	7,804,449
Trade accounts payable, other debts and lease debt	1,153,586	1,202,031
Total financial liabilities at amortized cost – Current	<u>8,418,895</u>	<u>9,006,480</u>



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9 – FINANCIAL INSTRUMENTS BY CATEGORY (Cont.)

Financial liabilities at amortized cost (Cont.):

Non-Current:	<u>03.31.2020</u>	<u>12.31.2019</u>
Trade accounts payable, other debts and lease debt	318,823	349,840
Total financial liabilities at amortized cost – Non-Current	318,823	349,840

⁽¹⁾ Financial assets at fair value, except for derivative financial instruments, have been measured using Level 1 fair values. The value of financial instruments traded on active markets is based on quoted market prices as of the date of the interim condensed financial statements. The quoted market price used for financial assets held by the Company is the ask price as of March 31, 2020 and December 31, 2019.

⁽²⁾ Investments originally falling due within three months or less are classified as “Cash and cash equivalents” in the interim condensed balance sheet. A breakdown of this account is presented in Note 13 to these interim condensed financial statements.

⁽³⁾ All derivative financial instruments have been measured using Level 2 fair values. The fair value has been determined based on available market information.

Derivative Financial Instruments:

As of December 31, 2019, the Company had exchange rate forward positions due in January 2020 for US\$ 9.6 million (\$ 59.41 per dollar) and in February 2020 for US\$ 17 million (\$ 61.28 per dollar). Those positions have been valued at the exchange rate in force on the futures market at 2019 year end.

10 – MATERIALS & SPARE PARTS

	<u>03.31.2020</u>	<u>12.31.2019</u>
Non-Current		
Spare parts and consumables	1,501,514	1,433,829
Allowance for slow-moving and obsolete materials	<u>(547,890)</u>	<u>(523,880)</u>
Total non-current materials and spare parts	<u>953,624</u>	<u>909,949</u>

Changes in allowance for slow-moving and obsolete materials:

Balance as of December 31, 2018	605,762
– Recoveries, net of gain on monetary position	<u>(5,927)</u>
Balance as of March 31, 2019	599,835
– Recoveries, net of gain on monetary position	<u>(75,955)</u>
Balance as of December 31, 2019	523,880
– Increases, net of gain on monetary position	<u>24,010</u>
Balance as of March 31, 2020	<u>547,890</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

11 – OTHER ACCOUNTS RECEIVABLE

	<u>03.31.2020</u>	<u>12.31.2019</u>
Non-current		
Other	8,705	8,306
Total other accounts receivable – Non-current	<u>8,705</u>	<u>8,306</u>
Current		
Key management personnel (Note 26)	38,901	32,835
Prepaid expenses and advances	498,883	351,730
Attachments, guarantee court deposits and expenses to be recovered	50	54
Assistance fees – controlling shareholder (Note 26)	263	273
Other receivables – affiliated companies (Note 26)	1,745	2,292
Other receivables – other related parties (Note 26)	3,717	-
Service projects to be invoiced	9,997	13,771
Guarantee deposits - rentals	-	16,093
Allowance for doubtful accounts	(7,587)	(7,514)
Other trade receivables	182,366	56,254
Total other accounts receivable - Current	<u>728,335</u>	<u>465,788</u>

12 – TRADE ACCOUNTS RECEIVABLE

Non-current		
Trade accounts receivable - third parties	12,171,125	12,185,619
Allowance for doubtful accounts and disputed amounts	<u>(6,682,862)</u>	<u>(6,690,821)</u>
Total trade accounts receivable – Non-current	<u>5,488,263</u>	<u>5,494,798</u>
Current		
Trade accounts receivable - third parties	3,302,268	3,054,925
Trade accounts receivable – other related parties (Note 26)	353,522	490,865
Trade accounts receivable – affiliated companies (Note 26)	2,295	1,338
Less: Allowance for doubtful accounts and disputed amounts	<u>(472,885)</u>	<u>(360,806)</u>
Total trade accounts receivable - Current	<u>3,185,200</u>	<u>3,186,322</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

12 – TRADE ACCOUNTS RECEIVABLE (Cont.)

Changes in the allowance for non-current doubtful accounts and disputed amounts are as follow:

Balance as of December 31, 2018	6,466,315
– Increases, net of gain on monetary position	<u>190,238</u>
Balance as of March 31, 2019	6,656,553
– Increases, net of gain on monetary position	<u>34,268</u>
Balance as of December 31, 2019	6,690,821
– Recoveries, net	<u>(7,959)</u>
Balance as of March 31, 2020	<u>6,682,862</u>

Changes in the allowance for current doubtful accounts and disputed amounts are as follow:

Balance as of December 31, 2018	626,898
– Recoveries	(104,874)
– Loss on monetary position	<u>(66,057)</u>
Balance as of March 31, 2019	455,967
– Increases	30,398
– Loss on monetary position	<u>(125,559)</u>
Balance as of December 31, 2019	360,806
– Increases	138,184
– Loss on monetary position	<u>(26,105)</u>
Balance as of March 31, 2020	<u>472,885</u>

13 – CASH AND CASH EQUIVALENTS

	<u>03.31.2020</u>	<u>12.31.2019</u>
Cash and banks ⁽¹⁾	971,675	50,606
Mutual funds in \$	651,944	107,476
Mutual funds in US\$	1,934,060	1,776,005
Term deposits in US\$	-	<u>355,322</u>
Total	<u>3,557,679</u>	<u>2,289,409</u>

⁽¹⁾ As of March 31, 2020 and December 31, 2019, 946,064 and 32,226, respectively, denominated in foreign currency, are included. See Note 3 to these interim condensed financial statements.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

14 – COMMON STOCK

The nominal common stock, of \$ 439,373,939, is represented by 179,264,584 book-entry Class A common shares, of \$ 1 par value each and entitled to 1 vote per share, 172,234,601 book-entry Class B common shares, of \$1 par value each and entitled to 1 vote per share, and 87,874,754 book-entry Class C common shares, of \$ 1 par value each and entitled to 1 vote per share. All issued shares are subscribed and paid-in. Class B shares are admitted for listing on Bolsas y Mercados Argentinos S.A. (“BYMA”). Class C shares are listed on BYMA.

15 - LOANS

Note 16 to the Company’s Financial Statements as of December 31, 2019 includes information about the terms and conditions concerning TGN’s financial indebtedness.

As of the date of issue of these interim condensed financial statements, the Company has paid, during the period, US\$ 55 million and US\$ 3.3 million on account of principal and interest, respectively on the Syndicated Loan.

Additionally, in April this year, the Company took a short term borrowing in pesos, mainly in the form of bank overdrafts totaling \$ 3,970 million, on an average term of 61 days, and an average rate of 30%.

Finally, on May 15 this year, the Company took a loan with Banco Santander for \$ 1.0 billion for a term of eighteen months, at a “Badlar + 10.5%” rate.

15.1- Changes in Loans

	<u>03.31.2020</u>	<u>03.31.2019</u>
Balance at the beginning of fiscal year	7,804,449	13,896,528
Accrual of interest on Syndicated Loan	115,672	226,691
Exchange rate difference on Syndicated Loan	522,805	1,904,789
Payment of Loan with Banco Macro	(632,547)	-
Loss on monetary position	(545,070)	(1,491,590)
Balance at the end of period	<u>7,265,309</u>	<u>14,536,418</u>

16 – TAXES PAYABLE

	<u>03.31.2020</u>	<u>12.31.2019</u>
Value Added Tax	93,267	98,962
Turnover Tax	8,643	1,765
Tax withholdings and receipts from third parties	92,405	106,804
Total taxes payable	<u>194,315</u>	<u>207,531</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

17 – OTHER DEBTS

	<u>03.31.2020</u>	<u>12.31.2019</u>
Non-current		
Allowance for easements	50,904	50,705
Total other debts – Non-current	<u>50,904</u>	<u>50,705</u>
Current		
Allowance for easements	19,541	19,141
Key management personnel (Note 26)	38,942	32,879
Contractual liabilities	24,329	22,227
Various fees payable	24,402	23,966
Other debts and customer’s guarantees	6,033	6,503
Total other debts - Current	<u>113,247</u>	<u>104,716</u>

Changes in contractual liabilities

	<u>03.31.2020</u>	<u>03.31.2019</u>
Balance at the beginning of fiscal year	22,227	563
Advances from customers	40,293	-
Consumptions	(9,646)	-
Loss on monetary position	(28,545)	(60)
Balance at the end of period	<u>24,329</u>	<u>503</u>

18 – LEASES

(i) Amounts accounted for in the interim condensed balance sheet

	<u>03.31.2020</u>	<u>12.31.2019</u>
Right-of-use		
Buildings - Offices	17,962	18,985
Lease debt		
Current	6,786	6,495
Non-current	10,227	11,055

(ii) Amounts accounted for in the interim condensed statement of income

	<u>03.31.2020</u>
- Right-of-use depreciation	(3,175)
- Interest and exchange differences	(1,525)



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

19 – TRADE ACCOUNTS PAYABLE

	<u>03.31.2020</u>	<u>12.31.2019</u>
Non-current		
AES Argentina Generación S.A.	257,692	288,080
Total trade accounts payable – Non current	<u>257,692</u>	<u>288,080</u>
Current		
Suppliers – goods and services	366,450	108,742
AES Argentina Generación S.A.	41,358	44,584
Unbilled goods and services	625,745	937,494
Total trade accounts payable - Current	<u>1,033,553</u>	<u>1,090,820</u>

20 - CONTINGENCIES

	<u>Current</u>
Provision for labor, civil and administrative lawsuits	
Balance as of December 31, 2018	275,275
–Increases, net of recoveries	4,213
– Decreases (payments / uses)	(3,639)
–Loss on monetary position	<u>(28,040)</u>
Balance as of March 31, 2019	<u>247,809</u>
– Increases, net of recoveries	(3,631)
– Decreases (payment / uses)	(42,086)
– Loss on monetary position	<u>(34,846)</u>
Balance as of December 31, 2019	<u>167,246</u>
–Recoveries, net	3,457
– Decreases (payment / uses)	(2,852)
– Loss on monetary position	<u>(12,101)</u>
Balance as of March 31, 2020	<u>155,750</u>

21 - REVENUES

	<u>03.31.2020</u>	<u>03.31.2019</u>
Gas transportation service	4,077,906	4,333,507
Gas pipeline operation and maintenance and other services	222,641	170,992
Total revenues	<u>4,300,547</u>	<u>4,504,499</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

22 – EXPENSES BY NATURE

Item	Cost of service		Selling expenses		Administrative expenses		Total as of 03.31.2020	Total as of 03.31.2019
	2020	2019	2020	2019	2020	2019		
Directors' fees	-	-	-	-	6,786	7,631	6,786	7,631
Supervisory Committee's fees	-	-	-	-	1,903	2,056	1,903	2,056
Fees for professional services	17,810	19,502	14	301	22,645	39,178	40,469	58,981
Salaries, wages and other personnel benefits	259,684	233,984	5,766	6,367	108,395	87,327	373,845	327,678
Social security contributions	48,695	44,445	1,126	1,251	20,172	16,549	69,993	62,245
Materials and spare parts	110,913	143,839	-	33	4,595	380	115,508	144,252
Third party services and supplies	27,600	25,783	103	-	1,243	1,770	28,946	27,553
Maintenance and repair of property, plant and equipment	344,228	377,349	1,677	844	5,797	9,898	351,702	388,091
Travel expenses	32,699	38,272	266	516	5,805	4,621	38,770	43,409
Freight and transportation	4,631	7,680	-	-	47	4	4,678	7,684
Post and telecommunication expenses	2,343	1,516	160	93	1,943	1,126	4,446	2,735
Insurance	39,919	30,337	4	3	2,162	2,084	42,085	32,424
Office supplies	4,657	5,053	274	163	3,773	5,385	8,704	10,601
Rentals	8,190	4,492	88	136	3,238	1,498	11,516	6,126
Easements	9,855	12,100	-	-	-	-	9,855	12,100
Taxes, rates and contributions	1,903	1,442	151,630	157,110	92,479	105,488	246,012	264,040
Property, plant and equipment depreciation	1,393,539	1,858,809	894	19,137	34,496	38,274	1,428,929	1,916,220
Doubtful accounts	-	-	138,800	17,613	-	-	138,800	17,613
Lawsuits	-	-	-	-	3,457	4,213	3,457	4,213
Slow-moving and obsolete materials and spare parts	24,010	(5,927)	-	-	-	-	24,010	(5,927)
Other	5,179	7,775	15	14	2,857	2,646	8,051	10,435
Balances as of March 31, 2020	2,335,855	-	300,817	-	321,793	-	2,958,465	-
Balances as of March 31, 2019	-	2,806,451	-	203,581	-	330,128	-	3,340,160



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

23 – OTHER NET INCOME AND EXPENSES

	<u>03.31.2020</u>	<u>03.31.2019</u>
Commercial compensation	-	361
Disposal of property, plant and equipment, net	5,676	(5,817)
Other sales, loss recovery and other, net	(11,099)	11,871
Total other net income and expenses	<u>(5,423)</u>	<u>6,415</u>

24 – NET FINANCIAL INCOME

Other net financial income		
Foreign exchange gain, net	162,641	75,444
(Loss) / Income from changes in fair values	(112,571)	28,286
Loss from derivative financial instruments	(61,193)	-
Other	-	4,691
Total other net financial income	<u>(11,123)</u>	<u>108,421</u>
Financial income		
Interest	18,375	69,613
Total financial income	<u>18,375</u>	<u>69,613</u>
Financial costs		
Interest	(160,488)	(266,115)
Interest compounded on property, plant and equipment ⁽¹⁾	36,798	70,849
Banking and financial fees, expenses and taxes	(1,663)	(3,426)
Total financial costs	<u>(125,353)</u>	<u>(198,692)</u>
(Loss) / Gain on monetary position	<u>(130,686)</u>	<u>99,221</u>
Total net financial (loss) / income	<u>(248,787)</u>	<u>78,563</u>

(1) The monthly effective compound interest rate used is 0.56%.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

25 – NET EARNINGS PER SHARE

Earnings per common share have been calculated by dividing earnings for the three-month periods ended March 31, 2020 and 2019, by the weighted average of outstanding common shares, which as at said dates totaled 439,373,939 shares. As of March 31, 2020 and 2019 there are neither notes nor other debt securities convertible into shares, for which reason no diluted earnings per share have been disclosed. Basic earnings per share are calculated by dividing profits attributable to the Company's equity holders by the weighted average number of common shares outstanding during the fiscal year. The Company has no preferred shares or debt convertible into shares, so the basic earnings per share are equal to the diluted earnings per share.

26 – RELATED PARTIES

Transactions with related parties are as follows:

	<u>03.31.2020</u>	<u>03.31.2019</u>
Controlling company		
<u>Other net income and expenses</u>		
Gasinvest S.A.	216	1,490
<u>Total other net income and expenses</u>	216	1,490
Affiliated companies		
<u>Revenues</u>		
Comgas Andina S.A.	2,133	2,052
Companhia Operadora do Rio Grande do Sul	317	316
<u>Total revenues</u>	2,450	2,368
<u>Recovery of expenses</u>		
Comgas Andina S.A.	1,238	641
<u>Total recovery of expenses</u>	1,238	641
Other related parties		
<u>Revenues</u>		
Litoral Gas S.A.	599,310	717,081
Ternium Argentina S.A.	80,255	105,544
Compañía General de Combustibles S.A.	12,627	15
Siderca S.A.	52,728	73,450
Transportadora de Gas del Mercosur S.A.	11,940	14,015
Tecpetrol S.A.	29,511	556
Gasoducto Gasandes Argentina S.A.	4,303	3,725
<u>Total revenues</u>	790,674	914,386



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

26 – RELATED PARTIES (Cont.)

Transactions with related parties are as follows (Cont.):

Other related parties (Cont.)

	<u>03.31.2020</u>	<u>03.31.2019</u>
<u>Recovery of expenses</u>		
Gasinvest S.A.	984	-
Transportadora de Gas del Mercosur S.A.	4,655	4,973
<u>Total recovery of expenses</u>	<u>5,639</u>	<u>4,973</u>
<u>Acquisition of materials and property, plant and equipment</u>		
Siat S.A.	-	(17,094)
<u>Total acquisition of materials and property, plant and equipment</u>	<u>-</u>	<u>(17,094)</u>
Key Management Personnel		
Board of Directors' fees	(6,786)	(7,631)
Supervisory Committee's fees	(1,903)	(2,056)



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

26 – RELATED PARTIES (Cont.)

Balances with related parties are as follows:

Trade accounts receivable	<u>03.31.2020</u>	<u>12.31.2019</u>
<u>Other related parties</u>		
Transportadora de Gas del Mercosur S.A.	4,012	7,577
Litoral Gas S.A.	275,438	407,193
Ternium Argentina S.A.	27,557	28,553
Siderca S.A.	17,830	18,304
Tecpetrol S.A.	25,770	20,966
Compañía General de Combustibles S.A.	1,801	7,500
Gasoducto Gasandes Argentina S.A.	1,114	772
<u>Total trade accounts receivable - other related parties</u>	<u>353,522</u>	<u>490,865</u>
<u>Accounts receivable – affiliated companies</u>		
Comgas Andina S.A.	1,409	716
Companhia Operadora do Rio Grande do Sul	886	622
<u>Total accounts receivable –affiliated companies</u>	<u>2,295</u>	<u>1,338</u>
Other accounts receivable		
<u>Assistance fee – controlling company</u>		
Gasinvest S.A.	263	273
<u>Total assistance fee – controlling company</u>	<u>263</u>	<u>273</u>
<u>Other accounts receivable – affiliated companies</u>		
Comgas Andina S.A.	120	688
Companhia Operadora do Rio Grande do Sul	1,625	1,604
<u>Total other accounts receivable – affiliated companies</u>	<u>1,745</u>	<u>2,292</u>
<u>Other accounts receivable – related parties</u>		
Gasoducto Gasandes Argentina S.A.	134	-
Transportadora de Gas del Mercosur S.A.	3,583	-
<u>Total other accounts receivable – related parties</u>	<u>3,717</u>	<u>-</u>
<u>Other accounts receivable - Key Management Personnel</u>		
Board of Directors and Supervisory Committee’s fees paid in advance	38,901	32,835
<u>Total other accounts receivable - Key Management Personnel</u>	<u>38,901</u>	<u>32,835</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

26 – RELATED PARTIES (Cont.)

Balances with related parties are as follows:

	<u>03.31.2020</u>	<u>12.31.2019</u>
Other debts		
<u>Other debts - Key Management Personnel</u>		
Provision for Directors and Supervisory Committee's fees	(38,942)	(32,879)
<u>Total other debts Key Management Personnel</u>	(38,942)	(32,879)

27 – SUBSEQUENT EVENTS

As of the date of issuance of these interim condensed financial statements, the US dollar exchange rate published by Banco de la Nación Argentina amounts to 68 pesos per US dollar. See Note 3.1 to these interim condensed financial statements, where the impact on the Company's equity is described.

At the Ordinary Shareholders' Meeting held last May 21, it was resolved that retained earnings as of December 31, 2019 amounting to \$ 7,148,804, be allocated to the "*Reserve for working capital and liquidity coverage*", in order to meet all expenses and investments necessary for the provision of the service and fulfilment of the corporate purpose.

No events or circumstances have occurred subsequent to March 31, 2020 which impact or may significantly impact on the Company's financial or economic position as of that date other than those made available to the public and disclosed in these interim condensed financial statements.

Juan José Valdez Follino
Regular Statutory Auditor

Emilio Daneri Conte-Grand
President



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019

As required by the National Securities Commission (“CNV”), an overview of Transportadora de Gas del Norte S.A. (“TGN” or the “Company”) revenues, financial position, certain economic-financial indicators and business prospects, that must be read in conjunction with the Company’s Interim Condensed Financial Statements for the three-month period ended March 31, 2020, accompanying additional information to the Notes required under Title IV, Chapter III, Section 12 of CNV’s regulations and relevant facts timely informed to the CNV.

D) ANALYSIS OF COMPREHENSIVE INCOME AND FINANCIAL POSITION

Comprehensive income for the period:

	<i>(in million pesos)</i>		
	Three-month period ended 03.31.		
	2020	2019	Variation
Revenues			
Gas transportation service	4,077.9	4,333.5	(255.6)
Gas pipeline operation & maintenance and other services	222.6	171.0	51.6
Total revenues	4,300.5	4,504.5	(204.0)
Cost of service			
Operation and maintenance costs	(942.3)	(947.6)	5.3
Property, plant and equipment depreciation	(1,393.5)	(1,858.8)	465.3
Subtotal	(2,335.8)	(2,806.4)	470.6
Gross profit	1,964.7	1,698.1	266.6
Administrative and selling expenses	(622.6)	(533.7)	(88.9)
Income before other net income and expenses	1,342.1	1,164.4	177.7
Other net income and expenses	(5.4)	6.4	(11.8)
Income before financial income	1,336.7	1,170.8	165.9
Net financial income	(248.8)	78.6	(327.4)
Income from investments in affiliated companies	9.7	4.8	4.9
Income before income tax	1,097.6	1,254.2	(156.6)
Income tax	(296.4)	(354.0)	57.6
Income for the period	801.2	900.2	(99.0)
Currency conversion of affiliated companies financial statements	(3.9)	0.1	(4.0)
Other comprehensive income for the period	(3.9)	0.1	(4.0)
Comprehensive income for the period	797.3	900.3	(103.0)
EBITDA ⁽¹⁾	2,771.0	3,080.6	(309.6)

(1) Earnings before income tax, financial income, property, plant and equipment depreciation and charges on consumable assets that do not involve cash outflows.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019

D) ANALYSIS OF COMPREHENSIVE INCOME AND FINANCIAL POSITION (Cont.)

	<i>(in million pesos)</i>	
	<i>03.31.2020</i>	<i>12.31.2019</i>
<i>Total assets</i>	<i>67,781</i>	<i>67,524</i>
<i>Total liabilities</i>	<i>20,700</i>	<i>21,241</i>
<i>Shareholders' equity</i>	<i>47,081</i>	<i>46,283</i>

The following paragraphs describe the reasons for main variations in TGN's comprehensive income and cash flows, and disclose some economic-financial indicators in connection with the Company's equity.

Revenues

The decrease in inflation adjusted revenues amounting to \$ 204 million between the three-month periods ended March 31, 2020 and 2019 is due to:

- i.* \$ 502 million increase in revenues, as a result of an increase in export transportation and higher domestic "interruptible" and "exchange and displacement" transportation volumes;
- ii.* \$ 758 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 interim condensed financial statements for the three-month period ended March 31, 2020; and
- iii.* \$ 52 million increase, net of inflation, in "Gas pipeline operation and maintenance and other services".

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019

I) ANALYSIS OF COMPREHENSIVE INCOME AND FINANCIAL POSITION (Cont.)

Cost of service

<i>Account</i>	<i>(in million Pesos)</i>		
	Three-month period ended 03.31.		
	2020	2019	Variation
<i>Fees for professional services</i>	17.8	19.5	(1.7)
<i>Salaries, wages and other personnel benefits and social security contributions</i>	308.4	278.4	30.0
<i>Materials and spare parts</i>	110.9	143.8	(32.9)
<i>Maintenance and repair of property, plant and equipment and third-party services and supplies</i>	371.8	403.1	(31.3)
<i>Post, telecommunications, transportation, freight and travel expenses</i>	39.6	47.5	(7.9)
<i>Insurance</i>	39.9	30.3	9.6
<i>Rentals and office supplies</i>	12.9	9.6	3.3
<i>Easements</i>	9.9	12.1	(2.2)
<i>Taxes, rates and contributions</i>	1.9	1.4	0.5
<i>Property, plant and equipment depreciation</i>	1,393.5	1,858.8	(465.3)
<i>Slow-moving and obsolete materials and spare parts</i>	24.0	(5.9)	29.9
<i>Other</i>	5.2	7.8	(2.6)
Total	2,335.8	2,806.4	(470.6)
% of Cost of service on revenues	54.3%	62.3%	(8%)

Accounts recording the most significant variations between both periods are as follows:

- i. \$ 120.7 million increase in *Salaries, wages and other personnel benefits and social security contributions* (which adjusted for inflation amounts to \$ 30 million). Said variation is explained by salary increases due to inflation adjustment (\$ 82.5 million), a higher headcount (\$ 6.1 million), higher overtime and severance pays (\$ 28.9 million) and other;
- ii. \$ 16.4 million decrease in *Materials and spare parts* (which adjusted for inflation amounts to \$ 32.9 million). Said variation is mainly due to lower costs in consumables (\$ 6.4 million) and compression integrity at compressor plants (\$ 6.3 million), offset with higher costs during 2019 in communication projects (\$ 4.7 million), cathodic protection (\$ 9.1 million) and changes in pipeline layout (\$ 8.6 million);
- iii. \$ 93.7 million increase in *Maintenance and repair of property, plant and equipment and third-party services and supplies* (which adjusted for inflation amounts to a \$ 31.3 million decrease). Said variation is mainly due to higher costs associated with cleaning and dismantling of facilities (\$ 9.7 million), outsourced maintenance works (\$ 2.1 million), anti-corrosion protection (\$ 24.9 million), pipeline inspections (\$ 26.4 million), river crossings (\$ 17.7 million), cathodic protection (\$ 9.6 million), pipe repairs (\$ 20.6 million), integrity at meter and regulating stations (\$ 9.4 million), transportation projects (\$ 5.6 million) and service projects (\$ 6.4 million), partially offset with lower costs in backfill and safety strip projects (\$ 21.1 million), integrity of ancillary facilities (\$ 11.5 million), compression integrity at compressor plants (\$ 11.4 million) and communication projects (\$ 4.9 million); and
- iv. \$ 25.5 million decrease in *Property, plant and equipment depreciation* (which adjusted for inflation amounts to \$ 465.3 million). Said variation is due to the lower “*Property, plant and equipment*” depreciation during the current period, as a result of the impairment recorded as of December 31, 2019.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019

D) ANALYSIS OF COMPREHENSIVE INCOME AND FINANCIAL POSITION (Cont.)

Administrative and selling expenses

<i>Accounts</i>	<i>(in million pesos)</i>		
	Three-month period ended 03.31.		
	2020	2019	Variation
<i>Salaries, wages and other personnel benefits and social security contributions</i>	135.5	111.5	24.0
<i>Property, plant and equipment depreciation</i>	35.4	57.4	(22.0)
<i>Fees for professional services</i>	22.7	39.5	(16.8)
<i>Taxes, rates and contributions</i>	244.1	262.6	(18.5)
<i>Post, telecommunications, transportation, freight and travel expenses</i>	8.2	6.3	1.9
<i>Maintenance and repair of property, plant and equipment and third-party services and supplies</i>	8.8	12.5	(3.7)
<i>Rentals and office supplies</i>	7.3	7.1	0.2
<i>Doubtful accounts</i>	138.8	17.6	121.2
<i>Lawsuits</i>	3.5	4.2	(0.7)
<i>Supervisory Committee's fees</i>	1.9	2.1	(0.2)
<i>Board of Directors' fees</i>	6.8	7.6	(0.8)
<i>Materials and spare parts</i>	4.6	0.5	4.1
<i>Insurance</i>	2.2	2.1	0.1
<i>Other</i>	2.8	2.7	0.1
Total	622.6	533.7	88.9
% of Administrative and Selling expenses on revenues	14.48%	11.85%	2.63%

Accounts recording the most relevant variations between both periods are as follows:

- i. \$ 60.2 million increase in *Salaries, wages and other personnel benefits and social security contributions* (which adjusted for inflation amounts to \$ 24 million). Said variation is explained by salary increases due to inflation adjustment (\$ 35 million), a higher headcount (\$ 0.9 million), higher overtime and severance pays (\$ 21 million) and other;
- ii. \$ 67.8 million increase in *Taxes, rates and contributions* (which adjusted for inflation amounts to a \$ 18.5 million decrease). Said variation is mainly due to higher costs associated with tax on bank transactions (\$ 11.4 million), verification and control fee (\$ 10.5 million) and turnover tax (\$ 45.7 million);
- iii. \$ 5.8 million decrease in *Property, plant and equipment depreciation* (which adjusted for inflation amounts to a \$ 22 million decrease), due to the lower "*Property, plant and equipment*" depreciation during the current period, as a result of the impairment recorded as of December 31, 2019; and
- iv. \$ 126.9 million increase in *Doubtful accounts* (which adjusted for inflation amounts to \$ 121.2 million). Said variation is due to higher allowances set up during the current period to cover balances owed by delinquent debtors.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019

D) ANALYSIS OF COMPREHENSIVE INCOME AND FINANCIAL POSITION (Cont.)

Net financial income

(in million pesos)

Accounts	Three-month period ended 03.31.		
	2020	2019	Variation
Other net financial income:			
Exchange rate gain	162.7	75.4	87.3
Loss (income) due to changes in fair values	(112.6)	28.3	(140.9)
Loss from derivative financial instruments	(61.2)	-	(61.2)
Other	-	4.7	(4.7)
Total other net financial (loss) income	(11.1)	108.4	(119.5)
Financial income:			
Interest	18.4	69.6	(51.2)
Total financial income	18.4	69.6	(51.2)
Financial costs:			
Interest	(160.5)	(266.1)	105.6
Interest compounded on Property, plant and equipment	36.8	70.8	(34.0)
Banking, financial and other fees, expenses and taxes	(1.7)	(3.4)	1.7
Total financial costs	(125.4)	(198.7)	73.3
Loss (gain) on monetary position	(130.7)	99.3	(230.0)
Total net financial (loss) income	(248.8)	78.6	(327.4)

Net financial income for the three-month period ended March 31, 2020 showed a lower gain of \$ 101.1 million (which adjusted for inflation amounts to \$ 327.4 million), as compared to the three-month period ended March 31, 2019. Accounts with the most relevant variations between both periods were:

- i. a higher gain of \$ 108.2 million (which adjusted for inflation amounts to \$ 87.3 million), on account of net exchange rate differences on US dollar denominated assets and liabilities;
- ii. a lower gain of \$ 10.6 million (which adjusted for inflation amounts to a higher gain of \$ 54.4 million), associated with interest accrued during the period;
- iii. a lower gain of \$ 127.2 million (which adjusted for inflation amounts to \$ 140.9 million), due to changes in fair values accrued during the period;
- iv. a lower gain of \$ 10.6 million (which adjusted for inflation amounts to \$ 34 million), in compound interest in connection with works, the duration of which exceeds one year. The effective monthly compound rate used was 0.56%;
- v. a lower gain of \$ 58.1 million (which adjusted for inflation amounts to \$ 61.2 million), as a result of transactions with derivative instruments; and
- vi. a lower gain of \$ 230 million due to the greater number of monetary assets exposed to inflation held in the current period as compared to the same period in 2019.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019

D) ANALYSIS OF COMPREHENSIVE INCOME AND FINANCIAL POSITION (Cont.)

Income tax

Income tax for the three-month period ended March 31, 2020 reported a lower charge of 57.6 million as compared to the same period in previous year. Said variation is mainly the result of a higher current tax charge of \$ 93.5 million due to a higher gain reported in the three-month period ended March 31, 2020 and a higher deferred income tax gain of \$ 151.1 million.

Summary of statement of cash flows

(in million pesos)

	<i>Three-month period ended 03.31.</i>	
	<i>2020</i>	<i>2019</i>
<i>Cash generated by operating activities</i>	<i>1,817.1</i>	<i>2,592.0</i>
<i>Income tax</i>	<i>296.4</i>	<i>354.0</i>
<i>Interest accrued on liabilities</i>	<i>160.5</i>	<i>266.1</i>
<i>Net cash flow generated by operating activities</i>	<i>2,274.0</i>	<i>3,212.1</i>
<i>Acquisition of property, plant and equipment</i>	<i>(890.5)</i>	<i>(870.9)</i>
<i>Subscriptions, net of recovery of investments at amortized cost and investments at fair value (non-cash equivalents)</i>	<i>952.4</i>	<i>(1,069.1)</i>
<i>Principal and interest received from investments at amortized cost and investments at fair value</i>	<i>4.3</i>	<i>7.4</i>
<i>Net cash flow generated by (used in) investing activities</i>	<i>66.2</i>	<i>(1,932.6)</i>
<i>Payment of loan with Banco Macro</i>	<i>(632.5)</i>	<i>-</i>
<i>Lease payment</i>	<i>(2.8)</i>	<i>3.1</i>
<i>Net cash flow (used in) generated by financing activities</i>	<i>(635.3)</i>	<i>3.1</i>
<i>Net increase in cash and cash equivalents</i>	<i>1,704.9</i>	<i>1,282.6</i>
<i>Cash and cash equivalents at the beginning of fiscal year</i>	<i>2,289.4</i>	<i>3,883.8</i>
<i>Financial income generated by cash</i>	<i>(436.6)</i>	<i>20.5</i>
<i>Cash and cash equivalents at the end of period</i>	<i>3,557.7</i>	<i>5,186.9</i>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019

D) ANALYSIS OF COMPREHENSIVE INCOME AND FINANCIAL POSITION (Cont.)

Breakdown of cash and cash equivalents

<i>Accounts</i>	<i>(in million pesos)</i>	
	<i>Three-month period ended 03.31.</i>	
	<i>2020</i>	<i>2019</i>
<i>Cash and banks⁽¹⁾</i>	971.7	2,417.0
<i>Term deposits in US\$</i>	-	423.2
<i>Mutual funds in \$</i>	651.9	128.3
<i>Mutual funds in US\$</i>	1,934.1	2,218.4
<i>Cash and cash equivalents at the end of period</i>	3,557.7	5,186.9

⁽¹⁾ As of March 31, 2020 and 2019 it includes \$ 946.1 million and \$ 2,412.2 million, respectively, denominated in foreign currency.

II) COMPARATIVE BALANCE SHEETS AS OF MARCH 31, 2020 and 2019

<i>Items</i>	<i>(in million pesos)</i>	
	<i>As of 03.31.</i>	
	<i>2020</i>	<i>2019</i>
<i>Non-current assets</i>	58,873	64,334
<i>Current assets</i>	8,908	13,776
<i>Total</i>	67,781	78,110
<i>Shareholders' equity</i>	47,081	49,120
<i>Non-current liabilities</i>	9,610	17,929
<i>Current liabilities</i>	11,090	11,061
<i>Subtotal liabilities</i>	20,700	28,990
<i>Total</i>	67,781	78,110

III) COMPARATIVE COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 and 2019

<i>Items</i>	<i>(in million pesos)</i>	
	<i>As of 03.31.</i>	
	<i>2020</i>	<i>2019</i>
<i>Income before other net income and expenses</i>	1,342.1	1,164.4
<i>Other net income and expenses</i>	(5.4)	6.4
<i>Income before financial income</i>	1,336.7	1,170.8
<i>Net financial income</i>	(248.8)	78.6
<i>Income from investments in affiliated companies</i>	9.7	4.8
<i>Income before income tax</i>	1,097.6	1,254.2
<i>Income tax</i>	(296.4)	(354.0)
<i>Income for the period</i>	801.2	900.2
<i>Other comprehensive income for the period</i>	(3.9)	0.1
<i>Comprehensive income for the period</i>	797.3	900.3

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019

IV) COMPARATIVE STATISTICAL DATA FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 and, 2019

Dispatched volumes in million m3:

	<i>By type of transportation</i>	
	<i>As of 03.31.</i>	
	<i>2020</i>	<i>2019</i>
<i>Firm</i>	3,140	3,345
<i>Interruptible & exchange and displacement</i>	2,485	2,278
Total	5,625	5,623

	<i>By source</i>	
	<i>As of 03.31.</i>	
	<i>2020</i>	<i>2019</i>
<i>Northern Pipeline</i>	2,088	2,092
<i>Central West Pipeline</i>	2,699	3,531
<i>Final sections</i>	838	-
Total	5,625	5,623

	<i>By destination</i>	
	<i>As of 03.31.</i>	
	<i>2020</i>	<i>2019</i>
<i>Domestic market</i>	5,156	5,294
<i>Export market</i>	469	329
Total	5,625	5,623

V) COMPARATIVE RATIOS AS OF MARCH 31, 2020 and 2019

	<i>As of 03.31.</i>	
	<i>2020</i>	<i>2019</i>
<i>Liquidity (1)</i>	0.8032	1.2455
<i>Solvency (2)</i>	2.2744	1.6944
<i>Equity Immobility (3)</i>	0.8686	0.8236

(1) Current assets / current liabilities

(2) Equity / total liabilities

(3) Non-current assets / total assets



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019

VI) BUSINESS PROSPECTS FOR CURRENT FISCAL YEAR (not covered by the Independent Accountants' Report)

This section about the Company's business, operating, financial and regulatory prospects should be read, analyzed and interpreted in conjunction with the notes to the interim condensed financial statements as of March 31, 2020, and the additional information required under Title IV, Chapter III, Section 12 of the National Securities Commission regulations as of March 31, 2020, in order to have a full picture of corporate matters.

Rate increases implemented since 2016 have allowed the Company to cover its operating and maintenance expenses, execute certain works, meet its financial liabilities when due, and distribute dividends in April 2018 and April 2019, as a result of profits derived during fiscal years ended December 31, 2017 and December 31, 2018. In order to maintain transportation rates updated over time and thus be able to meet gas pipeline operation and maintenance requirements, the Comprehensive Rate Review ("CRR") conducted by the National Gas Regulatory Entity ("ENARGAS") introduced non-automatic semiannual transportation rate adjustments, between five-year rate reviews, due to changes experienced in the cost of service, in order to maintain the economic-financial balance and quality of the service.

As part of the semiannual adjustment applicable as from October 1, 2018, ENARGAS resolved to apply the simple average of the Domestic Wholesale Price Index – General Level ("IPIM") published by the National Institute of Statistics and Census, the Construction Cost Index (February 2018 - August 2018), and the Labor Cost Index (December 2017 - June 2018), which resulted in an increase (19.7%) lower than would have otherwise resulted by applying the IPIM (30.7%). As of the date hereof, the Company has been unable to confirm whether the ENARGAS has reasonably analyzed and concluded that the polynomial formula applied for said semiannual adjustment actually maintains the economic-financial sustainability and quality of the service rendered by TGN, as required under item 7.1 of the License Comprehensive Agreement. Assuming that the regulator intended to soften the rate impact on consumers through a price control, the Company requested ENARGAS to discuss the terms of an equivalent compensation (including a review of the scope of the mandatory investment plan ("MIP")), as established in item 9.8 of the Basic Rules of the License.

In March 2019 ENARGAS published the transportation rate tables applied by the Company during "April 2019 – September 2019" period. This time, ENARGAS resumed the IPIM adjustment, applying the variation recorded by this index between August 31, 2018 and February 28, 2019, which resulted in an average 26% increase. ENARGAS also established a new rate zone called "Greater Buenos Aires – Greater Buenos Aires", and further, that the "Neuquén – Neuquén" zone rate be applied to said newly created zone until the next five-year rate review.

In April 2019, the national government announced that after the coming into effect of the rate tables applicable as from April 1, 2019, the natural gas utility rates would remain unchanged until the end of said year.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019

VI) BUSINESS PROSPECTS FOR THE CURRENT FISCAL YEAR (not covered by the Independent Accountants' Report) (Cont.)

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 MIP 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 Social Solidarity and Productive Reactivation under the Public Emergency Framework Law No. 27,541, 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 CRR in place since 2017, or embark on a rate review of an exceptional nature.

Worth mentioning is the fact that the Company operates within an economic context where main variables have recently experienced a strong volatility. The price of the main listed companies' shares, sovereign bonds and the Argentine Peso, has dropped substantially. Against such backdrop, the new administration that took office in December 2019, tightened currency exchange restrictions, embarked on the public debt renegotiation, increased the tax burden, established price agreements, empowered the National Executive Branch to establish mandatory minimum salary increases for private-sector workers and stopped adjusting retirement and pension benefits, among other measures.

Finally, note that the outbreak and spread of the so-called Coronavirus (or "Covid-19") toward the end of 2019, have had several consequences on business and economic transactions globally. Given the magnitude of the virus spread, in March 2020 various governments around the world implemented drastic measures to stop the virus spreading including, among other things, closure of borders, prohibition on travels to and from certain parts of the world for a period of time, and finally, a mandatory lockdown on population, together with the suspension of non-essential commercial activities. On March 11, the World Health Organization ("WHO") declared Covid-19 a 'pandemic' globally. Specifically, in Argentina, the National Government issued the Necessity and Urgency Decree No. 260/20 whereby the public emergency in health matters as a result of the WHO pandemic declaration due to Covid-19 was extended for a one-year period. Consequently, a number of preventive measures were adopted aimed at reducing the population traffic, such as a mandatory social distancing from March 20 to May 24, 2020, with only those persons engaged in the provision and/or production of essential goods and services being allowed to move on the streets. Said isolation might be extended for as long as necessary while the pandemic persists. The ultimate extent of the Coronavirus outbreak and its impact on the global and domestic economy are uncertain, and governments are still likely to adopt tougher measures which are unpredictable at this point in time.

The Company's Management permanently monitors how previously mentioned events evolve in order to determine possible actions to be adopted and identify eventual impacts on the Company's equity and financial position.

City of Buenos Aires, May 21, 2020

Emilio Daneri Conte-Grand
President



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ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS REQUIRED UNDER TITLE IV, CHAPTER III, SECTION 12 OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020 (in thousand pesos, except as otherwise expressly stated).

i. General matters related to the Company's activities:

1. Legislation and regulations applicable to the Company and potential contingencies:

Act No. 24,076 and its regulations, the Bidding Terms and Conditions for the privatization of Gas del Estado S.E. ("GdE"), the Transfer Agreement, the License and the resolutions adopted by the National Gas Regulatory Entity ("ENARGAS") establish the legal framework pursuant to which Transportadora de Gas del Norte S.A. ("TGN" or the "Company") carries out its business. The License, granted for an original term of 35 years, with an option for a ten-year extension, may be revoked by the National Executive Branch upon ENARGAS' recommendation in case the Company fails to comply with the duties thereunder expressly established. If the License is revoked, the Company may be forced to cease operating the assets received from GdE and transfer them to the National Government or any designee thereof. Note 1 to the Company's interim condensed financial statements as of March 31, 2020 describes the Company's legal and regulatory matters.

2. Major changes in the Company's business activities or other similar circumstances that took place during the periods covered by the interim condensed financial statements which affect or could affect the ability to compare them with those submitted in previous or future periods:

See Notes 1.2; 1.3.3; 1.4 and 15 to the Company's interim condensed financial statements for the three-month period ended March 31, 2020.

3. Classification of receivables and payables based on aging and due dates:

	03.31.2020		
	Receivables ⁽¹⁾	Loans ⁽²⁾	Other Payables ⁽³⁾
Past due			
From 04.01.2009 to 03.31.2010	4,028,140	-	985
From 04.01.2010 to 03.31.2011	2,513,427	-	132
From 04.01.2011 to 03.31.2012	1,339,667	-	15
From 04.01.2012 to 03.31.2013	1,375,290	-	52
From 04.01.2013 to 03.31.2014	1,376,581	-	-
From 04.01.2014 to 03.31.2015	1,392,065	-	14
From 04.01.2015 to 03.31.2016	177,030	-	19
From 04.01.2016 to 03.31.2017	39,139	-	6,072
From 04.01.2017 to 03.31.2018	18,094	-	114
From 04.01.2018 to 03.31.2019	289,981	-	3,227
From 04.01.2019 to 06.30.2019	60,280	-	1,289
From 07.01.2019 to 09.30.2019	62,440	-	4,765
From 10.01.2019 to 12.31.2019	537,852	-	95,572
From 01.01.2020 to 03.31.2020	935,270	-	371,564

(1) Includes trade accounts receivable and other accounts receivable, at face value, and excludes allowances.

(2) Recorded at present value.

(3) Includes all non-financial liabilities, excluding contingencies and deferred tax liabilities.



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ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS REQUIRED UNDER TITLE IV, CHAPTER III, SECTION 12 OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020 (in thousand pesos, except as otherwise expressly stated).

	03.31.2020		
	Receivables ⁽¹⁾	Loans ⁽²⁾	Other payables ⁽³⁾
Without due date	434,297	-	2,631,156
To become due		-	
06.30.2020	1,994,284	3,729,009	587,140
09.30.2020	-	-	9,544
12.31.2020	-	3,536,300	9,544
03.31.2021	-	-	9,544
03.31.2022	-	-	38,177
03.31.2023	-	-	38,177
03.31.2024	-	-	38,177
03.31.2025	-	-	38,177
03.31.2026	-	-	38,177
03.31.2027	-	-	38,177
03.31.2028	-	-	28,632
Total as of 03.31.2020	16,573,837	7,265,309	3,988,442

4. Classification of receivables and payables based on their financial effects:

	03.31.2020		
	Receivables ⁽¹⁾	Loans ⁽²⁾	Other payables ⁽³⁾
In local currency	4,072,005	-	3,439,580
In foreign currency	12,501,832	7,265,309	548,862
In kind	-	-	-
Total as of 03.31.2020	16,573,837	7,265,309	3,988,442
Balances subject to adjustment clause	-	-	-
Balances not subject to adjustment clause	16,573,837	7,265,309	3,988,442
Total as of 03.31.2020	16,573,837	7,265,309	3,988,442
Interest bearing balances	945	7,082,095	99,291
Non-interest-bearing balances	16,572,892	183,214	3,889,151
Total as of 03.31.2020	16,573,837	7,265,309	3,988,442

(1) Includes trade accounts receivable, and other accounts receivable at face value, and excludes allowances.

(2) Recorded at present value.

(3) Includes all non-financial liabilities, excluding contingencies and deferred tax liabilities.

5. Interest Percentage and votes in Affiliated Companies – Argentine General Company Law, Section 33:

See Note 6 to the Company's interim condensed financial statements as of March 31, 2020.



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ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS REQUIRED UNDER TITLE IV, CHAPTER III, SECTION 12 OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020 (in thousand pesos, except as otherwise expressly stated).

5.1. Debit and/or Credit balances by company, based on their financial effects:

	Comgas Andina S.A.		Companhia Operadora do Rio Grande do Sul	
	Receivables	Other payables	Receivables	Other payables
Without due date	-	-	317	-
To become due				
From 04.01.2020 to 06.30.2020	3,371	-	-	-
Total as of 03.31.2020	3,371	-	317	-
In local currency	-	-	-	-
In foreign currency	3,371	-	317	-
In kind	-	-	-	-
Total as of 03.31.2020	3,371	-	317	-
Balances subject to adjustment clause	-	-	-	-
Balances not subject to adjustment clause	3,371	-	317	-
Total as of 03.31.2020	3,371	-	317	-
Interest bearing balances	-	-	-	-
Non-interest-bearing balances	3,371	-	317	-
Total as of 03.31.2020	3,371	-	317	-

6. Trade receivables or loans with Directors, Statutory Auditors and their second-degree relatives:

None.

ii. Physical count of inventories:

7. Frequency and scope of physical count of inventories.

The physical count of all (100%) materials and spare parts is performed on an annual basis. Slow-moving and obsolete materials and spare parts amount to \$ 548 million and are totally covered by an allowance. (See Note 10 to the Company's interim condensed financial statements as of March 31, 2020.)



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ADDITIONAL INFORMATION TO THE NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS REQUIRED UNDER TITLE IV, CHAPTER III, SECTION 12 OF THE NATIONAL SECURITIES COMMISSION REGULATIONS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020 (in thousand pesos, except as otherwise expressly stated).

iii. Current values:

8. Source of data used to calculate the current values used to measure inventories, fixed assets and other significant assets.

The only assets the Company appraises using current values are disclosed under “Investments at fair value”. (See Note 8 to the Company’s interim condensed financial statements as of March 31, 2020.)

9. Technically appraised Fixed Assets:

See Note 2.6 to the Company’s Financial Statements as of December 31, 2019.

10. Value of Obsolete Fixed Assets:

None.

iv. Equity Investments in Other Companies:

11. Equity investments in other companies exceeding the provisions of Section 31 of the Argentine General Company Law:

None.

v. Recoverable Values:

12. The criteria followed to determine the recoverable value of the Company’s assets are:

-Materials and spare parts & Property, plant and equipment: the recoverable value of said assets was determined based on their economic use - Note 2.8 and 2.6, respectively, to the Company’s Financial Statements as of December 31, 2019.



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vi. Insurance:

13. Insurance covering the Company's tangible assets are as follows:

Property Insured	Risks covered	Insured amount in thousands	Book value in thousand \$
<ul style="list-style-type: none"> • Personal and real property allocated to the provision of service 	<ul style="list-style-type: none"> Operational all risk and loss of profit. Third party Liability Terrorism. 	<ul style="list-style-type: none"> US\$ 90,000 US\$ 220,000 US\$ 35,000 	47,625,965
<ul style="list-style-type: none"> • Machinery. 	Machinery breakdown.	US\$ 12,000	2,003,899
<ul style="list-style-type: none"> • Vehicles: <ul style="list-style-type: none"> - Management fleet. 	<ul style="list-style-type: none"> Limited liability. Total loss for car accident. Total or partial loss due to fire, robbery or theft. 	<ul style="list-style-type: none"> \$ 10,000 \$ 29,823 \$ 29,823 	8,243
<ul style="list-style-type: none"> - Operational fleet (cars and y pickups). - Trucks and trailers. 	<ul style="list-style-type: none"> Limited liability. Limited liability 	<ul style="list-style-type: none"> \$ 10,000 \$ 22,000 	135,328
<ul style="list-style-type: none"> • Personal property at Head Office and IT equipment. 	<ul style="list-style-type: none"> Fire. Theft. 	<ul style="list-style-type: none"> US\$ 9,500 US\$ 10 	117,152
<ul style="list-style-type: none"> • Works in progress. 	All risk, construction and assembly	US\$ 22,500	4,383,860



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vii. Positive and negative contingencies:

14. Balance of Allowances and Provisions, which jointly or individually exceed 2% of equity:

The allowances and provisions deducted from assets and included under liabilities amount to \$ 7,866,974. The interim condensed financial statements as of March 31, 2020 contain a breakdown of these allowances and provisions and their changes during the fiscal year.

15. Contingencies with an impact on equity likely to occur, which have not been reported in these Interim Condensed Financial Statements:

None.

viii. Irrevocable advances toward future subscription of shares:

16. Status of capitalization process:

There are no irrevocable advances toward future subscription of shares pending to be capitalized.

17. Unpaid cumulative dividends on preferred shares:

None.

18. Conditions, circumstances or terms for the cessation of restrictions on distribution of retained earnings:

At the Shareholders Meeting held on October 3, 2017, the Board was delegated the power to establish restrictions on payment of dividends (see Note 15.2 to the Company's Financial Statements as of December 31, 2017).

Juan José Valdez Follino
Regular Statutory Auditor

Emilio Daneri Conte-Grand
President



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REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

To the Shareholders, President and Directors of
Transportadora de Gas del Norte S.A.
Legal address: Don Bosco 3672 - 3rd floor
Autonomous City of Buenos Aires
Tax Code No. 30-65786305-6

Introduction

We have reviewed the accompanying condensed interim financial statements of Transportadora de Gas del Norte S.A. (hereinafter, "the Company" or "TGN"), comprised of the interim condensed balance sheets at March 31, 2020, the interim condensed statement of comprehensive income for the three months period ended on March 31, 2020 and the interim condensed statement of changes in shareholders' equity and the interim condensed statement of cash flows for the three months period then ended, and the selected explanatory notes.

The amounts and other information related to the fiscal year 2019 and their interim periods are an integral part of the financial statements mentioned above and, therefore, they should be considered in connection with these financial statements.

Management's responsibilities

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 interim condensed consolidated financial statements mentioned in the first paragraph, in accordance with International Accounting Standard 34 "Interim Financial Information" (IAS 34).

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 approved by the International Auditing and Assurance Standards Board (IAASB). A review of interim financial information consists of making inquiries to the Company's personnel responsible for preparing the information included in the interim condensed consolidated financial statements and performing 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 be sure that we would become aware of all significant matters that might be identified in an audit. Therefore, we do not express an audit opinion on the Company's consolidated financial position, consolidated comprehensive income and consolidated cash flows.



Conclusion

On the basis of our review, nothing has come to our attention that make us think that the interim condensed 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 34.

Report on compliance with regulations in force

In compliance with current regulations, we report with respect to Transportadora de Gas del Norte S.A. that:

- a) except for not being transcribed to the Inventory and Balance Sheet book, the interim condensed financial statements of Transportadora de Gas del Norte S.A. comply, in what is within our competence, with the dispositions of General Companies Law and the relevant resolutions of the National Securities Commission;
- b) the interim condensed financial statements of Transportadora de Gas del Norte S.A. arise from accounting records carried in all formal aspects in conformity with legal requirements; except for: i) they are pending to be transcribed to the “Inventory and Balance Sheet” book, and ii) the journal entries from January, February and March are pending to be transcribed to the Journal book
- c) we have read the Overview and the Additional Information to the notes to the interim condensed financial statements required by section 12, Chapter III, Title IV of the regulations of National Securities Commission, on which we have no observations to make insofar as concerns matters within our field of competence;
- d) at March 31, 2020, the liabilities accrued by Transportadora de Gas del Norte S.A. in favor of the Argentine Integrated Social Security System according to the Company's accounting records and calculations amounted to \$33.064.279,86, none of which was claimable at that date.

Autonomous City of Buenos Aires, May 21, 2020

PRICE WATERHOUSE & CO.S.R.L.

(Partner)

Dr. Ezequiel Luis Mirazón

REPORT FROM THE SUPERVISORY COMMITTEE

To the Shareholders of
Transportadora de Gas del Norte S.A.

Documents reviewed

In accordance with the provisions of Section 63, Subsection b) of Buenos Aires Stock Exchange (Bolsa de Comercio de Buenos Aires) Regulations, we have reviewed the enclosed Interim Condensed Financial Statements of Transportadora de Gas del Norte S.A. (hereinafter “the Company” or “TGN”), which comprise the Interim Condensed Balance Sheet as of March 31, 2020, Interim Condensed Statement of Comprehensive Income for the three-month period ended March 31, 2020, and Statement of Changes in Shareholders’ Equity and Statement of Cash Flows for the three-month period ended as of that date, and selected notes,

Balances and other information for fiscal year 2019 and interim periods thereof, are an integral part of the financial statements above mentioned and therefore should be considered in relation to those financial statements.

Management Responsibility

The preparation and presentation of said Financial Statements are the responsibility of the Company’s Board, in exercise of its exclusive duties, and in full observance of applicable regulations. This responsibility includes the design, implementation and maintenance of an adequate and efficient internal control system so that such Statements are free from material mistakes, whether due to error or fraud, and also includes the selection and application of appropriate accounting policies and the most reasonable estimates under the prevailing circumstances.

Supervisory Committee’s Responsibility

We conducted our review of the above mention documents in accordance with Statutory Auditing Standards in force. Those standards require that the review is conducted in accordance with standards applicable to assignments for review of interim financial information and that the consistency of significant information contained in those statements is verified against the information on corporate decisions set forth in minutes, including the consistency of those decisions with the Law and the Company’s Bylaws concerning their formal and documentary aspects.

We have also examined the Review Report on the Interim Condensed Financial Statements by independent auditor Ezequiel Luis Mirazón (CPA), Partner of Price Waterhouse & Co. S.R.L., dated May 21, 2020, issued in compliance with standards applicable in Argentina for the “Review of Interim Financial Information developed by the Company’s Independent Auditor”. Our review included the verification of the work planning, scope, nature and timeliness of the procedures followed and the results of the review conducted by said professional.

We have not conducted any management review and therefore we have not assessed business criteria and decisions concerning the provision of the gas transportation utility service, its administration and commercialization, since these issues are the exclusive responsibility of the Board and are beyond the scope of this Supervisory Committee.

Conclusion

We believe that the scope of our work and the Independent Auditor's Report provide us with a reasonable basis for our opinion, and in accordance with applicable regulations we inform that the Interim Condensed Financial Statements as of March 31, 2020, discussed and approved by the Company's Board on the date hereof, include all material facts and circumstances that have come to our knowledge.

Report on compliance with applicable regulations

- a) The Interim Condensed Financial Statements are derived from accounting systems, which records are then entered on books kept, in all formal respects, in accordance with applicable legislation, and comply with the provisions of the Argentine General Company Law and National Securities Commission resolutions, except for their transcription in the Inventory and Balance Sheet book, which as of the date hereof has not yet been updated. The entries for January to March 2020 have neither been reflected in the Journal.
- b) As regards the above mentioned Interim Condensed Financial Statements, and the Additional Information to the Notes thereto required under Title IV, Chapter III, Section 12 of the National Securities Commission regulations, we have no other remarks than those above stated.
- c) We have complied with the requirements of Section 294 of the Argentine General Company Law, during the reported period.
- d) We have verified compliance with the legal requirements established in National Securities Commission General Resolution No. 830/2020 regarding the remote conduct of the Board meeting at which the Interim Condensed Financial Statements as of March 31, 2020 have been approved.
- e) Note that certain Board, Supervisory Committee and Shareholders meetings, have been "remotely" held in compliance with Emergency Decree (D.N.U.) No. 297/2020 and amendments thereto, as well as with C.N.V. General Resolution No. 830/2020, and the minutes where discussions held at those meetings are reflected have not been yet transcribed or signed in the pertinent books.

City of Buenos Aires, May 21, 2020.

By the Supervisory Committee

Dr. Juan José Valdez Follino
Regular Statutory Auditor