City of Buenos Aires, May 21, 2020

Transportadora de Gas del Norte S.A. (hereinafter the "Company" or "TGN") is pleased to announce results for the three-month period ended March 31, 2020

Stock information:

Market capitalization as of March 30, 2020: ***AR$ 9,754.1 million.***

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

Ticker: TGNO4

Contact:

Nestor Raffaeli*, Chief Financial Officer*

Claudio Diaz*, Finance Manager*

Marcelo Gil*, Capital Markets*

Phone: (5411) 4008 2000

www.tgn.com.ar

(*) Bolsas y Mercados Argentinos S.A.

Main indicators for the three-month period ended March 31, 2020:

• Income for the first quarter 2020 amounted to AR$ 801.2 million (AR$ 1.8234 per share) compared to AR$ 900.2 million (AR$ 2.0489 per share) during the same period in the previous year, principally explained by lower net financial income, which was partially offset by higher operating and higher deferred tax results.

• Revenues for the three-month period reached AR$ 4,300.6 million, equivalent to a decrease of 4.5% in comparison with the same period in previous year where revenues amounted to AR$ 4,504.5 million. This decrease is explained as a result of the suspension of the rate adjustments in an accelerated inflationary context which was partially offset by higher exportation revenues.

• EBITDA [1] for the period reached AR$ 2,771.0 million, representing a decrease of 10.1% compared to the same period in 2019 where EBITDA amounted to AR$ 3,080.6 million.

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

1- Current economic context:

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.

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.

2- Revenues for the three-month period ended March 31, 2020:

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

- AR$ 502 million increase in revenues, as a result of an increase in export transportation and higher domestic "interruptible" and "exchange and displacement" transportation volumes;
- AR$ 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
- AR$ 52 million increase, net of inflation, in "Gas pipeline operation and maintenance and other services".

As of March 31, 2020 94.8% of the Company's revenues came from the gas transportation services (regulated business), with the remaining 5.2% being represented by gas pipeline operation and maintenance and other services (non-regulated business). As of March 31, 2019, revenues from the regulated business accounted for 96.2% while those from the non-regulated business accounted for the remaining 3.8%.

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

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

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

In June 2019, the Government Energy Secretariat ("the Energy Secretariat") established, through Resolution 336/2019, on an exceptional basis, for the benefit of residential users of natural gas and undiluted propane through networks, a 22% payment deferral for invoices issued from July 1, 2019 to October 31, 2019. Said deferral 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 $ 99 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 ITR in place since 2017, or embark on a rate review of an exceptional nature.

3- Costs and expenses for the three-month period ended March 31, 2020:

During the first three-month period of 2020, the cost of service amounted to AR$ 2,335.8 million, which meant a decrease of 16.8% in comparison with the same period in previous year, decreasing from 62.3% over sales in 2019 to a 54.3% in this period. A 98.9% of this variation is due to lower "Property, plant and equipment" depreciation during the current period, as a result of the impairment recorded as of December 31, 2019.

Administrative and selling expenses for the period amounted to AR$ 622.6 million, showing a 16.7% increase with respect to the previous year, explained by higher allowances in doubtful accounts.

4- Financial situation:

As of the end of March, TGN total financial debt amounted to $ 7,265.3 million, which was composed by a US dollars loan taken in October 2017 with Industrial and Commercial Bank of China Limited (Dubai Branch), Citibank N.A. and Itaú Unibanco S.A. (Nassau Branch), for an original amount of US$ 220 million, and having an outstanding balance of US$ 110 million as of year-end. Payment principal schedule is as follows:

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

The applicable interest rate of the financial debt at the end of the period of the interim condensed financial statements is Libor plus 4.00%.

As of April 27, 2020, TGN has paid principal for US$ 55 million and interest for US$ 3.3 million in a timely manner and due form, thereby reducing the outstanding balance of the loan to a quarter of the original amount.

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 annual 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 and at a rate of “Badlar + 10.5%”.

Company's net debt as of March 31, 2020 amounted to AR$ 2,435.7 million.

5- Operating data:

Volumes dispatched during the first three-month period of 2020 increased by 0.04% compared to the same period in 2019. This was mainly as a result of an increase in export transportation services, which was partially offset by a drop in local transportation volumes.

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

Per source in million m³	*As of 03.31*	
	2020	***2019***
Northern Pipeline	*2,088*	*2,092*
Central West Pipeline	*2,699*	*3,531*
Final Sections	*838*	*-*
Total	***5,625***	***5,623***

Dispatched volumes in million m³	*As of 03.31*	
	2020	***2019***
Firm	*3,140*	*3,345*
Interruptible & exchange and displacement	*2,485*	*2,278*
Total	***5,625***	***5,623***

Per destination in million m³	*As of 03.31*	
	2020	***2019***
Domestic market	*5,156*	*5,294*
Export market	*469*	*329*
Total	***5,625***	***5,623***

TGN

ANNEXES:

1- Statement of Income (in millions AR$)

	Three-month period ended 03.31.2020	03.31.2019
Revenues	4,300.5	4,504.5
Cost of service	(2,335.8)	(2,806.4)
Gross profit	**1,964.7**	**1,698.1**
Selling expenses	(300.8)	(203.6)
Administrative expenses	(321.8)	(330.1)
Other net income and expenses	(5.4)	6.4
Income before financial income	**1,336.7**	**1,170.8**
Other net financial income	(11.1)	108.4
Financial income	18.4	69.6
Financial costs	(125.4)	(198.7)
Gain on monetary position	(130.7)	99.3
Income from investments in affiliated companies	9.7	4.8
Income before income tax	**1,097.6**	**1,254.2**
Income tax	(296.4)	(354.0)
Income for the period	**801.2**	**900.2**
Other comprehensive income for the period	(3.9)	0.1
Comprehensive income for the period	**797.3**	**900.3**

2- Balance Sheet (in millions AR$)

	31.03.2020	31.12.2019
ASSETS		
Non-current assets		
Property, plant and equipment, net	52,342.1	52,878.4
Investments in affiliated companies, net	70.9	65.1
Materials and spare parts, net	953.6	909.9
Other accounts receivable	8.7	8.3
Trade accounts receivable, net	5,488.3	5,494.8
Investments at amortized cost	9.3	11.9
Total non-current assets	**58,872.9**	**59,368.4**
Current assets		
Materials and spare parts	164.5	183.4
Derivative financial instruments	-	86.1
Other accounts receivable, net	728.3	465.8
Trade accounts receivable, net	3,185.2	3,186.3
Investments at amortized cost	1,085.9	1,696.9
Investments at fair value	186.0	247.6
Cash and cash equivalents	3,557.7	2,289.4
Total current assets	**8,907.7**	**8,155.5**
Total assets	**67,780.5**	**67,524.0**
SHAREHOLDERS´ EQUITY		
Common stock	439.4	439.4
Common stock integral adjustment	14,723.4	14,723.4
Property, plant and equipment revaluation allowance	18,234.6	18,734.3
Statutory Reserve	3,032.6	3,032.6
Optional reserve for working capital and liquidity coverage	1,409.0	1,409.0
Voluntary reserve for future dividends	251.1	251.1
Other reserves	(9.6)	(5.8)
Retained earnings	8,999.6	7,698.8
Total shareholders´ equity	**47,080.1**	**46,282.8**
LIABILITIES		
Non-current liabilities		
Deferred income tax liability	9,290.9	9,630.9
Lease debts	10.2	11.1
Other debts	50.9	50.7
Trade accounts payable	257.7	288.1
Total non-current liabilities	**9,609.7**	**9,980.7**
Current liabilities		
Contingencies	155.8	167.2
Loans	7,265.3	7,804.4
Lease debts	6.8	6.5
Salaries and social security contributions	388.4	415.0
Income tax	1,933.3	1,464.2
Taxes payable	194.3	207.5
Other debts	113.2	104.7
Trade accounts payable	1,033.6	1,090.8
Total current liabilities	**11,090.7**	**11,260.5**
Total liabilities	**20,700.4**	**21,241.2**
Total liabilities and shareholders´ equity	**67,780.5**	**67,524.0**

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

	03.31.2020	03.31.2019
Profit for the period	801.2	900.2
Adjustments to cash generated by operating activities:		
Property, plant and equipment depreciation	1,428.9	1,916.2
Residual value of property, plant and equipment written-off	0.7	7.0
Income tax	296.4	354.0
Accrued interest generated by liabilities	160.4	266.1
Accrued interest generated by assets	(18.4)	(69.6)
Increase in allowances and provisions (net of recoveries)	128.1	38.8
Income from derivative financial instruments	61.2	-
Exchange rate differences and other net financial income	(267.9)	(355.9)
Loss from investments in affiliated companies	(9.7)	(4.9)
Net changes in operating assets and liabilities		
Decrease in trade accounts receivable	295.1	771.7
(Increase) decrease in other accounts receivable	(249.9)	55.6
Increase in materials and spare parts	(49.6)	(60.7)
Decrease in trade accounts payable	(116.3)	(80.5)
Decrease in salaries and social security contributions	(26.6)	(93.9)
Decrease in taxes payable	(114.1)	(372.1)
Increase in derivative financial instruments	24.8	-
Increase (decrease) in other debts	7.6	(4.8)
Decrease in contingencies	(11.5)	(54.9)
Income tax payment	(66.4)	-
Net cash flow generated by operating activities	**2,274.0**	**3,212.1**
Acquisition of property, plant and equipment	(890.5)	(870.9)
Subscriptions net of recovery of investments at amortized cost and investments at fair value (non-cash equivalents)	952.4	(1,069.1)
Principal received from investments at amortized cost and investments at fair value	2.1	3.1
Interest received from investments at amortized cost and investments at fair value	2.2	4.3
Net cash flow generated by (used in) investing activities	**66.2**	**(1,932.6)**
Payment of loan with Banco Macro	(632.5)	-
Lease payment	(2.8)	3.1
Net cash flow (used in) generated by financing activities	**(635.3)**	**3.1**
Net increase in cash and cash equivalents	1,704.9	1,282.6
Cash and cash equivalents at the beginning of fiscal year	2,289.4	3,883.8
Financial income generated by cash	(436.6)	20.5
Cash and cash equivalents at the end of the period	**3,557.7**	**5,186.9**

This earnings release should be read in connection with the interim condensed financial statements for the three-month period ended March 31, 2020 that are available at:

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