



Interim Condensed Financial Statements as of March 31, 2021 in thousand Pesos, on a comparative basis



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INDEX

Company's Overview
Interim Condensed Balance Sheet
Interim Condensed Statement of Comprehensive Income
Interim Condensed Statement of Changes in Shareholders' Equity
Interim Condensed Statement of Cash Flows

Notes to the Interim Condensed Financial Statements:

- 1 Overview
- 2 Basis of Preparation and Presentation
- 3 Financial Risk Management
- 4 Segment Information
- 5 Property, Plant and Equipment
- 6 Investments in Affiliated Companies
- 7 Financial Instruments by Category
- 8 Trade Accounts Receivable
- 9 Indebtedness
- 10 Contingencies
- 11 Revenues
- 12 Expenses by Nature
- 13 Other Income and Expenses
- 14 Net Financial Income
- 15 Related Parties
- 16 Subsequent Events

Overview

Review Report from the Independent Auditors

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, 2021, 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

Classes of Shares	Subscribed and Paid-in	
	03.31.21	12.31.20
	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.



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INTERIM CONDENSED BALANCE SHEETS AS OF MARCH 31, 2021 AND DECEMBER 31, 2020 ON A COMPARATIVE BASIS (in thousand pesos)

	Note	<u>03.31.2021</u>	<u>12.31.2020</u>
ASSETS			
Non-current assets			
Property, plant and equipment	5	57,834,048	59,782,909
Investments in affiliated companies	6	122,171	127,690
Materials and spare parts		1,641,140	1,652,495
Other accounts receivable		9,132	7,665
Trade accounts receivable	8	7,839,277	8,097,512
Investments at amortized cost	7	3,988	5,709
Investments at amortized cost of restricted availability	7	5,204,097	5,365,480
Total non-current assets		<u>72,653,853</u>	<u>75,039,460</u>
Current assets			
Materials and spare parts		196,487	169,076
Other accounts receivable		748,702	576,185
Trade accounts receivable	8	2,473,696	2,651,991
Investments at amortized cost	7	5,413	6,897
Investments at fair value	7	1,810,536	1,420,232
Cash and cash equivalents	7	3,372,783	3,481,268
Total current assets		<u>8,607,617</u>	<u>8,305,649</u>
Total assets		<u>81,261,470</u>	<u>83,345,109</u>



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INTERIM CONDENSED BALANCE SHEETS AS OF MARCH 31, 2021 AND DECEMBER 31, 2020 ON A COMPARATIVE BASIS (in thousand pesos)

	Note	<u>03.31.2021</u>	<u>12.31.2020</u>
SHAREHOLDERS' EQUITY			
Common stock		439,374	439,374
Common stock integral adjustment		21,190,183	21,190,183
Property, plant and equipment revaluation allowance		15,439,118	16,381,048
Statutory reserve		4,325,913	4,325,913
Optional reserve for working capital and liquidity coverage		12,992,197	12,992,197
Voluntary reserve for future dividends		358,201	358,201
Other reserves		(386)	9,685
Retained earnings		6,656,470	6,417,218
Total shareholders' equity		<u>61,401,070</u>	<u>62,113,819</u>
LIABILITIES			
Non-current liabilities			
Deferred income tax liability		9,384,162	9,905,891
Loans	9.1	5,024,354	5,464,497
Notes	9.2	-	551,593
Lease debts		1,043	12,920
Other debts		64,538	66,851
Trade accounts payable		222,697	258,730
Total non-current liabilities		<u>14,696,794</u>	<u>16,260,482</u>
Current liabilities			
Contingencies	10	159,037	180,280
Loans	9.1	857,703	616,217
Notes	9.2	1,570,036	1,202,885
Lease debts		9,712	14,348
Salaries and social security contributions		468,405	563,684
Income tax, payable		909,213	883,976
Taxes payable		230,022	225,708
Other debts		103,768	98,828
Trade accounts payable		855,710	1,184,882
Total current liabilities		<u>5,163,606</u>	<u>4,970,808</u>
Total liabilities		<u>19,860,400</u>	<u>21,231,290</u>
Total liabilities and shareholders' equity		<u>81,261,470</u>	<u>83,345,109</u>

The accompanying notes 1 to 16 are an integral part of these interim condensed financial statements.

Pablo Lozada
Regular Statutory Auditor

Emilio Daneri Conte-Grand
President



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INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020 (in thousand pesos)

	Note	<u>03.31.2021</u>	<u>03.31.2020</u>
Revenues	11	3,902,392	6,134,681
Cost of service	12	(3,619,483)	(3,332,070)
Gross profit		282,909	2,802,611
Selling expenses	12	(253,087)	(429,112)
Administrative expenses	12	(521,057)	(459,034)
(Loss) income before other income and expenses		(491,235)	1,914,465
Other income and expenses	13	10,258	(7,736)
(Loss) income before financial income		(480,977)	1,906,729
Net financial income			
Other net financial income	14	1,078,894	(15,866)
Financial income	14	231,688	26,212
Financial expenses	14	(249,758)	(178,814)
Loss on monetary position	14	(1,311,063)	(186,428)
Net financial loss		(250,239)	(354,896)
Income from investments in affiliated companies	6	4,552	13,781
Income before income tax		(726,664)	1,565,614
Income tax			
Current		(497,743)	(907,716)
Deferred		521,729	484,933
Subtotal income tax		23,986	(422,783)
(Loss) income for the period		(702,678)	1,142,831
Items that will be reclassified through profit or loss			
Currency conversion of affiliated companies' financial statements	6	(10,071)	(5,506)
Other comprehensive income for the period ⁽¹⁾		(10,071)	(5,506)
Comprehensive loss (income) for the period		(712,749)	1,137,325
Net income (loss) per share, basic and diluted		(1.5993)	2.6010

⁽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, 2021 AND 2020 (in thousand pesos)

ITEM	Common stock	Common stock integral adjustment	Property, plant and equipment revaluation allowance	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, 2019	439,374	21,190,183	26,724,249	4,325,913	2,009,904	358,201	(8,216)	10,982,294	66,021,902
Profit for the three-month period ended March 31, 2020	-	-	-	-	-	-	-	1,142,831	1,142,831
Other comprehensive income	-	-	(712,759)	-	-	-	(5,506)	712,759	(5,506)
Balances as of March 31, 2020	439,374	21,190,183	26,011,490	4,325,913	2,009,904	358,201	(13,722)	12,837,884	67,159,227
Resolution at Ordinary Shareholders' Meeting dated May 22, 2020: Creation of Optional Reserve for working capital and liquidity coverage	-	-	-	-	10,982,293	-	-	(10,982,293)	-
Profit for the complementary nine-month period ended December 31, 2020	-	-	-	-	-	-	-	2,352,294	2,352,294
Other comprehensive income	-	-	(9,630,442)	-	-	-	23,407	2,209,333	(7,397,702)
Balances as of December 31, 2020	439,374	21,190,183	16,381,048	4,325,913	12,992,197	358,201	9,685	6,417,218	62,113,819
Loss for the three-month period ended March 31, 2021	-	-	-	-	-	-	-	(702,678)	(702,678)
Other comprehensive income	-	-	(941,930)	-	-	-	(10,071)	941,930	(10,071)
Balances as of March 31, 2021	439,374	21,190,183	15,439,118	4,325,913	12,992,197	358,201	(386)	6,656,470	61,401,070

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INTERIM CONDENSED STATEMENTS OF CASH FLOWS FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020 (in thousand pesos)

	Note	03.31.2021	03.31.2020
(Loss) Profit for the period		(702,678)	1,142,351
Adjustments to cash generated by (used in) operating activities:			
Property, plant and equipment depreciation	5	2,483,348	2,038,350
Residual value of property, plant and equipment written-off	5	2,243	111
Income tax		(23,986)	422,783
Accrued interest generated by liabilities	14	246,479	228,934
Accrued interest generated by assets	14	(231,688)	(26,212)
Increase in allowances and provisions (net of recoveries)		103,308	182,880
Income from derivative financial instruments	14	-	87,291
Exchange rate differences and other net financial income		(1,211,496)	(381,982)
Loss from investments in affiliated companies	6	(4,552)	(13,781)
Net changes in operating assets and liabilities:			
Decrease in trade accounts receivable		1,070,070	421,065
Increase in other accounts receivable		(13,382)	(356,591)
Increase in materials and spare parts		(15,342)	(70,705)
Decrease in trade accounts payable		(373,815)	(165,854)
Decrease in salaries and social security contributions		(95,279)	(37,937)
Decrease in taxes payable		(99,436)	(162,745)
Increase in derivative financial instruments		-	35,581
(Decrease) increase in other debts		(500)	10,948
Decrease in contingencies		(21,243)	(16,399)
Income tax payment		(373,368)	(94,648)
Net cash flow generated by operating activities		738,683	3,243,921
Net cash flow generated by investing activities			
Acquisition of property, plant and equipment	5	(536,730)	(1,270,336)
Subscriptions net of redemption of investments at amortized cost and investments at fair value (non-cash equivalents)		648,068	1,358,583
Principal received from investments at amortized cost and investments at fair value		1,748	2,987
Interest received from investments at amortized cost and investments at fair value		1,377	3,198
Net cash flow generated by investing activities		114,463	94,432
Net cash flow used in financing activities			
Taking of local loans in pesos	9.1	40,576	-
Payment of interest on Notes	9.2	(137,597)	-
Payment of principal on local loans in pesos	9.1	-	(902,321)
Payment of interest on local loans in pesos	9.1	(69,031)	-
Lease payment		(4,066)	(4,050)
Net cash flow used in financing activities		(170,118)	(906,371)
Net Increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of fiscal year		3,481,268	3,265,816
Financial income generated by cash		(791,513)	(622,816)
Cash and cash equivalents at the end of period		3,372,783	5,074,982
Transactions not affecting cash:			
Right-of-use - property, plant and equipment through leases	5	-	(3,070)

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Pablo Lozada
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, 2021, 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 No. 23,696 on State Reform and 24,076 (“Natural Gas Act”) and the issuance of National Executive Branch (“PEN”) Decree No. 1189/92 which regulates such act, 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 favour of CMS for US\$ 133.2 million, dated May 12, 2005) and Total S.A. v. Argentine Republic (Case No. ARB/04/1 in favour 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 1.3.2).



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021, 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 freeze 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 Natural 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 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 for a term successively extended until December 31, 2021, entrusting the comptroller to conduct a legal, technical and economic audit of all aspects regulated under the Solidarity Law in energy matters, and to prepare a report to be submitted to the PEN. The rate freeze established under the Solidarity Law was successively extended until March 17, 2021 by means of Necessity and Urgency Decrees No. 543/20 and 1020/20. (See Note 1.3.2), respectively.

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 not less than 18 months nor more than 54 months prior to the expiration date of the initial term.

1.3.2 - 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 (expressed in December 2016 currency), 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 semi-annual 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.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

1 – OVERVIEW (Cont.)

1.3 - Regulatory framework (Cont.)

1.3.2 - 2017 comprehensive rate review (Cont.)

In June 2019, the Government Energy Secretariat (the “Energy Secretariat”) established, through Resolution No. 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 is 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. As of the date hereof, the Company has already collected the full deferred amount. As for the subsidy related to the financial cost of the deferral, on March 20, 2021, by means of Resolution No. 220/2021, the Energy Secretariat established for TGN an amount of \$ 153 million, which was collected on April 22 this year.

In September 2019, the Energy Secretariat passed Resolution No. 521/2019 (amended by Resolution No. 751/2019) deferring the semi-annual 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 national government 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. On June 18, 2020, the PEN enacted Decree No. 543/20 extending once again the rate freeze established under the Solidarity Law for another 180 running days.

On November 20, 2020, ENARGAS comptroller submitted a report to the National Energy Secretary and Minister of Economy with the results of the audit and CRR, concluding that the latter would have been affected by serious flaws that could render it null and void and that, in his opinion, would have had a negative impact on the rates paid by users, as a result of which he proposed to opt for the CRR renegotiation alternative foreseen in section 5 of the Solidarity Law. The Company, which received notice of said report on January 7, 2021, disagrees with said conclusions as it considers that the CRR was a valid procedure under the applicable legislation that gave rise to fair and reasonable transportation rates, as required under the Natural Gas Act.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

1 – OVERVIEW (Cont.)

1.3.2 – 2017 Comprehensive rate review (Cont.)

Following ENARGAS comptroller's recommendation, on December 17, 2020, the PEN passed Decree No. 1020/20 instructing to suspend the Comprehensive Agreement to the extent to be established by ENARGAS, to start the CRR renegotiation as established in section 5 of the Solidarity Law and to complete the renegotiation process no later than December 17, 2022. Said process must end with the execution of a final agreement with natural gas transportation and distribution licensees regarding the CRR, with ENARGAS being authorized to apply interim rate adjustments to assure the normal and continued provision of the utility service. Said decree further provides that if no final agreement is reached, the ENARGAS shall enact, *ad referendum* of the PEN, a new rate regime for natural gas transportation and distribution utility services. Hence, on February 22, 2021, ENARGAS passed Resolution No. 47/21 convening a public hearing that took place on March 16, 2021, to discuss the interim rate regime foreseen in Decree 1020/20. Said resolution envisages that any interim rate increase must be endorsed by an agreement to be entered into between licensees and ENARGAS, and further that during the effective term of the interim rate regime licensees will not be allowed to distribute dividends, directly or indirectly prepay financial and commercial liabilities with shareholders, acquire other companies or grant loans, without ENARGAS express authorization.

On March 27, 2021, ENARGAS offered gas distribution and transportation licensees to enter into interim rate adjustment agreements in exchange for their commitment not to bring claims based on the rate freezing established under the Solidarity Law. As such proposal was equal to zero for TGN, the Company declined to enter into said agreement, though it agreed to embark on the CRR renegotiation process established under Decree 1020/20, making reservation of its rights and actions.

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.

The outbreak of the pandemic associated with the Coronavirus in March 2020 has brought about significant consequences at global level. Most countries around the world have imposed a number of restrictions of a kind never seen before. Several of the sanitary restrictions adopted have had, to a greater or lesser extent, an almost immediate impact on the economies, which saw a rapid drop in their production and activity indicators. In response to this situation, most governments have implemented aid packages designed to support part of the population income and reduce the risk of disruption in payment flows, by avoiding financial and economic crises, as well as corporate bankruptcies. Argentina was no exception. The government took action shortly after the pandemic was declared. The Argentine economy was already in a state of recession, restructuring its debt both with private investors and international entities, and the outbreak of the pandemic in March 2020 only made matters worse.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

1 – OVERVIEW (Cont.)

1.4 – Current economic context (Cont.)

Argentina's main macroeconomic indicators are:

- The Gross Domestic Product (“GDP”) drop in 2020 has been 9.9%.
- Primary fiscal deficit for 2020 was 6.5% of the GDP, while the financial deficit reached 8.5% of the GDP.
- Cumulative inflation between January 1, 2021 and March 31, 2021 reached 13% as shown by the Consumer Price Index published by the National Institute of Statistics and Census (“INDEC”).
- From January 1 to March 31, 2021, the peso depreciated 9.3% against the US dollar, as shown by the exchange rate published by Banco de la Nación Argentina.

As of the date of issue of these interim condensed financial statements the context continues to be uncertain and volatile. The Company's Management permanently monitors how the variables that affect the business evolve in order to determine possible actions to be adopted and identify potential impacts on its equity and financial position. These interim condensed financial statements should be read in the light of said circumstances.

2 – BASIS OF PREPARATION AND PRESENTATION

These interim condensed financial statements for the three-month period ended March 31, 2021 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, 2021 do not necessarily reflect how the Company's full year results will evolve. 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 adopts 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 years' interim condensed financial statements have been reclassified in order to compare them to those of this period.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

2 – BASIS OF PREPARATION AND PRESENTATION (Cont.)

These interim condensed financial statements, which were approved for their release by the Company's Board on May 10, 2021, should be read together with the audited financial statements as of December 31, 2020, 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, 2020.

These 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, 2021, adopted by the Company

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

b) New accounting standards, amendments and interpretations issued and not yet effective for the current fiscal year

There are no new accounting standards, interpretations and/or amendments issued and not yet effective for this fiscal year which may have a significant impact on the Company's financial statements.

3 – FINANCIAL RISK MANAGEMENT

Except as mentioned below, as of March 31, 2021 no other significant variations in financial risks have been identified with respect to Note 3 to the Company's Financial Statements as of December 31, 2020

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, 2021 resulting from each percentage point of depreciation or appreciation of the peso against the US dollar would account for an approximate loss or gain, as applicable, of \$ 78 million, provided 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, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

3 – FINANCIAL RISK MANAGEMENT (Cont.)

3.1 – Currency Risks (Cont.)

Foreign Currency denominated Assets and Liabilities

	03.31.21			12.31.20	
	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 (Note 8)					
Trade accounts receivable with third parties	US\$ 189,378	91.80	17,384,886	US\$ 189,378	17,957,563
			17,384,886		17,957,563
Investments at amortized cost of restricted availability (Note 7)					
Investments at amortized cost of restricted availability	US\$ 56,690	91.80	5,204,097	US\$ 56,584	5,365,480
			5,204,097		5,365,480
Total non-current assets			22,588,983		23,323,043
CURRENT ASSETS					
Other accounts receivable					
Other sundry accounts receivable	US\$ 587	91.80	53,877	US\$ 435	41,201
Other receivables with controlling company	US\$ 23	91.80	2,073	US\$ 19	1,843
Other receivables with affiliated companies	US\$ 11	91.80	1,021	US\$ 16	1,577
	R\$ 106	15.50	1,636	R\$ 106	1,837
			58,607		46,458
Trade accounts receivable					
Trade accounts receivable with third parties	US\$ 4,963	91.80	455,592	US\$ 3,292	312,160
Trade accounts receivable with related parties	US\$ 86	91.80	7,857	US\$ 61	5,773
Trade accounts receivable with affiliated companies (Note 8)	US\$ 13	91.80	1,163	US\$ 31	2,992
			464,612		320,925
Investments at fair value (Note 7)					
Government bonds in US\$	US\$ 1,341	91.80	123,061	US\$ 1,636	155,125
			123,061		155,125
Cash and cash equivalents					
Bank balances	US\$ 50	91.80	4,613	US\$ 48	4,537
			4,613		4,537
Total current assets			650,893		527,045
Total assets			23,239,876		23,850,088



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

3 – FINANCIAL RISK MANAGEMENT (Cont.)

3.1 – Currency Risks (Cont.)

Foreign Currency denominated Assets and Liabilities (Cont.)

	03.31.21			12.31.20	
	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					
NON-CURRENT LIABILITIES					
Loans (Note 9.1)					
Loan with Itaú Unibanco S.A. Nassau Branch	US\$ 54,613	92.00	5,024,354	US\$ 54,551	5,185,088
Total Non-current liabilities			5,024,354		5,185,088
CURRENT LIABILITIES					
Trade accounts payable					
Suppliers - goods and services	US\$ 373	92.00	34,354	US\$ 694	65,943
	£ 195	125.46	24,433		-
Unbilled Goods and Services	US\$ 4,001	92.00	368,098	US\$ 1,976	187,864
	£ 330	125.46	41,385	£ 36	4,607
	€ 127	108.57	13,755	€ 20	2,348
			482,025		260,762
Loans					
Itaú Unibanco S.A. Nassau Branch Loan	US\$ 428	92.00	39,356	US\$ 187	17,789
			39,356		17,789
Total Current Liabilities			521,381		278,551
Total Liabilities			5,545,735		5,463,639

US\$: US Dollars

£: Pound sterling

€: Euros

R\$: Brazilian Reais

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



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

3 – FINANCIAL RISK MANAGEMENT (Cont.)

3.2 – Price risks

The Company is exposed to the risk of price fluctuations in investments held and classified in its balance sheet as at fair value through profit or loss. To manage the its exposure to price risks, the Company has a diversified portfolio. Portfolio diversification is subject to the restrictions established in TGN's investment policy.

The potential impact on the statement of comprehensive income and the statement of changes in shareholders' equity resulting from each percentage point increase or decrease in the average quotation of the fair value investment portfolio, would approximately represent a gain or loss, as applicable, of \$37 million, provided the other economic-financial variables affecting the Company remain stable. This sensitivity analysis is based on reasonable assumptions and information. Yet, actual results might significantly differ from said analysis.

3.3 – Interest rate risks on fair value and cash flows

The Company's financial liabilities denominated in local currency amount to \$ 2.25 billion, which accrue a BADLAR variable interest rate plus a fixed margin. The potential impact on the statement of comprehensive income and the statement of changes in shareholders' equity as of March 31, 2021, resulting from each percentage point increase or decrease in BADLAR rate, would approximately represent a pre-tax gain or loss, as applicable, of \$ 22.5 million, provided the other economic-financial variables affecting the Company remain stable. This sensitivity analysis is based on reasonable assumptions and information. Yet, actual results might significantly differ from said analysis.

TGN manages the risk of changes in BADLAR rate by investing part of its liquidity in instruments at said rate so as to diminish the impact a volatility in such rate could have on the statement of comprehensive income and statement of changes in shareholders' equity.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

4 – SEGMENT INFORMATION

Segment information 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>03.31.2021</u>	<u>03.31.2020</u>
Revenues	3,902	6,135
Cost of service	(1,910)	(2,182)
Management EBITDA	<u>1,992</u>	<u>3,953</u>
Acquisition of “Property, plant and equipment”	<u>537</u>	<u>1,273</u>

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

	<u>03.31.2021</u>	<u>03.31.2020</u>
Management EBITDA in million pesos	1,992	3,953
“Property, plant and equipment” depreciation	(2,483)	(2,038)
Other net income and expenses	10	(8)
Net financial income	(250)	(355)
Income from investments in affiliated companies	5	14
Income before income tax	<u>(726)</u>	<u>1,566</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

5 – PROPERTY, PLANT AND EQUIPMENT

	03.31.2021										Resulting Net			
	Original Value					Depreciation					03.31.2021	12.31.2020	03.31.2020	
	At the beginning of fiscal year	Additions	Disposals	Transfers	Impairment	At the end of period	At the beginning of fiscal year	Period	Disposals	At the end of period				
Essential assets:														
Gas pipelines and branch lines	43,049,244	-	-	25,542	-	43,074,786	-	1,932,320	-	1,932,320	41,142,466	43,049,244	54,232,984	
Compressor plants	6,215,625	-	-	72,241	-	6,287,866	-	345,408	-	345,408	5,942,458	6,215,625	7,835,340	
Meter and regulating stations	860,308	-	-	5,255	-	865,563	-	25,163	-	25,163	840,400	860,308	997,586	
SCADA system	935,086	-	-	4,604	-	939,690	-	50,486	-	50,486	889,204	935,086	879,233	
Gas inventory	1,077,046	-	-	-	-	1,077,046	-	-	-	-	1,077,046	1,077,046	1,275,428	
Lands	60,559	-	-	-	-	60,559	-	-	-	-	60,559	60,559	65,131	
Buildings and civil construction works	1,173,796	-	-	-	-	1,173,796	-	19,325	-	19,325	1,154,471	1,173,796	1,413,228	
Other technical installations	902,230	-	-	59,548	-	961,778	-	49,989	-	49,989	911,789	902,230	831,015	
Sub-total essential assets	54,273,894	-	-	167,190	-	54,441,084	-	2,422,691	-	2,422,691	52,018,393	54,273,894	67,529,945	
Other revalued assets														
Lands	30,991	-	-	-	-	30,991	-	-	-	-	30,991	30,991	36,943	
Buildings and civil construction works	352,398	-	-	-	-	352,398	-	7,017	-	7,017	345,381	352,398	423,861	
Sub-total other revalued assets	383,389	-	-	-	-	383,389	-	7,017	-	7,017	376,372	383,389	460,804	
Total revalued assets	54,657,283	-	-	167,190	-	54,824,473	-	2,429,708	-	2,429,708	52,394,765	54,657,283	67,990,749	
Non-essential assets:														
Building installations	195,370	-	-	-	-	195,370	56,371	2,569	-	58,940	136,430	138,999	57,445	
Machinery, equipment and tools	605,370	2,417	(3)	-	-	607,784	485,874	8,205	(3)	494,076	113,708	119,496	82,448	
Other technical installations	853,444	7,468	-	-	-	860,912	626,379	16,247	-	642,626	218,286	227,065	21,399	
Communication equipment and devices	94,740	-	-	-	-	94,740	73,642	1,505	-	75,147	19,593	21,098	3,325	
Vehicles	571,055	11,894	(3,113)	-	-	579,836	391,609	18,965	(2,904)	407,670	172,166	179,446	204,802	
Furniture and fixtures	306,672	-	-	-	-	306,672	259,890	1,763	-	261,653	45,019	46,782	26,092	
Right of use	53,214	-	-	-	-	53,214	36,037	4,386	-	40,423	12,791	17,177	25,623	
Works in progress	4,375,563	514,951	(2,034)	(167,190)	-	4,721,290	-	-	-	-	4,721,290	4,375,563	6,253,526	
Sub-total non-essential assets	7,055,428	536,730	(5,150)	(167,190)	-	7,419,818	1,929,802	53,640	(2,907)	1,980,535	5,439,283	5,125,626	6,674,660	
Balances as of March 31, 2021	61,712,711	536,730	(5,150)	-	-	62,244,291	1,929,802	2,483,348	(2,907)	4,410,243	57,834,048	-	-	
Balances as of December 31, 2020	77,213,469	2,924,687	(178,001)	-	(9,894,772)	70,065,383	1,783,004	8,523,988	(24,518)	10,282,474	-	59,782,909	-	
Balances as of March 31, 2020	77,213,469	1,273,406	(5,465)	-	-	78,481,410	1,783,004	2,038,351	(5,354)	3,816,001	-	-	74,665,409	



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

5 – PROPERTY, PLANT AND EQUIPMENT (Cont.)

5.1 – Commitments

As of March 31, 2021, the Company has firm contractual commitments with suppliers for the acquisition of Property, plant and equipment for \$ 555,658.

6 – INVESTMENTS IN AFFILIATED COMPANIES

	<u>03.31.2010</u>	<u>12.31.2020</u>
Balance at the beginning of fiscal year	127,690	92,864
Income from investments in affiliated companies	4,552	16,925
Conversion difference allocated to Other comprehensive income	<u>(10,071)</u>	<u>17,901</u>
Balance at the end of period	<u>122,171</u>	<u>127,690</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021, 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		Main Activity	Information on issuer					
	Shares	Face Value			03.31.21	12.31.20		Date	Most Recent Financial Statements				
									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	120,437	125,252	Gas pipeline operation and maintenance service	03.31.21	190	-	245,597	245,787	49.0
Companhia Operadora do Rio Grande do Sul	Common	(2) 1 per share	49	0.1	1,734	2,438	Gas pipeline operation and maintenance service	03.31.21	1	6,232	(2,694)	3,539	49.0
Total					122,171	127,690							

(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, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

7 – FINANCIAL INSTRUMENTS BY CATEGORY

	<u>03.31.2021</u>	<u>12.31.2020</u>
Financial assets at fair value ⁽¹⁾:		
Current:		
Classified as “Investments at fair value”:		
Mutual funds in \$	452,151	469,192
Government bonds in \$	1,235,324	795,915
Government bonds in US\$	123,061	155,125
Subtotal	<u>1,810,536</u>	<u>1,420,232</u>
Classified as “Cash and cash equivalents”:		
Mutual funds in \$	1,870,940	1,531,617
Subtotal	<u>1,870,940</u>	<u>1,531,617</u>
Total financial assets at fair value - Current	<u>3,681,476</u>	<u>2,951,849</u>
Financial assets at amortized cost:		
Current:		
Classified as “Investments at amortized cost”:		
VRD bonds in \$	5,413	6,897
Subtotal	<u>5,413</u>	<u>6,897</u>
Classified as “Cash and cash equivalents”:		
Cash and banks	7,019	9,119
Term deposits in \$ ⁽²⁾	267,352	416,753
Surety bonds in \$	1,138,296	1,413,806
T-BILLS in \$	89,176	109,973
Subtotal	<u>1,501,843</u>	<u>1,949,651</u>
Classified as “Trade accounts receivable” and “Other accounts receivable”	2,971,102	2,942,128
Total financial assets at amortized cost - Current	<u>4,478,358</u>	<u>4,898,676</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

7 – FINANCIAL INSTRUMENTS BY CATEGORY (Cont.)

Financial assets at amortized cost (Cont.):

	<u>03.31.2021</u>	<u>12.31.2020</u>
Non-Current:		
Classified as “Investments at amortized cost”:		
VRD bonds in \$	3,988	5,709
Subtotal	<u>3,988</u>	<u>5,709</u>
Classified as “Investments at amortized cost of restricted availability”:		
Term deposit in US\$ of restricted availability	5,204,097	5,365,480
Subtotal	<u>5,204,097</u>	<u>5,365,480</u>
Classified as “Trade accounts receivable” and “Other accounts receivable”	7,848,409	8,105,177
Total financial assets at amortized cost – Non-Current	<u>13,056,494</u>	<u>13,476,366</u>

Financial liabilities at amortized cost:

Current:

Loans	857,703	616,217
Notes	1,570,036	1,202,885
Trade accounts payable, other debts and lease debt	969,190	1,298,058
Total financial liabilities at amortized cost – Current	<u>3,396,929</u>	<u>3,117,160</u>

Non-Current:

Loans	5,024,354	5,464,497
Notes	-	551,593
Trade accounts payable, other debts and lease debt	288,278	338,501
Total financial liabilities at amortized cost – Non-Current	<u>5,312,632</u>	<u>6,354,591</u>

⁽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, 2021 and December 31, 2020.

⁽²⁾ Investments originally falling due within three months or less are classified as “Cash and cash equivalents” in the balance sheet.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

8 – TRADE ACCOUNTS RECEIVABLE

	<u>03.31.2021</u>	<u>12.31.2020</u>
Non-current		
Trade accounts receivable – third parties	17,384,886	17,957,563
Allowance for doubtful accounts and disputed amounts	<u>(9,545,609)</u>	<u>(9,860,051)</u>
Total trade accounts receivable – Non-current	<u>7,839,277</u>	<u>8,097,512</u>
Current		
Trade accounts receivable – third parties	2,817,767	2,961,279
Trade accounts receivable – other related parties (Note 15)	323,248	328,849
Trade accounts receivable – affiliated companies (Note 15)	1,163	2,992
Allowance for doubtful accounts and disputed amounts	<u>(668,482)</u>	<u>(641,129)</u>
Total trade accounts receivable – Current	<u>2,473,696</u>	<u>2,651,991</u>

9 – INDEBTEDNESS

9.1 – Changes in Loans

	<u>03.31.2021</u>	<u>03.31.2020</u>
<u>Non-Current:</u>		
Balance at the beginning of fiscal year	5,464,497	-
Transfer to current	(259,267)	-
Accrual of interest on Itaú Unibanco S.A. Nassau Branch loan	5,668	-
Exchange rate difference on Itaú Unibanco S.A. Nassau Branch loan	449,821	-
Loss on monetary position	<u>(636,365)</u>	-
Balance at the end of period	<u>5,024,354</u>	-



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

9 – INDEBTEDNESS (Cont.)

9.1 – Changes in Loans (Cont.)

	<u>03.31.2021</u>	<u>03.31.2020</u>
<u>Current:</u>		
Balance at the beginning of fiscal year	616,217	11,132,957
Transfer from non-current	259,267	-
Accrual of interest on Itaú Unibanco S.A. Nassau Branch loan	22,245	-
Accrual of interest on Syndicated Loan	-	165,005
Exchange difference on Syndicated Loan	-	745,775
Exchange rate difference on Itaú Unibanco S.A. Nassau Branch loan	2,391	-
Taking of local loans in pesos	40,576	-
Accrual of interest on local loans in pesos	69,453	-
Payment of principal on local loans in pesos	-	(902,321)
Payment of interest on local loans in pesos	(69,031)	-
Loss on monetary position	(83,415)	(777,536)
Balance at the end of period	<u>857,703</u>	<u>10,363,880</u>

9.2 – Changes in Notes

Non-current:

Balance at the beginning of fiscal year	551,593	-
Transfer to current	(511,832)	-
Loss on monetary position	(39,761)	-
Balance at the end of period	<u>-</u>	<u>-</u>

Current:

Balance at the beginning of fiscal year	1,202,885	-
Transfer from non-current	511,832	-
Accrual of interest on Notes	154,591	-
Payment of interest on Notes	(137,597)	-
Loss on monetary position	(161,675)	-
Balance at the end of period	<u>1,570,036</u>	<u>-</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

10 - CONTINGENCIES

Provision for labour, civil and administrative lawsuits	<u>Current</u>
Balance as of December 31, 2019	238,574
– Increases	4,931
– Decreases (payments / uses)	(4,068)
– Loss on monetary position	(17,262)
Balance as of March 31, 2020	<u>222,175</u>
– Increases	7,467
– Decreases (payment / uses)	(2,896)
– Loss on monetary position	(46,466)
Balance as of December 31, 2020	<u>180,280</u>
– Recoveries	(570)
– Loss on monetary position	(20,673)
Balance as of March 31, 2021	<u>159,037</u>

11 - REVENUES

	<u>03.31.2021</u>	<u>03.31.2020</u>
Gas transportation service	3,697,044	5,817,086
Gas pipeline operation and maintenance and other services	205,348	317,595
Total revenues	<u>3,902,392</u>	<u>6,134,681</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

12 – EXPENSES BY NATURE

Item	For the three-month period as of 03.31						Total as of 03.31.2021	Total as of 03.31.2020
	Cost of service		Selling expenses		Administrative expenses			
	2021	2020	2021	2020	2021	2020		
Directors' fees	-	-	-	-	8,524	9,680	8,524	9,680
Supervisory Committee's fees	-	-	-	-	2,549	2,715	2,549	2,715
Fees for professional services	18,685	25,406	190	20	52,842	32,303	71,717	57,729
Salaries, wages and other personnel benefits	332,728	370,436	7,865	8,225	138,269	154,624	478,862	533,285
Social security contributions	69,233	69,463	1,603	1,606	34,741	28,775	105,577	99,844
Materials and spare parts	117,315	158,216	-	-	322	6,555	117,637	164,771
Third party services and supplies	44,489	39,371	93	147	1,260	1,773	45,842	41,291
Maintenance and repair of property, plant and equipment	484,040	491,037	338	2,392	15,697	8,269	500,075	501,698
Travel expenses	43,467	46,645	416	379	3,621	8,281	47,504	55,305
Freight and transportation	7,748	6,606	-	-	4	67	7,752	6,673
Post and telecommunication expenses	3,997	3,342	266	228	3,609	2,772	7,872	6,342
Insurance	69,950	56,944	7	6	2,078	3,084	72,035	60,034
Office supplies	3,273	6,643	1,274	391	9,348	5,382	13,895	12,416
Rentals	12,427	11,683	62	126	3,986	4,619	16,475	16,428
Easements	16,427	14,058	-	-	-	-	16,427	14,058
Taxes, rates and contributions	1,615	2,715	136,815	216,298	154,181	131,920	292,611	350,933
Property, plant and equipment depreciation	2,393,676	1,987,867	901	1,275	88,771	49,209	2,483,348	2,038,351
Doubtful accounts	-	-	103,257	197,997	-	-	103,257	197,997
Lawsuits	-	-	-	-	-	4,931	-	4,931
Slow-moving and obsolete materials and spare parts	-	34,250	-	-	-	-	-	34,250
Other	413	7,388	-	22	1,255	4,075	1,668	11,485
Balances as of March 31, 2021	3,619,483	-	253,087	-	521,057	-	4,393,627	-
Balances as of March 31, 2020	-	3,332,070	-	429,112	-	459,034	-	4,220,216



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

13 – OTHER INCOME AND EXPENSES

	<u>03.31.2021</u>	<u>03.31.2020</u>
Disposal of property, plant and equipment, net	(5)	8,097
Other sales, loss recovery and other, net	10,263	(15,833)
Total other income and expenses	<u>10,258</u>	<u>(7,736)</u>

14 – NET FINANCIAL INCOME

	<u>03.31.2021</u>	<u>03.31.2020</u>
Other net financial income		
Foreign exchange gain, net	753,226	232,006
Income from changes in fair values	167,589	(160,581)
Loss from derivative financial instruments	-	(87,291)
Other	158,079	-
Total other net financial income (loss)	<u>1,078,894</u>	<u>(15,866)</u>
Financial income		
Interest	231,688	26,212
Total financial income	<u>231,688</u>	<u>26,212</u>
Financial expenses		
Interest	(246,479)	(228,934)
Interest compounded on property, plant and equipment	-	52,492
Banking and financial fees, expenses and taxes	(3,279)	(2,372)
Total financial expenses	<u>(249,758)</u>	<u>(178,814)</u>
Loss on monetary position	<u>(1,311,063)</u>	<u>(186,428)</u>
Total net financial (loss)	<u>(250,239)</u>	<u>(354,896)</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

15 – RELATED PARTIES

Transactions with related parties are as follows:

	<u>03.31.2021</u>	<u>03.31.2020</u>
Controlling company		
<u>Other net income and expenses</u>		
Gasinvest S.A.	316	308
<u>Total other net income and expenses</u>	<u>316</u>	<u>308</u>
Affiliated companies		
<u>Revenues</u>		
Comgas Andina S.A.	3,125	3,043
Companhia Operadora do Rio Grande do Sul	448	452
<u>Total revenues</u>	<u>3,573</u>	<u>3,495</u>
<u>Recovery of expenses</u>		
Comgas Andina S.A.	844	1,766
Companhia Operadora do Rio Grande do Sul	29	-
<u>Total recovery of expenses</u>	<u>873</u>	<u>1,766</u>
Other related parties		
<u>Revenues</u>		
Litoral Gas S.A.	604,086	854,909
Ternium Argentina S.A.	90,041	114,483
Compañía General de Combustibles S.A.	-	18,012
Siderca S.A.	55,980	75,216
Transportadora de Gas del Mercosur S.A.	17,289	17,032
Tecpetrol S.A.	8,864	42,097
Gasoducto Gasandes Argentina S.A.	4,002	6,138
<u>Total revenues</u>	<u>780,262</u>	<u>1,127,887</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

15 – RELATED PARTIES (Cont.)

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

Other related parties (Cont.)

	<u>03.31.2021</u>	<u>03.31.2020</u>
<u>Recovery of expenses</u>		
Gasinvest S.A.	1,400	1,404
Transportadora de Gas del Mercosur S.A.	9,458	6,640
<u>Total recovery of expenses</u>	<u>10,858</u>	<u>8,044</u>
Key management personnel		
Board of Directors' fees	(8,524)	(9,680)
Supervisory Committee's fees	(2,549)	(2,715)



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

15 – RELATED PARTIES (Cont.)

Balances with related parties are as follows:

Trade accounts receivable	<u>03.31.2021</u>	<u>12.31.2020</u>
<u>Other related parties</u>		
Transportadora de Gas del Mercosur S.A.	7,857	5,773
Litoral Gas S.A.	253,438	256,660
Ternium Argentina S.A.	35,211	38,255
Siderca S.A.	21,648	23,188
Tecpetrol S.A.	4,395	3,642
Gasoducto Gasandes Argentina S.A.	699	1,331
<u>Total trade accounts receivable - other related parties</u>	<u>323,248</u>	<u>328,849</u>
 <u>Accounts receivable – affiliated companies</u>		
Comgas Andina S.A.	1,021	1,055
Companhia Operadora do Rio Grande do Sul	142	1,937
<u>Total accounts receivable –affiliated companies</u>	<u>1,163</u>	<u>2,992</u>
 <u>Other accounts receivable</u>		
<u>Assistance fee and recovery of expenses – controlling company</u>		
Gasinvest S.A.	2,073	1,843
<u>Total assistance fee and recovery of expenses – controlling company</u>	<u>2,073</u>	<u>1,843</u>
 <u>Other accounts receivable – affiliated companies</u>		
Comgas Andina S.A.	1,021	897
Companhia Operadora do Rio Grande do Sul	1,636	2,517
<u>Total other accounts receivable – affiliated companies</u>	<u>2,657</u>	<u>3,414</u>
 <u>Other accounts receivable – related parties</u>		
Gasoducto Gasandes Argentina S.A.	231	216
Transportadora de Gas del Mercosur S.A.	11,397	7,143
Litoral Gas S.A.	118	-
<u>Total other accounts receivable – related parties</u>	<u>11,746</u>	<u>7,359</u>
 <u>Other accounts receivable - Key Management Personnel</u>		
Board of Directors and Supervisory Committee’s fees paid in advance	46,394	40,452
<u>Total other accounts receivable - Key Management Personnel</u>	<u>46,394</u>	<u>40,452</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

15 – RELATED PARTIES (Cont.)

Balances with related parties are as follows:

	<u>03.31.2021</u>	<u>12.31.2020</u>
Other debts		
<u>Other debts - Key Management Personnel</u>		
Provision for Directors and Supervisory Committee's fees	(46,394)	(40,429)
<u>Total other debts Key Management Personnel</u>	(46,394)	(40,429)



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

16 – SUBSEQUENT EVENTS

At the Ordinary Shareholders' Meeting held on April 14, 2021, it was resolved that retained earnings as of December 31, 2020 amounting to \$ 6,122,666,281, be allocated to the "*Optional 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.

As of the date of issue of these interim condensed financial statements, the US dollar exchange rate published by Banco de la Nación Argentina amounts to 93.85 pesos per US dollar. See Note 3.3.1 to these interim condensed financial statements, where the impact on the Company's equity is described.

No events or circumstances have occurred subsequent to March 31, 2021 which 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.



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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020

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, 2021, is shown below, as well as 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.		
	2021	2020	Variation
Revenues			
Gas transportation service	3,697.0	5,817.1	(2,120.1)
Gas pipeline operation & maintenance and other services	205.3	317.6	(112.3)
Total revenues	3,902.3	6,134.7	(2,232.4)
Cost of service			
Operation and maintenance costs	(1,225.8)	(1,344.2)	118.4
Property, plant and equipment depreciation	(2,393.7)	(1,987.9)	(405.8)
Subtotal	(3,619.5)	(3,332.1)	(287.4)
Gross profit	282.8	2,802.6	(2,519.8)
Administrative and selling expenses	(774.1)	(888.1)	114.0
(Loss) income before other net income and expenses	(491.3)	1,914.5	(2,405.8)
Other income and expenses	10.3	(7.7)	18.0
(Loss) income before financial income	(481.0)	1,906.8	(2,387.8)
Net financial income	(250.2)	(354.9)	104.7
Income from investments in affiliated companies	4.6	13.8	(9.2)
Income before income tax	(726.6)	1,565.7	(2,292.3)
Income tax	24.0	(422.8)	446.8
(Loss) income for the period	(702.6)	1,142.9	(1,845.5)
Currency conversion of affiliated companies’ financial statements	(10.1)	(5.5)	(4.6)
Other comprehensive income for the period	(10.1)	(5.5)	(4.6)
Comprehensive (loss) income for the period	(712.7)	1,137.4	(1,850.1)
EBITDA ⁽¹⁾	1,992.0	3,952.8	(1,960.8)

(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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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020

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

	<i>(in million pesos)</i>	
	<i>03.31.2021</i>	<i>12.31.2020</i>
<i>Total assets</i>	<i>81,261</i>	<i>83,345</i>
<i>Total liabilities</i>	<i>19,860</i>	<i>21,231</i>
<i>Shareholders' equity</i>	<i>61,401</i>	<i>62,114</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 \$ 2,232.4 million between the three-month periods ended March 31, 2021 and 2020 is due to:

- i.* \$ 427.4 million decrease in revenues from export transportation services;
- ii.* \$ 1,692.7 million decrease in revenues, as a result of the suspension of rate adjustments in an accelerated inflationary context. See Notes 1.2 and 1.3.2 to the Company's interim condensed financial statements for the three-month period ended March 31, 2021; and
- iii.* \$ 112.3 million decrease, net of inflation, in "*Gas pipeline operation and maintenance and other services*".

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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020

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

Cost of service

(in million Pesos)

<i>Items</i>	<i>Three-month period ended 03.31.</i>		
	<i>2021</i>	<i>2020</i>	<i>Variation</i>
<i>Fees for professional services</i>	18.7	25.4	(6.7)
<i>Salaries, wages and other personnel benefits and social security contributions</i>	402.0	439.9	(37.9)
<i>Materials and spare parts</i>	117.3	158.2	(40.9)
<i>Maintenance and repair of property, plant and equipment and third-party services and supplies</i>	528.5	530.4	(1.9)
<i>Post, telecommunications, transportation, freight and travel expenses</i>	55.2	56.6	(1.4)
<i>Insurance</i>	70.0	56.9	13.1
<i>Rentals and office supplies</i>	15.7	18.3	(2.6)
<i>Easements</i>	16.4	14.1	2.3
<i>Taxes, rates and contributions</i>	1.6	2.7	(1.1)
<i>Property, plant and equipment depreciation</i>	2,393.7	1,987.9	405.8
<i>Slow-moving and obsolete materials and spare parts</i>	-	34.3	(34.3)
<i>Other</i>	0.4	7.4	(7.0)
<i>Total</i>	3,619.5	3,332.1	287.4
<i>% of Cost of service on revenues</i>	92.8%	54.3%	

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

- i. \$ 87.9 million increase in *Salaries, wages and other personnel benefits and social security contributions* (which adjusted for inflation amounts to a \$ 37.9 million decrease). Said variation is explained by salary increases due to inflation adjustment (\$ 101.5 million) and a higher headcount (\$ 3.6 million), partially offset against other items;
- ii. \$ 24.5 million increase in *Materials and spare parts* (which adjusted for inflation amounts to a \$ 40.9 million decrease). Said variation is mainly due to higher costs in consumables (\$ 5 million) and spare parts (\$ 20.1 million), partially offset against other items; and
- iii. \$ 601.2 million increase in *Property, plant and equipment depreciation* (which adjusted for inflation amounts to \$ 405.8 million). Said variation is due to the higher depreciation, as a result of additions during 2020 fiscal year.

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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020

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

Administrative and selling expenses

(in million pesos)

<i>Items</i>	<i>Three-month period ended 03.31.</i>		
	<i>2021</i>	<i>2020</i>	<i>Variation</i>
<i>Salaries, wages and other personnel benefits and social security contributions</i>	182.5	193.2	(10.7)
<i>Property, plant and equipment depreciation</i>	89.7	50.5	39.2
<i>Fees for professional services</i>	53.0	32.3	20.7
<i>Taxes, rates and contributions</i>	291.0	348.2	(57.2)
<i>Post, telecommunications, transportation, freight and travel expenses</i>	7.9	11.7	(3.8)
<i>Maintenance and repair of property, plant and equipment and third-party services and supplies</i>	17.4	12.6	4.8
<i>Rentals and office supplies</i>	14.7	10.5	4.2
<i>Doubtful accounts</i>	103.3	198.0	(94.7)
<i>Lawsuits</i>	-	4.9	(4.9)
<i>Supervisory Committee's fees</i>	2.5	2.7	(0.2)
<i>Board of Directors' fees</i>	8.5	9.7	(1.2)
<i>Materials and spare parts</i>	0.3	6.6	(6.3)
<i>Insurance</i>	2.1	3.1	(1.0)
<i>Other</i>	1.2	4.1	(2.9)
<i>Total</i>	774.1	888.1	(114.0)
<i>% of Administrative and Selling expenses on revenues</i>	19.8%	14.5%	

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

- i.* \$ 33.5 million increase in *Property, plant and equipment depreciation* (which adjusted for inflation amounts to \$ 39.2 million). Said variation is due to the higher depreciation, as a result of additions during 2020 fiscal year;
- ii.* \$ 40.9 million increase in *Taxes, rates and contributions* (which adjusted for inflation amounts to a \$ 57.2 million decrease). Said variation is mainly due to higher costs associated with the verification and control fee (\$ 56.7 million), partially offset against higher costs during 2020 fiscal year in turnover tax (\$ 17.8 million); and
- iii.* \$ 35.4 million decrease in *Doubtful accounts* (which adjusted for inflation amounts to \$ 94.7 million). Said variation is due to lower allowances set up during the current period to cover balances owed by delinquent debtors.

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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020

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

Net financial income

(in million pesos)

<i>Items</i>	<i>Three-month period ended 03.31.</i>		
	<i>2021</i>	<i>2020</i>	<i>Variation</i>
<i>Other net financial income:</i>			
<i>Net exchange rate gain</i>	753.2	232.0	521.2
<i>Income due to changes in fair values</i>	167.6	(160.6)	328.2
<i>Income from derivative financial instruments</i>	-	(87.3)	87.3
<i>Other</i>	158.1	-	158.1
<i>Total other net financial income</i>	1,078.9	(15.9)	1,094.8
<i>Financial income:</i>			
<i>Interest</i>	231.7	26.2	205.5
<i>Total financial income</i>	231.7	26.2	205.5
<i>Financial expenses:</i>			
<i>Interest</i>	(246.5)	(228.9)	(17.6)
<i>Interest compounded on Property, plant and equipment</i>	-	52.5	(52.5)
<i>Banking, financial and other fees, expenses and taxes</i>	(3.3)	(2.4)	(0.9)
<i>Total financial expenses</i>	(249.8)	(178.8)	(71.0)
<i>Loss on monetary position</i>	(1,311.0)	(186.4)	(1,124.6)
<i>Total net financial (loss) income</i>	(250.2)	(354.9)	104.7

Net financial income for the three-month period ended March 31, 2021 showed a higher gain of \$ 1,125.3 million (which adjusted for inflation amounts to a \$ 104.7 million decrease), as compared to the three-month period ended March 31, 2020. Accounts with the most relevant variations between both periods were:

- i. a higher gain of \$ 557.6 million (which adjusted for inflation amounts to \$ 521.2 million), on account of net exchange rate differences on US dollar denominated assets and liabilities;
- ii. a higher gain of \$ 87.2 million (which adjusted for inflation amounts to a higher gain of \$ 187.9 million), associated with interest accrued during the period;
- iii. a higher gain of \$ 266.1 million (which adjusted for inflation amounts to \$ 328.2 million), due to changes in fair values accrued during the period;
- iv. a lower gain of \$ 36.8 million (which adjusted for inflation amounts to \$ 52.5 million), in compound interest in connection with works the duration of which exceeds one year;
- v. a higher gain of \$ 58.1 million (which adjusted for inflation amounts to \$ 87.3 million) as a result of transactions with derivative instruments;
- vi. a higher gain of \$ 157.9 million (which adjusted for inflation amounts to \$ 158.1 million) mainly due to the accrual of the subsidy associated with the financial cost of the deferral in the collection of invoices to distributors, sub-distributors, transporters and producers during 2020 fiscal year. See Notes 1.3.2 to the Company's interim condensed financial statements for the three-month period ended March 31, 2021; and
- vii. a lower gain of \$ 1,124.6 million on monetary position, due to the greater number of monetary assets exposed to inflation held in the period as compared to the same period in 2020.

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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020

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

Income tax

Income tax for the three-month period ended March 31, 2021 reported a lower charge of \$ 446.8 million as compared to the same period in previous year. Said variation is the result of a lower current tax charge of \$ 410 million due to a lower taxable income reported in the three-month period ended March 31, 2021, as compared to the same period in 2020 fiscal year, and a lower charge on account of deferred income tax of \$ 36.8 million.

Summary of statement of cash flows

	<i>(in million pesos)</i>	
	Three-month period ended 03.31.	
	2021	2020
<i>Cash generated by operating activities</i>	516.2	2,592.2
<i>Income tax</i>	(24.0)	422.8
<i>Interest accrued on liabilities</i>	246.5	228.9
<i>Net cash flow generated by operating activities</i>	738.7	3,243.9
<i>Acquisition of property, plant and equipment</i>	(536.7)	(1,270.3)
<i>Subscriptions, net of recovery of investments at amortized cost and investments at fair value (non-cash equivalents)</i>	648.1	1,358.6
<i>Principal and interest received from investments at amortized cost and investments at fair value</i>	3.1	6.2
<i>Net cash flow generated by investing activities</i>	114.5	94.5
<i>Taking of local loans in pesos</i>	40.6	-
<i>Payment of interest on Notes</i>	(137.6)	-
<i>Payment of principal on local loans in pesos</i>	-	(902.3)
<i>Payment of interest on local loans in pesos</i>	(69.0)	-
<i>Lease payment</i>	(4.1)	(4.1)
<i>Net cash flow used in financing activities</i>	(170.1)	(906.4)
<i>Net increase in cash and cash equivalents</i>	683.1	2,432.0
<i>Cash and cash equivalents at the beginning of fiscal year</i>	3,481.3	3,265.8
<i>Financial income generated by cash</i>	(791.6)	(622.8)
<i>Cash and cash equivalents at the end of period</i>	3,372.8	5,075.0

Breakdown of cash and cash equivalents

<i>Items</i>	<i>(in million pesos)</i>	
	Three-month period ended 03.31.	
	2021	2020
<i>Cash and banks ⁽¹⁾</i>	7.0	1,386.1
<i>Term deposits in \$</i>	267.4	-
<i>Mutual funds in \$</i>	1,870.9	930.0
<i>Mutual funds in US\$</i>	-	2,758.9
<i>Surety bonds in \$</i>	1,138.3	-
<i>T bills in \$</i>	89.2	-
<i>Cash and cash equivalents at the end of period</i>	3,372.8	5,075.0

(1) As of March 31, 2021 and 2020 it includes \$ 4.6 million and \$ 1,349.5 million, respectively, denominated in foreign currency.

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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020

II) COMPARATIVE BALANCE SHEETS AS OF MARCH 31, 2021 and 2020

<i>Items</i>	<i>(in million pesos)</i>	
	<i>As of 03.31</i>	
	<i>2021</i>	<i>2020</i>
<i>Non-current assets</i>	72,654	83,982
<i>Current assets</i>	8,607	12,707
Total	81,261	96,689
<i>Shareholders' equity</i>	61,401	67,161
<i>Non-current liabilities</i>	14,697	13,709
<i>Current liabilities</i>	5,163	15,819
<i>Subtotal liabilities</i>	19,860	29,528
Total	81,261	96,689

III) COMPARATIVE COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 and 2020

<i>Items</i>	<i>(in million pesos)</i>	
	<i>As of 03.31</i>	
	<i>2021</i>	<i>2020</i>
<i>(Loss) income before other net income and expenses</i>	<i>(491.3)</i>	<i>1,914.5</i>
<i>Other income and expenses</i>	10.3	(7.7)
<i>(Loss) income before financial income</i>	<i>(481.0)</i>	<i>1,906.8</i>
<i>Net financial income</i>	(250.2)	(354.9)
<i>Income from investments in affiliated companies</i>	4.6	13.8
<i>Income before income tax</i>	<i>(726.6)</i>	<i>1,565.7</i>
<i>Income tax</i>	24.0	(422.8)
<i>(Loss) income for the period</i>	<i>(702.6)</i>	<i>1,142.9</i>
<i>Other comprehensive income for the period</i>	(10.1)	(5.5)
<i>Comprehensive (loss) income for the period</i>	<i>(712.7)</i>	<i>1,137.4</i>

IV) COMPARATIVE STATISTICAL DATA FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 and, 2020

Dispatched volumes in million m3:

	<i>By type of transportation</i>	
	<i>As of 03.31</i>	
	<i>2021</i>	<i>2020</i>
<i>Firm</i>	3,059	3,140
<i>Interruptible & exchange and displacement</i>	2,015	2,485
Total	5,074	5,625

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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020

IV) COMPARATIVE STATISTICAL DATA FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 and 2020 (Cont.)

	<i>By source</i>	
	<i>As of 03.31</i>	
	<i>2021</i>	<i>2020</i>
<i>Northern Pipeline</i>	2,188	2,088
<i>Central West Pipeline</i>	2,174	2,699
<i>Final sections</i>	712	838
Total	5,074	5,625

	<i>By destination</i>	
	<i>As of 03.31</i>	
	<i>2021</i>	<i>2020</i>
<i>Domestic market</i>	4,978	5,156
<i>Export market</i>	96	469
Total	5,074	5,625

V) COMPARATIVE RATIOS AS OF MARCH 31, 2021 and 2020

	<i>As of 03.31</i>	
	<i>2021</i>	<i>2020</i>
	<i>Liquidity (1)</i>	<i>1.6671</i>
<i>Solvency (2)</i>	<i>3.0917</i>	<i>2.2745</i>
<i>Equity Immobility (3)</i>	<i>0.8941</i>	<i>0.8686</i>

(1) Current assets / current liabilities

(2) Equity / total liabilities

(3) Non-current assets / total assets

VI) BUSINESS PROSPECTS FOR CURRENT YEAR (not covered by the Auditor's Report)

This section about the Company's business, operating, financial and regulatory prospects should be read, analysed and interpreted in conjunction with the notes to the interim condensed financial statements as of March 31, 2021, in order to have a full picture of corporate matters.



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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020

VI) BUSINESS PROSPECTS FOR CURRENT FISCAL YEAR (not covered by the Auditor's Report) (Cont.)

From April 2014 to December 2017 TGN received successive interim rate increases until March 2018 when the National Gas Regulatory Entity (“ENARGAS”) approved the rates resulting from the Comprehensive Rate Review (“CRR”) conducted by said entity 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 (expressed in December 2016 currency), 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 semi-annual 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 December 2019 the Social Solidarity and Productive Reactivation under the Public Emergency Framework Law No. 27,541 (the “Solidarity Law”) was enacted, empowering the National Executive Branch (“PEN”) to freeze natural gas rates under federal jurisdiction and start a renegotiation process of the comprehensive rate review in place, or embark on a rate review of an exceptional nature in the terms of Act No. 24,076 (the “Natural Gas Act”) for a maximum term of 180 days, tending to reduce the actual rate burden on households, and commercial and industrial users in 2020 year. 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 for a term successively extended until December 31, 2021, entrusting the comptroller to conduct a legal, technical and economic audit of all aspects regulated under the Solidarity Law in energy matters, and to prepare a report to be submitted to the PEN. The rate freeze established under the Solidarity Law was successively extended until March 17, 2021 by means of Necessity and Urgency Decrees No. 543/20 and 1020/20, respectively.

On November 20, 2020, ENARGAS comptroller submitted a report to the National Energy Secretary and Minister of Economy with the results of the audit and CRR, concluding that the latter would have been affected by serious flaws that could render it null and void and that, in his opinion, would have had a negative impact on the rates paid by users, as a result of which he proposed to opt for the CRR renegotiation alternative foreseen in section 5 of the Solidarity Law. The Company, which received notice of said report on January 7, 2021, disagrees with said conclusions as it considers that the CRR was a valid procedure under the applicable legislation that gave rise to fair and reasonable transportation rates, as required under the Natural Gas Act.

Following ENARGAS comptroller’s recommendation, on December 17, 2020, the PEN passed Decree No. 1020/20 instructing to suspend the “Comprehensive Agreement” toward amendment of TGN’s License that had come into force in March 2018, to start the CRR renegotiation as established in section 5 of the Solidarity Law and to complete the renegotiation process no later than December 17, 2022. Said process must end with the execution of a final agreement with natural gas transportation and distribution licensees regarding the CRR, with ENARGAS being authorized to apply interim rate adjustments to assure the normal and continued provision of the utility service. Said decree further provides that if no final agreement is reached, the ENARGAS shall enact, *ad referendum* of the PEN, a new rate regime for natural gas transportation and distribution utility services.



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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2021 AND 2020

VI) BUSINESS PROSPECTS FOR CURRENT FISCAL YEAR (not covered by the Auditor's Report) (Cont.)

Hence, on February 22, 2021, the ENARGAS passed Resolution No. 47/21 convening a public hearing that took place on March 16, 2021, to discuss the interim rate regime foreseen in Decree 1020/20. Said resolution envisages that any interim rate increase must be endorsed by an agreement to be entered into between licensees and ENARGAS, and further that during the effective term of the interim rate regime licensees will not be allowed to distribute dividends, directly or indirectly prepay financial and commercial liabilities with shareholders, acquire other companies or grant loans, without ENARGAS express authorization.

On March 27, 2021, ENARGAS offered gas distribution and transportation licensees to enter into interim rate adjustment agreements in exchange for their commitment not to bring claims based on the rate freezing established under the Solidarity Law. As such proposal was equal to zero for TGN, the Company declined to enter into said agreement, though it agreed to embark on the CRR renegotiation process established under Decree 1020/20, making reservation of its rights and actions.

As mentioned earlier, transportation rates are frozen as at April 2019 values and the PEN instructed ENARGAS to start the CRR renegotiation process that should be completed by December 2022. In the meanwhile, the ENARGAS could be authorized to apply interim rate increases to assure the normal and continued provision of the utility service, but the Company cannot assure that this will occur.

Although the Company, relying on the Natural Gas Act, expects rates to be maintained at constant values in the course of time to be able to meet pipeline operation and maintenance expenses and investments, and have a reasonable rate of return, the outcome of the CRR renegotiation may differ from current estimates, as the Solidarity Law seeks a rate reduction in real terms; however, the results from said process cannot be anticipated.

Finally, worth mentioning is the fact that the Company operates within an economic context where main variables have experienced and continue to experience a strong volatility. Against such backdrop, the national government tightened currency exchange restrictions, increased the tax burden, established price agreements and/or controls and stopped adjusting retirement and pension benefits.

The Management Department 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 10, 2021

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, 2021, the interim condensed statement of comprehensive income for the three months period ended on March 31, 2021 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 2020 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.

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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 signed, the interim condensed financial statements of Transportadora de Gas del Norte S.A. are transcribed into the “Inventory and Balance Sheet” and 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 the fact that they are pending to be signed;
- c) we have read the Overview, on which we have no observations to make insofar as concerns matters within our field of competence;
- d) at March 31, 2021, 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 \$ 45.637.515, none of which was claimable at that date.

Autonomous City of Buenos Aires, May 10, 2021

PRICE WATERHOUSE & CO.S.R.L.

(Partner)

Dr. Ezequiel Luis Mirazón

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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, 2021, Interim Condensed Statement of Comprehensive Income for the three-month period ended March 31, 2021, 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 2020 and interim periods are an integral part of the aforementioned Financial Statements and therefore should be considered in relation with those Financial Statements.

Management Responsibility

The preparation and presentation of said documents 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 significant distortions caused by errors or irregularities, 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 documents referred to in the first paragraph 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 prepared by independent auditor Ezequiel Luis Mirazón (CPA), Partner of Price Waterhouse & Co. S.R.L., dated May 10, 2021, 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 decisions and criteria 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, 2021, 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 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 that they are pending to be signed.
- b) As regards the above mentioned Interim Condensed Financial Statements, and the additional information to the Notes thereto required under Title IV, Chapter III, 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, 2021 have been approved.
- e) Note that certain Board, Supervisory Committee and Shareholders' meetings, have are being "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 fully transcribed or signed in the pertinent books.

City of Buenos Aires, May 10, 2021.

By the Supervisory Committee

Dr. Pablo Lozada
Regular Statutory Auditor