



Interim Condensed Financial Statements as of June 30, 2021 in thousand Pesos, on a comparative basis



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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 six-month period ended June 30, 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	
	06.30.21	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 JUNE 30, 2021 AND DECEMBER 31, 2020 ON A COMPARATIVE BASIS (in thousand pesos)

	Note	<u>06.30.2021</u>	<u>12.31.2020</u>
ASSETS			
Non-current assets			
Property, plant and equipment	5	62,394,404	66,330,770
Investments in affiliated companies	6	130,274	141,675
Materials and spare parts		1,652,848	1,833,488
Other accounts receivable		8,701	8,505
Trade accounts receivable	8	8,156,948	8,984,411
Investments at amortized cost	7	2,921	6,334
Investments at amortized cost of restricted availability	7	5,404,750	5,953,146
Total non-current assets		<u>77,750,846</u>	<u>83,258,329</u>
Current assets			
Materials and spare parts		294,783	187,594
Other accounts receivable		383,344	639,293
Trade accounts receivable	8	2,820,608	2,942,457
Investments at amortized cost	7	102,204	7,652
Investments at fair value	7	2,975,316	1,575,786
Cash and cash equivalents	7	3,168,607	3,862,562
Total current assets		<u>9,744,862</u>	<u>9,215,344</u>
Total assets		<u>87,495,708</u>	<u>92,473,673</u>



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INTERIM CONDENSED BALANCE SHEETS AS OF JUNE 30, 2021 AND DECEMBER 31, 2020 ON A COMPARATIVE BASIS (in thousand pesos)

	Note	<u>06.30.2021</u>	<u>12.31.2020</u>
SHAREHOLDERS' EQUITY			
Common stock		439,374	439,374
Common stock integral adjustment		23,559,210	23,559,210
Property, plant and equipment revaluation allowance		14,246,729	18,175,220
Statutory reserve		4,799,719	4,799,719
Optional reserve for working capital and liquidity coverage		21,535,272	14,415,196
Voluntary reserve for future dividends		397,431	397,431
Other reserves		(7,782)	10,745
Retained earnings		(1,359,563)	7,120,077
Total shareholders' equity		<u>63,610,390</u>	<u>68,916,972</u>
LIABILITIES			
Non-current liabilities			
Deferred income tax liability		14,118,235	10,990,856
Loans	9.1	5,233,323	6,063,008
Notes	9.2	-	612,008
Lease debts		1,797	14,335
Other debts		70,441	74,173
Trade accounts payable		213,153	287,068
Total non-current liabilities		<u>19,636,949</u>	<u>18,041,448</u>
Current liabilities			
Contingencies	10	159,531	200,025
Loans	9.1	797,575	683,710
Notes	9.2	1,574,315	1,334,634
Lease debts		7,632	15,920
Salaries and social security contributions		416,830	625,422
Income tax, payable		-	980,796
Taxes payable		281,917	250,429
Other debts		76,067	109,653
Trade accounts payable		934,502	1,314,664
Total current liabilities		<u>4,248,369</u>	<u>5,515,253</u>
Total liabilities		<u>23,885,318</u>	<u>23,556,701</u>
Total liabilities and shareholders' equity		<u>87,495,708</u>	<u>92,473,673</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 SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020 (in thousand pesos)

	Note	Six-month period ended		Three-month period ended	
		06.30.2021	06.30.2020	06.30.2021	06.30.2020
Revenues	11	8,726,494	13,147,180	4,396,683	6,340,584
Cost of service	12	(7,911,991)	(7,093,514)	(3,896,076)	(3,396,419)
Gross profit		814,503	6,053,666	500,607	2,944,165
Selling expenses	12	(506,359)	(723,475)	(226,556)	(247,363)
Administrative expenses	12	(1,218,808)	(1,069,345)	(639,677)	(560,107)
(Loss) income before other net income and expenses		(910,664)	4,260,846	(365,626)	2,136,695
Other net income and expenses	13	(31,106)	181,635	(42,488)	190,218
(Loss) income before financial income		(941,770)	4,442,481	(408,114)	2,326,913
Net financial income					
Other net financial income	14	2,110,071	1,263,396	913,009	1,281,001
Financial income	14	435,552	59,267	178,488	30,184
Financial expenses	14	(527,776)	(691,379)	(250,663)	(492,979)
(Loss) Gain on monetary position	14	(2,777,457)	(618,174)	(1,322,797)	(411,333)
Net financial (loss) income		(759,610)	13,110	(481,963)	406,873
Income from investments in affiliated companies	6	7,126	21,503	2,075	6,212
(Loss) income before income tax		(1,694,254)	4,477,094	(888,002)	2,739,998
Income tax					
Current		(466,423)	(1,677,170)	85,836	(670,035)
Deferred		(3,127,378)	413,390	(3,706,251)	(124,656)
Subtotal income tax		(3,593,801)	(1,263,780)	(3,620,415)	(794,691)
(Loss) income for the period		(5,288,055)	3,213,314	(4,508,417)	1,945,307
Items that will be reclassified through profit or loss					
Currency conversion of affiliated companies' financial statements	6	(18,527)	3,719	(7,353)	9,828
Items that will not be reclassified through profit or loss					
Property, plant and equipment revaluation allowance		-	(1,793,941)	-	(1,793,941)
Other comprehensive (loss) income for the period ⁽¹⁾		(18,527)	(1,790,222)	(7,353)	(1,784,113)
Comprehensive (loss) income for the period		(5,306,582)	1,423,092	(4,515,770)	161,194
Net income per share, basic and diluted		(12.0354)	7.3134	(10.2610)	4.4275

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

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INTERIM CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 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	23,559,210	29,651,284	4,799,719	2,230,043	397,431	(9,116)	12,185,153	73,253,098
Resolution at Ordinary Shareholders' Meeting dated May 22, 2020:									
Creation of Optional Reserve for working capital and liquidity coverage	-	-	-	-	12,185,153	-	-	(12,185,153)	-
Profit for the six-month period ended June 30,2020	-	-	-	-	-	-	-	3,213,314	3,213,314
Other comprehensive income	-	-	(3,340,850)	-	-	-	3,719	1,546,909	(1,790,222)
Balances as of June 30, 2020	439,374	23,559,210	26,310,434	4,799,719	14,415,196	397,431	(5,397)	4,760,223	74,676,190
Profit for the complementary six-month period ended December 31, 2020	-	-	-	-	-	-	-	664,620	664,620
Other comprehensive income	-	-	(8,135,214)	-	-	-	16,142	1,695,234	(6,423,838)
Balances as of December 31, 2020	439,374	23,559,210	18,175,220	4,799,719	14,415,196	397,431	10,745	7,120,077	68,916,972
Resolution at Ordinary Shareholders' Meeting dated April 14, 2021:									
Creation of Optional Reserve for working capital and liquidity coverage	-	-	-	-	7,120,076	-	-	(7,120,076)	-
Loss for the six-month period ended June 30,2021	-	-	-	-	-	-	-	(5,288,055)	(5,288,055)
Other comprehensive income	-	-	(3,928,491)	-	-	-	(18,527)	3,928,491	(18,527)
Balances as of June 30, 2021	439,374	23,559,210	14,246,729	4,799,719	21,535,272	397,431	(7,782)	(1,359,563)	63,610,390

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INTERIM CONDENSED STATEMENTS OF CASH FLOWS FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020 (in thousand pesos)

	Note	06.30.2021	06.30.2020
(Loss) Profit for the period		(5,288,055)	3,213,314
Adjustments to cash generated by (used in) operating activities:			
Property, plant and equipment depreciation	5	5,075,613	4,559,754
Residual value of property, plant and equipment written-off	5	7,141	8,746
Income tax		3,593,801	1,263,780
Accrued interest generated by liabilities	14	520,822	690,955
Accrued interest generated by assets	14	(435,552)	(59,267)
Increase in allowances and provisions (net of recoveries)		163,780	568,534
Income from derivative financial instruments	14	-	96,852
Exchange rate differences and other net financial income		(578,501)	(1,530,009)
Loss from investments in affiliated companies	6	(7,126)	(21,503)
Net changes in operating assets and liabilities:			
Decrease in trade accounts receivable		1,942,468	1,311,609
Decrease in other accounts receivable		464,090	140,518
Decrease (increase) in materials and spare parts		79,668	(130,204)
Decrease in trade accounts payable		(450,750)	(1,022,514)
Decrease in salaries and social security contributions		(208,592)	(276,033)
Decrease in taxes payable		(307,818)	(447,547)
Increase in derivative financial instruments		-	39,480
Decrease in other debts		(42,610)	(120,686)
Decrease in contingencies		(40,494)	(29,684)
Income tax payment		(1,124,197)	(1,505,861)
Net cash flow generated by operating activities		3,363,688	6,750,234
Acquisition of property, plant and equipment	5	(1,144,371)	(1,619,481)
Subscriptions net of redemption of investments at amortized cost and investments at fair value (non-cash equivalents)		943,313	1,606,409
Principal received from investments at amortized cost and investments at fair value		3,302	5,240
Interest received from investments at amortized cost and investments at fair value		2,638	5,554
Net cash flow used in investing activities		(195,118)	(2,278)
Taking of local loans in pesos	9.1	45,020	8,477,479
Payment of interest on Notes	9.2	(285,071)	-
Payment of principal on local loans in pesos	9.1	(43,255)	(4,502,585)
Payment of interest on local loans in pesos	9.1	(144,045)	(224,645)
Payment of principal on Syndicated Loan	9.1	-	(5,627,911)
Payment of interest on Syndicated Loan	9.1	-	(337,166)
Payment of interest on Itaú Unibanco S.A. Nassau Branch loan	9.1	(48,242)	-
Lease payment		(8,514)	(8,584)
Net cash flow used in financing activities		(484,107)	(2,223,412)
Net Increase in cash and cash equivalents		2,684,463	4,524,544
Cash and cash equivalents at the beginning of fiscal year		3,862,562	3,623,511
Financial income generated by cash		(3,378,419)	(1,854,875)
Cash and cash equivalents at the end of period		3,168,606	6,293,180
Transactions not affecting cash:			
Right-of-use - property, plant and equipment through leases	5	2,017	(3,483)

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 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 SIX-MONTH PERIOD ENDED JUNE 30, 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, respectively. (See Note 1.3.2).

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 SIX-MONTH PERIOD ENDED JUNE 30, 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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1 – OVERVIEW (Cont.)

1.3 - Regulatory framework (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.

On June 1 the Company received notice of certain resolutions passed by the Ministry of Economy ("MECON") as well as the ENARGAS, all of them validated by a presidential decree, whereby an Interim Rate Regime ("IRR") was put in force.

The IRR involves that: (i) TGN rates will remain frozen, (ii) the Company will have to continue to render the gas transportation service, (iii) the ban on distributing dividends, prepaying loans with shareholders and acquiring companies or granting loans (except to users or contractors other than the Company's shareholders), without ENARGAS previous approval, and (iv) no mandatory investment plan applies during the IRR. The IRR also provides for the possibility that ENARGAS adjusts TGN rates as from April 1, 2022.



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1 – OVERVIEW (Cont.)

1.3 - Regulatory framework (Cont.)

1.3.2 - 2017 comprehensive rate review (Cont.)

On June 30, 2021, the Company filed an appeal at administrative level against Decree 1020/20, MECON and ENARGAS Joint Resolution 2/21 whereby the IRR was approved subject to further approval by the PEN, Decree 353/21 which ratified Joint Resolution 2 and ENARGAS Resolution 150/21 whereby the IRR rate charts were put into force. In line with the express provisions of the Gas Act (article 48) and the Basic Rules of the Transportation License (item 9.8), the Company believes that the cost of any subsidy to natural gas users must be borne by the National Treasury, and not TGN, or otherwise TGN must be compensated by the PEN. The Company also believes that neither the PEN, MECON nor ENARGAS have the authority to place the bans imposed by the IRR.

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.

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 June 30, 2021 reached 25.3% as shown by the Consumer Price Index published by the National Institute of Statistics and Census (“INDEC”).
- From January 1 to June 30, 2021, the peso depreciated 13.7% 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.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

2 – BASIS OF PREPARATION AND PRESENTATION

These interim condensed financial statements for the six-month period ended June 30, 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 six-month period ended June 30, 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.

These interim condensed financial statements, which were approved for their release by the Company's Board on August 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.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

2 – BASIS OF PREPARATION AND PRESENTATION (Cont.)

2.1 – Changes in Interpretation and Accounting Standards

a) New accounting standards, amendments and interpretations issued by IASB applicable as from June 30, 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.

2.2 - Change in the income tax rate

By means of Decree No. 387/2021 dated June 16, 2021, the PEN passed Law No. 27630 which establishes a new tiered structure of income tax rates, with three segments according to the cumulative taxable net income level. The new tax rates are as follows:

- 25% for cumulative taxable net income of up to \$5 million;
- \$ 1.25 million plus 30% for the second tier for taxable income of up to \$50 million;
- \$ 14.75 million plus 35% for taxable income above \$50 million.

Said change will be applicable to fiscal years starting as of January 1, 2021.

Consequently, these interim condensed financial statements reflect such change. Current tax shows a higher charge of \$ 129,586, while deferred net assets and liabilities record a higher charge of \$ 4,033,781, based on the actual rate expected to be applicable as of the probable rate of reversal of those deferred assets and liabilities.

3 – FINANCIAL RISK MANAGEMENT

Except as mentioned below, as of June 30, 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 June 30, 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 \$ 80.8 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 SIX-MONTH PERIOD ENDED JUNE 30, 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

	06.30.21			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	95.52	18,089,373	US\$ 189,378	19,924,406
			18,089,373		19,924,406
Investments at amortized cost of restricted availability (Note 7)					
Investments at amortized cost of restricted availability	US\$ 56,582	95.52	5,404,750	US\$ 56,584	5,953,146
			5,404,750		5,953,146
Total non-current assets			23,494,123		25,877,552
CURRENT ASSETS					
Other accounts receivable					
Other sundry accounts receivable	US\$ 540	95.52	51,533	US\$ 435	45,713
Other receivables with controlling company	US\$ 4	95.52	391	US\$ 19	2,045
Other receivables with affiliated companies	US\$ 0	95.52	9	US\$ 16	1,749
	R\$ 106	18.3	1,932	R\$ 106	2,038
			53,865		51,545
Trade accounts receivable					
Trade accounts receivable with third parties	US\$ 4,726	95.52	451,429	US\$ 3,292	346,350
Trade accounts receivable with related parties	US\$ 91	95.52	8,651	US\$ 61	6,405
Trade accounts receivable with affiliated companies (Note 8)	US\$ 13	95.52	1,240	US\$ 31	3,320
			461,320		356,075
Investments at fair value (Note 7)					
Government bonds in US\$			-	US\$ 1,636	172,116
			-		172,116
Cash and cash equivalents					
Bank balances	US\$ 90	95.52	8,581	US\$ 48	5,034
			8,581		5,034
Total current assets			523,766		584,770
Total assets			24,017,889		26,462,322



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 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.)

	06.30.21			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\$ 54,673	95.72	5,233,323	US\$ 54,551	5,752,997
Total Non-current assets			5,233,323		5,752,997
CURRENT LIABILITIES					
Trade accounts payable					
Suppliers - goods and services	US\$ 1,484	95.72	142,051	US\$ 694	73,166
Unbilled Goods and Services	US\$ 1,954	95.72	187,062	US\$ 1,976	208,441
	£ 48	132.40	6,349	£ 36	5,112
	€ 39	114.14	4,411	€ 20	2,605
			339,873		289,324
Loans					
Itaú Unibanco S.A. Nassau Branch Loan	US\$ 182	95.72	17,402	US\$ 187	19,737
			17,402		19,737
Total Current Liabilities			357,275		309,061
Total Liabilities			5,590,598		6,062,058

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 SIX-MONTH PERIOD ENDED JUNE 30, 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 as of June 30, 2021, 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 \$ 50.7 million, provided the other economic-financial variables affecting the Company remained 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 \$ 2,250 million, 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 June 30, 2021, resulting from each percentage point increase or decrease in BADLAR rate, would approximately represent a pre-tax gain or loss per annum, 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.

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>06.30.2021</u>	<u>06.30.2020</u>
Revenues	8,726	13,147
Cost of service	(4,562)	(4,327)
Management EBITDA	<u>4,164</u>	<u>8,820</u>
Acquisition of “Property, plant and equipment”	<u>1,146</u>	<u>1,623</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

4 – SEGMENT INFORMATION (Cont.)

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

	<u>06.30.2021</u>	<u>06.30.2020</u>
Management EBITDA in million pesos	4,164	8,820
“Property, plant and equipment” depreciation	(5,075)	(4,560)
Other net income and expenses	(31)	182
Net financial income	(759)	13
Income (loss) from investments in affiliated companies	7	22
Income before income tax	<u>(1,694)</u>	<u>4,477</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)
5 – PROPERTY, PLANT AND EQUIPMENT

	06.30.2021										Resulting Net			
	Original Value					Depreciation					06.30.2021	12.31.2020	06.30.2020	
	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	47,764,312	-	-	1,153,704	-	48,918,016	-	3,933,808	-	3,933,808	44,984,208	47,764,312	57,053,920	
Compressor plants	6,896,405	-	(440)	218,790	-	7,114,755	-	735,744	(100)	735,644	6,379,111	6,896,405	8,282,014	
Meter and regulating stations	954,535	-	-	56,432	-	1,010,967	-	46,063	-	46,063	964,904	954,535	1,065,961	
SCADA system	1,037,504	-	-	281,975	-	1,319,479	-	109,710	-	109,710	1,209,769	1,037,504	1,019,237	
Gas inventory	1,195,012	-	-	-	-	1,195,012	-	-	-	-	1,195,012	1,195,012	1,369,481	
Lands	67,191	-	-	33	-	67,224	-	-	-	-	67,224	67,191	72,909	
Buildings and civil construction works	1,302,358	-	-	3,548	-	1,305,906	-	42,901	-	42,901	1,263,005	1,302,358	1,501,745	
Other technical installations	1,001,048	-	-	208,159	-	1,209,207	-	73,703	-	73,703	1,135,504	1,001,048	1,204,723	
Sub-total essential assets	60,218,365	-	(440)	1,922,641	-	62,140,566	-	4,941,929	(100)	4,941,829	57,198,737	60,218,365	71,569,990	
Other revalued assets														
Lands	34,385	-	-	-	-	34,385	-	-	-	-	34,385	34,385	39,629	
Buildings and civil construction works	390,996	-	-	1,499	-	392,495	-	17,262	-	17,262	375,233	390,996	450,455	
Sub-total other revalued assets	425,381	-	-	1,499	-	426,880	-	17,262	-	17,262	409,618	425,381	490,084	
Total revalued assets	60,643,746	-	(440)	1,924,140	-	62,567,446	-	4,959,191	(100)	4,959,091	57,608,355	60,643,746	72,060,074	
Non-essential assets:														
Building installations	216,769	38	-	-	-	216,807	62,546	5,717	-	68,263	148,544	154,223	62,563	
Machinery, equipment and tools	671,675	5,027	(217)	-	-	676,485	539,090	17,791	(52)	556,829	119,656	132,585	102,848	
Other technical installations	946,920	14,468	-	-	-	961,388	694,985	35,591	-	730,576	230,812	251,935	145,323	
Communication equipment and devices	105,117	215	-	-	-	105,332	81,708	3,464	-	85,172	20,160	23,409	7,225	
Vehicles	633,601	13,197	(3,454)	-	-	643,344	434,501	41,511	(3,224)	472,788	170,556	199,100	208,303	
Furniture and fixtures	340,259	8,954	-	-	-	349,213	288,353	2,615	-	290,968	58,245	51,906	47,747	
Right of use	59,043	2,017	-	-	-	61,060	39,985	9,733	-	49,718	11,342	19,058	24,299	
Works in progress	4,854,808	1,102,472	(6,406)	(1,924,140)	-	4,026,734	-	-	-	-	4,026,734	4,854,808	5,686,634	
Sub-total non-essential assets	7,828,192	1,146,388	(10,077)	(1,924,140)	-	7,040,363	2,141,168	116,422	(3,276)	2,254,314	4,786,049	5,687,024	6,284,942	
Balances as of June 30, 2021	68,471,938	1,146,388	(10,517)	-	-	69,607,809	2,141,168	5,075,613	(3,376)	7,213,405	62,394,404	-	-	
Balances as of December 31, 2020	85,670,453	3,245,020	(197,497)	-	(10,978,520)	77,739,456	1,978,290	9,457,599	(27,203)	11,408,686	-	66,330,770	-	
Balances as of June 30, 2020	85,670,453	1,622,964	(17,615)	-	(2,401,611)	84,874,191	1,978,290	4,559,754	(8,869)	6,529,175	-	-	78,345,016	



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 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 June 30, 2021, the Company has firm contractual commitments with suppliers for the acquisition of Property, plant and equipment for 299,451.

6 – INVESTMENTS IN AFFILIATED COMPANIES

	<u>06.30.2021</u>	<u>12.31.2020</u>
Balance at the beginning of fiscal year	141,675	103,035
Income from investments in affiliated companies ¹⁾	7,126	18,779
Conversion difference allocated to Other comprehensive income	<u>(18,527)</u>	<u>19,861</u>
Balance at the end of period	<u>130,274</u>	<u>141,675</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 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			06.30.21	12.31.20		Most Recent Financial Statements					
								Date	Capital Stock and Capital Adjustment	Other Reserves	Retained Earnings	Shareholders' Equity	Percentage of Direct Interest
Comgas Andina S.A.	Common	(1) 1 per share	490	246	128,865	138,971	Gas pipeline operation and maintenance service	06.30.21	199	-	262,789	262,988	49.0
Companhia Operadora do Rio Grande do Sul	Common	(2) 1 per share	49	0.1	1,409	2,704	Gas pipeline operation and maintenance service	06.30.21	2	7,358	(4,484)	2,876	49.0
Total					130,274	141,675							

(1) Chilean pesos

(2) Brazilian Reais



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

7 – FINANCIAL INSTRUMENTS BY CATEGORY

	<u>06.30.2021</u>	<u>12.31.2020</u>
Financial assets at fair value ⁽¹⁾:		
Current:		
Classified as “Investments at fair value”:		
Mutual funds in \$	375,410	520,581
Government bonds in \$	2,599,906	883,089
Government bonds in US\$	-	172,116
Subtotal	<u>2,975,316</u>	<u>1,575,786</u>
Classified as “Cash and cash equivalents”:		
Mutual funds in \$	2,090,374	1,699,372
Subtotal	<u>2,090,374</u>	<u>1,699,372</u>
Total financial assets at fair value - Current	<u>5,065,690</u>	<u>3,275,158</u>
Financial assets at amortized cost:		
Current:		
Classified as “Investments at amortized cost”:		
VRD bonds in \$	4,888	7,652
T-BILLS in \$	97,316	-
Subtotal	<u>102,204</u>	<u>7,652</u>
Classified as “Cash and cash equivalents”:		
Cash and banks	117,343	10,117
Term deposits in \$ ⁽²⁾	-	462,399
Surety bonds in \$ ⁽²⁾	960,890	1,568,656
T-BILLS in \$ ⁽²⁾	-	122,018
Subtotal	<u>1,078,233</u>	<u>2,163,190</u>
Classified as “Trade accounts receivable” and “Other accounts receivable”	3,013,783	3,264,371
Total financial assets at amortized cost - Current	<u>4,194,220</u>	<u>5,435,213</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 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.):

06.30.2021 12.31.2020

Non-Current:

Classified as “Investments at amortized cost”:

VRD bonds in \$	2,921	6,334
Subtotal	2,921	6,334

Classified as “Investments at amortized cost of restricted availability”:

Term deposit in US\$ of restricted availability	5,404,750	5,953,146
Subtotal	5,404,750	5,953,146

Classified as “Trade accounts receivable” and “Other accounts receivable”	8,165,649	8,992,916
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Total financial assets at amortized cost – Non-Current	13,573,320	14,952,396
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Financial liabilities at amortized cost:

Current:

Loans	797,575	683,710
Notes	1,574,315	1,334,634
Trade accounts payable, other debts and lease debt	1,018,201	1,440,237

Total financial liabilities at amortized cost – Current	3,390,091	3,458,581
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Non-Current:

Loans	5,233,323	6,063,008
Notes	-	612,008
Trade accounts payable, other debts and lease debt	285,391	375,576

Total financial liabilities at amortized cost – Non-Current	5,518,714	7,050,592
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⁽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 June 30, 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 SIX-MONTH PERIOD ENDED JUNE 30, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

8 – TRADE ACCOUNTS RECEIVABLE

	<u>06.30.2021</u>	<u>12.31.2020</u>
Non-current		
Trade accounts receivable - third parties	18,089,373	19,924,406
Allowance for doubtful accounts and disputed amounts	(9,932,425)	(10,939,995)
Total trade accounts receivable – Non-current	<u>8,156,948</u>	<u>8,984,411</u>
Current		
Trade accounts receivable - third parties	3,182,872	3,285,621
Trade accounts receivable – other related parties (Note 15)	358,065	364,866
Trade accounts receivable – affiliated companies (Note 15)	1,240	3,320
Allowance for doubtful accounts and disputed amounts	(721,569)	(711,350)
Total trade accounts receivable - Current	<u>2,820,608</u>	<u>2,942,457</u>

9 – INDEBTEDNESS

9.1 – Changes in Loans

	<u>06.30.2021</u>	<u>06.30.2020</u>
<u>Non-Current:</u>		
Balance at the beginning of fiscal year	6,063,008	-
Transfer to current	(287,664)	-
Taking of local loans in pesos	-	682,727
Accrual of interest on Itaú Unibanco S.A. Nassau Branch loan	12,185	-
Exchange rate difference on Itaú Unibanco S.A. Nassau Branch loan	710,004	-
Loss on monetary position	(1,264,210)	-
Balance at the end of period	<u>5,233,323</u>	<u>682,727</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

9 – INDEBTEDNESS (Cont.)

9.1 – Changes in Loans (Cont.)

	<u>06.30.2021</u>	<u>06.30.2020</u>
<u>Current:</u>		
Balance at the beginning of fiscal year	683,710	12,352,321
Transfer from non-current	287,664	-
Accrual of interest on Syndicated Loan	-	275,646
Exchange difference on Syndicated Loan	-	1,450,362
Payment of principal on Syndicated Loan	-	(5,627,911)
Payment of interest on Syndicated Loan	-	(337,166)
Accrual of interest on Itaú Unibanco S.A. Nassau Branch loan	48,049	-
Exchange rate difference on Itaú Unibanco S.A. Nassau Branch loan	3,349	-
Payment of interest on Itaú Unibanco S.A. Nassau Branch loan	(48,242)	-
Taking of local loans in pesos	45,020	7,794,752
Accrual of interest on local loans in pesos	147,065	321,813
Payment of principal on local loans in pesos	(43,255)	(4,502,585)
Payment of interest on local loans in pesos	(144,045)	(224,645)
Loss on monetary position	(181,740)	(1,502,247)
Balance at the end of period	<u>797,575</u>	<u>10,000,340</u>

9.2 – Changes in Notes

Non-current:

Balance at the beginning of fiscal year	612,008	-
Transfer to current	(567,892)	-
Loss on monetary position	(44,116)	-
Balance at the end of period	<u>-</u>	<u>-</u>

Current:

Balance at the beginning of fiscal year	1,334,634	-
Transfer from non-current	567,892	-
Accrual of interest on Notes	308,482	-
Payment of interest on Notes	(285,071)	-
Loss on monetary position	(351,622)	-
Balance at the end of period	<u>1,574,315</u>	<u>-</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 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	264,704
– Increases	7,125
– Decreases (payments / uses)	(5,084)
– Loss on monetary position	(31,725)
Balance as of June 30, 2020	<u>235,020</u>
– Increases	6,631
– Decreases (payment / uses)	(2,642)
– Loss on monetary position	(38,984)
Balance as of December 31, 2020	<u>200,025</u>
– Increases	105
– Decreases (payments / uses)	(243)
– Loss on monetary position	(40,356)
Balance as of June 30, 2021	<u>159,531</u>

11 - REVENUES

	<u>For the six-month period as of</u>		<u>For the three-month period as of</u>	
	<u>06.30.2021</u>	<u>06.30.2020</u>	<u>06.30.2021</u>	<u>06.30.2020</u>
Gas transportation service	8,124,651	12,494,652	4,022,680	6,040,436
Gas pipeline operation and maintenance and other services	601,843	652,528	374,003	300,148
Total revenues	<u>8,726,494</u>	<u>13,147,180</u>	<u>4,396,683</u>	<u>6,340,584</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

12 – EXPENSES BY NATURE

Item	For the six-month period as of 06.30						Total as of 06.30.2021	Total as of 06.30.2020
	Cost of service		Selling expenses		Administrative expenses			
	2021	2020	2021	2020	2021	2020		
Directors' fees	-	-	-	-	19,592	20,843	19,592	20,843
Supervisory Committee's fees	-	-	-	-	5,676	5,844	5,676	5,844
Fees for professional services	39,247	63,158	873	117	147,997	63,330	188,117	126,605
Salaries, wages and other personnel benefits	877,749	848,229	20,099	19,630	339,873	336,857	1,237,721	1,204,716
Social security contributions	192,161	164,556	5,301	3,967	82,939	73,906	280,401	242,429
Materials and spare parts	348,679	291,411	-	-	1,636	26,303	350,315	317,714
Third party services and supplies	98,867	98,588	230	363	3,131	4,402	102,228	103,353
Maintenance and repair of property, plant and equipment	1,116,973	856,100	850	6,631	35,119	23,111	1,152,942	885,842
Travel expenses	90,427	76,779	589	638	6,945	10,302	97,961	87,719
Freight and transportation	16,178	11,436	-	-	4	3	16,182	11,439
Post and telecommunication expenses	8,356	7,719	556	496	7,538	6,007	16,450	14,222
Insurance	138,768	129,521	14	14	6,247	6,950	145,029	136,485
Office supplies	7,321	9,652	410	545	14,758	18,679	22,489	28,876
Rentals	27,172	28,027	201	351	9,926	9,694	37,299	38,072
Easements	37,415	27,200	-	-	-	-	37,415	27,200
Taxes, rates and contributions	3,539	3,458	307,099	460,413	362,565	315,461	673,203	779,332
Property, plant and equipment depreciation	4,905,072	4,427,531	1,775	2,675	168,766	129,548	5,075,613	4,559,754
Doubtful accounts	-	-	166,321	227,580	-	-	166,321	227,580
Lawsuits	-	-	-	-	105	7,125	105	7,125
Slow-moving and obsolete materials and spare parts	-	38,318	-	-	-	-	-	38,318
Other	4,067	11,831	2,041	55	5,991	10,980	12,099	22,866
Balances as of June 30, 2021	7,911,991	-	506,359	-	1,218,808	-	9,637,158	-
Balances as of June 30, 2020	-	7,093,514	-	723,475	-	1,069,345	-	8,886,334



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

12 – EXPENSES BY NATURE (Cont.)

Item	For the three-month period as of 06.30						Total three-month period as of 06.30.2021	Total three-month period as of 06.30.2020
	Cost of service		Selling expenses		Administrative expenses			
	2021	2020	2021	2020	2021	2020		
Directors' fees	-	-	-	-	10,134	10,102	10,134	10,102
Supervisory Committee's fees	-	-	-	-	2,848	2,833	2,848	2,833
Fees for professional services	18,515	34,970	662	95	89,367	27,490	108,544	62,555
Salaries, wages and other personnel benefits	508,578	437,220	11,373	10,503	186,460	165,297	706,411	613,020
Social security contributions	115,345	87,486	3,522	2,184	44,393	41,979	163,260	131,649
Materials and spare parts	218,515	115,866	-	-	1,279	19,030	219,794	134,896
Third party services and supplies	49,505	54,906	127	200	1,733	2,435	51,365	57,541
Maintenance and repair of property, plant and equipment	579,917	311,281	475	3,977	17,703	13,936	598,095	329,194
Travel expenses	42,199	25,026	127	218	2,927	1,114	45,253	26,358
Freight and transportation	7,581	4,034	-	-	-	-	7,581	4,034
Post and telecommunication expenses	3,921	4,010	261	242	3,534	2,932	7,716	7,184
Insurance	61,157	66,339	6	8	3,941	3,528	65,104	69,875
Office supplies	3,690	2,282	-	111	3,382	12,707	7,072	15,100
Rentals	13,384	15,065	132	212	5,503	4,569	19,019	19,846
Easements	19,189	11,601	-	-	-	-	19,189	11,601
Taxes, rates and contributions	1,747	446	155,299	220,423	191,497	169,092	348,543	389,961
Property, plant and equipment depreciation	2,249,223	2,221,938	775	1,260	70,272	74,950	2,320,270	2,298,148
Doubtful accounts	-	-	51,755	7,898	-	-	51,755	7,898
Lawsuits	-	-	-	-	105	1,654	105	1,654
Slow-moving and obsolete materials and spare parts	-	317	-	-	-	-	-	317
Other	3,610	3,632	2,042	32	4,599	6,459	10,251	10,123
Balances for the three-month period as of June 30, 2021	3,896,076	-	226,556	-	639,677	-	4,762,309	-
Balances for the three-month period as of June 30, 2020	-	3,396,419	-	247,363	-	560,107	-	4,203,889



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

13 – OTHER INCOME AND EXPENSES

	<u>Six-month period as of</u>		<u>Three-month period as of</u>	
	<u>06.30.2021</u>	<u>06.30.2020</u>	<u>06.30.2021</u>	<u>06.30.2020</u>
Disposal of property, plant and equipment, net	(4,619)	(5,834)	(4,614)	(14,817)
Other income and expenses	<u>(26,487)</u>	<u>187,469</u>	<u>(37,874)</u>	<u>205,035</u>
Total other net income and expenses	<u>(31,106)</u>	<u>181,635</u>	<u>(42,488)</u>	<u>190,218</u>

14 – NET FINANCIAL INCOME

	<u>Six-month period as of</u>		<u>Three-month period as of</u>	
	<u>06.30.2021</u>	<u>06.30.2020</u>	<u>06.30.2021</u>	<u>06.30.2020</u>
Other net financial income				
Foreign exchange gain	1,213,540	1,044,424	377,815	787,008
Income from changes in fair values	701,521	315,824	515,576	493,993
Loss from derivative financial instruments	-	(96,852)	-	-
Other	<u>195,010</u>	<u>-</u>	<u>19,618</u>	<u>-</u>
Total other net financial income	<u>2,110,071</u>	<u>1,263,396</u>	<u>913,009</u>	<u>1,281,001</u>
Financial income				
Interest	<u>435,552</u>	<u>59,267</u>	<u>178,488</u>	<u>30,184</u>
Total financial income	<u>435,552</u>	<u>59,267</u>	<u>178,488</u>	<u>30,184</u>
Financial expenses				
Interest	(520,822)	(690,955)	(247,347)	(436,946)
Interest compounded on property, plant and equipment	-	71,815	-	13,574
Banking and financial fees, expenses and taxes	<u>(6,954)</u>	<u>(72,239)</u>	<u>(3,316)</u>	<u>(69,607)</u>
Total financial expenses	<u>(527,776)</u>	<u>(691,379)</u>	<u>(250,663)</u>	<u>(492,979)</u>
Loss on monetary position	<u>(2,777,457)</u>	<u>(618,174)</u>	<u>(1,322,797)</u>	<u>(411,333)</u>
Total net financial (loss) income	<u>(759,610)</u>	<u>13,110</u>	<u>(481,963)</u>	<u>406,873</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 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>06.30.2021</u>	<u>06.30.2020</u>
Controlling company		
<u>Other net income and expenses</u>		
Gasinvest S.A.	681	697
<u>Total other net income and expenses</u>	681	697
Affiliated companies		
<u>Revenues</u>		
Comgas Andina S.A.	6,724	6,891
Companhia Operadora do Rio Grande do Sul	973	1,054
<u>Total revenues</u>	7,697	7,945
<u>Recovery of expenses</u>		
Comgas Andina S.A.	946	1,960
Companhia Operadora do Rio Grande do Sul	32	-
<u>Total recovery of expenses</u>	978	1,960
Other related parties		
<u>Revenues</u>		
Litoral Gas S.A.	1,291,203	1,891,423
Ternium Argentina S.A.	187,947	262,819
Compañía General de Combustibles S.A.	-	22,392
Siderca S.A.	117,649	169,911
Transportadora de Gas del Mercosur S.A.	38,751	38,119
Tecpetrol S.A.	16,795	63,261
Gasoducto Gasandes Argentina S.A.	7,709	19,813
<u>Total revenues</u>	1,660,054	2,467,738
<u>Recovery of expenses</u>		
Gasinvest S.A.	1,555	1,558
Transportadora de Gas del Mercosur S.A.	10,494	7,348
<u>Total recovery of expenses</u>	12,049	8,906
Key management personnel		
Board of Directors' fees	19,592	20,843
Supervisory Committee's fees	5,676	5,844



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 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>06.30.2021</u>	<u>12.31.2020</u>
Trade accounts receivable		
<u>Other related parties</u>		
Transportadora de Gas del Mercosur S.A.	8,651	6,405
Litoral Gas S.A.	280,837	284,771
Ternium Argentina S.A.	37,521	42,445
Siderca S.A.	23,673	25,728
Tecpetrol S.A.	6,319	4,040
Gasoducto Gasandes Argentina S.A.	1,064	1,477
<u>Total trade accounts receivable - other related parties</u>	<u>358,065</u>	<u>364,866</u>
<u>Accounts receivable – affiliated companies</u>		
Comgas Andina S.A.	1,063	1,171
Companhia Operadora do Rio Grande do Sul	177	2,149
<u>Total accounts receivable –affiliated companies</u>	<u>1,240</u>	<u>3,320</u>
Other accounts receivable		
<u>Assistance fee and recovery of expenses – controlling company</u>		
Gasinvest S.A.	391	2,045
<u>Total assistance fee and recovery of expenses – controlling company</u>	<u>391</u>	<u>2,045</u>
<u>Other accounts receivable – affiliated companies</u>		
Comgas Andina S.A.	9	995
Companhia Operadora do Rio Grande do Sul	1,932	2,792
<u>Total other accounts receivable – affiliated companies</u>	<u>1,941</u>	<u>3,787</u>
<u>Other accounts receivable – related parties</u>		
Gasoducto Gasandes Argentina S.A.	240	239
Transportadora de Gas del Mercosur S.A.	-	7,926
Litoral Gas S.A.	118	-
<u>Total other accounts receivable – related parties</u>	<u>358</u>	<u>8,165</u>
<u>Other accounts receivable - Key Management Personnel</u>		
Board of Directors and Supervisory Committee’s fees paid in advance	22,580	44,882
<u>Total other accounts receivable - Key Management Personnel</u>	<u>22,580</u>	<u>44,882</u>
Balances with related parties are as follows:		
Other debts		
<u>Other debts - Key Management Personnel</u>		
Provision for Directors and Supervisory Committee’s fees	(23,193)	(44,857)
<u>Total other debts Key Management Personnel</u>	<u>(23,193)</u>	<u>(44,857)</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

16 – SUBSEQUENT EVENTS

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 97.00 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 June 30, 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.

Pablo Lozada
Regular Statutory Auditor

Emilio Daneri Conte-Grand
President



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OVERVIEW FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 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 six-month period ended June 30, 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:

(in million pesos)

	<i>Six-month period ended 06.30.</i>		
	<i>2021</i>	<i>2020</i>	<i>Variation</i>
Revenues			
Gas transportation service	8,124.7	12,494.7	(4,370.0)
Gas pipeline operation & maintenance and other services	601.8	652.5	(50.7)
Total revenues	8,726.5	13,147.2	(4,420.7)
Cost of service			
Operation and maintenance costs	(3,007.0)	(2,666.0)	(341.0)
Property, plant and equipment depreciation	(4,905.0)	(4,427.5)	(477.5)
Subtotal	(7,912.0)	(7,093.5)	(818.5)
Gross profit	814.5	6,053.7	(5,239.2)
Administrative and selling expenses	(1,725.2)	(1,792.8)	67.6
(Loss) income before other net income and expenses	(910.7)	4,260.9	(5,171.6)
Other income and expenses	(31.1)	181.6	(212.7)
(Loss) income before financial income	(941.8)	4,442.5	(5,384.3)
Net financial income	(759.6)	13.1	(772.7)
Income from investments in affiliated companies	7.1	21.5	(14.4)
Income before income tax	(1,694.3)	4,477.1	(6,171.4)
Income tax	(3,593.8)	(1,263.8)	(2,330.0)
(Loss) income for the period	(5,288.1)	3,213.3	(8,501.4)
Currency conversion of affiliated companies’ financial statements	(18.5)	3.7	(22.2)
Property, plant and equipment revaluation allowance	-	(1,793.9)	1,793.9
Other comprehensive income for the period	(18.5)	(1,790.2)	1,771.7
Comprehensive (loss) income for the period	(5,306.6)	1,423.1	(6,729.7)
EBITDA ⁽¹⁾	4,164.0	8,820.6	(4,656.6)

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



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OVERVIEW FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020

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

	<i>(in million pesos)</i>	
	<i>06.30.2021</i>	<i>12.31.2020</i>
<i>Total assets</i>	<i>87,496</i>	<i>92,474</i>
<i>Total liabilities</i>	<i>23,886</i>	<i>23,557</i>
<i>Shareholders' equity</i>	<i>63,610</i>	<i>68,917</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 \$ 4,420.7 million between the six-month periods ended June 30, 2021 and 2020 is due to:

- i.* \$ 724 million decrease in revenues from export transportation services;
- ii.* \$ 310 million increase in revenues from interruptible transportation services;
- iii.* \$ 3,909 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 six-month period ended June 30, 2021; and
- iv.* \$ 50.7 million decrease in revenues from "Gas pipeline operation and maintenance and other services".

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OVERVIEW FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020

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

Cost of service

<i>Items</i>	<i>(in million Pesos)</i>		
	<i>Six-month period ended 06.30.</i>		
	<i>2021</i>	<i>2020</i>	<i>Variation</i>
<i>Fees for professional services</i>	39.2	63.2	(24.0)
<i>Salaries, wages and other personnel benefits and social security contributions</i>	1,069.9	1,012.8	57.1
<i>Materials and spare parts</i>	348.7	291.4	57.3
<i>Maintenance and repair of property, plant and equipment and third-party services and supplies</i>	1,215.8	954.7	261.1
<i>Post, telecommunications, transportation, freight and travel expenses</i>	115.0	95.9	19.1
<i>Insurance</i>	138.8	129.5	9.3
<i>Rentals and office supplies</i>	34.5	37.7	(3.2)
<i>Easements</i>	37.4	27.2	10.2
<i>Taxes, rates and contributions</i>	3.5	3.5	-
<i>Property, plant and equipment depreciation</i>	4,905.1	4,427.5	477.6
<i>Slow-moving and obsolete materials and spare parts</i>	-	38.3	(38.3)
<i>Other</i>	4.1	11.8	(7.7)
Total	7,912.0	7,093.5	818.5
% of Cost of service on revenues	90.7%	54.0%	

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

- i. \$ 348.2 million increase in *Salaries, wages and other personnel benefits and social security contributions* (which adjusted for inflation amounts to \$ 57.1 million). Said variation is explained by salary increases due to inflation adjustment (\$ 311.3 million) and a higher headcount (\$ 6.8 million), among other items;
- ii. \$ 103.0 million increase in *Materials and spare parts* (which adjusted for inflation amounts to \$ 57.3 million). Said variation is mainly due to higher costs in spare parts (\$ 40 million), consumables (\$ 24.3 million), projects related to compressor plants ancillary integrity (\$ 13.8 million) and compression integrity (\$ 24 million), partially offset against other items;
- iii. \$ 520.5 million increase in *Maintenance and repair of property, plant and equipment and Third-party services and supplies* (which adjusted for inflation amounts to \$ 261.1 million). Said variation is mainly due to higher costs associated with cleaning and clearing of facilities (\$ 37.2 million), outsourced maintenance works (\$ 29.2 million), expenses in application software (\$ 5.7 million), works in layout (\$ 202.1 million), anti-corrosion protection (\$ 25.6 million), pipeline inspections (\$ 180.5 million), projects related to compression integrity at compressor stations (\$ 37.9 million), main gas (\$ 14.8 million), ancillary integrity (\$ 21.5 million), security and surveillance (\$ 25.5 million), and minor works (\$ 29.6 million), offset against lower costs in cathodic protection (\$ 22 million), special crossings (\$ 24.4 million), and integrity at metering and regulation stations and transportation (\$ 14 million); and
- iv. \$ 1,020.4 million increase in *Property, plant and equipment depreciation* (which adjusted for inflation amounts to \$ 477.6 million). Said variation is due to the higher depreciation, as a result of capitalizations.

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OVERVIEW FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020

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

Administrative and selling expenses

<i>Items</i>	<i>(in million pesos)</i>		
	<i>Six-month period ended 06.30.</i>		
	<i>2021</i>	<i>2020</i>	<i>Variation</i>
<i>Salaries, wages and other personnel benefits and social security contributions</i>	448.2	434.4	13.8
<i>Property, plant and equipment depreciation</i>	170.5	132.2	38.3
<i>Fees for professional services</i>	148.9	63.4	85.5
<i>Taxes, rates and contributions</i>	669.7	775.9	(106.2)
<i>Post, telecommunications, transportation, freight and travel expenses</i>	15.6	17.4	(1.8)
<i>Maintenance and repair of property, plant and equipment and third-party services and supplies</i>	39.3	34.5	4.8
<i>Rentals and office supplies</i>	25.3	29.3	(4.0)
<i>Doubtful accounts</i>	166.3	227.6	(61.3)
<i>Lawsuits</i>	0.1	7.1	(7.0)
<i>Supervisory Committee's fees</i>	5.7	5.8	(0.1)
<i>Board of Directors' fees</i>	19.6	20.8	(1.2)
<i>Materials and spare parts</i>	1.6	26.3	(24.7)
<i>Insurance</i>	6.3	7.0	(0.7)
<i>Other</i>	8.1	11.1	(3.0)
<i>Total</i>	1,725.2	1,792.8	(67.6)
<i>% of Administrative and Selling expenses on revenues</i>	19.8%	13.6%	

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

- i. \$ 42.7 million increase in *Property, plant and equipment depreciation* (which adjusted for inflation amounts to \$ 38.3 million). Said variation is due to the higher depreciation, as a result of capitalizations;
- ii. \$ 96.5 million increase in *Fees for professional services* (which adjusted for inflation amounts to \$ 85.5 million) due to higher expenses in building refurbishments;
- iii. \$ 123.7 million increase in *Taxes, rates and contributions* (which adjusted for inflation amounts to a \$ 106.2 million decrease). Said variation is mainly due to higher costs associated with the verification and control fee (\$ 139.2 million), partially offset against higher costs during 2020 fiscal year in turnover tax (\$ 11.1 million) and tax on bank transactions (\$ 10.2 million); and
- iv. \$ 11 million increase in *Doubtful accounts* (which adjusted for inflation amounts to a \$ 61.3 million decrease). Said variation is due to higher allowances set up during the current period in connection with balances owed by delinquent debtors.

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OVERVIEW FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020

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

Net financial income

(in million pesos)

<i>Items</i>	<i>Six-month period ended 06.30.</i>		
	<i>2021</i>	<i>2020</i>	<i>Variation</i>
<i>Other net financial income:</i>			
<i>Net exchange rate gain</i>	1,213.5	1,044.4	169.1
<i>Income due to changes in fair values</i>	701.5	315.8	385.7
<i>Income from derivative financial instruments</i>	-	(96.9)	96.9
<i>Other</i>	195.0	-	195.0
<i>Total other net financial income</i>	2,110.0	1,263.3	846.7
<i>Financial income:</i>			
<i>Interest</i>	435.6	59.3	376.3
<i>Total financial income</i>	435.6	59.3	376.3
<i>Financial expenses:</i>			
<i>Interest</i>	(520.8)	(691.0)	170.2
<i>Interest compounded on Property, plant and equipment</i>	-	71.8	(71.8)
<i>Banking, financial and other fees, expenses and taxes</i>	(7.0)	(72.2)	65.2
<i>Total financial expenses</i>	(527.8)	(691.4)	163.6
<i>Loss on monetary position</i>	(2,777.4)	(618.1)	(2,159.3)
<i>Total net financial (loss) income</i>	(759.6)	13.1	(772.7)

Net financial income for the six-month period ended June 30, 2021 showed a higher gain of \$ 1,396.1 million (which adjusted for inflation amounts to a \$ 772.2 million decrease), as compared to the six-month period ended June 30, 2020. Accounts with the most relevant variations between both periods were:

- i. a higher gain of \$ 396.5 million (which adjusted for inflation amounts to \$ 169.1 million), on account of net exchange rate differences on US dollar denominated assets and liabilities;
- ii. a higher gain of \$ 323.4 million (which adjusted for inflation amounts to \$ 546.5 million), associated with interest accrued during the period;
- iii. a higher gain of \$ 445.4 million (which adjusted for inflation amounts to \$ 385.7 million), due to changes in fair values accrued during the period;
- iv. a lower gain of \$ 45.8 million (which adjusted for inflation amounts to \$ 71.8 million), in compound interest in connection with works the duration of which exceeds one year;
- v. a lower loss of \$ 58.1 million (which adjusted for inflation amounts to \$ 96.9 million) as a result of transactions with derivative instruments;
- vi. a higher gain of \$ 177.5 million (which adjusted for inflation amounts to \$ 195 million) mainly due to the collection 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 Note 1.3.2 to the Company's interim condensed financial statements for the six-month period ended June 30, 2021; and
- vii. a lower gain of \$ 2,159.3 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 SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020

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

Other income and expenses

During the six-month periods ended June 30, 2020 and 2021, the Company has recognized losses for \$ 31.1 million and profits for \$ 181.6 million, respectively. The higher loss for \$ 212.7 million is mainly due to:

- i. \$ 228.2 million on account of lower profit due to the collection of insurance proceeds during the same period in previous year; and
- ii. \$ 34.1 million lower loss during the current period as compared to the same period in previous year, due to donations made during 2020 fiscal year under the Coronavirus pandemic.

Income tax

Income tax for the six-month period ended June 30, 2021 reported a higher charge of \$ 2,330 million as compared to the same period in previous year. Said variation is the result of a lower current tax charge of \$ 1,210.8 million due to a lower taxable income reported in the six-month period ended June 30, 2021, as compared to the same period in 2020 fiscal year, and a higher charge on account of deferred income tax of \$ 3,540.8 million mainly due to the increase in the tax rate. See Note 2.2 to the Company's interim condensed financial statements for the six-month period ended June 30, 2021.

Other comprehensive income for the period

"Other comprehensive income for the period" showed a lower loss of \$ 1,771.7 million mainly due to the impairment recorded in items of "Property, plant and equipment" amounting to \$ 1,793.9 million during the same period in the previous year. See Note 2.2 to the Company's interim condensed financial statements for the period ended June 30, 2020.



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OVERVIEW FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020

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

Summary of statement of cash flows

	<i>(in million pesos)</i>	
	Six-month period ended 06.30.	
	2021	2020
<i>Cash generated by operating activities</i>	(751.0)	4,795.5
<i>Income tax</i>	3,593.8	1,263.8
<i>Interest accrued on liabilities</i>	520.8	691.0
<i>Net cash flow generated by operating activities</i>	3,363.6	6,750.3
<i>Acquisition of property, plant and equipment</i>	(1,144.4)	(1,619.5)
<i>Subscriptions, net of recovery of investments at amortized cost and investments at fair value (non-cash equivalents)</i>	943.3	1,606.4
<i>Principal and interest received from investments at amortized cost and investments at fair value</i>	5.9	10.8
<i>Net cash flow used in investing activities</i>	(195.2)	(2.3)
<i>Taking of local loans in pesos</i>	45.0	8,477.5
<i>Payment of interest on Notes</i>	(285.1)	-
<i>Payment of principal on local loans in pesos</i>	(43.3)	(4,502.6)
<i>Payment of interest on local loans in pesos</i>	(144.0)	(224.6)
<i>Payment of principal on Syndicated Loan</i>	-	(5,627.9)
<i>Payment of interest on Syndicated Loan</i>	-	(337.2)
<i>Payment of interest on Itaú Unibanco S.A. Nassau Branch loan</i>	(48.2)	-
<i>Lease payment</i>	(8.5)	(8.6)
<i>Net cash flow used in financing activities</i>	(484.1)	(2,223.4)
<i>Net increase in cash and cash equivalents</i>	2,684.3	4,524.6
<i>Cash and cash equivalents at the beginning of fiscal year</i>	3,862.6	3,623.6
<i>Financial income generated by cash</i>	(3,378.3)	(1,854.9)
<i>Cash and cash equivalents at the end of period</i>	3,168.6	6,293.3

Breakdown of cash and cash equivalents

<i>Items</i>	<i>(in million pesos)</i>	
	Six-month period ended 06.30.	
	2021	2020
<i>Cash and banks ⁽¹⁾</i>	117.3	1,880.4
<i>Mutual funds in \$</i>	2,090.4	1,866.7
<i>Mutual funds in US\$</i>	-	2,546.2
<i>Surety bonds in \$</i>	960.9	-
<i>Cash and cash equivalents at the end of period</i>	3,168.6	6,293.3

⁽¹⁾ As of June 30, 2021 and 2020 it includes \$ 8.6 million and \$ 637.9 million, respectively, denominated in foreign currency.



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OVERVIEW FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020

II) COMPARATIVE BALANCE SHEETS AS OF JUNE 30, 2021 and 2020

<i>Items</i>	<i>(in million pesos)</i>	
	<i>As of 06.30</i>	
	<i>2021</i>	<i>2020</i>
<i>Non-current assets</i>	77,751	89,052
<i>Current assets</i>	9,745	14,817
<i>Total</i>	87,496	103,869
<i>Shareholders' equity</i>	63,610	74,676
<i>Non-current liabilities</i>	19,637	15,371
<i>Current liabilities</i>	4,249	13,822
<i>Subtotal liabilities</i>	23,886	29,193
<i>Total</i>	87,496	103,869

III) COMPARATIVE COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021 and 2020

<i>Items</i>	<i>(in million pesos)</i>	
	<i>As of 06.30</i>	
	<i>2021</i>	<i>2020</i>
<i>(Loss) income before other net income and expenses</i>	<i>(910.7)</i>	<i>4,260.9</i>
<i>Other income and expenses</i>	<i>(31.1)</i>	<i>181.6</i>
<i>(Loss) income before financial income</i>	<i>(941.8)</i>	<i>4,442.5</i>
<i>Net financial income</i>	<i>(759.6)</i>	<i>13.1</i>
<i>Income from investments in affiliated companies</i>	<i>7.1</i>	<i>21.5</i>
<i>Income before income tax</i>	<i>(1,694.3)</i>	<i>4,477.1</i>
<i>Income tax</i>	<i>(3,593.8)</i>	<i>(1,263.8)</i>
<i>(Loss) income for the period</i>	<i>(5,288.1)</i>	<i>3,213.3</i>
<i>Other comprehensive income for the period</i>	<i>(18.5)</i>	<i>(1,790.2)</i>
<i>Comprehensive (loss) income for the period</i>	<i>(5,306.6)</i>	<i>1,423.1</i>

IV) COMPARATIVE STATISTICAL DATA FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021 and, 2020

Dispatched volumes in million m3:

	<i>By type of transportation</i>	
	<i>As of 06.30</i>	
	<i>2021</i>	<i>2020</i>
<i>Firm</i>	6,257	6,244
<i>Interruptible and exchange & displacement</i>	5,527	5,502
<i>Total</i>	11,784	11,746



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OVERVIEW FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020

IV) COMPARATIVE STATISTICAL DATA FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021 and 2020 (Cont.)

	<i>By source</i>	
	<i>As of 06.30</i>	
	2021	2020
<i>Northern Pipeline</i>	4,326	4,267
<i>Central West Pipeline</i>	4,855	5,211
<i>Final sections</i>	2,603	2,268
Total	11,784	11,746

	<i>By destination</i>	
	<i>As of 06.30</i>	
	2021	2020
<i>Domestic market</i>	11,670	11,003
<i>Export market</i>	114	743
Total	11,784	11,746

V) COMPARATIVE RATIOS AS OF JUNE 30, 2021 and 2020

	<i>As of 06.30</i>	
	2021	2020
<i>Liquidity (1)</i>	2.2935	1.0720
<i>Solvency (2)</i>	2.6631	2.5580
<i>Equity Immobility (3)</i>	0.8886	0.8573

- (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 June 30, 2021, in order to have a full picture of corporate matters.



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OVERVIEW FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 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 CRR 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.



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OVERVIEW FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020

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

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.

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.

On June 1 the Company received notice of certain resolutions passed by the Ministry of Economy ("MECON") as well as the ENARGAS, all of them validated by a presidential decree, whereby an Interim Rate Regime ("IRR") was put in force.

The IRR involves that: (i) TGN rates will remain frozen, (ii) the Company will have to continue to render the gas transportation service, (iii) the ban on distributing dividends, prepaying loans with shareholders and acquiring companies or granting loans (except to users or contractors other than the Company's shareholders), without ENARGAS previous approval, and (iv) no mandatory investment plan applies during the IRR. The IRR also provides for the possibility that ENARGAS adjusts TGN rates as from April 1, 2022.

On June 30, 2021, the Company filed an appeal at administrative level against Decree 1020/20, MECON and ENARGAS Joint Resolution 2/21 whereby the IRR was approved subject to further approval by the PEN, Decree 353/21 which ratified Joint Resolution 2 and ENARGAS Resolution 150/21 whereby the IRR rate charts were put into force. In line with the express provisions of the Gas Act (article 48) and the Basic Rules of the Transportation License (item 9.8), the Company believes that the cost of any subsidy to natural gas users must be borne by the National Treasury, and not TGN, or otherwise TGN must be compensated by the PEN. The Company also believes that neither the PEN, MECON nor ENARGAS have the authority to place the bans imposed by the IRR.



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OVERVIEW FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020

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

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 and the PEN has determined to perpetuate the freezing of transportation rates. Therefore, we do not anticipate the results from said process.

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 (TGN rates included) in an attempt to contain inflation, 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, August 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 June 30, 2021, the interim condensed statement of comprehensive income for the six and three months periods ended on June 30, 2021 and the interim condensed statement of changes in shareholders' equity and the interim condensed statement of cash flows for the six 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 June 30, 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 \$ 80.778.369, none of which was claimable at that date.

Autonomous City of Buenos Aires, August 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 June 30, 2021, Interim Condensed Statement of Comprehensive Income for the six-month period ended June 30, 2021, and Statement of Changes in Shareholders’ Equity and Statement of Cash Flows for the six-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 August 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 June 30, 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 June 30, 2021 have been approved.
- e) Note that certain Board, Supervisory Committee and Shareholders' meetings, have been "remotely" held in compliance with Emergency Decree (D.N.U.) No. 297/2020 and amendments thereto, as well as with C.N.V. General Resolution No. 830/2020, and the minutes where discussions held at those meetings are reflected have not been yet transcribed or signed in the pertinent books.

City of Buenos Aires, August 10, 2021.

By the Supervisory Committee

Dr. Pablo Lozada
Regular Statutory Auditor