



**Interim Condensed Financial Statements as of March 31, 2023 in
thousand Pesos, on a comparative basis**



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Overview

Review Report from the Independent Auditors

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

INTERIM CONDENSED FINANCIAL STATEMENTS for the three-month period ended March 31, 2023, 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, September 15, 2017 and May 24, 2022.

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

Controlling shareholder: Gasinvest S.A.

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

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

Percentage of shares held by controlling shareholder: 56.354%.

Percentage of votes held by controlling shareholder: 56.354%.

Nominal Capital Structure

Classes of Shares	Subscribed and Paid-in	
	03.31.23	12.31.22
	Thousand \$	
Book-entry class A common shares, of \$1 par value each and entitled to one vote per share	179,264	179,264
Book-entry class B common shares, of \$1 par value each and entitled to one vote per share ⁽¹⁾	172,235	172,235
Book-entry class C common shares, of \$1 par value each and entitled to one vote per share ⁽²⁾	87,875	87,875
Total	439,374	439,374

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

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



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INTERIM CONDENSED BALANCE SHEETS AS OF MARCH 31, 2023 AND DECEMBER 31, 2022 ON A COMPARATIVE BASIS (in thousand pesos)

	Note	<u>03.31.2023</u>	<u>12.31.2022</u>
ASSETS			
Non-current assets			
Property, plant and equipment	5	130,781,218	132,997,649
Investments in affiliated companies	6	448,099	453,491
Materials and spare parts		4,187,021	4,401,969
Other accounts receivable	11.1	21,323,245	294,805
Trade accounts receivable	8	10,376,003	18,395,622
Investments at amortized cost of restricted availability	7	11,799,872	12,186,696
Total non-current assets		<u>178,915,458</u>	<u>168,730,232</u>
Current assets			
Materials and spare parts		384,781	308,779
Other accounts receivable	11.1	10,554,414	2,003,586
Trade accounts receivable	8	4,798,123	5,628,528
Investments at amortized cost	7	540	1,478
Investments at fair value	7	17,255,611	19,187,761
Cash and cash equivalents	7	3,082,968	3,170,341
Total current assets		<u>36,076,437</u>	<u>30,300,473</u>
Total assets		<u>214,991,895</u>	<u>199,030,705</u>

The accompanying notes 1 to 17 are an integral part of these interim condensed financial statements.



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INTERIM CONDENSED BALANCE SHEETS AS OF MARCH 31, 2023 AND DECEMBER 31, 2022 ON A COMPARATIVE BASIS (in thousand pesos)

	Note	<u>03.31.2023</u>	<u>12.31.2022</u>
SHAREHOLDERS' EQUITY			
Common stock		439,374	439,374
Common stock integral adjustment		68,099,811	68,099,811
Property, plant and equipment revaluation allowance		19,605,732	19,925,766
Statutory reserve		13,707,844	13,707,844
Optional reserve for working capital and liquidity coverage		55,885,606	55,885,606
Other reserves		(122,482)	(109,394)
Retained earnings		8,069,108	(3,188,131)
Total shareholders' equity		<u>165,684,993</u>	<u>154,760,876</u>
LIABILITIES			
Non-current liabilities			
Deferred income tax liability		17,425,238	24,343,518
Income tax payable		12,826,503	-
Loans	9	11,438,146	11,791,868
Lease debts		1,011,862	859,243
Other debts		1,773,184	207,252
Trade accounts payable		244,330	316,018
Total non-current liabilities		<u>44,719,263</u>	<u>37,517,899</u>
Current liabilities			
Contingencies	11	106,115	52,615
Loans	9	32,093	35,091
Lease debts		193,230	164,850
Salaries and social security contributions		1,849,646	2,123,403
Taxes payable		310,693	392,832
Other debts		182,855	195,998
Trade accounts payable		1,913,007	3,787,141
Total current liabilities		<u>4,587,639</u>	<u>6,751,930</u>
Total liabilities		<u>49,306,902</u>	<u>44,269,829</u>
Total liabilities and shareholders' equity		<u>214,991,895</u>	<u>199,030,705</u>

The accompanying notes 1 to 17 are an integral part of these interim condensed financial statements.

Pablo Lozada
Regular Statutory Auditor

Emilio Daneri Conte-Grand
President



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INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022 (in thousand pesos)

	Note	<u>03.31.2023</u>	<u>03.31.2022</u>
Revenues	12	10,043,914	12,194,386
Cost of service	13	(7,601,802)	(11,023,728)
Gross profit		2,442,112	1,170,658
Selling expenses	13	(433,153)	(486,879)
Administrative expenses	13	(3,501,294)	(1,539,615)
Loss before other income and expenses		(1,492,335)	(855,836)
Other net income and expenses	14	23,312,846	(158,930)
Recovery due to impairment of financial assets	11.1	7,894,435	6,593
Income (loss) before financial income		29,714,946	(1,008,173)
Net financial income			
Other net financial income	15	(3,431,957)	1,238,023
Financial income	15	313,093	330,386
Financial expenses	15	(94,442)	(155,891)
Loss on monetary position	15	(9,382,944)	(5,623,789)
Net financial loss		(12,596,250)	(4,211,271)
Income from investments in affiliated companies	6	7,696	6,486
Income (loss) before income tax		17,126,392	(5,212,958)
Income tax			
Current		(13,107,466)	-
Deferred		6,918,279	2,124,966
Subtotal income tax		(6,189,187)	2,124,966
Income (loss) for the period		10,937,205	(3,087,992)
Items that will be reclassified through profit or loss			
Currency conversion of affiliated companies' financial statements	6	(13,088)	(27,533)
Other comprehensive income for the period ⁽¹⁾		(13,088)	(27,533)
Comprehensive income (loss) for the period		10,924,117	(3,115,525)
Net income (loss) per share, basic and diluted		24.8927	(7.0282)

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

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INTERIM CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022 (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, 2021	439,374	68,099,811	25,970,951	13,707,844	61,504,055	1,135,051	(86,748)	(6,753,500)	164,016,838
Loss for the three-month period ended March 31,2022	-	-	-	-	-	-	-	(3,087,992)	(3,087,992)
Other comprehensive income	-	-	(1,640,668)	-	-	-	(27,533)	1,640,668	(27,533)
Balances as of March 31, 2022	439,374	68,099,811	24,330,283	13,707,844	61,504,055	1,135,051	(114,281)	(8,200,824)	160,901,313
Resolution at Ordinary Shareholders' Meeting dated April 12, 2022:									
Absorption of Optional Reserve for working capital and liquidity coverage	-	-	-	-	(5,618,449)	-	-	5,618,449	-
Absorption of Voluntary Reserve for future dividends	-	-	-	-	-	(1,135,051)	-	1,135,051	-
Loss for the complementary nine-month period ended December 31, 2022	-	-	-	-	-	-	-	(5,645,023)	(5,645,023)
Other comprehensive income	-	-	(4,404,517)	-	-	-	4,887	3,904,216	(495,414)
Balances as of December 31, 2022	439,374	68,099,811	19,925,766	13,707,844	55,885,606	-	(109,394)	(3,188,131)	154,760,876
Income for the three-month period ended March 31,2023	-	-	-	-	-	-	-	10,937,205	10,937,205
Other comprehensive income	-	-	(320,034)	-	-	-	(13,088)	320,034	(13,088)
Balances as of March 31, 2023	439,374	68,099,811	19,605,732	13,707,844	55,885,606	-	(122,482)	8,069,108	165,684,993

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INTERIM CONDENSED STATEMENTS OF CASH FLOWS FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022 (in thousand pesos)

	Note	03.31.2023	03.31.2022
Income (loss) for the period		10,937,205	(3,087,992)
Adjustments to cash generated by (used in) operating activities:			
Property, plant and equipment depreciation	5	3,211,740	6,995,262
Residual value of property, plant and equipment written-off	5	56,262	9,146
Income tax		6,189,187	(2,124,966)
Accrued interest generated by liabilities	15	85,655	146,101
Accrued interest generated by assets	15	(313,093)	(330,386)
Income from discount at present value	15	10,213,178	-
Increase in allowances and provisions (net of recoveries)		(7,828,193)	(11,800)
Increase in allowances and provisions	13	1,675,267	-
Exchange rate differences and other net financial income		(6,505,751)	(542,652)
Income from commercial compensations	14	(23,377,917)	-
Loss from investments in affiliated companies	6	(7,696)	(6,486)
Net changes in operating assets and liabilities:			
Decrease in trade accounts receivable		11,664,500	1,710,793
(Increase) decrease in other accounts receivable		(5,691,685)	653,972
Decrease in materials and spare parts		148,559	97,002
Decrease in trade accounts payable		(1,961,562)	(1,020,144)
Decrease in salaries and social security contributions		(273,757)	(335,355)
(Decrease) increase in taxes payable		(372,079)	157,355
Decrease in other debts		(309,497)	(37,045)
Decrease in contingencies		(10,023)	(146,957)
Net cash flow (used in) generated by operating activities		(2,469,700)	2,125,848
Investing activities:			
Acquisition of property, plant and equipment		(1,050,392)	(1,219,762)
Subscriptions, net of redemption of investments at amortized cost and investments at fair value (non-cash equivalents)		5,336,377	(194,139)
Principal received from investments at amortized cost and investments at fair value		664	1,453
Interest received from investments at amortized cost and investments at fair value		172	1,193
Net cash flow generated by (used in) investing activities		4,286,821	(1,411,255)
Financing activities:			
Payment of principal on Notes	10.1	-	(899,317)
Payment of interest on Notes	10.1	-	(81,864)
Payment of interest on Itaú Unibanco S.A. Nassau Branch loan	9.1	(45,213)	-
Payment of principal on local loans in pesos	9.1	-	(545,108)
Payment of interest on local loans in pesos	9.1	-	(49,119)
Lease payment		(35,558)	(9,633)
Net cash flow used in financing activities		(80,771)	(1,585,041)
Net increase (decrease) in cash and cash equivalents		1,736,350	(870,448)
Cash and cash equivalents at the beginning of fiscal year		3,170,341	6,852,316
Financial loss generated by cash		(1,823,723)	(2,746,466)
Cash and cash equivalents at the end of period		3,082,968	3,235,402
Transactions not affecting cash:			
Right-of-use - property, plant and equipment through leases	5	(13,512)	(91,950)
Transfer of property, plant and equipment to materials		12,333	19,385
Transfer from trade account receivables to other accounts receivable		7,201,399	-

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023, 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. 1,189/92 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. TGN was granted a license (the “License”) pursuant to which it 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 1.3.3).



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

1 – OVERVIEW (Cont.)

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 shall evaluate the Company's performance and make a recommendation to the PEN. 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 - Rates

Gas transportation rates were established under the License and are regulated by ENARGAS. Section 38 of the Natural Gas Act establishes that rates must cover the reasonable costs of service, taxes and depreciation charges, while enabling to obtain a reasonable rate of return similar to that derived from other activities of a comparable or equivalent risk and must be in line with the degree of efficiency in the provision of the services. Rates are subject to:

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

1.3.3 – Renegotiation of 2017 comprehensive rate review

From April 2014 to December 2017 TGN received successive interim rate increases toward the Comprehensive Rate Review ("CRR") conducted by ENARGAS starting in March 2016. Additionally, the CRR provided that between April 1, 2017 and March 31, 2022, the Company had to implement a Mandatory Investment Plan ("MIP") for approximately \$ 5.6 billion (expressed in December 2016 currency), which amount would be adjusted in line with TGN rate adjustment. The Company was 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 service, in order to maintain the economic-financial balance and quality of the service.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

1 – OVERVIEW (Cont.)

1.3 - Regulatory framework (Cont.)

1.3.3 – Renegotiation of 2017 comprehensive rate review (Cont.)

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 Social Solidarity and Productive Reactivation under the Public Emergency Framework Law No. 27,541 (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, or embark on a rate review of an exceptional nature. On June 18, 2020, the PEN enacted Necessity and Urgency Decree No. 543/20 extending once again the rate freeze established under the Solidarity Law for another 180 running days.

Said law empowered the PEN to freeze natural gas rates that are under federal jurisdiction and to start renegotiating the CRR, 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. 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, 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.

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

Following ENARGAS comptroller’s recommendation, on December 17, 2020, the PEN passed Necessity and Urgency Decree No. 1020/20 (“Decree 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.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

1 – OVERVIEW (Cont.)

1.3 - Regulatory framework (Cont.)

1.3.3 – Renegotiation of 2017 comprehensive rate review (Cont.)

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, 2021, 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 involved: (i) that TGN rates remained frozen, (ii) that the Company will have to continue rendering the gas transportation service, (iii) the prohibition to distribute dividends, prepay loans with shareholders and acquire companies or grant loans (except to users or contractors other than the Company’s shareholders), without ENARGAS previous approval, and (iv) that no mandatory investment plan applies during the IRR. The IRR also provided 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 No. 353/21 that 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 Natural 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.

By means of Resolution No. 518/21 dated December 27, 2021, the ENARGAS convened a new public hearing that took place on January 19, 2022, at which gas transportation and distribution licensees put forward their interim rate adjustment proposals for 2022.

On January 27, 2022, TGN filed before MECON the previous administrative claim foreseen under the Administrative Proceedings Law No. 19,549, requesting to be compensated for the loss experienced as a result of the decision adopted by the national government to freeze the transportation rates and to prevent it from invoicing services based on the rate charts approved in 2017 under the CRR framework.

On February 18, 2022, TGN entered into an interim agreement with MECON and ENARGAS that established a 60% transportation rate increase effective as of March 2022 (the “2022 Interim Agreement”). Said agreement, which will remain in force until December 2022, unless extended by mutual consent of the parties, does not provide for mandatory investments but establishes: (i) that the Company will have to continue rendering the gas transportation service, (ii) the prohibition to distribute dividends, prepay loans with shareholders and acquire companies or grant loans (except to users or contractors other than the Company’s shareholders), without previous approval, and (iii) that during the effective term, TGN and its controlling shareholder, Gasinvest S.A., must agree not to file legal actions or claims against the National Government based on the rate freezing established under the Solidarity Law. The 2022 Interim Agreement came into force on February 22, 2022, upon enactment of PEN Decree No. 91/22 and ENARGAS Resolution No. 59/22 dated February 23, 2022, approving the interim rates effective as of March 1, 2022.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

1 – OVERVIEW (Cont.)

1.3 - Regulatory framework (Cont.)

1.3.3 – Renegotiation of 2017 comprehensive rate review (Cont.)

On December 6, 2022 the PEN enacted Necessity and Urgency Decree No. 815/22 providing for (i) the extension of the term for completing the CRR renegotiation provided for in section 5 of the Solidarity Law, for one year and (ii) the extension of the term for ENARGAS intervention, for one year or until the new rate charts resulting from the CRR renegotiation come into force, whichever the first. ENARGAS is thereby also instructed to take the necessary steps toward an interim rate adjustment, as provided under Decree 1020/20.

Therefore, by means of Resolution No. 523/22 dated December 7, 2022, the ENARGAS convened a new public hearing that took place on January 4, 2023, at which gas transportation and distribution licensees put forward their interim rate adjustment proposals for 2023.

On April 24, 2023 the Company signed an addendum to the 2022 Interim Agreement (the “Addendum”) with MECON and ENARGAS providing for a 95% rate increase. The Addendum was ratified and put into force by means of Decree No. 250/23 published on April 29, 2023, date on which the rate charts approved by means of ENARGAS Resolution No. 187/23 reflecting the rate increase foreseen in the Addendum became effective.

1.4 – Current economic context

In addition to the rate issue mentioned earlier, worth noting is the fact that the Company operates within a volatile and uncertain economic context. Argentina’s main macroeconomic indicators are:

- The Gross Domestic Product (“GDP”) growth in 2022 has been 5.5%.
- Primary fiscal deficit for 2022 was 2.4% of the GDP, while the financial deficit reached 4.2% of the GDP.
- Cumulative inflation between January 1 and March 31, 2023 reached 21.73% as shown by the Consumer Price Index published by the National Institute of Statistics and Census.
- From January 1, 2023 to March 31, 2023, the peso depreciated 17.98% against the US dollar, as shown by the exchange rate published by Banco de la Nación Argentina.

The Central Bank of Argentina (“BCRA”) imposed greater exchange restrictions, which also affect the value of the foreign currency on existing alternative markets for certain exchange transactions that are restricted on the official market. These measures, aimed at restricting access to the exchange market and therefore the demand for US dollars, imply the need to obtain the previous authorization of the BCRA for certain transactions. Said exchange restrictions, or any other as may be imposed in the future, may affect the Company’s capacity to access the Free Foreign Exchange Market (“MULC”) to acquire the foreign currency necessary to face its commercial obligations. As of December 31, 2023, foreign currency denominated assets and liabilities have been valued based on the exchange rates quoted by MULC.

As of the date of issue of these interim condensed financial statements the economic 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 THREE-MONTH PERIOD ENDED MARCH 31, 2023, 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 three-month period ended March 31, 2023 have not been audited. The Company's Management believes that all adjustments necessary have been made to reasonably present the results for the period. The results for the three-month period ended March 31, 2023 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 (amended by law 27,440, the "Capital Markets Law"), 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.

These interim condensed financial statements, which were approved for their release by the Company's Board on May 10, 2023, should be read together with the audited financial statements as of December 31, 2022, 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, 2022.

These interim condensed financial statements, including comparative figures, have been restated to reflect changes in the general purchasing power of the Company's functional currency, as established in International Accounting Standard No. 29 ("Financial Reporting in Hyperinflationary Economies") and CNV General Resolution No. 777/2018. Thus, the interim condensed financial statements are expressed in the measuring unit current as of the closing date of the reporting period.

These interim condensed financial statements have been prepared based on the historic cost, except for the revaluation of financial assets and liabilities at fair value and the revaluation of certain items of property, plant and equipment, with the variation shown in the interim condensed statement of comprehensive income.

2.1 – Changes in Interpretation and Accounting Standards

a) New accounting standards, amendments and interpretations issued by IASB applicable as from March 31, 2023, 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.



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3 – FINANCIAL RISK MANAGEMENT

Except as mentioned below, as of March 31, 2023 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, 2022

3.1 – Market Risks

3.1.1 – Currency Risks

The potential impact on the statement of comprehensive income and the statement of changes in shareholders' equity as of March 31, 2023 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 \$ 730.6 million, provided the other economic and financial variables affecting the Company remain stable. This sensitivity analysis is based on reasonable assumptions and information. Yet, actual results might significantly differ from such analysis.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

3 – FINANCIAL RISK MANAGEMENT (Cont.)

3.1 – Market Risks (Cont.)

3.1.1 – Currency Risks (Cont.)

Foreign Currency denominated Assets and Liabilities

	03.31.23			12.31.22	
	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					
Other accounts receivable					
Other sundry accounts receivable	US\$ 102,044	208.61	21,287,399		-
			21,287,399		-
Trade accounts receivable (Note 8)					
Trade accounts receivable with third parties	US\$ 114,529	208.61	23,891,965	US\$ 189,378	40,795,318
			23,891,965		40,795,318
Investments at amortized cost of restricted availability (Note 7)					
Investments at amortized cost of restricted availability	US\$ 56,564	208.61	11,799,872	US\$ 56,572	12,186,696
			11,799,872		12,186,696
Total non-current assets			56,979,236		52,982,014
CURRENT ASSETS					
Other accounts receivable					
Other sundry accounts receivable	US\$ 44,539	208.61	9,291,281	US\$ 1,709	368,149
Other receivables with controlling company	US\$ 4	208.61	876	US\$ 16	3,456
Other receivables with affiliated companies	US\$ 11	208.61	2,163	US\$ 12	2,516
	R\$ 106	38.90	4,106	R\$ 106	4,009
			9,298,426		378,130
Trade accounts receivable (Note 8)					
Trade accounts receivable with third parties	US\$ 6,912	208.61	1,442,012	US\$ 8,287	1,785,147
Trade accounts receivable with related parties	US\$ 83	208.61	17,380	US\$ 83	17,907
Trade accounts receivable with affiliated companies	US\$ 13	208.61	2,708	US\$ 13	2,796
			1,462,100		1,805,850
Investments at fair value (Note 7)					
Mutual funds	US\$ 16,203	208.61	3,380,034		-
			3,380,034		-
Cash and cash equivalents (Note 7)					
Bank balances	US\$ 61	208.61	12,812	US\$ 4	895
			12,812		895
Total current assets			14,153,372		2,184,875
Total assets			71,132,608		55,166,889



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3 – FINANCIAL RISK MANAGEMENT (Cont.)

3.1 – Market Risks (Cont.)

3.1.1 – Currency Risks (Cont.)

Foreign Currency denominated Assets and Liabilities (Cont.)

	03.31.23			12.31.22	
	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)					
Loan with Itaú Unibanco S.A. Nassau Branch	US\$ 54,725	209.01	11,438,146	US\$ 54,678	11,791,868
			11,438,146		11,791,868
Other debts					
Sundry liabilities	US\$ 7,500	209.01	1,567,575		-
			1,567,575		-
Total Non-current liabilities			13,005,721		11,791,868
CURRENT LIABILITIES					
Trade accounts payable					
Suppliers - goods and services	US\$ 173	209.01	36,237	US\$ 180	38,740
Unbilled Goods and Services	US\$ 4,527	209.01	946,161	US\$ 9,285	2,002,488
	£ 55	258.27	14,187	£ 55	14,356
	€ 100	227.11	22,739	€ 69	16,004
			1,019,324		2,071,588
Loans (Note 9)					
Itaú Unibanco S.A. Nassau Branch Loan	US\$ 154	209.01	32,093	US\$ 163	35,091
			32,093		35,091
Total Current Liabilities			1,051,417		2,106,679
Total Liabilities			14,057,138		13,898,547

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

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



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

3 – FINANCIAL RISK MANAGEMENT (Cont.)

3.1 – Market Risks (Cont.)

3.1.2 – 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 its exposure to price risks, the Company has a diversified portfolio. Portfolio diversification is subject to the restrictions established in TGN’s investment policy.

The potential impact on the statement of comprehensive income and the statement of changes in shareholders’ equity resulting from each percentage point increase or decrease in the average quotation of the fair value investment portfolio would approximately represent a gain or loss, as applicable, of \$ 193.7 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.

3.1.3 – Credit risks

As to the credit risk with customers on account of gas transportation for export, on February 3, 2023, the Company entered into a settlement agreement that puts an end to the dispute with YPF S.A. (“YPF”). (See Note 11.1 to these interim condensed financial statements).

4 – SEGMENT INFORMATION

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

	<u>03.31.2023</u>	<u>03.31.2022</u>
Revenues	10,044	12,194
Cost of service	(8,325)	(6,055)
Management EBITDA	<u>1,719</u>	<u>6,139</u>
Acquisition of “Property, plant and equipment”	<u>1,064</u>	<u>1,312</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023, 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>03.31.2023</u>	<u>03.31.2022</u>
Management EBITDA in million pesos	1,719	6,139
“Property, plant and equipment” depreciation	(3,212)	(6,995)
Other net income and expenses	23,313	(159)
Recovery / (Charge) due to impairment of financial assets	7,894	7
Net financial loss	(12,596)	(4,211)
Income from investments in affiliated companies	8	7
Income (loss) before income tax	<u>17,126</u>	<u>(5,212)</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)
5 – PROPERTY, PLANT AND EQUIPMENT

	03.31.2023										Resulting Net			
	Original Value					Depreciation					03.31.2023	12.31.2022	03.31.2022	
	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	87,423,119	-	(5,101)	4,610,658	-	92,028,676	-	1,963,360	(1,774)	1,961,586	90,067,090	87,423,119	103,729,525	
Compressor plants	14,505,477	-	-	62,369	-	14,567,846	-	747,335	-	747,335	13,820,511	14,505,477	15,465,032	
Meter and regulating stations	2,209,411	-	-	1,650	-	2,211,061	-	22,664	-	22,664	2,188,397	2,209,411	2,333,346	
SCADA system	2,286,145	-	-	45,593	-	2,331,738	-	122,048	-	122,048	2,209,690	2,286,145	2,770,706	
Gas inventory	3,026,790	-	-	-	-	3,026,790	-	-	-	-	3,026,790	3,026,790	3,046,684	
Lands	227,857	-	-	-	-	227,857	-	-	-	-	227,857	227,857	171,386	
Buildings and civil construction works	3,216,145	-	-	-	-	3,216,145	-	35,400	-	35,400	3,180,745	3,216,145	3,329,192	
Other technical installations	2,916,975	-	-	5,377	-	2,922,352	-	141,159	-	141,159	2,781,193	2,916,975	3,130,382	
Sub-total essential assets	115,811,919	-	(5,101)	4,725,647	-	120,532,465	-	3,031,966	(1,774)	3,030,192	117,502,273	115,811,919	133,976,253	
Other revalued assets														
Lands	87,092	-	-	-	-	87,092	-	-	-	-	87,092	87,092	87,664	
Buildings and civil construction works	1,193,920	-	-	-	-	1,193,920	-	12,646	-	12,646	1,181,274	1,193,920	1,015,164	
Sub-total other revalued assets	1,281,012	-	-	-	-	1,281,012	-	12,646	-	12,646	1,268,366	1,281,012	1,102,828	
Total revalued assets	117,092,931	-	(5,101)	4,725,647	-	121,813,477	-	3,044,612	(1,774)	3,042,838	118,770,639	117,092,931	135,079,081	
Non-essential assets:														
Machinery, equipment and tools	2,694,182	33,611	(24,263)	-	-	2,703,530	2,230,965	27,892	(22,672)	2,236,185	467,345	463,217	669,106	
Other technical installations	2,855,752	3,965	(2,193)	-	-	2,857,524	2,341,299	56,189	(1,700)	2,395,788	461,736	514,453	512,549	
Communication equipment and devices	317,433	-	-	-	-	317,433	271,589	5,763	-	277,352	40,081	45,844	42,978	
Vehicles	2,155,274	43,290	(23,017)	-	-	2,175,547	1,505,045	34,306	(21,176)	1,518,175	657,372	650,229	651,206	
Furniture and fixtures	1,039,252	633	(7,792)	-	-	1,032,093	868,738	8,807	(7,557)	869,988	162,105	170,514	159,447	
Right of use	1,404,248	13,512	-	-	-	1,417,760	241,433	34,171	-	275,604	1,142,156	1,162,815	96,079	
Works in progress	12,897,646	968,893	(61,108)	(4,725,647)	-	9,079,784	-	-	-	-	9,079,784	12,897,646	8,398,200	
Sub-total non-essential assets	23,363,787	1,063,904	(118,373)	(4,725,647)	-	19,583,671	7,459,069	167,128	(53,105)	7,573,092	12,010,579	15,904,718	10,529,565	
Balances as of March 31, 2023	140,456,718	1,063,904	(123,474)	-	-	141,397,148	7,459,069	3,211,740	(54,879)	10,615,930	130,781,218	-	-	
Balances as of December 31, 2022	158,068,999	10,651,629	(339,507)	-	(769,694)	167,611,427	6,748,272	28,087,426	(221,920)	34,613,778	-	132,997,649	-	
Balances as of March 31, 2022	158,068,999	1,311,712	(29,667)	-	-	159,351,044	6,748,272	6,995,262	(1,136)	13,742,398	-	-	145,608,646	



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5 – PROPERTY, PLANT AND EQUIPMENT (Cont.)

5.1 – Commitments

As of March 31, 2023, the Company has firm contractual commitments with suppliers for the acquisition of Property, plant and equipment for 3,734,705.

6 – INVESTMENTS IN AFFILIATED COMPANIES

	<u>03.31.2023</u>	<u>12.31.2022</u>
Balance at the beginning of fiscal year	453,491	364,930
Income from investments in affiliated companies	7,696	111,207
Conversion difference allocated to Other comprehensive income	(13,088)	(22,646)
Balance at the end of period	<u>448,099</u>	<u>453,491</u>



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6 – INVESTMENTS IN AFFILIATED COMPANIES (Cont.)

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

Issuer	Description		Amount	Cost	Book value as of		Main Activity	Information on issuer					
	Shares	Face Value			03.31.23	12.31.22		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	444,107	451,292	Gas pipeline operation and maintenance service	03.31.23	427	-	905,912	906,339	49.0
Companhia Operadora do Rio Grande do Sul	Common	(2) 1 per share	49	0.1	3,992	2,199	Gas pipeline operation and maintenance service	03.31.23	4	15,640	(7,500)	8,144	49.0
Total					448,099	453,491							

⁽¹⁾ Chilean pesos

⁽²⁾ Brazilian Reais



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

7 – FINANCIAL INSTRUMENTS BY CATEGORY

	<u>03.31.2023</u>	<u>12.31.2022</u>
Financial assets at fair value ⁽¹⁾:		
Current:		
Classified as “Investments at fair value”:		
Notes	86,388	6,558,107
Mutual funds	3,380,034	-
Government bonds	<u>13,789,189</u>	<u>12,629,654</u>
Subtotal	<u>17,255,611</u>	<u>19,187,761</u>
Classified as “Cash and cash equivalents”:		
Mutual funds	<u>2,118,902</u>	<u>1,888,908</u>
Subtotal	<u>2,118,902</u>	<u>1,888,908</u>
Total financial assets at fair value - Current	<u>19,374,513</u>	<u>21,076,669</u>
Financial assets at amortized cost:		
Current:		
Classified as “Investments at amortized cost”:		
VRD bonds	<u>540</u>	<u>1,478</u>
Subtotal	<u>540</u>	<u>1,478</u>
Classified as “Cash and cash equivalents”:		
Cash and banks ⁽²⁾	29,952	34,832
Term deposits	-	547,799
Surety bonds	<u>934,114</u>	<u>698,802</u>
Subtotal	<u>964,066</u>	<u>1,281,433</u>
Classified as “Trade accounts receivable” and “Other accounts receivable”	<u>14,701,872</u>	<u>7,180,904</u>
Total financial assets at amortized cost - Current	<u>15,666,478</u>	<u>8,463,815</u>



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7 – FINANCIAL INSTRUMENTS BY CATEGORY (Cont.)

Financial assets at amortized cost (Cont.):

03.31.2023 12.31.2022

Non-Current:

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

Term deposit of restricted availability	<u>11,799,872</u>	<u>12,186,696</u>
Subtotal	<u>11,799,872</u>	<u>12,186,696</u>

Classified as “Trade accounts receivable” and “Other accounts receivable”	31,699,248	18,690,427
---	------------	------------

Total financial assets at amortized cost – Non-Current	<u>43,499,120</u>	<u>30,877,123</u>
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Financial liabilities at amortized cost:

Current:

Loans	32,093	35,091
Trade accounts payable, other debts and lease debt	<u>2,289,092</u>	<u>4,147,989</u>
Total financial liabilities at amortized cost – Current	<u>2,321,185</u>	<u>4,183,080</u>

Non-Current:

Loans	11,438,146	11,791,868
Trade accounts payable, other debts and lease debt	<u>3,029,376</u>	<u>1,382,513</u>
Total financial liabilities at amortized cost – Non-Current	<u>14,467,522</u>	<u>13,174,381</u>

⁽¹⁾ Financial assets at fair value have been measured using Level 1 fair values. The value of financial instruments traded on active markets is based on quoted market prices as of the date of the interim condensed financial statements. The quoted market price used for financial assets held by the Company is the ask price as of March 31, 2023 and December 31, 2022.

⁽²⁾ As of March 31, 2023 and December 31, 2022, it includes 12,812, and 895, respectively, denominated in foreign currency (see Note 3.1.1).



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

8 – TRADE ACCOUNTS RECEIVABLE

	<u>03.31.2023</u>	<u>12.31.2022</u>
Non-current		
Trade accounts receivable - third parties	23,891,965	40,795,318
Allowance for doubtful accounts and disputed amounts (Note 11.1)	(13,515,962)	(22,399,696)
Total trade accounts receivable – Non-current	<u>10,376,003</u>	<u>18,395,622</u>
Current		
Trade accounts receivable - third parties	4,160,240	4,677,471
Trade accounts receivable – other related parties (Note 16)	719,042	1,024,726
Trade accounts receivable – affiliated companies (Note 16)	2,708	2,796
Allowance for doubtful accounts and disputed amounts	(83,867)	(76,465)
Total trade accounts receivable - Current	<u>4,798,123</u>	<u>5,628,528</u>

Changes in the allowance for doubtful accounts or disputed amounts under non-current trade accounts receivable are as follows:

Balance as of December 31, 2021	25,278,387
– Loss on monetary position and exchange rate differences	(1,738,688)
Balance as of March 31, 2022	<u>23,539,699</u>
– Loss on monetary position and exchange rate differences	(1,140,003)
Balance as of December 31, 2022	<u>22,399,696</u>
– Recoveries, net (Note 11.1)	(7,915,488)
– Loss on monetary position and exchange rate differences	(968,246)
Balance as of March 31, 2023	<u>13,515,962</u>

Changes in the allowance for doubtful accounts or disputed amounts under current trade accounts receivable are as follow:

Balance as of December 31, 2021	1,060,127
– Recoveries, net	(14,888)
– Loss on monetary position	(140,138)
Balance as of March 31, 2022	<u>905,101</u>
– Recoveries, net	(101,430)
– Applications	(400,090)
– Loss on monetary position	(327,116)
Balance as of December 31, 2022	<u>76,465</u>
– Increases, net	21,053
– Loss on monetary position	(13,651)
Balance as of March 31, 2023	<u>83,867</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

9 – LOANS

9.1 – Changes in Loans

	<u>03.31.2023</u>	<u>03.31.2022</u>
<u>Non-Current:</u>		
Balance at the beginning of fiscal year	11,791,868	-
Accrual of interest on Itaú Unibanco S.A. Nassau Branch loan	9,817	-
Exchange rate difference on Itaú Unibanco S.A. Nassau Branch loan	1,864,596	-
Loss on monetary position	(2,228,135)	-
Balance at the end of period	<u>11,438,146</u>	<u>-</u>
<u>Current:</u>		
Balance at the beginning of fiscal year	35,091	14,008,992
Accrual of interest on Itaú Unibanco S.A. Nassau Branch loan	42,552	70,991
Exchange rate difference on Itaú Unibanco S.A. Nassau Branch loan	3,151	982,779
Payment of interest on Itaú Unibanco S.A. Nassau Branch loan	(45,213)	-
Accrual of interest on local loans in pesos	-	28,524
Payment of principal on local loans in pesos	-	(545,108)
Payment of interest on local loans in pesos	-	(49,119)
Loss on monetary position	(3,488)	(1,957,404)
Balance at the end of period	<u>32,093</u>	<u>12,539,655</u>

10 - NOTES

10.1 – Changes in Notes

<u>Current:</u>		
Balance at the beginning of fiscal year	-	1,026,651
Accrual of interest on Notes	-	38,412
Payment of interest on Notes	-	(81,864)
Payment of principal on Notes	-	(899,317)
Loss on monetary position	-	(83,882)
Balance at the end of period	<u>-</u>	<u>-</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

11 - CONTINGENCIES

Provision for labour, civil and administrative lawsuits	<u>Current</u>
Balance as of December 31, 2021	249,487
– Recoveries, net	(85,843)
– Decreases (payments / uses)	(26,571)
– Loss on monetary position	(34,542)
Balance as of March 31, 2022	<u>102,531</u>
– Increases, net	16,077
– Decreases (payment / uses)	(30,144)
– Loss on monetary position	(35,849)
Balance as of December 31, 2022	<u>52,615</u>
– Increases, net	63,523
– Decreases (payment / uses)	(1,665)
– Loss on monetary position	(8,358)
Balance as of March 31, 2023	<u>106,115</u>

11.1 – Pending judicial disputes with YPF

With respect to the legal actions pending with YPF described in Note 22.1.3 to the Company’s audited financial statements as of December 31, 2022, it should be noted that on February 3, 2023 TGN and YPF entered into a settlement agreement that put an end to the complaints, under which YPF agreed to pay TGN the amount of US\$ 190.6 million – in Argentine pesos at the asked rate published by Banco de la Nación Argentina – in four annual instalments payable each February 1, 2024, 2025, 2026 and 2027.

The accounting effect under the statement of income has been allocated to “*Other income and expenses*” while the recovery of the provision to “*Recovery / (Charge) due to impairment of financial assets*” and the income from discount at present value to “*Net financial income*” in the interim condensed statement of comprehensive income.

The accounting effect under the statement of shareholders’ equity has been a decrease in non-current “*Trade accounts receivable*”, due to the decrease in receivables net of the relevant allowance. Likewise, current and non-current “*Other accounts receivable*” experienced an increase, as a result of reflecting the instalments established under the agreement, net of their discount at present value.

12 - REVENUES

	<u>03.31.2023</u>	<u>03.31.2022</u>
Gas transportation service	9,143,148	11,500,505
Gas pipeline operation and maintenance and other services	900,766	693,881
Total revenues	<u>10,043,914</u>	<u>12,194,386</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

13 – EXPENSES BY NATURE

Item	For the three-month period as of 03.31						Total as of 03.31.2023	Total as of 03.31.2022
	Cost of service		Selling expenses		Administrative expenses			
	2023	2022	2023	2022	2023	2022		
Directors' fees	-	-	-	-	25,125	27,098	25,125	27,098
Supervisory Committee's fees	-	-	-	-	7,514	7,598	7,514	7,598
Fees for professional services	144,212	50,672	7,000	2,938	91,183	111,405	242,395	165,015
Salaries, wages and other personnel benefits	1,400,441	1,149,961	22,992	21,451	581,826	423,499	2,005,259	1,594,911
Social security contributions	267,887	227,147	2,240	4,215	144,240	104,377	414,367	335,739
Materials and spare parts	285,062	317,734	28	-	17,307	6,930	302,397	324,664
Third party services and supplies	147,995	128,584	312	221	4,321	3,632	152,628	132,437
Maintenance and repair of property, plant and equipment	1,740,123	1,852,506	1,189	995	19,573	19,823	1,760,885	1,873,324
Travel expenses	191,655	136,080	3,260	1,269	27,421	23,729	222,336	161,078
Freight and transportation	30,449	20,358	-	-	-	165	30,449	20,523
Post and telecommunication expenses	15,285	11,054	1,010	729	13,691	9,874	29,986	21,657
Insurance	150,050	166,359	15	16	6,564	6,249	156,629	172,624
Office supplies	18,775	10,454	-	1,167	42,335	24,097	61,110	35,718
Rentals	38,381	24,883	191	274	4,790	8,627	43,362	33,784
Easements	66,654	48,960	-	-	-	-	66,654	48,960
Taxes, rates and contributions	7,656	8,284	390,500	452,010	612,983	592,035	1,011,139	1,052,329
Property, plant and equipment depreciation	3,079,369	6,853,149	4,368	1,561	128,003	140,552	3,211,740	6,995,262
Lawsuits	-	-	-	-	63,523	-	63,523	-
Litigation expenses	-	-	-	-	1,675,267	-	1,675,267	-
Slow-moving and obsolete materials and spare parts	2,719	4,873	-	-	-	-	2,719	4,873
Other	15,089	12,670	48	33	35,628	29,925	50,765	42,628
Balances as of March 31, 2023	7,601,802	-	433,153	-	3,501,294	-	11,536,249	-
Balances as of March 31, 2022	-	11,023,728	-	486,879	-	1,539,615	-	13,050,222



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

14 – OTHER INCOME AND EXPENSES

	<u>03.31.2023</u>	<u>03.31.2022</u>
Income from commercial compensations (Note 11.1)	23,377,917	9,036
Disposal of property, plant and equipment, net	(46,063)	19,719
Readjustment of compensation for damages ⁽¹⁾	-	(273,035)
Recovery of contingency allowance	-	85,843
Other income and expenses	(19,008)	(493)
Total other income and expenses	<u>23,312,846</u>	<u>(158,930)</u>

⁽¹⁾ During the period ended March 31, 2022, the Company has recognized losses for \$ 273.0 million as a result of adjusting the liabilities with AES Argentina Generación S.A., derived from the settlement agreement entered into in 2012 (subsequently amended in 2014). This loss has been the result of accounting said liability based on the “access and use charge” which experienced a 60% increase according to the rate charts in force as from the month of March 2022.

15 – NET FINANCIAL INCOME

Other net financial income		
Foreign exchange gain, net	6,430,517	1,544,482
Income (loss) from changes in fair values	343,981	(314,404)
Loss from discount at present value (Note 11.1)	(10,213,178)	-
Other	6,723	7,945
Total other net financial (loss) income	<u>(3,431,957)</u>	<u>1,238,023</u>
Financial income		
Interest	313,093	330,386
Total financial income	<u>313,093</u>	<u>330,386</u>
Financial expenses		
Interest	(85,655)	(146,101)
Banking and financial fees, expenses and taxes	(8,787)	(9,790)
Total financial expenses	<u>(94,442)</u>	<u>(155,891)</u>
Loss on monetary position	<u>(9,382,944)</u>	<u>(5,623,789)</u>
Total net financial loss	<u>(12,596,250)</u>	<u>(4,211,271)</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

16 – RELATED PARTIES

Transactions with related parties are as follows:

	<u>03.31.2023</u>	<u>03.31.2022</u>
Controlling company		
<u>Other net income and expenses</u>		
Gasinvest S.A.	717	789
<u>Total other net income and expenses</u>	<u>717</u>	<u>789</u>
Affiliated companies		
<u>Revenues</u>		
Comgas Andina S.A.	7,061	7,790
Companhia Operadora do Rio Grande do Sul	1,178	1,299
<u>Total revenues</u>	<u>8,239</u>	<u>9,089</u>
<u>Recovery of expenses</u>		
Comgas Andina S.A.	118	-
Companhia Operadora do Rio Grande do Sul	1,941	-
<u>Total recovery of expenses</u>	<u>2,059</u>	<u>-</u>
Other related parties		
<u>Revenues</u>		
Litoral Gas S.A.	993,954	1,492,186
Compañía General de Combustibles S.A.	127,729	-
Ternium Argentina S.A.	143,617	218,869
Siderca S.A.	92,355	138,562
Transportadora de Gas del Mercosur S.A.	44,761	46,108
Tecpetrol S.A.	498,889	220,387
Gasoducto Gasandes Argentina S.A.	20,252	26,033
<u>Total revenues</u>	<u>1,921,557</u>	<u>2,142,145</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

16 – RELATED PARTIES (Cont.)

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

Other related parties (Cont.)

	<u>03.31.2023</u>	<u>03.31.2022</u>
<u>Financial income</u>		
Transportadora de Gas del Mercosur S.A.	-	123
<u>Total financial income</u>	-	123
<u>Other income and expenses</u>		
Gasoducto Gasandes Argentina S.A.	2,489	2,774
<u>Total other income and expenses</u>	2,489	2,774
<u>Recovery of expenses</u>		
Gasinvest S.A.	37	-
Transportadora de Gas del Mercosur S.A.	45	-
<u>Total recovery of expenses</u>	82	-
<u>Acquisition of materials and property, plant and equipment</u>		
Siat S.A.	-	(55,603)
Siderca S.A.	-	(3,216)
<u>Total acquisition of materials and property, plant and equipment</u>	-	(58,819)
Key management personnel		
Board of Directors' fees	(25,125)	(27,098)
Supervisory Committee's fees	(7,514)	(7,598)



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

16 – RELATED PARTIES (Cont.)

Balances with related parties are as follows:

	<u>03.31.2023</u>	<u>12.31.2022</u>
Trade accounts receivable		
<u>Other related parties</u>		
Transportadora de Gas del Mercosur S.A.	17,380	17,907
Compañía General de Combustibles S.A.	45,812	39,608
Litoral Gas S.A.	373,794	455,986
Ternium Argentina S.A.	54,146	65,858
Siderca S.A.	34,706	39,954
Tecpetrol S.A.	185,273	397,741
Gasoducto Gasandes Argentina S.A.	7,931	7,672
<u>Total trade accounts receivable - other related parties</u>	<u>719,042</u>	<u>1,024,726</u>
<u>Accounts receivable – affiliated companies</u>		
Comgas Andina S.A.	2,321	2,397
Companhia Operadora do Rio Grande do Sul	387	399
<u>Total accounts receivable –affiliated companies</u>	<u>2,708</u>	<u>2,796</u>
Other accounts receivable		
<u>Assistance fee and recovery of expenses – controlling company</u>		
Gasinvest S.A.	876	3,456
<u>Total assistance fee and recovery of expenses – controlling company</u>	<u>876</u>	<u>3,456</u>
<u>Other accounts receivable – affiliated companies</u>		
Comgas Andina S.A.	131	2,285
Companhia Operadora do Rio Grande do Sul	6,138	4,240
<u>Total other accounts receivable – affiliated companies</u>	<u>6,269</u>	<u>6,525</u>
<u>Other accounts receivable – related parties</u>		
Transportadora de Gas del Mercosur S.A.	38,468	32,908
<u>Total other accounts receivable – related parties</u>	<u>38,468</u>	<u>32,908</u>
<u>Other accounts receivable - Key Management Personnel</u>		
Board of Directors and Supervisory Committee’s fees paid in advance	115,761	103,878
<u>Total other accounts receivable - Key Management Personnel</u>	<u>115,761</u>	<u>103,878</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

16 – RELATED PARTIES (Cont.)

Balances with related parties are as follows:

	<u>03.31.2023</u>	<u>12.31.2022</u>
Commercial debts		
<u>Commercial debts with related parties</u>		
Siat S.A.	(34,860)	(35,931)
<u>Total commercial debts with related parties</u>	<u>(34,860)</u>	<u>(35,931)</u>
Other debts		
<u>Other debts - Key Management Personnel</u>		
Provision for Directors and Supervisory Committee's fees	(115,761)	(103,878)
<u>Total other debts - Key Management Personnel</u>	<u>(115,761)</u>	<u>(103,878)</u>

17 – SUBSEQUENT EVENTS

At the Shareholders' Meeting held on April 18, 2023, it was resolved that retained earnings as of December 31, 2022 amounting to \$ 3,188,130,926, be allocated to the "Optional reserve for working capital and liquidity coverage", which, based on the balance standing as of the previous fiscal year end, will amount to \$ 52,697,474,751.

With relation to the Financial Trust for Export Market Expansion mentioned in Note 29 to the Company's financial statements as of December 31, 2022, it should be mentioned that on May 8, 2023 a three-party agreement came into force to liquidate TGN Series 01 Financial Trust. On that date, the expanded transportation assets, the firm transportation agreement for export with Chilean distributor Metrogas (for the remainder of its term) and remaining liquidity estimated at US\$ 890,000 and \$ 1.1 billion will be fully transferred to TGN as trustor.

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 228.05 pesos per US dollar. See Note 3.1.1 to these interim condensed financial statements, where the impact on the Company's equity is described.

No events or circumstances have occurred subsequent to March 31, 2023 which may significantly impact on the Company's financial or economic position as of that date other than those made available to the public and disclosed in these interim condensed financial statements.



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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022

As required by the National Securities Commission (“CNV”), an overview of Transportadora de Gas del Norte S.A. (“TGN” or the “Company”) revenues, financial position, certain economic-financial indicators and business prospects, that must be read in conjunction with the Company’s interim condensed financial statements for the three-month period ended March 31, 2023, is shown below, as well as relevant facts timely informed to the CNV.

D “ANALYSIS OF COMPREHENSIVE INCOME AND FINANCIAL POSITION” AND “MAIN ACTIVITIES”

Comprehensive income for the period:

	<i>(in million pesos)</i>					
	Three-month period ended 03.31.					
	2023	2022	Variation	2021	2020	2019
Revenues						
Gas transportation service	9,143.1	11,500.5	(2,357.4)	11,715.2	18,433.1	19,588.4
Gas pipeline operation & maintenance and other services	900.8	693.8	207.0	650.7	1,006.4	772.9
Total revenues	10,043.9	12,194.3	(2,150.4)	12,365.9	19,439.5	20,361.3
Cost of service						
Operation and maintenance costs	(4,522.4)	(4,170.5)	(351.9)	(3,884.3)	(4,259.6)	(4,283.5)
Property, plant and equipment depreciation	(3,079.4)	(6,853.1)	3,773.7	(7,585.1)	(6,299.1)	(8,402.3)
Subtotal	(7,601.8)	(11,023.6)	3,421.8	(11,469.4)	(10,558.7)	(12,685.8)
Gross profit	2,442.1	1,170.7	1,271.4	896.5	8,880.8	7,675.5
Administrative and selling expenses	(3,934.4)	(2,026.4)	(1,908.0)	(2,125.9)	(2,187.0)	(2,332.9)
(Loss) income before other net income and expenses	(1,492.3)	(855.7)	(636.6)	(1,229.4)	6,693.8	5,342.6
Other income and expenses	23,312.8	(158.9)	23,471.7	32.5	(24.5)	29.0
Recovery / (Charge) due to impairment of financial assets	7,894.4	6.5	7,887.9	(327.3)	(627.4)	(79.7)
Income (loss) before financial income	29,714.9	(1,008.1)	30,723.0	(1,524.2)	6,041.9	5,291.9
Net financial income	(12,596.3)	(4,211.4)	(8,384.9)	(792.9)	(1,124.7)	355.1
Income from investments in affiliated companies	7.8	6.5	1.3	14.5	43.7	22.3
Income before income tax	17,126.4	(5,213.0)	22,339.4	(2,302.6)	4,960.9	5,669.3
Income tax	(6,189.2)	2,124.9	(8,314.1)	76.0	(1,339.8)	(1,600.3)
Income (loss) for the period	10,937.2	(3,088.1)	14,025.3	(2,226.6)	3,621.1	4,069.0
Currency conversion of affiliated companies’ financial statements	(13.1)	(27.6)	14.5	(31.9)	(17.4)	0.6
Property, plant and equipment revaluation allowance	-	-	-	-	-	4,011.6
Other comprehensive (loss) income for the period	(13.1)	(27.6)	14.5	(31.9)	(17.4)	4,012.2
Comprehensive income (loss) for the period	10,924.1	(3,115.7)	14,039.8	(2,258.5)	3,603.7	8,081.2
EBITDA ⁽¹⁾	1,719.5	6,139.6	(4,420.1)	6,639.8	13,152.8	14,004.3

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



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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022

D “ANALYSIS OF COMPREHENSIVE INCOME AND FINANCIAL POSITION” AND “MAIN ACTIVITIES”
(Cont.)

	<i>(in million pesos)</i>				
	<i>03.31.2023</i>	<i>12.31.2022</i>	<i>12.31.2021</i>	<i>12.31.2020</i>	<i>12.31.2019</i>
<i>Total assets</i>	<i>214,992</i>	<i>199,031</i>	<i>217,255</i>	<i>264,102</i>	<i>305,223</i>
<i>Total liabilities</i>	<i>49,307</i>	<i>44,270</i>	<i>53,238</i>	<i>67,277</i>	<i>96,015</i>
<i>Shareholder’s equity</i>	<i>165,685</i>	<i>154,761</i>	<i>164,017</i>	<i>196,825</i>	<i>209,208</i>

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

Revenues

The decrease in inflation adjusted revenues amounting to \$ 2,150.4 million between the three-month periods ended March 31, 2023 and 2022 is due to:

- i.* \$ 1,946.5 million increase in revenues mainly due to higher export volumes under interruptible and exchange and displacement transportation services;
- ii.* \$ 4,303.9 million decrease in revenues, as a result of the net effect between inflation acceleration and the 60% rate increase in force until April 28, 2023. (See Note 1.3.3 to the Company’s interim condensed financial statements for the three-month period ended March 31, 2023); and
- iii.* \$ 207.0 million increase in revenues from “*Gas pipeline operation and maintenance and other services*”.



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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022

**D) “ANALYSIS OF COMPREHENSIVE INCOME AND FINANCIAL POSITION” AND “MAIN ACTIVITIES”
(Cont.)**

Cost of service

<i>Accounts</i>	<i>(in million Pesos)</i>					
	<i>Three-month period ended 03.31.</i>					
	<i>2023</i>	<i>2022</i>	<i>Variation</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
<i>Fees for professional services</i>	144.2	50.7	93.5	59.2	80.5	88.1
<i>Salaries, wages and other personnel benefits and social security contributions</i>	1,668.3	1,377.2	291.1	1,273.8	1,393.9	1,258.5
<i>Materials and spare parts</i>	285.1	317.7	(32.6)	371.8	501.3	650.3
<i>Maintenance and repair of property, plant and equipment and third-party services and supplies</i>	1,888.1	1,981.1	(93.0)	1,674.8	1,680.7	1,822.3
<i>Post, telecommunications, transportation, freight and travel expenses</i>	237.4	167.5	69.9	174.9	179.4	214.5
<i>Insurance</i>	150.1	166.3	(16.2)	221.7	180.4	137.1
<i>Rentals and office supplies</i>	57.2	35.3	21.9	49.8	58.0	43.1
<i>Easements</i>	66.7	49.0	17.7	52.1	44.5	54.8
<i>Taxes, rates and contributions</i>	7.7	8.4	(0.7)	5.1	8.6	6.5
<i>Property, plant and equipment depreciation</i>	3,079.4	6,853.1	(3,773.7)	7,585.1	6,299.1	8,402.3
<i>Slow-moving and obsolete materials and spare parts</i>	2.7	4.9	(2.2)	-	108.5	(26.8)
<i>Other</i>	14.9	12.4	2.5	1.1	23.8	35.1
Total	7,601.8	11,023.6	(3,421.8)	11,469.4	10,558.7	12,685.8
<i>% of Cost of service on revenues</i>	76%	90%		93%	54%	62%

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

- i. \$ 912.7 million increase in *Salaries, wages and other personnel benefits and social security contributions* (which adjusted for inflation amounts to \$ 291.1 million). Said variation is explained by salary increases due to inflation adjustment (\$ 641.4 million), overtime and outsourced personnel (\$ 110.4 million), severance pays (\$ 70.2 million) and a higher headcount (\$ 41.3 million), among others;
- ii. \$ 110.8 million increase in *Fees for professional services* (which adjusted for inflation amounts to \$ 93.5 million). Said variation is mainly due to higher costs associated with the relocation of the main offices (\$ 80.3 million);
- iii. \$ 807.1 million increase in *Maintenance and repair of property, plant and equipment and third-party services and supplies* (which adjusted for inflation amounts to a \$ 93.0 million decrease). Said variation is mainly due to higher costs associated with cleaning and clearing of facilities (\$ 42.4 million), outsourced maintenance works (\$ 77.0 million), layout works (\$ 285.5 million), corrosion protection (\$ 68.3 million), river crossings (\$ 45.6 million), pipe inspections (\$ 67.2 million), projects related to compression integrity and safety at compressor plants (\$ 38.1 million), and cost of projects related to client services (\$ 114.9 million); and
- iv. \$ 799.5 million decrease in *Property, plant and equipment depreciation* (which adjusted for inflation amounts to \$ 3,773.7 million). Said variation is mainly due to the end of the useful life of certain items of “*Property, plant and equipment*” during 2022 fiscal year.



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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022

D) “ANALYSIS OF COMPREHENSIVE INCOME AND FINANCIAL POSITION” AND “MAIN ACTIVITIES”
(Cont.)

Administrative and selling expenses

<i>Accounts</i>	<i>(in million pesos)</i>					
	<i>Three-month period ended 03.31.</i>					
	<i>2023</i>	<i>2022</i>	<i>Variation</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
<i>Salaries, wages and other personnel benefits and social security contributions</i>	751.3	553.6	197.7	578.2	612.3	504.0
<i>Property, plant and equipment depreciation</i>	132.4	142.2	(9.8)	284.2	160.0	259.5
<i>Fees for professional services</i>	98.2	114.4	(16.2)	168.1	102.4	178.6
<i>Taxes, rates and contributions</i>	1,003.5	1,044.0	(40.5)	922.2	1,103.4	1,187.0
<i>Post, telecommunications, transportation, freight and travel expenses</i>	45.4	35.8	9.6	25.1	37.2	28.8
<i>Maintenance and repair of property, plant and equipment and third-party services and supplies</i>	25.4	24.7	0.7	55.2	39.8	56.6
<i>Rentals and office supplies</i>	47.3	34.1	13.2	46.6	33.3	32.5
<i>Supervisory Committee's fees</i>	7.5	7.6	(0.1)	8.2	8.6	9.4
<i>Board of Directors' fees</i>	25.1	27.2	(2.1)	27.0	30.6	34.5
<i>Materials and spare parts</i>	17.3	6.9	10.4	1.0	20.8	1.8
<i>Lawsuits and litigation expenses</i>	1,738.8	-	1,738.8	-	15.5	19.0
<i>Insurance</i>	6.6	6.3	0.3	6.5	9.8	9.4
<i>Other</i>	35.6	29.6	6.0	3.6	13.3	11.8
Total	3,934.4	2,026.4	1,908.0	2,125.9	2,187.0	2,332.9
<i>% of administrative and selling expenses on revenues</i>	39%	17%		17%	11%	11%

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

- i. \$ 444.7 million increase in *Salaries, wages and other personnel benefits and social security contributions* (which adjusted for inflation amounts to \$ 197.7 million). Said variation is mainly explained by salary increases due to inflation adjustment (\$ 316.7 million); and
- ii. \$ 1,626.6 million increase in *Lawsuits and litigation expenses* (which adjusted for inflation amounts to \$ 1,738.8 million). Said variation is due to a provision for litigation expenses associated with the settlement agreement mentioned in Note 11.1 to the Company's interim condensed financial statements for the three-month period ended March 31, 2023.



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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022

D) “ANALYSIS OF COMPREHENSIVE INCOME AND FINANCIAL POSITION” AND “MAIN ACTIVITIES”
(Cont.)

Recovery / (Charge) due to impairment of financial assets

(in million pesos)

Accounts	Three-month period ended 03.31.					
	2023	2022	Variation	2021	2020	2019
<i>Recovery / (Charge) due to impairment of financial assets</i> ⁽¹⁾	7,894.4	6.5	7,887.9	(327.3)	(627.4)	(79.7)
Total	7,894.4	6.5	7,887.9	(327.3)	(627.4)	(79.7)

Other income and expenses

(in million pesos)

Accounts	Three-month period ended 03.31.					
	2023	2022	Variation	2021	2020	2019
<i>Net income from disposal of property, plant and equipment</i>	(46.1)	19.8	(65.9)	-	25.7	(26.4)
<i>Income from commercial compensations</i> ⁽¹⁾	23,377.9	9.0	23,368.9	-	-	1.6
<i>Various income and expenses</i>	(19.0)	(187.7)	168.7	32.5	(50.2)	53.8
Total	23,312.8	(158.9)	23,471.7	32.5	(24.5)	29.0

- ⁽¹⁾ Positive charges recorded under “*Recovery / (Charge) due to impairment of financial assets*” and “*Income from commercial compensations*” derive from the settlement agreement entered into with YPF S.A. (“YPF”) during the first quarter ended March 31, 2023 in connection with the legal actions described in Note 22.1.3 to the Company’s financial statements as of December 31, 2022. Under said agreement executed on February 3, 2023, YPF agreed to pay TGN the amount of US\$ 190.6 million – in Argentine pesos at the asked rate published by Banco de la Nación Argentina – in four annual instalments payable each February 1, 2024, 2025, 2026 and 2027. (See Note 11.1 to the Company’s interim condensed financial statements for the three-month period ended March 31, 2023).



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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022

D) “ANALYSIS OF COMPREHENSIVE INCOME AND FINANCIAL POSITION” AND “MAIN ACTIVITIES”

(Cont.)

Net financial income

(in million pesos)

Accounts	Three-month period ended 03.31.					
	2023	2022	Variation	2021	2020	2019
Other net financial income:						
Net exchange rate gain	6,430.5	1,544.5	4,886.0	2,386.8	735.3	341.0
Income due to changes in fair values	344.0	(314.4)	658.4	531.0	(508.9)	127.9
Loss from discount at present value	(10,213.2)	-	(10,213.2)	-	-	-
Income from derivative financial instruments	-	-	-	-	(276.6)	-
Other	6.7	8.0	(1.3)	500.9	-	21.3
Total other net financial (loss) income	(3,432.0)	1,238.1	(4,670.1)	3,418.7	(50.3)	490.2
Financial income:						
Interest	313.1	330.3	(17.2)	734.2	83.1	314.6
Total financial income	313.1	330.3	(17.2)	734.2	83.1	314.6
Financial expenses:						
Interest	(85.7)	(146.1)	60.4	(781.0)	(725.5)	(1,202.9)
Interest compounded on Property, plant and equipment	-	-	-	-	166.3	320.3
Banking, financial and other fees, expenses and taxes	(8.8)	(9.8)	1.0	(10.4)	(7.5)	(15.5)
Total financial expenses	(94.5)	(155.9)	61.4	(791.4)	(566.7)	(898.1)
(Loss) gain on monetary position	(9,382.9)	(5,623.9)	(3,759.0)	(4,154.4)	(590.8)	448.4
Total net financial (loss) income	(12,596.3)	(4,211.4)	(8,384.9)	(792.9)	(1,124.7)	355.1

Net financial income for the three-month period ended March 31, 2023 showed a higher loss of \$ 9,068.1 million (which adjusted for inflation amounts to a \$ 8,384.9 million decrease), as compared to the three-month period ended March 31, 2022. Accounts with the most relevant variations between both periods were:

- i. a higher gain of \$ 5,379.8 million (which adjusted for inflation amounts to \$ 4,886.0 million), on account of net exchange rate differences on US dollar denominated assets and liabilities;
- ii. a higher gain of \$ 124.6 million (which adjusted for inflation amounts to \$ 43.2 million), associated with interest accrued during the period;
- iii. a higher gain of \$ 412.4 million (which adjusted for inflation amounts to \$ 658.4 million), due to changes in fair values accrued during the period;
- iv. a lower gain of \$ 9,515.7 million (which adjusted for inflation amounts to \$ 10,213.2 million), due to changes from discount at present value during the period; and
- v. a higher loss of \$ 3,759.0 million on monetary position, due to: (i) the greater number of monetary assets exposed to inflation held in the period as compared to the same period in previous year, and (ii) the increase in the Consumer Price Index which amounted to 21.73% in this three-month period as compared to the 16.07% increase during the same period in previous year.



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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022

D) “ANALYSIS OF COMPREHENSIVE INCOME AND FINANCIAL POSITION” AND “MAIN ACTIVITIES”
(Cont.)

Income tax

Income tax for the three-month period ended March 31, 2023 reported a higher charge of \$ 8,314.1 million as compared to the same period in previous year. Said variation is the result of a higher current tax charge of \$ 13,107.5 million and a higher gain on account of deferred income tax of \$ 4,793.4 million.

Summary of statement of cash flows

(in million pesos)

	<i>Three-month period ended 03.31.</i>				
	<i>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
<i>Cash generated by operating activities</i>	(8,744.6)	4,104.7	1,635.6	8,213.9	11,744.2
<i>Income tax</i>	6,189.2	(2,124.9)	(76.0)	1,339.8	1,600.3
<i>Interest accrued on liabilities</i>	85.7	146.1	781.0	725.5	1,202.8
<i>Net cash flow (used in) generated by operating activities</i>	(2,469.7)	2,125.9	2,340.6	10,279.2	14,547.3
<i>Acquisition of property, plant and equipment</i>	(1,050.4)	(1,219.9)	(1,700.8)	(4,025.5)	(3,936.8)
<i>Subscriptions, net of recovery of investments at amortized cost and investments at fair value (non-cash equivalents)</i>	5,336.4	(194.1)	2,053.6	4,305.1	(4,832.2)
<i>Principal and interest received from investments at amortized cost and investments at fair value</i>	0.9	2.7	9.8	19.7	33.7
<i>Net cash flow generated by (used in) investing activities</i>	4,286.9	(1,411.3)	362.6	299.3	(8,735.3)
<i>Taking of local loans in pesos</i>	-	-	128.5	-	-
<i>Payment of principal on Notes</i>	-	(899.3)	-	-	-
<i>Payment of interest on Notes</i>	-	(81.9)	(436.0)	-	-
<i>Payment of interest on Itaú Unibanco S.A. Nassau Branch Loan</i>	(45.2)	-	-	-	-
<i>Payment of principal on local loans in pesos</i>	-	(545.1)	-	(2,859.3)	-
<i>Payment of interest on local loans in pesos</i>	-	(49.1)	(218.8)	-	-
<i>Lease payment</i>	(35.6)	(9.7)	(12.8)	(12.9)	(13.9)
<i>Net cash flow used in financing activities</i>	(80.8)	(1,585.1)	(539.1)	(2,872.2)	(13.9)
<i>Net increase (decrease) in cash and cash equivalents</i>	1,736.4	(870.5)	2,164.1	7,706.3	5,798.1
<i>Cash and cash equivalents at the beginning of fiscal year</i>	3,170.3	6,852.3	11,031.6	10,348.8	17,555.4
<i>Financial (loss) gain generated by cash</i>	(1,823.7)	(2,746.4)	(2,507.7)	(1,973.5)	92.6
<i>Cash and cash equivalents at the end of period</i>	3,083.0	3,235.4	10,688.0	16,081.6	23,446.1



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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022

**D) “ANALYSIS OF COMPREHENSIVE INCOME AND FINANCIAL POSITION” AND “MAIN ACTIVITIES”
(Cont.)**

Breakdown of cash and cash equivalents

(in million pesos)

Accounts	Three-month period ended 03.31.				
	2023	2022	2021	2020	2019
Cash and banks ⁽¹⁾	30.0	110.7	22.3	4,392.2	10,925.6
Mutual funds	2,118.9	2,136.5	5,928.5	11,689.4	2,492.8
Term deposits	-	-	847.4	-	10,027.7
Surety bonds	934.1	988.2	3,607.1	-	-
T bills	-	-	282.7	-	-
Cash and cash equivalents at the end of period	3,083.0	3,235.4	10,688.0	16,081.6	23,446.1

⁽¹⁾ As of March 31, 2023, 2022, 2021, 2020 and 2019, it includes \$ 12.8 million, \$ 4.1 million, \$ 14.5 million, \$ 4,276.3 million and \$ 10,093.3 million, respectively, denominated in foreign currency.

II) COMPARATIVE BALANCE SHEETS AS OF MARCH 31, 2023, 2022, 2021, 2020, AND 2019

(in million pesos)

Accounts	As of 03.31.				
	2023	2022	2021	2020	2019
Non-current assets	178,915	169,756	172,281	266,119	290,802
Current assets	36,077	38,473	20,411	40,264	62,271
Total assets	214,992	208,229	192,692	306,383	353,073
Shareholders' equity	165,685	160,902	145,598	212,813	222,029
Non-current liabilities	44,719	29,919	34,851	43,438	81,044
Current liabilities	4,588	17,408	12,243	50,132	50,000
Total liabilities	49,307	47,327	47,094	93,570	131,044
Total	214,992	208,229	192,692	306,383	353,073

III) COMPARATIVE COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023, 2022, 2021, 2020, AND 2019

(in million pesos)

Accounts	As of 03.31.				
	2023	2022	2021	2020	2019
(Loss) income before other net income and expenses	(1,492.3)	(855.7)	(1,229.4)	6,693.8	5,342.6
Other income and expenses	23,312.8	(158.9)	32.5	(24.5)	29.0
Recovery / (Charge) due to impairment of financial assets	7,894.4	6.5	(327.3)	(627.4)	(79.7)
Income (loss) before financial income	29,714.9	(1,008.1)	(1,524.2)	6,041.9	5,291.9
Net financial loss (income)	(12,596.3)	(4,211.4)	(792.9)	(1,124.7)	355.1
Income from investments in affiliated companies	7.8	6.5	14.5	43.7	22.3
Income (loss) before income tax	17,126.4	(5,213.0)	(2,302.6)	4,960.9	5,669.3
Income tax	(6,189.2)	2,124.9	76.0	(1,339.8)	(1,600.3)
Income (loss) for the period	10,937.2	(3,088.1)	(2,226.6)	3,621.1	4,069.0
Other comprehensive (loss) income for the period	(13.1)	(27.6)	(31.9)	(17.4)	4,012.2
Comprehensive income (loss) for the period	10,924.1	(3,115.7)	(2,258.5)	3,603.7	8,081.2

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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022

IV) COMPARATIVE STATISTICAL DATA FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023, 2022, 2021, 2020, AND 2019

Dispatched volumes in million m3:

	By type of transportation				
	As of 03.31.				
	2023	2022	2021	2020	2019
<i>Firm</i>	2,865	2,910	3,059	3,140	3,345
<i>Interruptible & exchange and displacement</i>	2,725	2,881	2,015	2,485	2,278
Total	5,590	5,791	5,074	5,625	5,623

	By source				
	As of 03.31.				
	2023	2022	2021	2020	2019
<i>Northern Pipeline</i>	1,414	1,616	2,188	2,088	2,092
<i>Central West Pipeline</i>	3,322	3,492	2,174	2,699	3,531
<i>Final sections</i>	854	683	712	838	-
Total	5,590	5,791	5,074	5,625	5,623

	By destination				
	As of 03.31.				
	2023	2022	2021	2020	2019
<i>Domestic market</i>	4,881	5,284	4,978	5,156	5,294
<i>Export market</i>	709	507	96	469	329
Total	5,590	5,791	5,074	5,625	5,623

V) COMPARATIVE RATIOS AS OF MARCH 31, 2023, 2022, 2021, 2020, AND 2019

	As of 03.31.				
	2023	2022	2021	2020	2019
<i>Liquidity (1)</i>	7.8633	2.2101	1.6671	0.8032	1.2454
<i>Solvency (2)</i>	3.3603	3.3998	3.0916	2.2744	1.6943
<i>Equity Immobility (3)</i>	0.8322	0.8152	0.8941	0.8686	0.8236

- (1) Current assets / current liabilities
- (2) Equity / total liabilities
- (3) Non-current assets / total assets



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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2023 AND 2022

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

This section about the Company's business, operating, financial and regulatory prospects should be read, analysed and interpreted in conjunction with the notes to the interim condensed financial statements as of March 31, 2023, in order to have a full picture of corporate matters.

Notes 1.2 and 1.3 to the Company's interim condensed financial statements as of March 31, 2023 describe the effects that the Public Emergency Law No. 25,561 enacted in January 2002, had on the License as well as the different stages of 2017 comprehensive rate review renegotiation process.

Said notes describe the process that led to the agreement entered into among the Company, the National Ministry of Economy ("MECON") and the National Gas Regulatory Entity ("ENARGAS") that established a 60% interim transportation rate increase effective as of March 2022 (the "2022 Interim Agreement").

On April 24, 2023 the Company signed an addendum to the 2022 Interim Agreement (the "Addendum") with MECON and ENARGAS providing for a 95% rate increase. The Addendum was ratified and put into force by means of Decree No. 250/23 published on April 29, 2023, date on which the rate charts approved by means of ENARGAS Resolution No. 187/23 reflecting the rate increase foreseen in the Addendum became effective.

Finally, worth mentioning is the fact that the Company operates within an uncertain economic context where main variables have experienced and continue to experience a strong volatility. (See Note 1.4 to the interim condensed financial statements as of March 31, 2023).

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

City of Buenos Aires, May 10, 2023

Pablo Lozada
Regular Statutory Auditor

Emilio Daneri Conte-Grand
President



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REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

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

Report on the interim condensed financial statements

Introduction

We have reviewed the accompanying interim condensed financial statements of Transportadora de Gas del Norte S.A. (hereinafter, “the Company” or “TGN”), comprised of the interim condensed balance sheets at March 31, 2023, the interim condensed statement of comprehensive income, the interim condensed statement of changes in shareholders’ equity and the interim condensed statement of cash flows for the three-month period ended on March 31, 2023, and the selected explanatory notes.

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

Scope of the review

Our responsibility is to express a conclusion on these interim condensed financial statements based on our review, which was performed in accordance with the 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 condensed financial statements involves making inquiries mainly of the Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit examination conducted in accordance International Standards on Auditing; consequently it does not enable us to obtain assurance that we will become aware of all the significant matters that might be identified in an audit. Therefore, we do not express an audit opinion.



Conclusion

On the basis of our review, nothing has come to our attention that make us think that the interim condensed 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) the interim condensed financial statements of Transportadora de Gas del Norte S.A. are transcribed into the “Inventory and Balance Sheet” book and, as regards the matters that are within our field of competence, comply with the provisions of the 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;
- c) we have read the Overview, on which we have no observations to make insofar as concerns matters within our field of competence;
- d) at March 31, 2023, 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 amounted to ARS 155,747,940, none of which was claimable at that date.

Autonomous City of Buenos Aires, May 10, 2023

PRICE WATERHOUSE &
CO.S.R.L.

(Partner)

Fernando A. Rodríguez

REPORT FROM THE SUPERVISORY COMMITTEE

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

Documents reviewed

In accordance with the provisions of Section 63, Subsection b) of Buenos Aires Stock Exchange (Bolsa de Comercio de Buenos Aires) Regulations, we have reviewed the enclosed Interim Condensed Financial Statements of Transportadora de Gas del Norte S.A. (hereinafter “the Company” or “TGN”), which comprise the Interim Condensed Balance Sheet as of March 31, 2023, Interim Condensed Statement of Comprehensive Income for the three-month period ended March 31, 2023, and Statement of Changes in Shareholders’ Equity and Statement of Cash Flows for the three-month period ended as of that date, and selected notes.

Balances and other information for fiscal year 2022 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.

To carry out such work, we have also considered the Review Report on the Interim Condensed Financial Statements prepared by independent auditor Fernando A. Rodríguez (CPA), Partner of Price Waterhouse & Co. S.R.L., dated May 10, 2023, 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, nature, scope and timeliness of the procedures followed and the results of the review conducted by said professional.

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

Conclusion

We believe that the scope of our work and the independent auditor's report provide us with a reasonable basis for our opinion, and in accordance with applicable regulations we inform that the Interim Condensed Financial Statements as of March 31, 2023, 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.
- 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) During the reported period, we have complied with the requirements of Section 294 of the Argentine General Company Law.

City of Buenos Aires, May 10, 2023.

By the Supervisory Committee

Dr. Pablo Lozada (CPA)
Regular Statutory Auditor