



Interim Condensed Financial Statements as of March 31, 2022 in thousand Pesos, on a comparative basis



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INDEX

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

Notes to the Interim Condensed Financial Statements:

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

Overview

Review Report from the Independent Auditors

Report from the Supervisory Committee



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

INTERIM CONDENSED FINANCIAL STATEMENTS for the three-month period ended March 31, 2022, on a comparative basis.

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

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

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

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

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

Controlling shareholder: Gasinvest S.A.

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

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

Percentage of shares held by controlling shareholder: 56.354%.

Percentage of votes held by controlling shareholder: 56.354%.

Nominal Capital Structure

Classes of Shares	Subscribed and Paid-in	
	03.31.22	12.31.21
	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, 2022 AND DECEMBER 31, 2021 ON A COMPARATIVE BASIS (in thousand pesos)

	Note	<u>03.31.2022</u>	<u>12.31.2021</u>
ASSETS			
Non-current assets			
Property, plant and equipment	5	71,273,190	74,069,165
Investments in affiliated companies	6	168,326	178,628
Materials and spare parts		2,172,339	2,402,828
Other accounts receivable		16,021	16,765
Trade accounts receivable	8	9,462,639	10,161,568
Investments at amortized cost	7	527	1,384
Total non-current assets		<u>83,093,042</u>	<u>86,830,338</u>
Current assets			
Materials and spare parts		398,853	208,742
Other accounts receivable		1,197,869	1,509,721
Trade accounts receivable	8	3,243,994	2,621,806
Investments at amortized cost	7	3,536	4,550
Investments at amortized cost of restricted availability	7	6,281,765	6,733,142
Investments at fair value	7	6,121,873	5,080,637
Cash and cash equivalents	7	1,583,678	3,354,103
Total current assets		<u>18,831,568</u>	<u>19,512,701</u>
Total assets		<u>101,924,610</u>	<u>106,343,039</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, 2022 AND DECEMBER 31, 2021 ON A COMPARATIVE BASIS (in thousand pesos)

	Note	<u>03.31.2022</u>	<u>12.31.2021</u>
SHAREHOLDERS' EQUITY			
Common stock		439,374	439,374
Common stock integral adjustment		33,109,501	33,109,501
Property, plant and equipment revaluation allowance		11,909,299	12,712,380
Statutory reserve		6,709,779	6,709,779
Optional reserve for working capital and liquidity coverage		30,105,287	30,105,287
Voluntary reserve for future dividends		555,590	555,590
Other reserves		(55,939)	(42,462)
Retained earnings		(4,014,177)	(3,305,733)
Total shareholders' equity		<u>78,758,714</u>	<u>80,283,716</u>
LIABILITIES			
Non-current liabilities			
Deferred income tax liability		14,235,183	15,275,321
Lease debts		21,579	2,442
Other debts		92,919	99,765
Trade accounts payable		295,233	221,557
Total non-current liabilities		<u>14,644,914</u>	<u>15,599,085</u>
Current liabilities			
Contingencies	11	50,187	122,120
Loans	9	6,137,968	6,857,186
Notes	10	-	502,530
Lease debts		16,956	3,681
Salaries and social security contributions		595,230	759,381
Taxes payable		373,491	291,161
Other debts		129,009	133,217
Trade accounts payable		1,218,141	1,790,962
Total current liabilities		<u>8,520,982</u>	<u>10,460,238</u>
Total liabilities		<u>23,165,896</u>	<u>26,059,323</u>
Total liabilities and shareholders' equity		<u>101,924,610</u>	<u>106,343,039</u>

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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, 2022 AND 2021 (in thousand pesos)

	Note	<u>03.31.2022</u>	<u>03.31.2021</u>
Revenues	12	5,968,964	6,052,869
Cost of service	13	(5,395,945)	(5,614,058)
Gross profit		573,019	438,811
Selling expenses	13	(238,320)	(232,396)
Administrative expenses	13	(753,618)	(808,194)
Loss before other income and expenses		(418,919)	(601,779)
Other net income and expenses	14	(77,794)	15,911
Recovery / (Charge) due to impairment of financial assets		3,227	(160,158)
Loss before financial income		(493,486)	(746,026)
Net financial income			
Other net financial income	15	605,993	1,673,436
Financial income	15	161,719	359,363
Financial expenses	15	(76,306)	(387,391)
Loss on monetary position	15	(2,752,758)	(2,033,546)
Net financial loss		(2,061,352)	(388,138)
Income from investments in affiliated companies	6	3,175	7,060
Loss before income tax		(2,551,663)	(1,127,104)
Income tax			
Current		-	(772,032)
Deferred		1,040,138	809,236
Subtotal income tax		1,040,138	37,204
Loss for the period		(1,511,525)	(1,089,900)
Items that will be reclassified through profit or loss			
Currency conversion of affiliated companies' financial statements	6	(13,477)	(15,621)
Other comprehensive income for the period ⁽¹⁾		(13,477)	(15,621)
Comprehensive loss for the period		(1,525,002)	(1,105,521)
Net loss per share, basic and diluted		(3.4402)	(2.4806)

(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, 2022 AND 2021 (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, 2020	439,374	33,109,501	25,408,092	6,709,779	20,151,759	555,590	15,022	9,953,528	96,342,645
Loss for the three-month period ended March 31,2021	-	-	-	-	-	-	-	(1,089,900)	(1,089,900)
Other comprehensive income	-	-	(1,460,996)	-	-	-	(15,621)	1,460,996	(15,621)
Balances as of March 31, 2021	439,374	33,109,501	23,947,096	6,709,779	20,151,759	555,590	(599)	10,324,624	95,237,124
Resolution at Ordinary Shareholders' Meeting dated April 14, 2021: Creation of Optional Reserve for working capital and liquidity coverage	-	-	-	-	9,953,528	-	-	(9,953,528)	-
Loss for the complementary nine-month period ended December 31, 2021	-	-	-	-	-	-	-	(9,674,572)	(9,674,572)
Other comprehensive income	-	-	(11,234,716)	-	-	-	(41,863)	5,997,743	(5,278,836)
Balances as of December 31, 2021	439,374	33,109,501	12,712,380	6,709,779	30,105,287	555,590	(42,462)	(3,305,733)	80,283,716
Loss for the three-month period ended March 31,2022	-	-	-	-	-	-	-	(1,511,525)	(1,511,525)
Other comprehensive income	-	-	(803,081)	-	-	-	(13,477)	803,081	(13,477)
Balances as of March 31, 2022	439,374	33,109,501	11,909,299	6,709,779	30,105,287	555,590	(55,939)	(4,014,177)	78,758,714

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INTERIM CONDENSED STATEMENTS OF CASH FLOWS FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021 (in thousand pesos)

	Note	03.31.2022	03.31.2021
(Loss) for the period		(1,511,525)	(1,089,900)
Adjustments to cash generated by (used in) operating activities:			
Property, plant and equipment depreciation	5	3,424,073	3,851,838
Residual value of property, plant and equipment written-off	5	4,477	3,477
Income tax		(1,040,138)	(37,204)
Accrued interest generated by liabilities	15	71,514	382,305
Accrued interest generated by assets	15	(161,719)	(359,363)
Increase in allowances and provisions (net of recoveries)		(5,776)	160,238
Exchange rate differences and other net financial income		(265,620)	(1,879,110)
Loss from investments in affiliated companies	6	(3,175)	(7,060)
Net changes in operating assets and liabilities:			
Decrease in trade accounts receivable		837,407	1,659,750
Decrease (increase) in other accounts receivable		320,109	(20,756)
Decrease (increase) in materials and spare parts		47,481	(23,796)
Decrease in trade accounts payable		(499,345)	(579,812)
Decrease in salaries and social security contributions		(164,151)	(147,784)
Increase (decrease) in taxes payable		77,023	(154,232)
Decrease in other debts		(18,133)	(776)
Decrease in contingencies		(71,933)	(32,949)
Income tax payment		-	(579,119)
Net cash flow generated by operating activities		1,040,569	1,145,747
Acquisition of property, plant and equipment		(597,055)	(832,504)
Subscriptions net of redemption of investments at amortized cost and investments at fair value (non-cash equivalents)		(95,028)	1,005,196
Principal received from investments at amortized cost and investments at fair value		711	2,711
Interest received from investments at amortized cost and investments at fair value		584	2,136
Net cash flow (used in) generated by investing activities		(690,788)	177,539
Taking of local loans in pesos	9.1	-	62,936
Payment of principal on Notes	10.1	(440,202)	-
Payment of interest on Notes	10.1	(40,071)	(213,422)
Payment of principal on local loans in pesos	9.1	(266,822)	-
Payment of interest on local loans in pesos	9.1	(24,043)	(107,072)
Lease payment		(4,715)	(6,307)
Net cash flow used in financing activities		(775,853)	(263,865)
Net (Decrease) increase in cash and cash equivalents		(426,072)	1,059,421
Cash and cash equivalents at the beginning of fiscal year		3,354,103	5,399,677
Financial loss generated by cash		(1,344,353)	(1,227,689)
Cash and cash equivalents at the end of period		1,583,678	5,231,409
Transactions not affecting cash:			
Right-of-use - property, plant and equipment through leases	5	(45,008)	-
Recovery of materials - property, plant and equipment		9,488	-

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Regular Statutory Auditor

Emilio Daneri Conte-Grand
President



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022, 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. The Company was granted a license (the “License”) pursuant to which TGN is authorized to provide the public service of natural gas transportation through the exclusive utilization of its two pipelines in the northern and central-western regions of Argentina.

1.2 –Effects of the economic emergency on the License

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

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

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

Furthermore, the Comprehensive Agreement, which came into force in March 2018 for the 2017 – 2021 period, established rules for the conduct of TGN rate review. (See Note 1.3.3).



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022, 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 National Executive Branch. The request for extension may be filed not less than 18 months nor more than 54 months prior to the expiration date of the initial term.

1.3.2 - Rates

Gas transportation rates were established under the License and are regulated by ENARGAS. Section 38 of the Natural Gas Act establishes that rates must allow covering reasonable 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.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022, 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

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 provides that between April 1, 2017 and March 31, 2022, the Company must implement a Mandatory Investment Plan (“MIP”) for approximately \$ 5.6 billion (expressed in December 2016 currency), which amount shall be adjusted in line with TGN rates. The Company is bound to both invest the amount committed and to carry out those works described under the MIP.

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

In 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 in place since 2017, 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.

The above mentioned Solidarity Law empowered the PEN to freeze natural gas rates that are under federal jurisdiction, and to start renegotiating the CRR in force, or else a rate review of an exceptional nature, in the terms of the Natural Gas Act, for a maximum term of up to 180 days, aimed at reducing the actual rate burden on household, commercial and industrial users in 2020. The PEN was further empowered to administratively intervene ENARGAS for a one-year term. Indeed, on March 16, 2020 the PEN instructed the intervention of the ENARGAS for a term extended until December 31, 2022, entrusting the comptroller to conduct a legal, technical and economic audit of all aspects regulated under the Solidarity Law in energy matters and to prepare a report to be submitted to the PEN. The rate freeze established under the Solidarity Law was extended until December 23, 2021 by means of Necessity and Urgency Decree No. 543/20.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

1 – OVERVIEW (Cont.)

1.3 - Regulatory framework (Cont.)

1.3.3 – 2017 Comprehensive rate review (Cont.)

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.

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.



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1 – OVERVIEW (Cont.)

1.3 - Regulatory framework (Cont.)

1.3.3 – 2017 Comprehensive rate review (Cont.)

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

On June 30, 2021, the Company filed an appeal at administrative level against Decree 1020/20, MECON and ENARGAS Joint Resolution 2/21 whereby the IRR was approved subject to further approval by the PEN, Decree 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 the current year.

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) a ban on distributing dividends, prepaying loans with shareholders and acquiring companies or granting loans (except to users or contractors other than the Company’s shareholders), without ENARGAS previous approval, and (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, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

1 – OVERVIEW (Cont.)

1.4 – Current economic context

In addition to the rate issue mentioned earlier, worth noting is the fact that the Company operates within a complex economic context where main variables have recently experienced a strong volatility, both at local and international level.

Argentina's main macroeconomic indicators are:

- The Gross Domestic Product ("GDP") growth in 2021 has been 10.3%.
- Primary fiscal deficit for 2021 was 3% of the GDP, while the financial deficit reached 4.5% of the GDP.
- Cumulative inflation between January 1, 2022 and March 31, 2022 reached 16.07% as shown by the Consumer Price Index published by the National Institute of Statistics and Census ("INDEC").
- From January 1 to March 31, 2022, the peso depreciated 8.07% 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, 2022, 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 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, 2022, 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, 2022 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, 2022 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, 2022, should be read together with the audited financial statements as of December 31, 2021, 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, 2021.

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



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

2 – BASIS OF PREPARATION AND PRESENTATION (Cont.)

2.1 – Changes in Interpretation and Accounting Standards

a) New accounting standards, amendments and interpretations issued by IASB applicable as from March 31, 2022, adopted by the Company

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

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

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

3 – FINANCIAL RISK MANAGEMENT

Except as mentioned below, as of March 31, 2022 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, 2021

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, 2022 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 \$ 89.8 million, provided the other economic and financial variables affecting the Company remain stable. This sensitivity analysis is based on reasonable assumptions and information. Yet, actual results might significantly differ from such analysis.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022, 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

	03.31.22			12.31.21	
	Amount and type of foreign currency ⁽¹⁾	Current trading price in \$	Amount in local currency ⁽¹⁾	Amount and type of foreign currency ⁽¹⁾	Amount in local currency ⁽¹⁾
ASSETS					
NON-CURRENT ASSETS					
Trade accounts receivable (Note 8)					
Trade accounts receivable with third parties	US\$ 189,378	110.81	20,984,959	US\$ 189,378	22,534,950
			20,984,959		22,534,950
Total non-current assets			20,984,959		22,534,950
CURRENT ASSETS					
Other accounts receivable					
Other sundry accounts receivable	US\$ 249	110.81	27,570	US\$ 249	29,629
Other receivables with controlling company	US\$ 16	110.81	1,736	US\$ 16	1,852
Other receivables with affiliated companies	US\$ 8	110.81	869	US\$ 8	932
	R\$ 106	20.00	2,111	R\$ 106	2,168
			32,286		34,581
Trade accounts receivable (Note 8)					
Trade accounts receivable with third parties	US\$ 4,620	110.81	511,911	US\$ 4,727	562,540
Trade accounts receivable with related parties	US\$ 80	110.81	8,830	US\$ 79	9,361
Trade accounts receivable with affiliated companies	US\$ 13	110.81	1,439	US\$ 13	1,545
			522,180		573,446
Investments at amortized cost of restricted availability (Note 7)					
Investments at amortized cost of restricted availability	US\$ 56,690	110.81	6,281,765	US\$ 56,584	6,733,142
			6,281,765		6,733,142
Cash and cash equivalents (Note 7)					
Bank balances	US\$ 18	110.81	2,021	US\$ 7	802
			2,021		802
Total current assets			6,838,252		7,341,971
Total assets			27,823,211		29,876,921



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022, 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 (Cont.)

	03.31.22			12.31.21	
	Amount and type of foreign currency ⁽¹⁾	Current trading price in \$	Amount in local currency ⁽¹⁾	Amount and type of foreign currency ⁽¹⁾	Amount in local currency ⁽¹⁾
LIABILITIES					
CURRENT LIABILITIES					
Trade accounts payable					
Suppliers - goods and services	US\$ 347	111.01	38,543	US\$ 3,620	431,602
Unbilled Goods and Services	US\$ 4,336	111.01	481,337	US\$ 4,425	527,532
	£ 57	138.83	7,847	£ 49	7,874
	€ 24	116.37	2,793	€ 29	3,860
			530,520		970,868
Loans (Note 9)					
Itaú Unibanco S.A. Nassau Branch Loan	US\$ 55,292	111.01	6,137,968	US\$ 54,985	6,555,638
			6,137,968		6,555,638
Total Current Liabilities			6,668,488		7,526,506
Total Liabilities			6,668,488		7,526,506

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, 2022, 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 \$ 49 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.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

4 – SEGMENT INFORMATION

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

	<u>03.31.2022</u>	<u>03.31.2021</u>
Revenues	5,969	6,053
Cost of service	(2,964)	(2,803)
Management EBITDA	<u>3,005</u>	<u>3,250</u>
Acquisition of “Property, plant and equipment”	<u>642,063</u>	<u>832,502</u>

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

	<u>03.31.2022</u>	<u>03.31.2021</u>
Management EBITDA in million pesos	3,005	3,250
“Property, plant and equipment” depreciation	(3,424)	(3,852)
Other net income and expenses	(78)	16
Recovery / (Charge) due to impairment of financial assets	3	(160)
Net financial loss	(2,061)	(388)
Income from investments in affiliated companies	<u>3</u>	<u>7</u>
Loss before income tax	<u>(2,552)</u>	<u>(1,127)</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

5 – PROPERTY, PLANT AND EQUIPMENT

	03.31.2022										Resulting Net			
	Original Value					Depreciation					03.31.2022	12.31.2021	03.31.2021	
	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	52,245,332	-	-	1,218,072	-	53,463,404	-	2,689,399	-	2,689,399	50,774,005	52,245,332	63,814,693	
Compressor plants	7,139,545	-	-	890,868	-	8,030,413	-	460,518	-	460,518	7,569,895	7,139,545	9,217,146	
Meter and regulating stations	1,168,022	-	(127)	-	-	1,167,895	-	25,840	(82)	25,758	1,142,137	1,168,022	1,303,516	
SCADA system	1,423,065	-	-	-	-	1,423,065	-	66,847	-	66,847	1,356,218	1,423,065	1,379,214	
Gas inventory	1,491,305	-	-	-	-	1,491,305	-	-	-	-	1,491,305	1,491,305	1,670,570	
Lands	83,891	-	-	-	-	83,891	-	-	-	-	83,891	83,891	93,931	
Buildings and civil construction works	1,614,556	-	-	29,515	-	1,644,071	-	14,483	-	14,483	1,629,588	1,614,556	1,790,661	
Other technical installations	1,322,045	-	-	269,704	-	1,591,749	-	59,475	-	59,475	1,532,274	1,322,045	1,414,245	
Sub-total essential assets	66,487,761	-	(127)	2,408,159	-	68,895,793	-	3,316,562	(82)	3,316,480	65,579,313	66,487,761	80,683,976	
Other revalued assets														
Lands	42,910	-	-	-	-	42,910	-	-	-	-	42,910	42,910	48,069	
Buildings and civil construction works	494,475	-	-	3,288	-	497,763	-	856	-	856	496,907	494,475	535,709	
Sub-total other revalued assets	537,385	-	-	3,288	-	540,673	-	856	-	856	539,817	537,385	583,778	
Total revalued assets	67,025,146	-	(127)	2,411,447	-	69,436,466	-	3,317,418	(82)	3,317,336	66,119,130	67,025,146	81,267,754	
Non-essential assets:														
Machinery, equipment and tools	1,248,149	2,172	(187)	-	-	1,250,134	900,321	22,483	(187)	922,617	327,517	347,828	387,981	
Other technical installations	1,348,263	878	-	-	-	1,349,141	1,072,935	25,321	-	1,098,256	250,885	275,328	338,576	
Communication equipment and devices	147,249	-	-	-	-	147,249	123,767	2,445	-	126,212	21,037	23,482	30,390	
Vehicles	996,814	80,470	(30)	-	-	1,077,254	715,098	43,401	(1)	758,498	318,756	281,716	267,041	
Furniture and fixtures	494,381	958	(299)	-	-	495,040	411,137	6,140	(284)	416,993	78,047	83,244	69,827	
Right of use	88,801	45,008	-	-	-	133,809	79,915	6,865	-	86,780	47,029	8,886	19,840	
Works in progress	6,023,535	512,577	(13,876)	(2,411,447)	-	4,110,789	-	-	-	-	4,110,789	6,023,535	7,323,034	
Sub-total non-essential assets	10,347,192	642,063	(14,392)	(2,411,447)	-	8,563,416	3,303,173	106,655	(472)	3,409,356	5,154,060	7,044,019	8,436,689	
Balances as of March 31, 2022	77,372,338	642,063	(14,519)	-	-	77,999,882	3,303,173	3,424,073	(554)	6,726,692	71,273,190	-	-	
Balances as of December 31, 2021	95,720,508	3,774,286	(69,758)	-	(8,056,881)	91,368,155	2,993,252	14,318,506	(12,768)	17,298,990	-	74,069,165	-	
Balances as of March 31, 2021	95,720,508	832,502	(7,988)	-	-	96,545,022	2,993,252	3,851,838	(4,511)	6,840,579	-	-	89,704,443	



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

5 – PROPERTY, PLANT AND EQUIPMENT (Cont.)

5.1 – Commitments

As of March 31, 2022, the Company has firm contractual commitments with suppliers for the acquisition of Property, plant and equipment for \$ 1,012,026.

6 – INVESTMENTS IN AFFILIATED COMPANIES

	<u>03.31.2022</u>	<u>12.31.2021</u>
Balance at the beginning of fiscal year	178,628	198,055
Income from investments in affiliated companies ¹⁾	3,175	38,057
Conversion difference allocated to Other comprehensive income	<u>(13,477)</u>	<u>(57,484)</u>
Balance at the end of period	<u>168,326</u>	<u>178,628</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

6 – INVESTMENTS IN AFFILIATED COMPANIES (Cont.)

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

Issuer	Description		Amount	Cost	Book value as of		Main Activity	Information on issuer					
	Shares	Face Value			03.31.22	12.31.21		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	167,837	177,633	Gas pipeline operation and maintenance service	03.31.22	215	-	342,309	342,524	49.0
Companhia Operadora do Rio Grande do Sul	Common	(2) 1 per share	49	0.1	489	995	Gas pipeline operation and maintenance service	03.31.22	2	8,041	(7,046)	997	49.0
Total					168,326	178,628							

(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, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

7 – FINANCIAL INSTRUMENTS BY CATEGORY

	<u>03.31.2022</u>	<u>12.31.2021</u>
Financial assets at fair value ⁽¹⁾:		
Current:		
Classified as “Investments at fair value”:		
Notes	669,475	835,470
Mutual funds in \$	201,124	465,638
Government bonds in \$	3,462,444	3,779,529
LETES in \$	1,788,830	-
Subtotal	<u>6,121,873</u>	<u>5,080,637</u>
Classified as “Cash and cash equivalents”:		
Mutual funds in \$	1,045,832	1,579,212
Subtotal	<u>1,045,832</u>	<u>1,579,212</u>
Total financial assets at fair value - Current	<u>7,167,705</u>	<u>6,659,849</u>
Financial assets at amortized cost:		
Current:		
Classified as “Investments at amortized cost”:		
VRD bonds in \$	3,536	4,550
Subtotal	<u>3,536</u>	<u>4,550</u>
Classified as “Investments at amortized cost of restricted availability”:		
Term deposit in US\$ of restricted availability	6,281,765	6,733,142
Subtotal	<u>6,281,765</u>	<u>6,733,142</u>
Classified as “Cash and cash equivalents”:		
Cash and banks	54,168	51,542
Surety bonds in \$ ⁽²⁾	483,678	1,723,349
Subtotal	<u>537,846</u>	<u>1,774,891</u>
Classified as “Trade accounts receivable” and “Other accounts receivable”	4,205,641	3,834,337
Total financial assets at amortized cost - Current	<u>11,028,788</u>	<u>12,346,920</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

7 – FINANCIAL INSTRUMENTS BY CATEGORY (Cont.)

Financial assets at amortized cost (Cont.):

03.31.2022 12.31.2021

Non-Current:

Classified as “Investments at amortized cost”:

VRD bonds in \$	527	1,384
Subtotal	<u>527</u>	<u>1,384</u>

Classified as “Trade accounts receivable” and “Other accounts receivable”	<u>9,478,660</u>	<u>10,178,333</u>
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Total financial assets at amortized cost – Non-Current	<u>9,479,187</u>	<u>10,179,717</u>
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Financial liabilities at amortized cost:

Current:

Loans	6,137,968	6,857,186
Notes	-	502,530
Trade accounts payable, other debts and lease debt	<u>1,364,106</u>	<u>1,927,860</u>
Total financial liabilities at amortized cost – Current	<u>7,502,074</u>	<u>9,287,576</u>

Non-Current:

Trade accounts payable, other debts and lease debt	<u>409,731</u>	<u>323,764</u>
Total financial liabilities at amortized cost – Non-Current	<u>409,731</u>	<u>323,764</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, 2022 and December 31, 2021.

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



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

8 – TRADE ACCOUNTS RECEIVABLE

	<u>03.31.2022</u>	<u>12.31.2021</u>
Non-current		
Trade accounts receivable - third parties	20,984,959	22,534,950
Allowance for doubtful accounts and disputed amounts	(11,522,320)	(12,373,382)
Total trade accounts receivable – Non-current	<u>9,462,639</u>	<u>10,161,568</u>
Current		
Trade accounts receivable - third parties	3,083,119	2,702,497
Trade accounts receivable – other related parties (Note 16)	602,469	436,679
Trade accounts receivable – affiliated companies (Note 16)	1,439	1,545
Allowance for doubtful accounts and disputed amounts	(443,033)	(518,915)
Total trade accounts receivable - Current	<u>3,243,994</u>	<u>2,621,806</u>

9 – LOANS

9.1 – Changes in Loans

	<u>03.31.2022</u>	<u>03.31.2021</u>
<u>Non-Current:</u>		
Balance at the beginning of fiscal year	-	8,475,797
Transfer to current	-	(402,140)
Accrual of interest on Itaú Unibanco S.A. Nassau Branch loan	-	8,791
Exchange rate difference on Itaú Unibanco S.A. Nassau Branch loan	-	697,702
Loss on monetary position	-	(987,044)
Balance at the end of period	<u>-</u>	<u>7,793,106</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

9 – LOANS (Cont.)

9.1 – Changes in Loans (Cont.)

	<u>03.31.2022</u>	<u>03.31.2021</u>
<u>Current:</u>		
Balance at the beginning of fiscal year	6,857,186	955,793
Accrual of interest on Itaú Unibanco S.A. Nassau Branch loan	34,749	34,503
Exchange rate difference on Itaú Unibanco S.A. Nassau Branch loan	481,055	3,709
Taking of local loans in pesos	-	62,936
Transfer from non-current	-	402,140
Accrual of interest on local loans in pesos	13,962	107,726
Payment of principal on local loans in pesos	(266,822)	-
Payment of interest on local loans in pesos	(24,043)	(107,072)
Loss on monetary position	(958,119)	(129,382)
Balance at the end of period	<u>6,137,968</u>	<u>1,330,353</u>

10 - NOTES

10.1 – Changes in Notes

<u>Non-current:</u>		
Balance at the beginning of fiscal year	-	855,557
Transfer to current	-	(793,885)
Loss on monetary position	-	(61,672)
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, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

10 – NOTES (Cont.)

10.1 – Changes in Notes (Cont.)

	<u>03.31.2022</u>	<u>03.31.2021</u>
<u>Current:</u>		
Balance at the beginning of fiscal year	502,530	1,865,754
Transfer from non-current	-	793,885
Transfer to non-current	-	-
Accrual of interest on Notes	18,802	239,781
Payment of interest on Notes	(40,071)	(213,422)
Payment of principal on Notes	(440,202)	-
Loss on monetary position	(41,059)	(250,769)
	<hr/>	<hr/>
Balance at the end of period	-	2,435,229

11 - CONTINGENCIES

Provision for labour, civil and administrative lawsuits

Current

Balance as of December 31, 2020	279,626
–Recoveries	(884)
– Loss on monetary position	(32,065)
Balance as of March 31, 2021	<hr/> 246,677
– Recoveries	(57,044)
– Decreases (payment / uses)	(5,209)
– Loss on monetary position	(62,304)
Balance as of December 31, 2021	<hr/> 122,120
– Recoveries	(42,019)
– Decreases (payment / uses)	(13,006)
– Loss on monetary position	(16,908)
Balance as of March 31, 2022	<hr/> 50,187



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

11 – CONTINGENCIES (Cont.)

11.1 – Legal matters

11.1.1 – Pending judicial disputes with YPF S.A.

On April 20, 2009 TGN filed a legal action against YPF S.A. (“YPF”) in order to (i) demand compliance with the transportation contract for export signed with YPF; and (ii) compel YPF to pay past-due invoices. The claim amounts to US\$ 74.8 million (including subsequent extensions), based on the invoices issued by TGN for services rendered between January 2007 and December 2010, plus interest accrued as of each respective date, and interest to be accrued until amounts are actually paid by YPF.

YPF answered the complaint basically claiming that TGN had failed to comply with the transportation service in the terms agreed because it was “prevented from doing so” as a result of the emergency regulations enacted and, alternatively, that the peso rate should be applied, in view of the impossibility to export.

In December 2010, TGN terminated the firm transportation contract for gas export with YPF, as a result of shipper’s breach; in December 2012, TGN filed an action for damages claiming YPF’s breach of contract, for an amount of US\$ 142.15 million.

In October 2020, the Company received notice of the first instance judgement allowing the complaints, and acknowledging its right to collect (i) an amount to be determined by the appointed accounting expert on account of unpaid invoices, plus (ii) US\$ 231 million (in said currency or in pesos at the ask price) on account of loss of profit, plus interest. This judgement was appealed by both parties. In February 2022, the National Court of Appeals in Federal Civil and Commercial Matters confirmed, for the most part, the first instance judgement, including amounts referred to in items (i) and (ii) above. YPF filed an extraordinary appeal against said judgement, which was allowed. Consequently, the case was finally lodged with the National Supreme Court of Justice.

12 - REVENUES

	<u>03.31.2022</u>	<u>03.31.2021</u>
Gas transportation service	5,629,320	5,734,361
Gas pipeline operation and maintenance and other services	339,644	318,508
Total revenues	<u>5,968,964</u>	<u>6,052,869</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022, 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 03.31.2022	Total as of 03.31.2021
	Cost of service		Selling expenses		Administrative expenses			
	2022	2021	2022	2021	2022	2021		
Directors' fees	-	-	-	-	13,264	13,221	13,264	13,221
Supervisory Committee's fees	-	-	-	-	3,719	3,954	3,719	3,954
Fees for professional services	24,803	28,982	1,438	295	54,531	81,961	80,772	111,238
Salaries, wages and other personnel benefits	562,888	516,083	10,500	12,199	207,296	214,464	780,684	742,746
Social security contributions	111,185	107,385	2,063	2,486	51,091	53,886	164,339	163,757
Materials and spare parts	155,526	181,963	-	-	3,392	499	158,918	182,462
Third party services and supplies	62,940	69,005	108	144	1,778	1,954	64,826	71,103
Maintenance and repair of property, plant and equipment	906,773	750,778	487	524	9,703	24,347	916,963	775,649
Travel expenses	66,609	67,420	621	645	11,615	5,616	78,845	73,681
Freight and transportation	9,965	12,018	-	-	81	6	10,046	12,024
Post and telecommunication expenses	5,411	6,200	357	413	4,833	5,598	10,601	12,211
Insurance	81,430	108,497	8	11	3,059	3,223	84,497	111,731
Office supplies	5,117	5,077	571	1,976	11,795	14,499	17,483	21,552
Rentals	12,180	19,275	134	96	4,223	6,183	16,537	25,554
Easements	23,965	25,479	-	-	-	-	23,965	25,479
Taxes, rates and contributions	4,055	2,505	221,252	212,209	289,792	239,145	515,099	453,859
Property, plant and equipment depreciation	3,354,511	3,712,750	764	1,398	68,798	137,690	3,424,073	3,851,838
Slow-moving and obsolete materials and spare parts	2,385	-	-	-	-	-	2,385	-
Other	6,202	641	17	-	14,648	1,948	20,867	2,589
Balances as of March 31, 2022	5,395,945	-	238,320	-	753,618	-	6,387,883	-
Balances as of March 31, 2021	-	5,614,058	-	232,396	-	808,194	-	6,654,648



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

14 – OTHER INCOME AND EXPENSES

	<u>03.31.2022</u>	<u>03.31.2021</u>
Income from commercial indemnities	4,423	-
Disposal of property, plant and equipment, net	9,652	(8)
Readjustment of compensation for damages ⁽¹⁾	(133,646)	-
Recovery of contingencies	42,019	884
Other income and expenses	(242)	15,035
Total other income and expenses	<u>(77,794)</u>	<u>15,911</u>

⁽¹⁾ During the period ended March 31, 2022, the Company has recognized losses for \$ 133.7 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	756,000	1,168,303
(Loss) income from changes in fair values	(153,896)	259,942
Other	3,889	245,191
Total other net financial income	<u>605,993</u>	<u>1,673,436</u>
Financial income		
Interest	161,719	359,363
Total financial income	<u>161,719</u>	<u>359,363</u>
Financial expenses		
Interest	(71,514)	(382,305)
Banking and financial fees, expenses and taxes	(4,792)	(5,086)
Total financial expenses	<u>(76,306)</u>	<u>(387,391)</u>
Loss on monetary position	<u>(2,752,758)</u>	<u>(2,033,546)</u>
Total net financial loss	<u>(2,061,352)</u>	<u>(388,138)</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

16 – RELATED PARTIES

Transactions with related parties are as follows:

	<u>03.31.2022</u>	<u>03.31.2021</u>
Controlling company		
<u>Other net income and expenses</u>		
Gasinvest S.A.	386	490
<u>Total other net income and expenses</u>	386	490
Affiliated companies		
<u>Revenues</u>		
Comgas Andina S.A.	3,813	4,847
Companhia Operadora do Rio Grande do Sul	636	695
<u>Total revenues</u>	4,449	5,542
<u>Recovery of expenses</u>		
Comgas Andina S.A.	-	1,309
Companhia Operadora do Rio Grande do Sul	-	45
<u>Total recovery of expenses</u>	-	1,354
Other related parties		
<u>Revenues</u>		
Litoral Gas S.A.	730,402	936,977
Ternium Argentina S.A.	107,133	139,660
Siderca S.A.	67,824	86,829
Transportadora de Gas del Mercosur S.A.	22,569	26,816
Tecpetrol S.A.	107,876	13,749
Gasoducto Gasandes Argentina S.A.	12,743	6,207
<u>Total revenues</u>	1,048,547	1,210,238



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022, 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>03.31.2022</u>	<u>03.31.2021</u>
<u>Financial income</u>		
Transportadora de Gas del Mercosur S.A.	60	-
<u>Total financial income</u>	<u>60</u>	<u>-</u>
<u>Other income and expenses</u>		
Gasoducto Gasandes Argentina S.A.	1,358	-
<u>Total other income and expenses</u>	<u>1,358</u>	<u>-</u>
<u>Recovery of expenses</u>		
Gasinvest S.A.	-	2,171
Transportadora de Gas del Mercosur S.A.	-	14,670
<u>Total recovery of expenses</u>	<u>-</u>	<u>16,841</u>
<u>Acquisition of materials and property, plant and equipment</u>		
Siat S.A.	(27,217)	-
Siderca S.A.	(1,574)	-
<u>Total acquisition of materials and property, plant and equipment</u>	<u>(28,791)</u>	<u>-</u>
Key management personnel		
Board of Directors' fees	(13,264)	(13,221)
Supervisory Committee's fees	(3,719)	(3,954)



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

16 – RELATED PARTIES (Cont.)

Balances with related parties are as follows:

Trade accounts receivable	<u>03.31.2022</u>	<u>12.31.2021</u>
<u>Other related parties</u>		
Transportadora de Gas del Mercosur S.A.	8,830	9,361
Litoral Gas S.A.	395,505	299,780
Ternium Argentina S.A.	54,847	39,783
Siderca S.A.	34,555	25,207
Tecpetrol S.A.	102,765	59,885
Gasoducto Gasandes Argentina S.A.	5,967	2,663
<u>Total trade accounts receivable - other related parties</u>	<u>602,469</u>	<u>436,679</u>
<u>Accounts receivable – affiliated companies</u>		
Comgas Andina S.A.	1,233	1,324
Companhia Operadora do Rio Grande do Sul	206	221
<u>Total accounts receivable –affiliated companies</u>	<u>1,439</u>	<u>1,545</u>
<u>Other accounts receivable</u>		
<u>Assistance fee and recovery of expenses – controlling company</u>		
Gasinvest S.A.	1,736	1,852
<u>Total assistance fee and recovery of expenses – controlling company</u>	<u>1,736</u>	<u>1,852</u>
<u>Other accounts receivable – affiliated companies</u>		
Comgas Andina S.A.	835	896
Companhia Operadora do Rio Grande do Sul	2,145	2,204
<u>Total other accounts receivable – affiliated companies</u>	<u>2,980</u>	<u>3,100</u>
<u>Other accounts receivable – related parties</u>		
Gasoducto Gasandes Argentina S.A.	-	299
Litoral Gas S.A.	-	137
Siat S.A.	-	12,132
Transportadora de Gas del Mercosur S.A.	15,543	14,641
<u>Total other accounts receivable – related parties</u>	<u>15,543</u>	<u>27,209</u>
<u>Other accounts receivable - Key Management Personnel</u>		
Board of Directors and Supervisory Committee’s fees paid in advance	66,091	58,144
<u>Total other accounts receivable - Key Management Personnel</u>	<u>66,091</u>	<u>58,144</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022, 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>03.31.2022</u>	<u>12.31.2021</u>
Commercial debts		
<u>Commercial debts with related parties</u>		
Siat S.A.	(10,523)	-
<u>Total commercial debts with related parties</u>	<u>(10,523)</u>	<u>-</u>
Other debts		
<u>Other debts - Key Management Personnel</u>		
Provision for Directors and Supervisory Committee's fees	(68,112)	(60,489)
<u>Total other debts Key Management Personnel</u>	<u>(68,112)</u>	<u>(60,489)</u>
<u>Other debts with related parties</u>		
Transportadora de Gas del Mercosur S.A.	-	(2,340)
<u>Total other debts with related parties</u>	<u>-</u>	<u>(2,340)</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

17 – SUBSEQUENT EVENTS

At the Shareholders' Meeting held on April 12, 2022, it was resolved that retained earnings as of December 31, 2021 amounting to \$ 2,848,059,197, be allocated as follows: \$ 478,669,092 to the “*Voluntary reserve for future dividends*” and \$ 2,369,390,105 to the “*Optional reserve for working capital and liquidity coverage*”, in order to meet all expenses and investments necessary for the provision of the service and fulfilment of the corporate purpose.

As of the date of issue of these interim condensed financial statements, the US dollar exchange rate published by Banco de la Nación Argentina amounts to 116.75 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, 2022 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, 2022 AND 2021

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, 2022, 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:

	(in million pesos)					
	Three-month period ended 03.31.					
	2022	2021	Variation	2020	2019	2018
Revenues						
Gas transportation service	5,629.3	5,734.4	(105.1)	9,022.7	9,588.2	7,820.9
Gas pipeline operation & maintenance and other services	339.6	318.5	21.1	492.6	378.3	301.4
Total revenues	5,968.9	6,052.9	(84.0)	9,515.3	9,966.5	8,122.3
Cost of service						
Operation and maintenance costs	(2,041.4)	(1,901.3)	(140.1)	(2,085.0)	(2,096.7)	(1,949.0)
Property, plant and equipment depreciation	(3,354.5)	(3,712.8)	358.3	(3,083.3)	(4,112.8)	(2,698.0)
Subtotal	(5,395.9)	(5,614.1)	218.2	(5,168.3)	(6,209.5)	(4,647.0)
Gross profit	573.0	438.8	134.2	4,347.0	3,757.0	3,475.3
Administrative and selling expenses	(991.9)	(1,040.6)	48.7	(1,070.5)	(1,141.9)	(994.7)
(Loss) income before other net income and expenses	(418.9)	(601.8)	182.9	3,276.5	2,615.1	2,480.6
Other income and expenses	(77.8)	15.9	(93.7)	(12.0)	14.2	21.3
Recovery / (Charge) due to impairment of financial assets	3.2	(160.2)	163.4	(307.1)	(39.0)	(249.1)
(Loss) income before financial income	(493.5)	(746.1)	252.6	2,957.4	2,590.3	2,252.8
Net financial income	(2,061.4)	(388.1)	(1,673.3)	(550.5)	173.8	(811.7)
Income from investments in affiliated companies	3.2	7.1	(3.9)	21.4	10.9	3.5
Income before income tax	(2,551.7)	(1,127.1)	(1,424.6)	2,428.3	2,775.0	1,444.6
Income tax	1,040.1	37.2	1,002.9	(655.8)	(783.3)	(516.8)
(Loss) income for the period	(1,511.6)	(1,089.9)	(421.7)	1,772.5	1,991.7	927.8
Currency conversion of affiliated companies' financial statements	(13.5)	(15.6)	2.1	(8.5)	0.3	2.6
Property, plant and equipment revaluation allowance	-	-	-	-	1,963.6	1,128.9
Other comprehensive (loss) income for the period	(13.5)	(15.6)	2.1	(8.5)	1,963.9	1,131.5
Comprehensive (loss) income for the period	(1,525.1)	(1,105.5)	(419.6)	1,764.0	3,955.6	2,059.3
EBITDA ⁽¹⁾	3,005.2	3,250.1	(244.9)	6,438.1	6,854.9	5,244.8

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



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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021

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

(in million pesos)

	<i>03.31.2022</i>	<i>12.31.2021</i>	<i>12.31.2020</i>	<i>12.31.2019</i>	<i>12.31.2018</i>
<i>Total assets</i>	<i>101,925</i>	<i>106,343</i>	<i>129,274</i>	<i>149,402</i>	<i>169,769</i>
<i>Total liabilities</i>	<i>23,166</i>	<i>26,059</i>	<i>32,931</i>	<i>46,998</i>	<i>106,688</i>
<i>Shareholder's equity</i>	<i>78,759</i>	<i>80,284</i>	<i>96,343</i>	<i>102,404</i>	<i>63,081</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 \$ 84 million between the three-month periods ended March 31, 2022 and 2021 is due to:

- i.* \$ 1,126.3 million increase in revenues mainly due to higher export volumes under interruptible and exchange and displacement transportation services;
- ii.* \$ 1,231.4 million decrease in revenues, as a result of the net effect between inflation acceleration and the 60% rate increase in force since last March. (See Note 1.3.3. to the Company’s Interim Condensed Financial Statements for the three-month period ended March 31, 2022); and
- iii.* \$ 21.1 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, 2022 AND 2021

**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>2022</i>	<i>2021</i>	<i>Variation</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
<i>Fees for professional services</i>	24.8	29.0	(4.2)	39.4	43.1	19.7
<i>Salaries, wages and other personnel benefits and social security contributions</i>	674.1	623.5	50.6	682.3	616.0	657.9
<i>Materials and spare parts</i>	155.5	182.0	(26.5)	245.4	318.3	115.0
<i>Maintenance and repair of property, plant and equipment and third-party services and supplies</i>	969.7	819.8	149.9	822.7	892.0	914.7
<i>Post, telecommunications, transportation, freight and travel expenses</i>	82.0	85.6	(3.6)	87.8	105.0	94.2
<i>Insurance</i>	81.4	108.5	(27.1)	88.3	67.1	54.0
<i>Rentals and office supplies</i>	17.3	24.4	(7.1)	28.4	21.1	25.2
<i>Easements</i>	24.0	25.5	(1.5)	21.8	26.8	27.0
<i>Taxes, rates and contributions</i>	4.1	2.5	1.6	4.2	3.2	3.0
<i>Property, plant and equipment depreciation</i>	3,354.5	3,712.8	(358.3)	3,083.3	4,112.8	2,698.0
<i>Slow-moving and obsolete materials and spare parts</i>	2.4	-	2.4	53.1	(13.1)	35.0
<i>Other</i>	6.1	0.5	5.6	11.6	17.2	3.3
Total	5,395.9	5,614.1	(218.2)	5,168.3	6,209.5	4,647.0
<i>% of Cost of service on revenues</i>	90%	93%		54%	62%	57%

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

- i. \$ 253.2 million increase in *Salaries, wages and other personnel benefits and social security contributions* (which adjusted for inflation amounts to \$ 50.6 million). Said variation is mainly explained by salary increases due to inflation adjustment (\$ 224.8 million);
- ii. \$ 419.8 million increase in *Maintenance and repair of property, plant and equipment and third-party services and supplies* (which adjusted for inflation amounts to \$ 149.9 million). Said variation is mainly due to higher costs associated with cleaning and clearing of facilities (\$ 11.5 million), outsourced maintenance works (\$ 31.1 million), expenses in application software (\$ 5.5 million), layout works (\$ 74.3 million), corrosion protection (\$ 55.4 million), river crossings (\$ 20.1 million), pipe inspections (\$ 30.6 million), projects related to compression integrity and safety at compressor plants (\$ 34.5 million), projects related to integrity at metering and regulation stations (\$ 40.1 million), security and surveillance (\$ 10.4 million), cost of projects related to client services (\$ 26.2 million), and other gas pipeline projects (\$ 34.9 million), partially offset against lower costs in other projects (\$ 21.1 million); and
- iii. \$ 187.6 million increase in *Property, plant and equipment depreciation* (which adjusted for inflation amounts to a \$ 358.3 million decrease). Said variation is due to the higher depreciation, as a result of higher capitalizations made during 2021 fiscal year.



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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021

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>2022</i>	<i>2021</i>	<i>Variation</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
<i>Salaries, wages and other personnel benefits and social security contributions</i>	271.0	283.0	(12.0)	299.7	246.7	224.9
<i>Property, plant and equipment depreciation</i>	69.6	139.1	(69.5)	78.3	127.0	66.2
<i>Fees for professional services</i>	56.0	82.3	(26.3)	50.1	87.4	42.3
<i>Taxes, rates and contributions</i>	511.0	451.4	59.6	540.1	581.0	592.1
<i>Post, telecommunications, transportation, freight and travel expenses</i>	17.5	12.3	5.2	18.2	14.1	13.2
<i>Maintenance and repair of property, plant and equipment and third-party services and supplies</i>	12.1	27.0	(14.9)	19.5	27.7	12.9
<i>Rentals and office supplies</i>	16.7	22.8	(6.1)	16.3	15.9	12.9
<i>Supervisory Committee's fees</i>	3.7	4.0	(0.3)	4.2	4.6	5.2
<i>Board of Directors' fees</i>	13.3	13.2	0.1	15.0	16.9	8.2
<i>Materials and spare parts</i>	3.4	0.5	2.9	10.2	0.9	1.1
<i>Lawsuits</i>	-	-	-	7.6	9.3	3.4
<i>Insurance</i>	3.1	3.2	(0.1)	4.8	4.6	4.2
<i>Other</i>	14.5	1.8	12.7	6.5	5.8	8.1
Total	991.9	1,040.6	(48.7)	1,070.5	1,141.9	994.7
<i>% of administrative and selling expenses on revenues</i>	<i>17%</i>	<i>17%</i>		<i>11%</i>	<i>11%</i>	<i>12%</i>

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

- i. \$ 21.3 million decrease in *Property, plant and equipment depreciation* (which adjusted for inflation amounts to \$ 69.5 million), as a result of the impairment of “*Property, plant and equipment*” recorded as of December 31, 2021; and
- ii. \$ 208.7 million increase in *Taxes, rates and contributions* (which adjusted for inflation amounts to \$ 59.6 million). Said variation is mainly due to higher costs associated with the verification and control fee paid to the National Gas Regulatory Entity (“ENARGAS”) (\$ 109.8 million), turnover tax (\$ 79.4 million) and tax on bank transactions (\$ 19.3 million).



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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021

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

Recovery / (Charge) due to impairment of financial assets

(in million pesos)

<i>Accounts</i>	<i>Three-month period ended 03.31.</i>					
	<i>2022</i>	<i>2021</i>	<i>Variation</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
<i>Recovery / (Charge) due to impairment of financial assets</i>	3.2	(160.2)	163.4	(307.1)	(39.0)	(249.1)
<i>Total</i>	3.2	(160.2)	163.4	(307.1)	(39.0)	(249.1)

During the periods ended March 31, 2022 and 2021, the Company has recognized recoveries and charges for \$ 3.2 million and \$ 160.2 million, respectively. The \$ 163.4 million variation is due to lower allowances established in this period in connection with balances of delinquent customers.

Other income and expenses

(in million pesos)

<i>Accounts</i>	<i>Three-month period ended 03.31.</i>					
	<i>2022</i>	<i>2021</i>	<i>Variation</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
<i>Income from commercial compensations</i>	4.4	-	4.4	-	0.8	2.0
<i>Net income from disposal of property, plant and equipment</i>	9.7	-	9.7	12.6	(12.9)	1.0
<i>Various income and expenses</i>	(91.9)	15.9	(107.8)	(24.6)	26.3	18.3
<i>Total</i>	(77.8)	15.9	(93.7)	(12.0)	14.2	21.3

During the periods ended March 31, 2022 and 2021, the Company has recognized losses and gains for \$ 77.8 million and \$ 15.9 million, respectively. The higher charge for \$ 93.7 million is mainly due to the fact that, during the period ended March 31, 2022, the Company has recognized a loss for \$ 133.6 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. (See Note 1.3.3. to the Company’s Interim Condensed Financial Statements for the three-month period ended March 31, 2022).

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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021

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.					
	2022	2021	Variation	2020	2019	2018
Other net financial income:						
Net exchange rate gain	756.0	1,168.3	(412.3)	359.9	166.9	(925.6)
Income due to changes in fair values	(153.9)	259.9	(413.8)	(249.1)	62.6	116.5
Income from derivative financial instruments	-	-	-	(135.4)	-	-
Other	3.9	245.2	(241.3)	-	10.4	(13.9)
Total other net financial income	606.0	1,673.4	(1,067.4)	(24.6)	239.9	(823.0)
Financial income:						
Interest	161.7	359.4	(197.7)	40.7	154.0	87.0
Total financial income	161.7	359.4	(197.7)	40.7	154.0	87.0
Financial expenses:						
Interest	(71.5)	(382.3)	310.8	(355.1)	(588.8)	(309.0)
Interest compounded on Property, plant and equipment	-	-	-	81.4	156.8	-
Banking, financial and other fees, expenses and taxes	(4.8)	(5.1)	0.3	(3.7)	(7.6)	3.7
Total financial expenses	(76.3)	(387.4)	311.1	(277.4)	(439.6)	(305.3)
Loss on monetary position	(2,752.8)	(2,033.5)	(719.3)	(289.2)	219.5	229.6
Total net financial (loss) income	(2,061.4)	(388.1)	(1,673.3)	(550.5)	173.8	(811.7)

Net financial income for the period ended March 31, 2022 showed a higher gain of \$ 364.2 million (which adjusted for inflation amounts to a \$ 1,673.3 million decrease), as compared to the period ended March 31, 2021. Accounts with the most relevant variations between both periods were:

- i. a higher gain of \$ 1.6 million (which adjusted for inflation amounts to a lower gain of \$ 412.3 million), on account of net exchange rate differences on US dollar denominated assets and liabilities;
- ii. a higher gain of \$ 98 million (which adjusted for inflation amounts to \$ 113.1 million), associated with interest accrued during the period;
- iii. a lower gain of \$ 308.5 million (which adjusted for inflation amounts to \$ 413.8 million), due to changes in fair values accrued during the period;
- iv. a lower gain of \$ 154 million (which adjusted for inflation amounts to \$ 241.3 million) mainly due to the collection during 2021 of the subsidy associated with the financial cost of the deferral in the collection of invoices to distributors, sub-distributors, transporters and producers. See Notes 1.3.3 to the Company’s financial statements for the fiscal year ended December 31, 2021; and
- v. a higher loss of \$ 719.3 million on monetary position, due to the greater number of monetary assets exposed to inflation held in the period as compared to the same period in 2021.



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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021

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

Income tax

Income tax for the period ended March 31, 2022 reported a lower charge of \$ 1,002.9 million as compared to the same period in previous year. Said variation is the result of a lower current tax charge of \$ 772 million and a higher gain on account of deferred income tax of \$ 230.9 million, due to the tax loss recorded in the period ended March 31, 2022.

Summary of statement of cash flows

(in million pesos)

	<i>Three-month period ended 03.31.</i>				
	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
<i>Cash generated by operating activities</i>	2,009.2	800.6	4,020.6	5,748.6	4,631.4
<i>Income tax</i>	(1,040.1)	(37.2)	655.8	783.3	516.8
<i>Interest accrued on liabilities</i>	71.5	382.3	355.1	588.8	309.0
<i>Net cash flow generated by operating activities</i>	1,040.6	1,145.7	5,031.5	7,120.7	5,457.2
<i>Acquisition of property, plant and equipment</i>	(597.1)	(832.5)	(1,970.4)	(1,927.0)	(1,485.6)
<i>Subscriptions, net of recovery of investments at amortized cost and investments at fair value (non-cash equivalents)</i>	(95.0)	1,005.2	2,107.3	(2,365.3)	(4,899.1)
<i>Principal and interest received from investments at amortized cost and investments at fair value</i>	1.3	4.8	9.6	16.5	25.9
<i>Net cash flow used in (generated by) investing activities</i>	(690.8)	177.5	146.5	(4,275.8)	(6,358.8)
<i>Taking of local loans in pesos</i>	-	62.9	-	-	-
<i>Payment of principal on Notes</i>	(440.2)	-	-	-	-
<i>Payment of interest on Notes</i>	(40.1)	(213.4)	-	-	-
<i>Payment of principal on local loans in pesos</i>	(266.8)	-	(1,399.6)	-	-
<i>Payment of interest on local loans in pesos</i>	(24.0)	(107.1)	-	-	-
<i>Lease payment</i>	(4.8)	(6.3)	(6.3)	(6.8)	-
<i>Net cash flow used in financing activities</i>	(775.9)	(263.9)	(1,405.9)	(6.8)	-
<i>Net (Decrease) increase in cash and cash equivalents</i>	(426.1)	1,059.3	3,772.1	2,838.1	(901.6)
<i>Cash and cash equivalents at the beginning of fiscal year</i>	3,354.1	5,399.8	5,065.6	8,593.1	2,575.9
<i>Financial loss (gain) generated by cash</i>	(1,344.3)	(1,227.5)	(966.0)	45.3	100.2
<i>Cash and cash equivalents at the end of period</i>	1,583.7	5,231.6	7,871.7	11,476.5	1,774.5



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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021

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.				
	2022	2021	2020	2019	2018
Cash and banks ⁽¹⁾	54.2	10.9	2,149.9	5,347.9	742.7
Mutual funds in \$	1,045.8	2,901.9	1,442.5	936.3	205.6
Mutual funds in US\$	-	-	4,279.3	283.9	-
Term deposits in \$	-	414.8	-	-	-
Term deposits in US\$	-	-	-	4,908.4	826.2
Surety bonds in \$	483.7	1,765.6	-	-	-
T bills in \$	-	138.4	-	-	-
Cash and cash equivalents at the end of period	1,583.7	5,231.6	7,871.7	11,476.5	1,774.5

⁽¹⁾ As of March 31, 2022, 2021, 2020, 2019 and 2018 it includes \$ 2.0 million, \$ 7.1 million, \$ 2,093.2 million, \$ 5,337.0 million and \$ 742.0 million, respectively, denominated in foreign currency.

II) COMPARATIVE BALANCE SHEETS AS OF MARCH 31, 2022, 2021, 2020, 2019 AND 2018

(in million pesos)

Accounts	As of 03.31.				
	2022	2021	2020	2019	2018
Non-current assets	83,093	84,329	130,261	142,343	144,300
Current assets	18,832	9,991	19,709	30,481	25,470
Total assets	101,925	94,320	149,970	172,824	169,770
Shareholders' equity	78,759	71,268	104,168	108,680	106,689
Non-current liabilities	14,645	17,059	21,262	39,670	39,692
Current liabilities	8,521	5,993	24,539	24,474	23,389
Total liabilities	23,166	23,052	45,801	64,144	63,081
Total	101,925	94,320	149,970	172,824	169,770

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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021

III) COMPARATIVE COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022, 2021, 2020, 2019 AND 2018

(in million pesos)

Accounts	As of 03.31.				
	2022	2021	2020	2019	2018
(Loss) income before other net income and expenses	(418.9)	(601.8)	3,276.5	2,615.1	2,480.6
Other income and expenses	(77.8)	15.9	(12.0)	14.2	21.3
Recovery / (Charge) due to impairment of financial assets	3.2	(160.2)	(307.1)	(39.0)	(249.1)
(Loss) income before financial income	(493.5)	(746.1)	2,957.4	2,590.3	2,252.8
Net financial income	(2,061.4)	(388.1)	(550.5)	173.8	(811.7)
Income from investments in affiliated companies	3.2	7.1	21.4	10.9	3.5
Income before income tax	(2,551.7)	(1,127.1)	2,428.3	2,775.0	1,444.6
Income tax	1,040.1	37.2	(655.8)	(783.3)	(516.8)
(Loss) income for the period	(1,511.6)	(1,089.9)	1,772.5	1,991.7	927.8
Other comprehensive (loss) income for the period	(13.5)	(15.6)	(8.5)	1,963.9	1,131.5
Comprehensive (loss) income for the period	(1,525.1)	(1,105.5)	1,764.0	3,955.6	2,059.3

IV) COMPARATIVE STATISTICAL DATA FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022, 2021, 2020, 2019 AND 2018

Dispatched volumes in million m3:

By type of transportation

	As of 03.31.				
	2022	2021	2020	2019	2018
Firm	2,910	3,059	3,140	3,345	3,534
Interruptible & exchange and displacement	2,881	2,015	2,485	2,278	1,849
Total	5,791	5,074	5,625	5,623	5,383

By source

	As of 03.31.				
	2022	2021	2020	2019	2018
Northern Pipeline	1,616	2,188	2,088	2,092	2,394
Central West Pipeline	3,492	2,174	2,699	3,531	2,989
Final sections	683	712	838	-	-
Total	5,791	5,074	5,625	5,623	5,383

By destination

	As of 03.31.				
	2022	2021	2020	2019	2018
Domestic market	5,284	4,978	5,156	5,294	5,374
Export market	507	96	469	329	9
Total	5,791	5,074	5,625	5,623	5,383

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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021

V) COMPARATIVE RATIOS AS OF MARCH 31, 2022, 2021, 2020, 2019 AND 2018

	<i>As of 03.31.</i>				
	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
<i>Liquidity (1)</i>	<i>2.2101</i>	<i>1.6671</i>	<i>0.8032</i>	<i>1.2454</i>	<i>1.0890</i>
<i>Solvency (2)</i>	<i>3.3998</i>	<i>3.0916</i>	<i>2.2744</i>	<i>1.6943</i>	<i>1.6913</i>
<i>Equity Immobility (3)</i>	<i>0.8152</i>	<i>0.8941</i>	<i>0.8686</i>	<i>0.8236</i>	<i>0.8500</i>

(1) Current assets / current liabilities

(2) Equity / total liabilities

(3) Non-current assets / total assets

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

This section about the Company's business, operating, financial and regulatory prospects should be read, analysed and interpreted in conjunction with the notes to the interim condensed financial statements as of March 31, 2022, in order to have a full picture of corporate matters.

In December 2019 the Social Solidarity and Productive Reactivation under the Public Emergency Framework Law No. 27,541 (the "Solidarity Law") was enacted, empowering the National Executive Branch ("PEN") to freeze natural gas rates under federal jurisdiction and start a renegotiation process of the Comprehensive Rate Review ("CRR") in place, or embark on a rate review of an exceptional nature in the terms of Act No. 24,076 (the "Natural Gas Act") for a maximum term of 180 days, tending to reduce the actual rate burden on households, and commercial and industrial users in 2020 year. The PEN was further empowered to administratively intervene ENARGAS for a one-year term. Indeed, on March 16, 2020 the PEN instructed the intervention of the ENARGAS for a term extended until December 31, 2022, entrusting the comptroller to conduct a legal, technical and economic audit of all aspects regulated under the Solidarity Law in energy matters, and to prepare a report to be submitted to the PEN. The rate freeze established under the Solidarity Law was successively extended until December 23, 2021 by means of Necessity and Urgency Decree No. 543/20.

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



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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021

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

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

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

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

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

On June 30, 2021, the Company filed an appeal at administrative level against Decree 1020/20, MECON and ENARGAS Joint Resolution 2/21 whereby the IRR was approved subject to further approval by the PEN, Decree 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



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OVERVIEW FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2022 AND 2021

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

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 the current year.

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 ban on distributing dividends, prepaying loans with shareholders and acquiring companies or granting loans (except to users or contractors other than the Company's shareholders), without ENARGAS previous approval, and (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.

Moreover, ENARGAS is moving forward with the renegotiation of the CRR process, which as provided in Decree 1020/20, must be completed by December 2022.

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

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

City of Buenos Aires, May 10, 2022

Emilio Daneri Conte-Grand
President



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REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

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

Introduction

We have reviewed the accompanying condensed interim financial statements of Transportadora de Gas del Norte S.A. (hereinafter, "the Company" or "TGN"), comprised of the interim condensed balance sheets at March 31, 2022, the interim condensed statement of comprehensive income for the three months period ended on March 31, 2022 and the interim condensed statement of changes in shareholders' equity and the interim condensed statement of cash flows for the three months period then ended, and the selected explanatory notes.

The amounts and other information related to the fiscal year 2021, and their interim periods are an integral part of the financial statements mentioned above and, therefore, they should be considered in connection with these financial statements.

Management's responsibilities

The Board of Directors of the Company is responsible for the preparation and presentation of the financial statements in accordance with International Financial Reporting Standards, adopted by the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) as professional accounting standards and included by the National Securities Commission (CNV) in its regulations, as approved by the International Accounting Standards Board (IASB), and is therefore responsible for the preparation and presentation of the interim condensed financial statements mentioned in the first paragraph, in accordance with International Accounting Standard 34 "Interim Financial Information" (IAS 34).

Scope of our review

Our review was limited to the application of the procedures established under International Standards on Review Engagements ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity", adopted as a review standard in Argentina by Technical Pronouncement No. 33 of the FACPCE and approved by the International Auditing and Assurance Standards Board (IAASB). A review of interim financial information consists of making inquiries to the Company's personnel responsible for preparing the information included in the interim condensed financial statements and performing analytical and other review procedures. This review is substantially less in scope than an audit examination conducted in accordance with international standards on auditing and consequently it does not enable us to be sure that we would become aware of all significant matters that might be identified in an audit. Therefore, we do not express an audit opinion on the Company's financial position comprehensive income and cash flows.

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) except for not being signed, the interim condensed financial statements of Transportadora de Gas del Norte S.A. are transcribed into the "Inventory and Balance Sheet" and comply, in what is within our competence, with the dispositions of General Companies Law and the relevant resolutions of the National Securities Commission;
- b) the interim condensed financial statements of Transportadora de Gas del Norte S.A. arise from accounting records carried in all formal aspects in conformity with legal requirements, except for the fact that they are pending to be signed;
- c) we have read the Overview, on which we have no observations to make insofar as concerns matters within our field of competence;
- d) at March 31, 2022, the liabilities accrued by Transportadora de Gas del Norte S.A. in favor of the Argentine Integrated Social Security System according to the Company's accounting records and calculations amounted to \$ 70.744.282, none of which was claimable at that date.

Autonomous City of Buenos Aires, May 10, 2022

PRICE WATERHOUSE & CO.S.R.L.

(Partner)

Paula V. Aniasi

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, 2022, Interim Condensed Statement of Comprehensive Income for the three-month period ended March 31, 2022, 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 2021 and interim periods are an integral part of the aforementioned Financial Statements and therefore should be considered in relation with those Financial Statements.

Management Responsibility

The preparation and presentation of said documents are the responsibility of the Company’s Board, in exercise of its exclusive duties, and in full observance of applicable regulations. This responsibility includes the design, implementation and maintenance of an adequate and efficient internal control system so that such statements are free from significant distortions caused by errors or irregularities, and also includes the selection and application of appropriate accounting policies and the most reasonable estimates under the prevailing circumstances.

Supervisory Committee’s Responsibility

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

We have also examined the Review Report on the Interim Condensed Financial Statements prepared by independent auditor Paula Verónica Aniasi (CPA), Partner of Price Waterhouse & Co. S.R.L., dated May 10, 2022, issued in compliance with standards applicable in Argentina for the “Review of Interim Financial Information developed by the Company’s Independent Auditor”. Our review included the verification of the work planning, scope, nature and timeliness of the procedures followed and the results of the review conducted by said professional.

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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, 2022, discussed and approved by the Company's Board on the date hereof, include all material facts and circumstances that have come to our knowledge.

Report on compliance with applicable regulations

- a) The Interim Condensed Financial Statements are derived from accounting systems, which records are entered on books kept, in all formal respects, in accordance with applicable legislation, and comply with the provisions of the Argentine General Company Law and National Securities Commission resolutions, except that they are pending to be signed.
- b) As regards the above-mentioned Interim Condensed Financial Statements, and the additional information to the Notes thereto required under Title IV, Chapter III, we have no other remarks than those above stated.
- c) We have complied with the requirements of Section 294 of the Argentine General Company Law, during the reported period.
- d) Note that certain Board and Supervisory Committee's meetings have been "remotely" held in compliance with Emergency Decree (D.N.U.) No. 297/2020 and amendments thereto, as well as with C.N.V. General Resolution No. 830/2020, and the minutes where discussions held at those meetings are reflected have been transcribed though not yet fully signed in the pertinent books.

City of Buenos Aires, May 10, 2022.

By the Supervisory Committee
Dr. Pablo Lozada
Regular Statutory Auditor