



Interim Condensed Financial Statements as of June 30, 2022 in thousand Pesos, on a comparative basis



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Overview

Review Report from the Independent Auditors

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

INTERIM CONDENSED FINANCIAL STATEMENTS for the six-month period ended June 30, 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, September 15, 2017 and May 24, 2022.

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

Controlling shareholder: Gasinvest S.A.

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

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

Percentage of shares held by controlling shareholder: 56.354%.

Percentage of votes held by controlling shareholder: 56.354%.

Nominal Capital Structure

Classes of Shares	Subscribed and Paid-in	
	06.30.22	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 JUNE 30, 2022 AND DECEMBER 31, 2021 ON A COMPARATIVE BASIS (in thousand pesos)

	Note	<u>06.30.2022</u>	<u>12.31.2021</u>
ASSETS			
Non-current assets			
Property, plant and equipment	5	80,488,533	86,884,600
Investments in affiliated companies	6	222,321	209,534
Materials and spare parts		2,577,332	2,818,565
Other accounts receivable		15,885	19,666
Trade accounts receivable	8	10,676,958	11,919,721
Investments at amortized cost	7	169	1,623
Total non-current assets		<u>93,981,198</u>	<u>101,853,709</u>
Current assets			
Materials and spare parts		368,124	244,859
Other accounts receivable		850,419	1,770,932
Trade accounts receivable	8	3,666,052	3,075,431
Investments at amortized cost	7	2,807	5,337
Investments at amortized cost of restricted availability	7	7,074,497	7,898,109
Investments at fair value	7	6,054,732	5,959,688
Cash and cash equivalents	7	4,866,197	3,934,429
Total current assets		<u>22,882,828</u>	<u>22,888,785</u>
Total assets		<u>116,864,026</u>	<u>124,742,494</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 JUNE 30, 2022 AND DECEMBER 31, 2021 ON A COMPARATIVE BASIS (in thousand pesos)

	Note	<u>06.30.2022</u>	<u>12.31.2021</u>
SHAREHOLDERS' EQUITY			
Common stock		439,374	439,374
Common stock integral adjustment		38,914,124	38,914,124
Property, plant and equipment revaluation allowance		13,033,202	14,911,876
Statutory reserve		7,870,703	7,870,703
Optional reserve for working capital and liquidity coverage		32,088,122	35,314,095
Voluntary reserve for future dividends		-	651,718
Other reserves		(74,158)	(49,808)
Retained earnings		(1,135,577)	(3,877,690)
Total shareholders' equity		<u>91,135,790</u>	<u>94,174,392</u>
LIABILITIES			
Non-current liabilities			
Deferred income tax liability		15,717,079	17,918,255
Lease debts		20,005	2,865
Other debts		95,012	117,027
Trade accounts payable		279,962	259,891
Total non-current liabilities		<u>16,112,058</u>	<u>18,298,038</u>
Current liabilities			
Contingencies	11	39,800	143,250
Loans	9	6,901,710	8,043,615
Notes	10	-	589,477
Lease debts		17,540	4,317
Salaries and social security contributions		640,249	890,769
Taxes payable		399,898	341,537
Other debts		105,797	156,266
Trade accounts payable		1,511,184	2,100,833
Total current liabilities		<u>9,616,178</u>	<u>12,270,064</u>
Total liabilities		<u>25,728,236</u>	<u>30,568,102</u>
Total liabilities and shareholders' equity		<u>116,864,026</u>	<u>124,742,494</u>

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

Pablo Lozada
Regular Statutory Auditor

Emilio Daneri Conte-Grand
President



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INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021 (in thousand pesos)

	Note	<u>Six-month period ended</u>		<u>Three-month period ended</u>	
		<u>06.30.2022</u>	<u>06.30.2021</u>	<u>06.30.2022</u>	<u>06.30.2021</u>
Revenues	12	14,727,704	14,309,930	7,725,991	7,209,795
Cost of service	13	(13,418,040)	(12,974,287)	(7,087,162)	(6,388,886)
Gross profit		1,309,664	1,335,643	638,829	820,909
Selling expenses	13	(585,129)	(557,603)	(306,048)	(286,644)
Administrative expenses	13	(1,978,507)	(1,998,633)	(1,095,352)	(1,049,996)
Loss before other net income and expenses		(1,253,972)	(1,220,593)	(762,571)	(515,731)
Other net income and expenses	14	(32,245)	(51,008)	59,009	(68,635)
Recovery / (Charge) due to impairment of financial assets		40,127	(272,737)	36,342	(84,868)
Loss before financial income		(1,246,090)	(1,544,338)	(667,220)	(669,234)
Net financial income					
Other net financial income	15	2,647,460	3,460,148	1,936,618	1,497,174
Financial income	15	259,477	714,229	69,777	292,689
Financial expenses	15	(142,693)	(865,460)	(53,185)	(411,043)
Loss on monetary position	15	(6,733,445)	(4,554,546)	(3,504,405)	(2,169,156)
Net financial loss		(3,969,201)	(1,245,629)	(1,551,195)	(790,336)
Income from investments in affiliated companies	6	37,137	11,685	33,413	3,403
Loss before income tax		(5,178,154)	(2,778,282)	(2,185,002)	(1,456,167)
Income tax					
Current		(37,273)	(764,852)	(37,273)	140,757
Deferred		2,201,175	(5,128,355)	981,072	(6,077,605)
Subtotal income tax		2,163,902	(5,893,207)	943,799	(5,936,848)
Loss for the period		(3,014,252)	(8,671,489)	(1,241,203)	(7,393,015)
Items that will be reclassified through profit or loss					
Currency conversion of affiliated companies' financial statements	6	(24,350)	(30,381)	(8,541)	(12,057)
Other comprehensive income for the period ⁽¹⁾		(24,350)	(30,381)	(8,541)	(12,057)
Comprehensive loss for the period		(3,038,602)	(8,701,870)	(1,249,744)	(7,405,072)
Net loss per share, basic and diluted		(6.8603)	(19.7360)	(2.8249)	(16.8262)

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

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INTERIM CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 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	38,914,124	29,804,198	7,870,703	23,638,413	651,718	17,621	11,675,682	113,011,833
Resolution at Ordinary Shareholders' Meeting dated April 14, 2021:									
Creation of Optional Reserve for working capital and liquidity coverage	-	-	-	-	11,675,682	-	-	(11,675,682)	-
Loss for the six-month period ended June 30, 2021	-	-	-	-	-	-	-	(8,671,489)	(8,671,489)
Other comprehensive income	-	-	(6,442,041)	-	-	-	(30,381)	6,442,041	(30,381)
Balances as of June 30, 2021	439,374	38,914,124	23,362,157	7,870,703	35,314,095	651,718	(12,760)	(2,229,448)	104,309,963
Loss for the complementary six-month period ended December 31, 2021	-	-	-	-	-	-	-	(3,955,450)	(3,955,450)
Other comprehensive income	-	-	(8,450,281)	-	-	-	(37,048)	2,307,208	(6,180,121)
Balances as of December 31, 2021	439,374	38,914,124	14,911,876	7,870,703	35,314,095	651,718	(49,808)	(3,877,690)	94,174,392
Resolution at Ordinary Shareholders' Meeting dated April 12, 2022:									
Absorption of Optional Reserve for working capital and liquidity coverage	-	-	-	-	(3,225,973)	-	-	3,225,973	-
Absorption of voluntary reserve for future dividends	-	-	-	-	-	(651,718)	-	651,718	-
Loss for the six-month period ended June 30, 2022	-	-	-	-	-	-	-	(3,014,252)	(3,014,252)
Other comprehensive income	-	-	(1,878,674)	-	-	-	(24,350)	1,878,674	(24,350)
Balances as of June 30, 2022	439,374	38,914,124	13,033,202	7,870,703	32,088,122	-	(74,158)	(1,135,577)	91,135,790

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INTERIM CONDENSED STATEMENTS OF CASH FLOWS FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021 (in thousand pesos)

	Note	06.30.2022	06.30.2021
Loss for the period		(3,014,252)	(8,671,489)
Adjustments to cash generated by (used in) operating activities:			
Property, plant and equipment depreciation	5	8,287,257	8,323,122
Residual value of property, plant and equipment written-off	5	15,316	11,708
Income tax		(2,163,902)	5,893,207
Accrued interest generated by liabilities	15	132,628	854,057
Accrued interest generated by assets	15	(259,477)	(714,229)
Increase in allowances and provisions (net of recoveries)		(28,674)	268,571
Exchange rate differences and other net financial income		(1,257,898)	(948,641)
Loss from investments in affiliated companies	6	(37,137)	(11,685)
Net changes in operating assets and liabilities:			
Decrease in trade accounts receivable		2,859,613	3,185,309
Decrease in other accounts receivable		966,136	761,027
Decrease in materials and spare parts		115,779	130,642
Decrease in trade accounts payable		(580,779)	(739,151)
Decrease in salaries and social security contributions		(250,520)	(342,055)
Increase (decrease) in taxes payable		72,834	(504,768)
Decrease in other debts		(91,581)	(69,873)
Decrease in contingencies		(103,450)	(66,403)
Income tax payment		(65,607)	(1,843,487)
Net cash flow generated by operating activities		4,596,286	5,515,862
Acquisition of property, plant and equipment		(1,859,370)	(1,876,567)
Subscriptions net of redemption of investments at amortized cost and investments at fair value (non-cash equivalents)		2,843,542	1,546,869
Principal received from investments at amortized cost and investments at fair value		2,133	5,415
Interest received from investments at amortized cost and investments at fair value		1,290	4,326
Net cash flow (used in) generated by investing activities		987,595	(319,957)
Taking of local loans in pesos	9.1	-	73,825
Payment of principal on Notes	10.1	(516,365)	-
Payment of interest on Notes	10.1	(47,004)	(467,467)
Payment of principal on local loans in pesos	9.1	(312,987)	(70,931)
Payment of interest on local loans in pesos	9.1	(28,203)	(236,209)
Payment of interest on Itaú Unibanco S.A. Nassau Branch loan	9.1	(61,241)	(79,108)
Lease payment		(9,579)	(13,961)
Net cash flow used in financing activities		(975,379)	(793,851)
Net increase in cash and cash equivalents		4,608,502	4,402,054
Cash and cash equivalents at the beginning of fiscal year		3,934,429	6,333,929
Financial loss generated by cash		(3,676,734)	(5,540,019)
Cash and cash equivalents at the end of period		4,866,197	5,195,964
Transactions not affecting cash:			
Right-of-use - property, plant and equipment through leases	5	(58,959)	(3,308)
Recovery of materials – property, plant and equipment		11,823	-

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 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 SIX-MONTH PERIOD ENDED JUNE 30, 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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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 SIX-MONTH PERIOD ENDED JUNE 30, 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 SIX-MONTH PERIOD ENDED JUNE 30, 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 June 30, 2022 reached 36.15% as shown by the Consumer Price Index published by the National Institute of Statistics and Census (“INDEC”).
- From January 1 to June 30, 2022, the peso depreciated 21.91% 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 June 30, 2022, foreign currency denominated assets and liabilities have been valued based on the exchange rates quoted by MULC.

On August 3, MECON announced future measures aimed at reducing the fiscal deficit, freezing the hiring of government employees, segmenting the beneficiaries of energy subsidies in an efficient manner, strengthening BCRA reserves and achieving trade surplus, among others.

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



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 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 six-month period ended June 30, 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 six-month period ended June 30, 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 August 9, 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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2 – BASIS OF PREPARATION AND PRESENTATION (Cont.)

2.1 – Changes in Interpretation and Accounting Standards

a) New accounting standards, amendments and interpretations issued by IASB applicable as from June 30, 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 June 30, 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 June 30, 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 \$ 97.0 million, provided the other economic and financial variables affecting the Company remain stable. This sensitivity analysis is based on reasonable assumptions and information. Yet, actual results might significantly differ from such analysis.



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

	06.30.22			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	125.03	23,677,912	US\$ 189,378	26,433,943
			23,677,912		26,433,943
Total non-current assets			23,677,912		26,433,943
CURRENT ASSETS					
Other accounts receivable					
Other sundry accounts receivable	US\$ 750	125.03	93,773	US\$ 249	34,756
Other receivables with controlling company	US\$ 4	125.03	525	US\$ 16	2,173
Other receivables with affiliated companies			-	US\$ 8	1,093
	R\$ 106	21.80	2,301	R\$ 106	2,544
			96,599		40,566
Trade accounts receivable (Note 8)					
Trade accounts receivable with third parties	US\$ 1,893	125.03	236,735	US\$ 4,727	659,870
Trade accounts receivable with related parties	US\$ 82	125.03	10,234	US\$ 79	10,981
Trade accounts receivable with affiliated companies	US\$ 13	125.03	1,623	US\$ 13	1,812
			248,592		672,663
Investments at amortized cost of restricted availability (Note 7)					
Investments at amortized cost of restricted availability	US\$ 56,582	125.03	7,074,497	US\$ 56,584	7,898,109
			7,074,497		7,898,109
Cash and cash equivalents					
Bank balances	US\$ 6	125.03	728	US\$ 7	941
			728		941
Total current assets			7,420,416		8,612,279
Total assets			31,098,328		35,046,222



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3 – FINANCIAL RISK MANAGEMENT (Cont.)

3.1 – Market Risks (Cont.)

3.1.1 – Currency Risks (Cont.)

Foreign Currency denominated Assets and Liabilities (Cont.)

	06.30.22			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\$ 326	125.23	40,827	US\$ 3,620	506,277
Unbilled Goods and Services	US\$ 4,794	125.23	600,334	US\$ 4,425	618,806
	£ 55	152.79	8,393	£ 49	9,237
	€ 58	131.40	7,618	€ 29	4,528
			657,172		1,138,848
Loans (Note 9)					
Itaú Unibanco S.A. Nassau Branch Loan	US\$ 55,112	125.23	6,901,710	US\$ 54,985	7,689,893
			6,901,710		7,689,893
Total Current Liabilities			7,558,882		8,828,741
Total Liabilities			7,558,882		8,828,741

US\$: US Dollars

£: Pound sterling

€: Euros

R\$: Brazilian Reais

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



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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 \$ 97.4 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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4 – SEGMENT INFORMATION

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

	<u>06.30.2022</u>	<u>06.30.2021</u>
Revenues	14,728	14,310
Cost of service	(7,695)	(7,207)
Management EBITDA	<u>7,033</u>	<u>7,103</u>
Acquisition of “Property, plant and equipment”	<u>1,859</u>	<u>1,877</u>

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

	<u>06.30.2022</u>	<u>06.30.2021</u>
Management EBITDA in million pesos	7,033	7,103
“Property, plant and equipment” depreciation	(8,287)	(8,323)
Other net income and expenses	(32)	(51)
Recovery / (Charge) due to impairment of financial assets	40	(273)
Net financial loss	(3,969)	(1,246)
Income from investments in affiliated companies	<u>37</u>	<u>12</u>
Loss before income tax	<u>(5,178)</u>	<u>(2,778)</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)
5 – PROPERTY, PLANT AND EQUIPMENT

	06.30.2022										Resulting Net			
	Original Value					Depreciation					06.30.2022	12.31.2021	06.30.2021	
	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	61,284,810	-	-	1,769,064	-	63,053,874	-	6,584,518	-	6,584,518	56,469,356	61,284,810	73,766,266	
Compressor plants	8,374,828	-	-	1,640,155	-	10,014,983	-	929,248	-	929,248	9,085,735	8,374,828	10,460,631	
Meter and regulating stations	1,370,113	-	(149)	19,481	-	1,389,445	-	97,868	(96)	97,772	1,291,673	1,370,113	1,582,274	
SCADA system	1,669,284	-	-	-	-	1,669,284	-	195,045	-	195,045	1,474,239	1,669,284	1,983,810	
Gas inventory	1,749,330	-	-	-	-	1,749,330	-	-	-	-	1,749,330	1,749,330	1,959,612	
Lands	98,405	-	-	-	-	98,405	-	-	-	-	98,405	98,405	110,236	
Buildings and civil construction works	1,893,906	-	-	37,101	-	1,931,007	-	37,001	-	37,001	1,894,006	1,893,906	2,071,108	
Other technical installations	1,550,785	-	-	256,915	-	1,807,700	-	76,528	-	76,528	1,731,172	1,550,785	1,862,029	
Sub-total essential assets	77,991,461	-	(149)	3,722,716	-	81,714,028	-	7,920,208	(96)	7,920,112	73,793,916	77,991,461	93,795,966	
Other revalued assets														
Lands	50,334	-	-	-	-	50,334	-	-	-	-	50,334	50,334	56,385	
Buildings and civil construction works	580,029	-	-	15,058	-	595,087	-	9,068	-	9,068	586,019	580,029	615,317	
Sub-total other revalued assets	630,363	-	-	15,058	-	645,421	-	9,068	-	9,068	636,353	630,363	671,702	
Total revalued assets	78,621,824	-	(149)	3,737,774	-	82,359,449	-	7,929,276	(96)	7,929,180	74,430,269	78,621,824	94,467,668	
Non-essential assets:														
Machinery, equipment and tools	1,464,102	30,791	(228)	-	-	1,494,665	1,056,094	185,410	(228)	1,241,276	253,389	408,008	439,801	
Other technical installations	1,581,540	40,044	-	-	-	1,621,584	1,258,575	58,439	-	1,317,014	304,570	322,965	378,491	
Communication equipment and devices	172,727	-	(5)	-	-	172,722	145,182	5,735	(5)	150,912	21,810	27,545	33,059	
Vehicles	1,169,286	188,480	(105,746)	-	-	1,252,020	838,825	80,813	(101,111)	818,527	433,493	330,461	279,682	
Furniture and fixtures	579,918	7,729	(351)	-	-	587,296	482,272	12,367	(330)	494,309	92,987	97,646	95,512	
Right of use	104,167	58,959	-	-	-	163,126	93,742	15,217	-	108,959	54,167	10,425	18,599	
Works in progress	7,065,726	1,592,326	(22,430)	(3,737,774)	-	4,897,848	-	-	-	-	4,897,848	7,065,726	6,603,142	
Sub-total non-essential assets	12,137,466	1,918,329	(128,760)	(3,737,774)	-	10,189,261	3,874,690	357,981	(101,674)	4,130,997	6,058,264	8,262,776	7,848,286	
Balances as of June 30, 2022	90,759,290	1,918,329	(128,909)	-	-	92,548,710	3,874,690	8,287,257	(101,770)	12,060,177	80,488,533	-	-	
Balances as of December 31, 2021	112,282,053	4,427,312	(81,826)	-	(9,450,881)	107,176,658	3,511,144	16,795,892	(14,978)	20,292,058	-	86,884,600	-	
Balances as of June 30, 2021	112,282,053	1,879,875	(17,246)	-	-	114,144,682	3,511,144	8,323,122	(5,538)	11,828,728	-	-	102,315,954	



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5 – PROPERTY, PLANT AND EQUIPMENT (Cont.)

5.1 – Commitments

As of June 30, 2022, the Company has firm contractual commitments with suppliers for the acquisition of Property, plant and equipment for \$ 1,710,972.

6 – INVESTMENTS IN AFFILIATED COMPANIES

	<u>06.30.2022</u>	<u>12.31.2021</u>
Balance at the beginning of fiscal year	209,534	232,323
Income from investments in affiliated companies	37,137	44,640
Conversion difference allocated to Other comprehensive income	<u>(24,350)</u>	<u>(67,429)</u>
Balance at the end of period	<u>222,321</u>	<u>209,534</u>



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6 – INVESTMENTS IN AFFILIATED COMPANIES (Cont.)

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

Issuer	Description		Amount	Cost	Book value as of		Main Activity	Information on issuer					
	Shares	Face Value			06.30.22	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	221,842	208,367	Gas pipeline operation and maintenance service	06.30.22	242	-	452,496	452,738	49.0
Companhia Operadora do Rio Grande do Sul	Common	(2) 1 per share	49	0.1	479	1,167	Gas pipeline operation and maintenance service	06.30.22	2	8,765	(7,790)	977	49.0
Total					222,321	209,534							

⁽¹⁾ Chilean pesos

⁽²⁾ Brazilian Reais



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7 – FINANCIAL INSTRUMENTS BY CATEGORY

	<u>06.30.2022</u>	<u>12.31.2021</u>
Financial assets at fair value ⁽¹⁾:		
Current:		
Classified as “Investments at fair value”:		
Notes	2,293,774	980,022
CEDEARs	308,000	-
Mutual funds	-	546,203
Government bonds	3,452,958	4,433,463
Subtotal	<u>6,054,732</u>	<u>5,959,688</u>
Classified as “Cash and cash equivalents”:		
Mutual funds	3,686,308	1,852,446
Subtotal	<u>3,686,308</u>	<u>1,852,446</u>
Total financial assets at fair value - Current	<u>9,741,040</u>	<u>7,812,134</u>
Financial assets at amortized cost:		
Current:		
Classified as “Investments at amortized cost”:		
VRD bonds	2,807	5,337
Subtotal	<u>2,807</u>	<u>5,337</u>
Classified as “Investments at amortized cost of restricted availability”:		
Term deposit of restricted availability (Note 3.1.1)	7,074,497	7,898,109
Subtotal	<u>7,074,497</u>	<u>7,898,109</u>
Classified as “Cash and cash equivalents”:		
Cash and banks ⁽³⁾	10,158	60,460
Surety bonds ⁽²⁾	1,169,731	2,021,523
Subtotal	<u>1,179,889</u>	<u>2,081,983</u>
Classified as “Trade accounts receivable” and “Other accounts receivable”	4,010,285	4,497,753
Total financial assets at amortized cost - Current	<u>12,267,478</u>	<u>14,483,182</u>



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7 – FINANCIAL INSTRUMENTS BY CATEGORY (Cont.)

Financial assets at amortized cost (Cont.):

	<u>06.30.2022</u>	<u>12.31.2021</u>
Non-Current:		
Classified as “Investments at amortized cost”:		
VRD bonds	169	1,623
Subtotal	<u>169</u>	<u>1,623</u>
Classified as “Trade accounts receivable” and “Other accounts receivable”	10,692,843	11,939,387
Total financial assets at amortized cost – Non-Current	<u>10,693,012</u>	<u>11,941,010</u>

Financial liabilities at amortized cost:

Current:

Loans	6,901,710	8,043,615
Notes	-	589,477
Trade accounts payable, other debts and lease debt	1,634,521	2,261,416
Total financial liabilities at amortized cost – Current	<u>8,536,231</u>	<u>10,894,508</u>

Non-Current:

Trade accounts payable, other debts and lease debt	394,979	379,783
Total financial liabilities at amortized cost – Non-Current	<u>394,979</u>	<u>379,783</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 June 30, 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.

(3) It includes 728 and 941 denominated in foreign currency as of June 30, 2022 and December 31, 2021, respectively (see Note 3.1.1).



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

8 – TRADE ACCOUNTS RECEIVABLE

	<u>06.30.2022</u>	<u>12.31.2021</u>
Non-current		
Trade accounts receivable - third parties	23,677,912	26,433,943
Allowance for doubtful accounts and disputed amounts	<u>(13,000,954)</u>	<u>(14,514,222)</u>
Total trade accounts receivable – Non-current	<u>10,676,958</u>	<u>11,919,721</u>
Current		
Trade accounts receivable - third parties	3,413,575	3,170,084
Trade accounts receivable – other related parties (Note 16)	656,975	512,233
Trade accounts receivable – affiliated companies (Note 16)	1,623	1,812
Allowance for doubtful accounts and disputed amounts	<u>(406,121)</u>	<u>(608,698)</u>
Total trade accounts receivable - Current	<u>3,666,052</u>	<u>3,075,431</u>

9 – LOANS

9.1 – Changes in Loans

	<u>06.30.2022</u>	<u>06.30.2021</u>
<u>Non-Current:</u>		
Balance at the beginning of fiscal year	-	9,942,277
Transfer to current	-	(471,719)
Accrual of interest on Itaú Unibanco S.A. Nassau Branch loan	-	19,981
Exchange rate difference on Itaú Unibanco S.A. Nassau Branch loan	-	1,164,283
Loss on monetary position	<u>-</u>	<u>(2,073,084)</u>
Balance at the end of period	<u>-</u>	<u>8,581,738</u>



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9 – LOANS (Cont.)

9.1 – Changes in Loans (Cont.)

	<u>06.30.2022</u>	<u>06.30.2021</u>
<u>Current:</u>		
Balance at the beginning of fiscal year	8,043,615	1,121,165
Accrual of interest on Itaú Unibanco S.A. Nassau Branch loan	78,820	78,792
Exchange rate difference on Itaú Unibanco S.A. Nassau Branch loan	1,386,610	5,492
Payment of interest on Itaú Unibanco S.A. Nassau Branch loan	(61,241)	(79,108)
Taking of local loans in pesos	-	73,825
Transfer from non-current	-	471,719
Accrual of interest on local loans in pesos	16,378	241,161
Payment of principal on local loans in pesos	(312,987)	(70,931)
Payment of interest on local loans in pesos	(28,203)	(236,209)
Loss on monetary position	<u>(2,221,282)</u>	<u>(298,022)</u>
Balance at the end of period	<u>6,901,710</u>	<u>1,307,884</u>

10 - NOTES

10.1 – Changes in Notes

Non-current:

Balance at the beginning of fiscal year	-	1,003,587
Transfer to current	-	(931,244)
Loss on monetary position	-	(72,343)
Balance at the end of period	<u>-</u>	<u>-</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

10 – NOTES (Cont.)

10.1 – Changes in Notes (Cont.)

	<u>06.30.2022</u>	<u>06.30.2021</u>
<u>Current:</u>		
Balance at the beginning of fiscal year	589,477	2,188,567
Transfer from non-current	-	931,244
Accrual of interest on Notes	22,055	505,857
Payment of interest on Notes	(47,004)	(467,467)
Payment of principal on Notes	(516,365)	-
Loss on monetary position	(48,163)	(576,599)
Balance at the end of period	<u>-</u>	<u>2,581,602</u>

11 - CONTINGENCIES

Provision for labour, civil and administrative lawsuits

Current

Balance as of December 31, 2020	328,006
–Increases	172
– Decreases (payment / uses)	(398)
– Loss on monetary position	(66,177)
Balance as of June 30, 2021	<u>261,603</u>
– Recoveries	(68,123)
– Decreases (payment / uses)	(5,713)
– Loss on monetary position	(44,517)
Balance as of December 31, 2021	<u>143,250</u>
– Recoveries	(53,356)
– Decreases (payment / uses)	(21,577)
– Loss on monetary position	(28,517)
Balance as of June 30, 2022	<u>39,800</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 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>Six-month period as of</u>		<u>Three-month period as of</u>	
	<u>06.30.2022</u>	<u>06.30.2021</u>	<u>06.30.2022</u>	<u>06.30.2021</u>
Gas transportation service	13,816,188	13,323,012	7,212,884	6,596,493
Gas pipeline operation and maintenance and other services	<u>911,516</u>	<u>986,918</u>	<u>513,107</u>	<u>613,302</u>
Total revenues	<u>14,727,704</u>	<u>14,309,930</u>	<u>7,725,991</u>	<u>7,209,795</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

13 – EXPENSES BY NATURE

Item	For the six-month period as of 06.30						Total as of 06.30.2022	Total as of 06.30.2021
	Cost of service		Selling expenses		Administrative expenses			
	2022	2021	2022	2021	2022	2021		
Directors' fees	-	-	-	-	31,347	32,127	31,347	32,127
Supervisory Committee's fees	-	-	-	-	8,790	9,308	8,790	9,308
Fees for professional services	60,399	64,358	2,252	1,432	127,882	242,689	190,533	308,479
Salaries, wages and other personnel benefits	1,528,618	1,439,355	33,929	32,959	600,536	557,333	2,163,083	2,029,647
Social security contributions	300,642	315,111	3,542	8,693	146,768	136,006	450,952	459,810
Materials and spare parts	444,053	571,773	-	-	2,747	2,683	446,800	574,456
Third party services and supplies	146,505	162,125	269	377	3,990	5,134	150,764	167,636
Maintenance and repair of property, plant and equipment	2,245,654	1,831,641	1,276	1,394	22,557	57,589	2,269,487	1,890,624
Travel expenses	173,895	148,285	1,496	966	21,571	11,389	196,962	160,640
Freight and transportation	28,673	26,529	-	-	-	7	28,673	26,536
Post and telecommunication expenses	15,037	13,702	994	912	13,461	12,361	29,492	26,975
Insurance	196,176	227,555	19	23	8,918	10,244	205,113	237,822
Office supplies	22,238	12,005	197	672	30,859	24,201	53,294	36,878
Rentals	26,376	44,557	391	330	10,612	16,277	37,379	61,164
Easements	59,565	61,354	-	-	-	-	59,565	61,354
Taxes, rates and contributions	5,687	5,803	538,074	503,589	768,191	594,543	1,311,952	1,103,935
Property, plant and equipment depreciation	8,132,816	8,043,464	2,533	2,911	151,908	276,747	8,287,257	8,323,122
Lawsuits	-	-	-	-	-	172	-	172
Slow-moving and obsolete materials and spare parts	14,012	-	-	-	-	-	14,012	-
Other	17,694	6,670	157	3,345	28,370	9,823	46,221	19,838
Balances as of June 30, 2022	13,418,040	-	585,129	-	1,978,507	-	15,981,676	-
Balances as of June 30, 2021	-	12,974,287	-	557,603	-	1,998,633	-	15,530,523



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

13 – EXPENSES BY NATURE (Cont.)

Item	For the three-month period as of 06.30						Total three-month period as of 06.30.2022	Total three-month period as of 06.30.2021
	Cost of service		Selling expenses		Administrative expenses			
	2022	2021	2022	2021	2022	2021		
Directors' fees	-	-	-	-	15,788	16,619	15,788	16,619
Supervisory Committee's fees	-	-	-	-	4,428	4,670	4,428	4,670
Fees for professional services	31,305	30,362	565	1,086	63,916	146,547	95,786	177,995
Salaries, wages and other personnel benefits	868,339	833,979	21,612	18,649	357,374	305,762	1,247,325	1,158,390
Social security contributions	170,220	189,146	1,122	5,777	86,837	72,797	258,179	267,720
Materials and spare parts	260,386	358,327	-	-	-	2,098	260,386	360,425
Third party services and supplies	72,675	81,181	142	208	1,904	2,842	74,721	84,231
Maintenance and repair of property, plant and equipment	1,181,991	950,964	705	779	11,175	29,029	1,193,871	980,772
Travel expenses	95,761	69,200	768	209	7,946	4,801	104,475	74,210
Freight and transportation	16,889	12,432	-	-	-	-	16,889	12,432
Post and telecommunication expenses	8,690	6,429	575	428	7,792	5,794	17,057	12,651
Insurance	100,657	100,286	10	10	5,330	6,463	105,997	106,759
Office supplies	16,236	6,050	-	-	16,550	5,547	32,786	11,597
Rentals	12,089	21,947	234	217	5,658	9,024	17,981	31,188
Easements	31,454	31,467	-	-	-	-	31,454	31,467
Taxes, rates and contributions	930	2,865	278,541	254,664	428,259	314,021	707,730	571,550
Property, plant and equipment depreciation	4,197,908	3,688,335	1,637	1,271	71,207	115,234	4,270,752	3,804,840
Lawsuits	-	-	-	-	-	1,209	-	1,209
Slow-moving and obsolete materials and spare parts	11,214	-	-	-	-	-	11,214	-
Other	10,418	5,916	137	3,346	11,188	7,539	21,743	16,801
Balances for the three-month period as of June 30, 2022	7,087,162	-	306,048	-	1,095,352	-	8,488,562	-
Balances for the three-month period as of June 30, 2021	-	6,388,886	-	286,644	-	1,049,996	-	7,725,526



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

14 – OTHER INCOME AND EXPENSES

	<u>Six-month period as of</u>		<u>Three-month period as of</u>	
	<u>06.30.2022</u>	<u>06.30.2021</u>	<u>06.30.2022</u>	<u>06.30.2021</u>
Income from commercial compensations	34,663	-	29,475	-
Disposal of property, plant and equipment, net	82,970	(7,574)	71,648	(7,565)
Readjustment of compensation for damages ⁽¹⁾	(156,737)	-	-	-
Recovery / (charge) due to contingencies	53,356	-	4,067	-
Other income and expenses	(46,497)	(43,434)	(46,181)	(61,070)
Total other net income and expenses	<u>(32,245)</u>	<u>(51,008)</u>	<u>59,009</u>	<u>(68,635)</u>

⁽¹⁾ During the period ended June 30, 2022, the Company has recognized losses for \$ 156.7 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

	<u>Six-month period as of</u>		<u>Three-month period as of</u>	
	<u>06.30.2022</u>	<u>06.30.2021</u>	<u>06.30.2022</u>	<u>06.30.2021</u>
Other net financial income				
Foreign exchange gain, net	2,194,167	1,989,994	1,307,364	619,551
Income from changes in fair values	447,021	1,150,372	627,544	845,455
Other	6,272	319,782	1,710	32,168
Total other net financial income	<u>2,647,460</u>	<u>3,460,148</u>	<u>1,936,618</u>	<u>1,497,174</u>
Financial income				
Interest	259,477	714,229	69,777	292,689
Total financial income	<u>259,477</u>	<u>714,229</u>	<u>69,777</u>	<u>292,689</u>
Financial expenses				
Interest	(132,628)	(854,057)	(48,741)	(405,606)
Banking and financial fees, expenses and taxes	(10,065)	(11,403)	(4,444)	(5,437)
Total financial expenses	<u>(142,693)</u>	<u>(865,460)</u>	<u>(53,185)</u>	<u>(411,043)</u>
Loss on monetary position	<u>(6,733,445)</u>	<u>(4,554,546)</u>	<u>(3,504,405)</u>	<u>(2,169,156)</u>
Total net financial loss	<u>(3,969,201)</u>	<u>(1,245,629)</u>	<u>(1,551,195)</u>	<u>(790,336)</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 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>06.30.2022</u>	<u>06.30.2021</u>
Controlling company		
<u>Other net income and expenses</u>		
Gasinvest S.A.	880	1,117
<u>Total other net income and expenses</u>	880	1,117
Affiliated companies		
<u>Revenues</u>		
Comgas Andina S.A.	8,688	11,026
Companhia Operadora do Rio Grande do Sul	1,449	1,596
<u>Total revenues</u>	10,137	12,622
<u>Recovery of expenses</u>		
Comgas Andina S.A.	-	1,551
Companhia Operadora do Rio Grande do Sul	-	52
<u>Total recovery of expenses</u>	-	1,603
Other related parties		
<u>Revenues</u>		
Litoral Gas S.A.	1,930,161	2,117,348
Ternium Argentina S.A.	266,941	308,200
Siderca S.A.	169,973	192,924
Transportadora de Gas del Mercosur S.A.	52,106	63,545
Tecpetrol S.A.	436,104	27,541
Gasoducto Gasandes Argentina S.A.	31,170	12,641
<u>Total revenues</u>	2,886,455	2,722,199



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 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>06.30.2022</u>	<u>06.30.2021</u>
<u>Financial income</u>		
Transportadora de Gas del Mercosur S.A.	70	-
<u>Total financial income</u>	<u>70</u>	<u>-</u>
<u>Other income and expenses</u>		
Gasoducto Gasandes Argentina S.A.	1,593	-
<u>Total other income and expenses</u>	<u>1,593</u>	<u>-</u>
<u>Recovery of expenses</u>		
Gasinvest S.A.	-	2,550
Transportadora de Gas del Mercosur S.A.	-	17,208
<u>Total recovery of expenses</u>	<u>-</u>	<u>19,758</u>
<u>Acquisition of materials and property, plant and equipment</u>		
Siat S.A.	(31,926)	-
Siderca S.A.	(1,847)	-
<u>Total acquisition of materials and property, plant and equipment</u>	<u>(33,773)</u>	<u>-</u>
 Key management personnel		
Board of Directors' fees	(31,347)	(32,127)
Supervisory Committee's fees	(8,790)	(9,308)



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 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>06.30.2022</u>	<u>12.31.2021</u>
<u>Other related parties</u>		
Transportadora de Gas del Mercosur S.A.	10,234	10,981
Litoral Gas S.A.	486,790	351,648
Ternium Argentina S.A.	54,038	46,666
Siderca S.A.	32,607	29,568
Tecpetrol S.A.	70,728	70,246
Gasoducto Gasandes Argentina S.A.	2,578	3,124
<u>Total trade accounts receivable - other related parties</u>	<u>656,975</u>	<u>512,233</u>
<u>Accounts receivable – affiliated companies</u>		
Comgas Andina S.A.	1,391	1,553
Companhia Operadora do Rio Grande do Sul	232	259
<u>Total accounts receivable –affiliated companies</u>	<u>1,623</u>	<u>1,812</u>
<u>Other accounts receivable</u>		
<u>Assistance fee and recovery of expenses – controlling company</u>		
Gasinvest S.A.	525	2,173
<u>Total assistance fee and recovery of expenses – controlling company</u>	<u>525</u>	<u>2,173</u>
<u>Other accounts receivable – affiliated companies</u>		
Comgas Andina S.A.	-	1,051
Companhia Operadora do Rio Grande do Sul	2,301	2,586
<u>Total other accounts receivable – affiliated companies</u>	<u>2,301</u>	<u>3,637</u>
<u>Other accounts receivable – related parties</u>		
Gasoducto Gasandes Argentina S.A.	-	351
Litoral Gas S.A.	-	161
Siat S.A.	-	14,231
Transportadora de Gas del Mercosur S.A.	-	17,174
<u>Total other accounts receivable – related parties</u>	<u>-</u>	<u>31,917</u>
<u>Other accounts receivable - Key Management Personnel</u>		
Board of Directors and Supervisory Committee’s fees paid in advance	35,195	68,204
<u>Total other accounts receivable - Key Management Personnel</u>	<u>35,195</u>	<u>68,204</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 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>06.30.2022</u>	<u>12.31.2021</u>
Commercial debts		
<u>Commercial debts with related parties</u>		
Siat S.A.	(18,898)	-
<u>Total commercial debts with related parties</u>	<u>(18,898)</u>	<u>-</u>
Other debts		
<u>Other debts - Key Management Personnel</u>		
Provision for Directors and Supervisory Committee's fees	(35,195)	(70,954)
<u>Total other debts Key Management Personnel</u>	<u>(35,195)</u>	<u>(70,954)</u>
<u>Other debts with related parties</u>		
Transportadora de Gas del Mercosur S.A.	-	(2,745)
<u>Total other debts with related parties</u>	<u>-</u>	<u>(2,745)</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

17 – SUBSEQUENT EVENTS

As part of the legal actions filed against the Chilean gas distributor Metrogas S.A. for breach of contract and damages referred to in Note 22.1.4 to the audited financial statements as of December 31, 2021, on August 4, TGN received notice of the first instance judgement allowing the complaints, and acknowledging its right to collect (i) an amount to be determined by the court-appointed accounting expert on account of unpaid invoices, plus (ii) US\$ 135.32 million (in said currency or in pesos at the ask price) on account of loss of profit, plus interest. This judgement is not final and may be appealed by the parties.

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 133.57 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 June 30, 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.

Pablo Lozada
Regular Statutory Auditor

Emilio Daneri Conte-Grand
President



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

	<i>(in million pesos)</i>					
	Six-month period ended 06.30.					
	2022	2021	Variation	2020	2019	2018
Revenues						
Gas transportation service	13,816.2	13,323.0	493.2	20,489.1	24,453.7	23,794.5
Gas pipeline operation & maintenance and other services	911.5	986.9	(75.4)	1,070.0	776.6	751.0
Total revenues	14,727.7	14,309.9	417.8	21,559.1	25,230.3	24,545.5
Cost of service						
Operation and maintenance costs	(5,285.2)	(4,930.8)	(354.4)	(4,371.7)	(5,057.8)	(4,764.1)
Property, plant and equipment depreciation	(8,132.8)	(8,043.5)	(89.3)	(7,260.4)	(9,696.7)	(6,325.8)
Subtotal	(13,418.0)	(12,974.3)	(443.7)	(11,632.1)	(14,754.5)	(11,089.9)
Gross profit	1,309.7	1,335.6	(25.9)	9,927.0	10,475.8	13,455.6
Administrative and selling expenses	(2,563.6)	(2,556.2)	(7.4)	(2,566.7)	(2,854.9)	(2,819.6)
(Loss) income before other net income and expenses	(1,253.9)	(1,220.6)	(33.3)	7,360.3	7,620.9	10,636.0
Other income and expenses	(32.2)	(51.0)	18.8	297.9	(219.0)	(663.2)
Recovery / (Charge) due to impairment of financial assets	40.1	(272.7)	312.8	(373.2)	(41.2)	20.5
(Loss) income before financial income	(1,246.0)	(1,544.3)	298.3	7,285.0	7,360.7	9,993.3
Net financial income	(3,969.2)	(1,245.6)	(2,723.6)	21.5	(363.0)	(5,562.8)
Income from investments in affiliated companies	37.1	11.7	25.4	35.3	24.9	21.6
Income before income tax	(5,178.1)	(2,778.2)	(2,399.9)	7,341.8	7,022.6	4,452.1
Income tax	2,163.9	(5,893.2)	8,057.1	(2,072.4)	(2,719.7)	(1,424.3)
(Loss) income for the period	(3,014.2)	(8,671.4)	5,657.2	5,269.4	4,302.9	3,027.8
Currency conversion of affiliated companies’ financial statements	(24.4)	(30.4)	6.0	6.1	(11.7)	18.3
Property, plant and equipment revaluation allowance	-	-	-	(2,941.8)	-	-
Other comprehensive (loss) income for the period	(24.4)	(30.4)	6.0	(2,935.7)	(11.7)	18.3
Comprehensive (loss) income for the period	(3,038.6)	(8,701.8)	5,663.2	2,333.7	4,291.2	3,046.1
EBITDA ⁽¹⁾	7,033.3	7,102.5	(69.2)	14,837.5	17,617.4	17,122.7

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



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OVERVIEW FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021

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

(in million pesos)

	<i>06.30.2022</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>116,864</i>	<i>124,742</i>	<i>151,641</i>	<i>175,252</i>	<i>199,143</i>
<i>Total liabilities</i>	<i>25,728</i>	<i>30,568</i>	<i>38,629</i>	<i>55,130</i>	<i>73,995</i>
<i>Shareholder's equity</i>	<i>91,136</i>	<i>94,174</i>	<i>113,012</i>	<i>120,122</i>	<i>125,148</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 increase in inflation adjusted revenues amounting to \$ 417.8 million between the six-month periods ended June 30, 2022 and 2021 is due to:

- i.* \$ 1,888.8 million increase in revenues mainly due to higher export volumes under interruptible and exchange and displacement transportation services;
- ii.* \$ 1,395.6 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 six-month period ended June 30, 2022); and
- iii.* \$ 75.4 million decrease in revenues from “*Gas pipeline operation and maintenance and other services*”.



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OVERVIEW FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021

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

Cost of service

(in million Pesos)

<i>Accounts</i>	<i>Six-month period ended 06.30.</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>	60.4	64.4	(4.0)	103.6	88.5	59.8
<i>Salaries, wages and other personnel benefits and social security contributions</i>	1,829.3	1,754.5	74.8	1,660.8	1,656.2	1,714.4
<i>Materials and spare parts</i>	444.1	571.8	(127.7)	477.9	799.3	494.6
<i>Maintenance and repair of property, plant and equipment and third-party services and supplies</i>	2,392.2	1,993.8	398.4	1,565.5	2,137.8	1,982.2
<i>Post, telecommunications, transportation, freight and travel expenses</i>	217.6	188.5	29.1	157.3	259.3	226.9
<i>Insurance</i>	196.2	227.6	(31.4)	212.4	136.3	120.9
<i>Rentals and office supplies</i>	48.6	56.6	(8.0)	61.8	60.5	61.4
<i>Easements</i>	59.6	61.4	(1.8)	44.6	60.3	68.0
<i>Taxes, rates and contributions</i>	5.7	5.8	(0.1)	5.7	7.6	5.6
<i>Property, plant and equipment depreciation</i>	8,132.8	8,043.5	89.3	7,260.4	9,696.7	6,325.8
<i>Slow-moving and obsolete materials and spare parts</i>	14.0	-	14.0	62.8	(190.0)	12.4
<i>Other</i>	17.5	6.4	11.1	19.3	42.0	17.9
Total	13,418.0	12,974.3	443.7	11,632.1	14,754.5	11,089.9
<i>% of Cost of service on revenues</i>	91%	91%		54%	58%	45%

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

- i. \$ 639.2 million increase in *Salaries, wages and other personnel benefits and social security contributions* (which adjusted for inflation amounts to \$ 74.8 million). Said variation is mainly explained by salary increases due to inflation adjustment (\$ 531.1 million);
- ii. \$ 21.5 million increase in *Materials and spare parts* (which adjusted for inflation amounts to a \$ 127.7 million decrease). Said variation is mainly due to higher costs in spare parts (\$ 7.5 million), consumables (\$ 51.1 million) and projects related to client services (\$ 12.3 million), partially offset against projects related to ancillary integrity at compressor plants (\$ 46.7 million); and
- iii. \$ 992.1 million increase in *Maintenance and repair of property, plant and equipment and third-party services and supplies* (which adjusted for inflation amounts to \$ 398.4 million). Said variation is mainly due to higher costs associated with cleaning and clearing of facilities (\$ 47.0 million), outsourced maintenance works (\$ 87.5 million), layout works (\$ 284.7 million), corrosion protection (\$ 61.4 million), river crossings (\$ 49.6 million), pipe inspections (\$ 143.0 million), projects related to compression integrity and safety at compressor plants (\$ 85.9 million), projects related to integrity at metering and regulation stations (\$ 50.9 million), security and surveillance (\$ 28.1 million), cost of projects related to client services (\$ 40.1 million), and other gas pipeline projects (\$ 52.1 million).



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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>Six-month period ended 06.30.</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>	784.8	735.0	49.8	712.3	705.7	653.3
<i>Property, plant and equipment depreciation</i>	154.4	279.7	(125.3)	216.8	299.9	160.9
<i>Fees for professional services</i>	130.1	244.1	(114.0)	104.0	152.6	116.9
<i>Taxes, rates and contributions</i>	1,306.3	1,098.1	208.2	1,272.3	1,476.7	1,585.5
<i>Post, telecommunications, transportation, freight and travel expenses</i>	37.5	25.6	11.9	28.6	41.2	42.7
<i>Maintenance and repair of property, plant and equipment and third-party services and supplies</i>	28.1	64.5	(36.4)	56.6	60.1	36.8
<i>Rentals and office supplies</i>	42.1	41.5	0.6	48.0	44.2	35.8
<i>Supervisory Committee’s fees</i>	8.8	9.3	(0.5)	9.6	10.8	39.8
<i>Board of Directors’ fees</i>	31.3	32.1	(0.8)	34.2	40.7	81.6
<i>Materials and spare parts</i>	2.7	2.7	0.0	43.1	5.3	19.8
<i>Lawsuits</i>	-	-	-	11.7	(19.2)	7.5
<i>Insurance</i>	8.9	10.3	(1.4)	11.4	14.0	10.9
<i>Other</i>	28.6	13.3	15.3	18.1	22.9	28.1
<i>Total</i>	2,563.6	2,556.2	7.4	2,566.7	2,854.9	2,819.6
<i>% of administrative and selling expenses on revenues</i>	17%	18%		12%	11%	11%

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

- i.* \$ 285.3 million increase in *Salaries, wages and other personnel benefits and social security contributions* (which adjusted for inflation amounts to \$ 49.8 million). Said variation is mainly explained by salary increases due to inflation adjustment (\$ 253.9 million);
- ii.* \$22.9 million decrease in *Fees for professional services* (which adjusted for inflation amounts to \$ 114.0 million) due to lower expenses associated with building revamping advice; and
- iii.* \$ 542.9 million increase in *Taxes, rates and contributions* (which adjusted for inflation amounts to \$ 208.2 million). Said variation is mainly due to higher costs associated with the verification and control fee paid to the National Gas Regulatory Entity (“ENARGAS”) (\$ 298.9 million), turnover tax (\$ 193.2 million) and tax on bank transactions (\$ 53.9 million).



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

Other income and expenses

(in million pesos)

Accounts	Six-month period ended 06.30.					
	2022	2021	Variation	2020	2019	2018
Income from commercial compensations	34.7	-	34.7	-	0.9	2.4
Net income from disposal of property, plant and equipment	83.0	(7.6)	90.6	(9.6)	(45.9)	13.7
Readjustment of compensation for damages	(156.7)	-	(156.7)	-	(256.6)	(255.6)
Various income and expenses	6.8	(43.4)	50.2	307.5	82.6	(423.7)
Total	(32.2)	(51.0)	18.8	297.9	(219.0)	(663.2)

During the periods ended June 30, 2022 and 2021, the Company has recognized losses for \$ 32.2 million and \$ 51.0 million, respectively. The lower charge for \$ 18.8 million is mainly due to:

- i. \$ 156.7 million loss 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 six-month period ended June 30, 2022);
- ii. \$ 90.6 million higher income from the sale of “Property, plant and equipment”; and
- iii. \$ 34.7 higher income from commercial compensations.

Recovery / (Charge) due to impairment of financial assets

(in million pesos)

Accounts	Six-month period ended 06.30.					
	2022	2021	Variation	2020	2019	2018
Recovery / (Charge) due to impairment of financial assets	40.1	(272.7)	312.8	(373.2)	(41.2)	20.5
Total	40.1	(272.7)	312.8	(373.2)	(41.2)	20.5

During the periods ended June 30, 2022 and 2021, the Company has recognized recoveries and charges for \$ 40.1 million and \$ 272.7 million, respectively. The \$ 312.8 million variation is due to lower allowances established in this period in connection with balances of delinquent customers.

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

Net financial income

<i>Accounts</i>	<i>(in million pesos)</i>					
	<i>Six-month period ended 06.30.</i>					
	<i>2022</i>	<i>2021</i>	<i>Variation</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
<i>Other net financial income:</i>						
<i>Net exchange rate gain</i>	2,194.2	1,990.0	204.2	1,712.7	40.4	(6,455.8)
<i>Income due to changes in fair values</i>	447.0	1,150.4	(703.4)	517.9	136.9	271.9
<i>Income from derivative financial instruments</i>	-	-	-	(158.8)	(128.0)	-
<i>Other</i>	6.3	319.8	(313.5)	-	(0.2)	(31.3)
<i>Total other net financial income</i>	2,647.5	3,460.2	(812.7)	2,071.8	49.1	(6,215.2)
<i>Financial income:</i>						
<i>Interest</i>	259.5	714.2	(454.7)	97.2	322.8	210.9
<i>Total financial income</i>	259.5	714.2	(454.7)	97.2	322.8	210.9
<i>Financial expenses:</i>						
<i>Interest</i>	(132.6)	(854.1)	721.5	(1,133.0)	(1,285.5)	(1,108.4)
<i>Interest compounded on Property, plant and equipment</i>	-	-	-	117.8	183.9	28.9
<i>Banking, financial and other fees, expenses and taxes</i>	(10.1)	(11.4)	1.3	(118.5)	(30.1)	(13.5)
<i>Total financial expenses</i>	(142.7)	(865.5)	722.8	(1,133.7)	(1,131.7)	(1,093.0)
<i>Loss on monetary position</i>	(6,733.5)	(4,554.5)	(2,179.0)	(1,013.8)	396.8	1,534.5
<i>Total net financial (loss) income</i>	(3,969.2)	(1,245.6)	(2,723.6)	21.5	(363.0)	(5,562.8)

Net financial income for the period ended June 30, 2022 showed a higher gain of \$ 666.5 million (which adjusted for inflation amounts to a \$ 2,723.6 million decrease), as compared to the period ended June 30, 2021. Accounts with the most relevant variations between both periods were:

- i. a higher gain of \$ 882.4 million (which adjusted for inflation amounts to \$ 204.2 million), on account of net exchange rate differences on US dollar denominated assets and liabilities;
- ii. a higher gain of \$ 185.7 million (which adjusted for inflation amounts to \$ 266.8 million), associated with interest accrued during the period;
- iii. a lower gain of \$ 227.1 million (which adjusted for inflation amounts to \$ 703.4 million), due to changes in fair values accrued during the period;
- iv. a lower gain of \$ 172.1 million (which adjusted for inflation amounts to \$ 313.5 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 Note 1.3.3 to the Company’s financial statements for the fiscal year ended December 31, 2021); and
- v. a higher loss of \$ 2,179 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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D) “ANALYSIS OF COMPREHENSIVE INCOME AND FINANCIAL POSITION” AND “MAIN ACTIVITIES”
(Cont.)

Income tax

Income tax for the period ended June 30, 2022 reported a lower charge of \$ 8,057.1 million as compared to the same period in previous year. Said variation is the result of a lower current tax charge of \$ 727.6 million and a higher gain on account of deferred income tax of \$ 7,329.5 million.

Summary of statement of cash flows

(in million pesos)

	<i>Six-month period ended 06.30.</i>				
	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
<i>Cash generated by operating activities</i>	6,627.6	(1,231.4)	7,863.8	7,596.5	10,852.8
<i>Income tax</i>	(2,163.9)	5,893.2	2,072.4	2,719.7	1,424.3
<i>Interest accrued on liabilities</i>	132.6	854.1	1,133.0	1,285.5	1,108.4
<i>Net cash flow generated by operating activities</i>	4,596.3	5,515.9	11,069.2	11,601.7	13,385.5
<i>Acquisition of property, plant and equipment</i>	(1,859.4)	(1,876.6)	(2,655.7)	(3,390.4)	(3,291.4)
<i>Subscriptions, net of recovery of investments at amortized cost and investments at fair value (non-cash equivalents)</i>	2,843.5	1,546.9	2,634.2	3,643.3	(3,125.8)
<i>Principal and interest received from investments at amortized cost and investments at fair value</i>	3.5	9.7	17.7	37.1	56.5
<i>Net cash flow used in (generated by) investing activities</i>	987.6	(320.0)	(3.8)	290.0	(6,360.7)
<i>Taking of local loans in pesos</i>	-	73.8	13,901.6	-	-
<i>Payment of principal on Notes</i>	(516.4)	-	-	-	-
<i>Payment of interest on Notes</i>	(47.0)	(467.5)	-	-	-
<i>Payment of principal on Syndicated Loan</i>	-	-	(9,228.8)	(8,997.6)	-
<i>Payment of interest on Syndicated Loan</i>	-	-	(552.9)	(1,156.0)	(576.5)
<i>Payment of principal on local loans in pesos</i>	(313.0)	(70.9)	(7,383.5)	-	-
<i>Payment of interest on local loans in pesos</i>	(28.2)	(236.2)	(368.4)	-	-
<i>Payment of interest on Itau Unibanco S.A. Nassau Branch loan</i>	(61.2)	(79.1)	-	-	-
<i>Payment of dividends in cash</i>	-	-	-	(8,854.3)	(2,132.1)
<i>Lease payment</i>	(9.6)	(13.9)	(13.8)	(13.9)	-
<i>Net cash flow used in financing activities</i>	(975.4)	(793.8)	(3,645.8)	(19,021.8)	(2,708.6)
<i>Net Increase (decrease) in cash and cash equivalents</i>	4,608.5	4,402.1	7,419.6	(7,130.1)	4,316.2
<i>Cash and cash equivalents at the beginning of fiscal year</i>	3,934.4	6,333.9	5,941.9	10,080.1	3,021.6
<i>Financial loss (gain) generated by cash</i>	(3,676.7)	(5,540.0)	(3,041.7)	(61.4)	374.7
<i>Cash and cash equivalents at the end of period</i>	4,866.2	5,196.0	10,319.8	2,888.6	7,712.5



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

Breakdown of cash and cash equivalents

(in million pesos)

<i>Accounts</i>	<i>Six-month period ended 06.30.</i>				
	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
<i>Cash and banks</i> ⁽¹⁾	10.2	192.4	3,083.5	113.0	4,142.3
<i>Mutual funds in \$</i>	3,686.3	3,427.9	3,061.2	475.9	254.0
<i>Mutual funds in US\$</i>	-	-	4,175.1	1,487.7	157.9
<i>Term deposits in US\$</i>	-	-	-	812.0	3,158.3
<i>Surety bonds in \$</i>	1,169.7	1,575.7	-	-	-
<i>Cash and cash equivalents at the end of period</i>	4,866.2	5,196.0	10,319.8	2,888.6	7,712.5

⁽¹⁾ As of June 30, 2022, 2021, 2020, 2019 and 2018 it includes \$ 0.7 million, \$ 14.1 million, \$ 1,046.1 million, \$ 8.2 million and \$ 1,669.2 million, respectively, denominated in foreign currency.

II) COMPARATIVE BALANCE SHEETS AS OF JUNE 30, 2022, 2021, 2020 AND 2019

(in million pesos)

<i>Accounts</i>	<i>As of 06.30.</i>			
	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
<i>Non-current assets</i>	93,981	127,498	146,031	161,862
<i>Current assets</i>	22,883	15,980	24,298	20,063
<i>Total assets</i>	116,864	143,478	170,329	181,925
<i>Shareholders' equity</i>	91,136	104,310	122,456	120,584
<i>Non-current liabilities</i>	16,112	32,201	25,206	35,757
<i>Current liabilities</i>	9,616	6,967	22,667	25,584
<i>Total liabilities</i>	25,728	39,168	47,873	61,341
<i>Total</i>	116,864	143,478	170,329	181,925

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III) COMPARATIVE COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022, 2021, 2020, 2019 AND 2018

(in million pesos)

Accounts	As of 06.30.				
	2022	2021	2020	2019	2018
(Loss) income before other net income and expenses	(1,253.9)	(1,220.6)	7,360.3	7,620.9	10,636.0
Other income and expenses	(32.2)	(51.0)	297.9	(219.0)	(663.2)
Recovery / (Charge) due to impairment of financial assets	40.1	(272.7)	(373.2)	(41.2)	20.5
(Loss) income before financial income	(1,246.0)	(1,544.3)	7,285.0	7,360.7	9,993.3
Net financial income	(3,969.2)	(1,245.6)	21.5	(363.0)	(5,562.8)
Income from investments in affiliated companies	37.1	11.7	35.3	24.9	21.6
Income before income tax	(5,178.1)	(2,778.2)	7,341.8	7,022.6	4,452.1
Income tax	2,163.9	(5,893.2)	(2,072.4)	(2,719.7)	(1,424.3)
(Loss) income for the period	(3,014.2)	(8,671.4)	5,269.4	4,302.9	3,027.8
Other comprehensive (loss) income for the period	(24.4)	(30.4)	(2,935.7)	(11.7)	18.3
Comprehensive (loss) income for the period	(3,038.6)	(8,701.8)	2,333.7	4,291.2	3,046.1

IV) COMPARATIVE STATISTICAL DATA FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022, 2021, 2020, 2019 AND 2018

Dispatched volumes in million m3:

By type of transportation

	As of 06.30.				
	2022	2021	2020	2019	2018
Firm	6,337	6,257	6,244	6,966	7,363
Interruptible & exchange and displacement	6,045	5,527	5,502	5,198	4,311
Total	12,382	11,784	11,746	12,164	11,674

By source

	As of 06.30.				
	2022	2021	2020	2019	2018
Northern Pipeline	3,492	4,326	4,267	4,403	5,054
Central West Pipeline	7,100	4,855	5,211	6,639	6,620
Final sections	1,790	2,603	2,268	1,122	-
Total	12,382	11,784	11,746	12,164	11,674

By destination

	As of 06.30.				
	2022	2021	2020	2019	2018
Domestic market	11,566	11,670	11,003	11,511	11,653
Export market	816	114	743	653	21
Total	12,382	11,784	11,746	12,164	11,674



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V) COMPARATIVE RATIOS AS OF JUNE 30, 2022, 2021, 2020 AND 2019

	<i>As of 06.30.</i>			
	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
<i>Liquidity (1)</i>	2.3797	2.2937	1.0720	0.7842
<i>Solvency (2)</i>	3.5423	2.6631	2.5579	1.9658
<i>Equity Immobility (3)</i>	0.8042	0.8886	0.8574	0.8897

(1) Current assets / current liabilities

(2) Equity / total liabilities

(3) Non-current assets / total assets

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

This section about the Company's business, operating, financial and regulatory prospects should be read, analysed and interpreted in conjunction with the notes to the interim condensed financial statements as of June 30, 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 SIX-MONTH PERIODS ENDED JUNE 30, 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 SIX-MONTH PERIODS ENDED JUNE 30, 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. (See Note 1.4 to the interim condensed financial statements as of June 30, 2022).

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

City of Buenos Aires, August 9, 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 June 30, 2022, the interim condensed statement of comprehensive income for the six and three months periods ended on June 30, 2022 and the interim condensed statement of changes in shareholders' equity and the interim condensed statement of cash flows for the six months period then ended, and the selected explanatory notes.

The amounts and other information related to the fiscal year 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 June 30, 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 \$ 130.827.420, none of which was claimable at that date.

Autonomous City of Buenos Aires, August 9, 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 June 30, 2022, Interim Condensed Statement of Comprehensive Income for the six-month period ended June 30, 2022, and Statement of Changes in Shareholders’ Equity and Statement of Cash Flows for the six-month period ended as of that date, and selected notes.

Balances and other information for fiscal year 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 August 9, 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 June 30, 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 for the fact 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, August 9, 2022.

By the Supervisory Committee

Dr. Pablo Lozada
Regular Statutory Auditor