**Financial Statements as of December 31, 2022 in thousand Pesos, on a comparative basis**

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

**FINANCIAL STATEMENTS** as of December 31, 2022, on a comparative basis.

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

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

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

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

| **Classes of Shares** | **Subscribed and Paid-in** | |
|---|---|---|
| | **12.31.22** | **12.31.21** |
| | **Thousand $** | |
| Book-entry class A common shares, of $1 par value each and entitled to one vote per share | 179,264 | 179,264 |
| Book-entry class B common shares, of $1 par value each and entitled to one vote per share (1) | 172,235 | 172,235 |
| Book-entry class C common shares, of $1 par value each and entitled to one vote per share (2) | 87,875 | 87,875 |
| **Total** | **439,374** | **439,374** |

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

See our report dated
March 8, 2023
PRICE WATERHOUSE & CO. S.R.L.

(Partner)
C.P.C.E.C.A.B.A. Tº 1 Fº 17

Juan José Valdez Follino
Regular Statutory Auditor

Luis Alberto Santos
Regular Director

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

As required under statutory and legal provisions, the Board of Directors of Transportadora de Gas del Norte S.A., hereinafter “TGN” or “the Company”, herein submits to the Shareholders, for their consideration, the Annual Report, the Report on Code of Corporate Governance, Balance Sheet, Statement of Comprehensive Income, Statement of Changes in Shareholders’ Equity, Statement of Cash Flows, Notes and Overview for the thirty-first fiscal year running from January 1, 2022 to December 31, 2022, which information should be jointly read, reviewed and interpreted in order to have a full picture of relevant corporate matters during the year.

**BOARD AND SUPERVISORY COMMITTEE**

| | **Regular Directors** | **Alternate Directors** |
|---|---|---|
| Chairman: | Emilio Daneri Conte-Grand | Carlos Daniel Bautista |
| Assistant Chairman | Luis Alberto Santos | Emilio Nadra |
| | Jorge Casagrande | Martín Novillo |
| | Juan José Mata | Fernando Moreno |
| | Ignacio Casares | Claudio Gugliuzza |
| | Angel Carlos Rabuffetti | José Bejar |
| | Ricardo Ferreiro | Marcelo Brichetto |
| | Diego Antonio Blasco | Gustavo Kopyto |
| | Alberto Saggesse | María López Isnardi |
| | Hugo Vivot | Rufino Arce |
| | Enrique Waterhouse | Pablo Jorge Holassian |
| | Sergio Revilla Cornejo | José María Nelson |
| | Roberto Helbling | Pablo Mautone |

| | **Regular Statutory Auditors** | **Alternate Statutory Auditors** |
|---|---|---|
| | Pablo Lozada | Marcelo Urdampilleta |
| | Juan José Valdez Follino | Andrea Barbagelata |
| | Oscar Piccinelli | Graciela Gazzola |

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**ANNUAL REPORT OF TRANSPORTADORA DE GAS DEL NORTE S.A. FOR THE THIRTY-FIRST FISCAL YEAR BEGINNING ON JANUARY 1, 2022 AND ENDING ON DECEMBER 31, 2022**

## 1 – ECONOMIC CONTEXT

The Company operates within a complex economic context due to local macroeconomic conditions, where main variables have recently experienced a strong volatility, the rate policy measures adopted by the National Government, local social and political conditions, and the international scenario.

During 2022, the development of the Argentine economy was marked by two specific factors, the agreement reached with the International Monetary Fund ("IMF") for an extended fund facility and the inflation acceleration.

As regards fiscal matters, the primary deficit – extremely important toward compliance with the IMF program – has been 2.4% of the Gross Domestic Product ("GDP"), with the target committed with IMF being 2.5% of GDP. In 2021, the primary deficit had reached 3.0% of GDP.

Revenues and primary spending have remained stable in real terms. Revenues grew a 2% and primary spending a 4% - both between 2022 and 2021. As to primary spending, the growth in real terms as compared to 2021 was 11% in the first six-month period, while in the second dropped 9%.

In connection with the National Treasury financial sources, the Central Bank of Argentina ("BCRA") direct funding to the treasury by means of temporary advances reached 0.8% of GDP, in compliance with the monetary target agreed with IMF. Additionally, the National Treasury obtained net financing in peso denominated debt auctions for an equivalent of 3.0% of GDP.

According to IMF measurements, net reserves reached US$ 7.7 billion, thus meeting the US$ 7.3 billion target. To achieve this target, in September and December, the National Government implemented the so called "soybean dollar" exchange regime that allowed soya bean producers to clear their export proceeds at a differential exchange rate – between 33% and 39% higher. The two editions of the "soybean dollar" encouraged the farming sector to clear their proceeds, which reached a historic record of US$ 40 billion in the year. This allowed BCRA to purchase US$ 5.8 billion during the year at the exchange market and thus comply with the net reserves target.

At year end, the trade balance showed a US$ 6.9 billion surplus (1.1% of GDP), which meant a US$ 7.9 billion decrease with respect to the US$ 14.8 billion surplus in 2021. This is due to the growth in imports (29% increase in 2022 as compared to 2021) with respect to exports (13% increase in 2022 as compared to 2021), where energy imports, which more than doubled as a result of the war conflict between the Russian Federation ("Russia") and Ukraine, played a major role.

In terms of activity, 2022 is estimated to have ended with a 5.5% GDP growth, being the second consecutive year with gross product increase.

Since March, Argentina entered into a high inflation dynamics, which between March and December averaged 6% per month. The inflation rate at the close of 2022 reached 94.8%[1] as compared to the 50.9%[1] recorded in 2021. In order to restrain this trend, BCRA raised the monetary policy rates from 38% to 75% during the year, with nine consecutive raises between January and September. With this raise, interest-bearing liabilities amounted to 12.2% of GDP by year-end, as compared to the 9.8% of GDP in 2021.

In foreign exchange matters, BCRA has issued various regulations aimed at restricting access to the Free Foreign Exchange Market ("MULC"). During 2022, it also accelerated the exchange rate, which as of year-end, was $ 177.16 per dollar, a figure which reflects a 72.5% increase in said year. Although said increase implies an acceleration with respect to 2021 depreciation (22.1%) is still below the inflation during the period. On the other hand, the implicit exchange rate for financial assets experienced a 64% increase, representing a gap of 88% and reflecting a drop of 10 percentage points with respect to previous year-end (98%).

Finally, the most recent "*Market Expectations Survey*" published by BCRA anticipates for 2023 an economic growth of 0.5%, a retail inflation rate of 98.4% and a Peso-US dollar exchange rate by 2023 year-end of $328.32.

[1] *Source. National Institute of Statistics and Census*

## 2. GAS INDUSTRY IN ARGENTINA

The natural gas is the predominant energy source in Argentina, representing 48.2% of the energy mix.
Primary Energy Supply by Source (2021)

| | Oil | Natural Gas | Coal | Nuclear | Hydroelectricity | Renewable | TOTAL |
|---|---|---|---|---|---|---|---|
| USA | 38.0% | 32.0% | 11.4% | 8.0% | 2.6% | 8.0% | 100.0% |
| Canada | 29.9% | 30.8% | 3.4% | 6.0% | 25.7% | 4.1% | 100.0% |
| Mexico | 37.7% | 46.8% | 3.4% | 1.6% | 4.8% | 5.7% | 100.0% |
| **Total average North America** | 35.2% | 36.5% | 6.1% | 5.2% | 11.1% | 6.0% | 100.0% |
| Argentina | 35.7% | 48.2% | 1.9% | 2.9% | 5.4% | 6.0% | 100.0% |
| Brazil | 35.5% | 11.6% | 5.7% | 1.1% | 27.2% | 19.0% | 100.0% |
| Chile | 44.0% | 13.6% | 15.9% | 0.0% | 9.4% | 17.2% | 100.0% |
| Colombia | 36.4% | 23.6% | 6.9% | 0.0% | 29.3% | 3.7% | 100.0% |
| Ecuador | 64.6% | 2.6% | 0.3% | 0.0% | 31.6% | 1.0% | 100.0% |
| Peru | 43.0% | 24.1% | 3.9% | 0.0% | 25.1% | 4.0% | 100.0% |
| Trinidad & Tobago | 8.6% | 91.4% | 0.0% | 0.0% | 0.0% | 0.0% | 100.0% |
| Venezuela | 29.1% | 42.5% | 0.0% | 0.0% | 28.4% | 0.0% | 100.0% |
| Other South and Central America | 59.7% | 8.4% | 5.6% | 0.0% | 18.2% | 8.1% | 100.0% |
| **Total average South and Central America** | 39.6% | 29.5% | 4.5% | 0.4% | 19.4% | 6.6% | 100.0% |

***Source:*** *BP Statistical Review of World Energy.*

By 2021-year end (most recently published data) proven natural gas reserves amounted to approximately 415 thousand MMm3 and, as of that date, the reserve horizon, considering 2021 estimated production, was 8.6 years. Additionally, in accordance with data published by the Argentine Oil and Gas Institute (IAPG), probable reserves, as of that date, represented 44% of proven reserves.

Showing an increased share year after year, non-conventional reservoirs presently represent more than 41% of proven and probable reserves, being the most significant one that from Vaca Muerta geological formation in the Neuquina Basin. According to an estimate from the US Energy Information Administration, technically recoverable non-conventional gas resources in Argentina amount to 802 trillion cubic feet (802 tcf), of which, almost three quarters come from Neuquina Basin. Said potential is equivalent to approximately 55 times proven reserves.

NATURAL GAS – 2021 Reserves and 2022 production (million m3)

| Basin | Proven Reserves | Probable Reserves | Proven + 50% Probable | Production (*) | Horizon: (Proven Reserves/Production) [Years] |
|---|---|---|---|---|---|
| **Austral** | 88,592 | 59,739 | 118,461 | 10,024 | 8.8 |
| **San Jorge Gulf** | 37,563 | 18,370 | 46,748 | 4,030 | 9.3 |
| **Neuquina & Cuyana** | 278,760 | 103,077 | 330,298 | 32,989 | 8.5 |
| **Northwest** | 11,075 | 1,564 | 11,857 | 1,421 | 7.8 |
| **TOTAL ARGENTINA** | **415,988** | **182,750** | **507,363** | **48,464** | **8.6** |

***Source:*** *IAPG.*
*(*) Estimated production for 2022, taking into account November 2021- October 2022 rolling year*

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***Natural Gas in Argentina. Production, Imports and Demand***

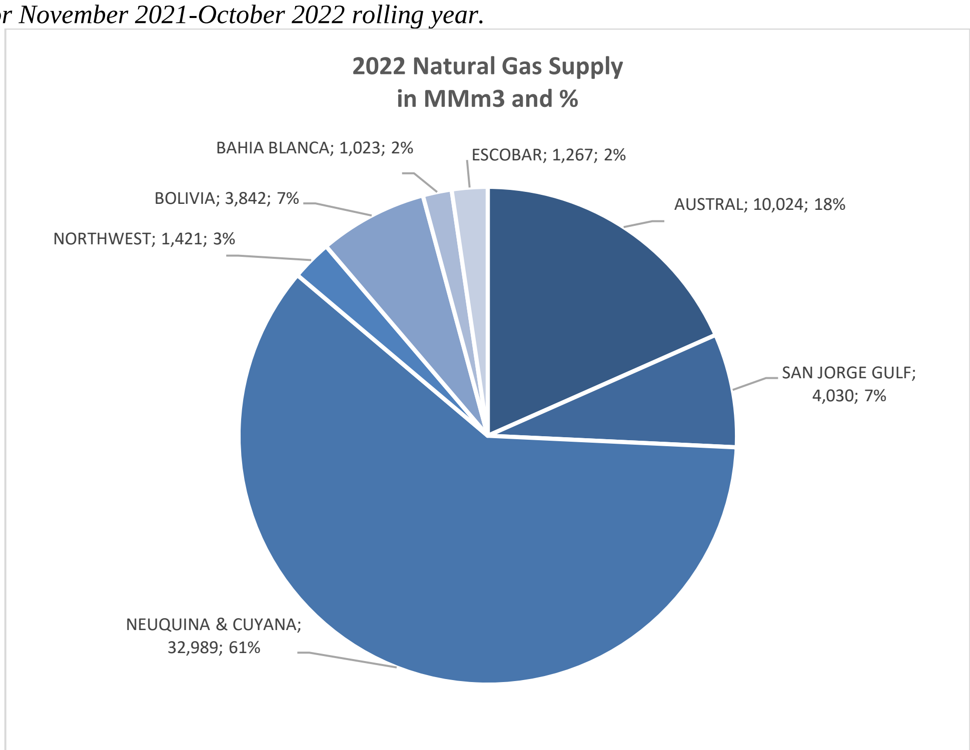
Following a 21% drop in local gas production between 2004 and 2014, the industry then started to recover during the subsequent five years (2015-2019) showing a cumulative increase of 19% against 2014. In 2020, against the economic crisis aggravated by COVID-19 pandemic, the sector was again affected and the growth path reverted. Total gas production showed a decrease of 9% with respect to 2019, while non-conventional production – shale and tight gas –decreased by approximately 8%. In November 2020, in order to promote the local gas production recovery, the National Government established, through Necessity and Urgency Decree No. 892/2020, a natural gas production promotion plan called "*Plan Gas.Ar*". Said plan promotes investments in production development, establishes gas prices partially subsidized by the National Government to remain in place for a four-year period, and elicits from producers the commitment to recover winter 2020 production volumes.

As a result of the implantation of said plan, 2021 production levels experienced a sustained growth which continued during 2022[2], with an 8% increase as compared to 2021, matching 2019 production.

In November 2022, the National Executive Branch ("PEN") by means of Necessity and Urgency Decree No. 730/2022, approved the "*Reinsurance plan and promotion of federal hydrocarbon production, internal self-sufficiency, exports, import substitution and expansion of the transportation system for all hydrocarbon basins in the country for the period 2023-2028*". Under said decree, rounds 4 and 5 of *Plan Gas.Ar* were awarded during December, 2022, extending said plan's original period until 2028 and increasing the total volume to 78.97 MMm3/d. The plan continues to envisage the issuance of export permits both for firm and interruptible modalities.

Gas imports account for a large share of Argentina's supply. In 2022, it accounted for approximately 11% of the total annual volume, with a 25% drop as compared to 2021. Liquefied natural gas ("LNG") imports through the regasification tankers located in Escobar and Bahía Blanca, both in the Province of Buenos Aires, totalled 1,267 and 1,023 MMm3, respectively, i.e. 35% lower than 2021 volumes. This drop is connected to Russia and Ukraine war and the consequent higher price of LNG, as a result of which *Compañía Administradora del Mercado Mayorista Eléctrico S.A*. ("CAMMESA") substituted part of the consumption of this fluid with alternative fuels. Just as in previous years, no gas volumes were imported from the Republic of Chile ("Chile") in 2022. Imports from the Plurinational State of Bolivia ("Bolivia") totalled 3,842 MMm3, showing a decrease of 18% with respect to the previous year.

[2] *Actual data for November 2021-October 2022 rolling year.*



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In October 2020, the Company submitted to the National Gas Regulatory Entity ("ENARGAS"), an "*Integral Strategic Plan for Current and Future Supply from the Northern Pipeline and Related Pipelines*", under which works are proposed to be undertaken along the Northern Pipeline in line with future supply perspectives, considering the decline in imports from Bolivia. Said plan involves the closure of certain sections of that pipeline that are neither necessary nor efficient to meet the demand and the construction of other sections to allow a greater supply from the Neuquina Basin. In December 2021, ENARGAS instructed the allocation to CAMMESA of a transportation capacity of 2 MMm3/d along "Salta - Litoral" and "Salta - Gran Buenos Aires" sections constructed under the expansion trusts. As a result, the assets to be possibly decommissioned, in absence of ENARGAS objection, would consist of 212 km of 16" pipes.

On February 7, 2022, the Energy Secretariat, specifically the Hydrocarbons Undersecretariat, issued Resolution 67/22 whereby it created the "*Gas Pipeline System Program - Transport.Ar Producción Nacional*" (the "Program"). Said program is intended to execute works aimed at streamlining the gas pipeline system and increase the natural gas production and supply, as well as exports. Said resolution approves a list of works to be executed by *Energía Argentina Sociedad Anónima* ("ENARSA"), directly or through third parties, and establishes that the Energy Secretariat will lead the Program by prioritizing works and projects and their pertinent stages.

On February 14, 2022, the PEN enacted Necessity and Urgency Decree No. 76/2022, whereby ENARSA was granted the transportation concession along *Presidente Néstor Kirchner Gas Pipeline* ("GPNK") for a term of 35 years, including eventual extensions. Said decree delegated on ENARSA, in its capacity as contracting party, the power to call for tender, contract, plan and execute the construction of infrastructure works comprised in the Program. Also, an administration and financial trust under the name of *Fondo de Desarrollo Gasífero Argentino* ("FONDESGAS") was created for administering the resources and financing, either in whole or in part, the infrastructure works under the Program. ENARSA acts as trustor and beneficiary of FONDESGAS and *Banco de Inversión y Comercio S.A.* ("BICE"), acts as trustee. Funding sources for FONDESGAS include, among others, eventual specific charges under Law No. 26,095 or other fixed charges to be applied on the whole gas pipeline system. The Company is now assisting authorities with the technical definition of the works.

By mid-October 2022, the first stage started, which comprises (i) the construction of GPNK gas pipeline between the locality of Tratayén (located in the Province of Neuquén) and the locality of Salliqueló (located in the Province of Buenos Aires), (ii) the construction of a gas pipeline between the localities of Mercedes and Cardales (both located in the Province of Buenos Aires), (iii) the expansion of NEUBA II pipeline, and (iv) the expansion of the final pipeline sections in Buenos Aires Metropolitan Area. The Program also includes the reversion of the Northern Pipeline and the expansion of various sections of the Central West pipeline. In December 2022, the Company proposed ENARGAS works for the reversion of Northern Pipeline that would allow to increase the reversion capacity from current 7 MMm3/d to 10 MMm3/d, to be executed and funded by the Company, subject to a special rate increase that would allow to pay the cost of said work. Said proposal was approved by the Energy Secretariat on January 19, 2023 by means of Resolution 17/2023.

As for gas exports, the volume exported in 2022 amounted to 2,351 MMm3, meaning an increase of 143% as compared to 2021. Accordingly, export permits for firm transportation to Chile from Neuquina Basin for 9.00 MMm3/day for October 2022 up to and including April 2023 period, were authorized.

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## Gas supply by source in Argentina

| Source | | Annual Volume (MMm3) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Production from Argentine Basins (1) | AUSTRAL | 10,513 | 10,015 | 9,654 | 10,592 | 10,682 | 11,521 | 12,006 | 11,534 | 10,858 | 10,024 |
| | SAN JORGE GULF | 5,234 | 5,302 | 5,715 | 5,704 | 5,348 | 4,948 | 4,681 | 4,158 | 3,937 | 4,030 |
| | NEUQUINA & CUYANA | 22,700 | 23,273 | 24,675 | 26,021 | 26,165 | 28,392 | 30,383 | 27,703 | 28,963 | 32,989 |
| | NORTHWEST | 3,260 | 2,893 | 2,852 | 2,671 | 2,401 | 2,036 | 1,843 | 1,704 | 1,532 | 1,421 |
| Imports from Bolivia (2) | | 5,719 | 6,013 | 5,977 | 5,767 | 6,618 | 6,014 | 5,134 | 5,463 | 4,695 | 3,842 |
| LNG injection (2) | BAHIA BLANCA | 3,296 | 3,261 | 3,095 | 2,230 | 2,213 | 1,691 | - | - | 1,162 | 1,023 |
| | ESCOBAR | 2,706 | 2,653 | 2,473 | 2,592 | 2,258 | 1,876 | 1,739 | 1,890 | 2,369 | 1,267 |
| Imports from Chile (2) | | - | - | - | 357 | 275 | 214 | - | - | - | - |

*Sources:*
***(1)*** *IAPG. Gross production. For 2022, volumes from November 2021 to October 2022 rolling year are considered.*
***(2)*** *Daily Reports – ENARGAS*

## Domestic Gas Demand – [MMm3/d]

| | 1993 to 1997 (4) | 1998 to 2002 (4) | 2003 to 2007 (4) | 2008 to 2012 (4) | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 (*) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Residential (1) | 16.5 | 18.8 | 22.0 | 27.2 | 31.6 | 30.4 | 30.9 | 32.6 | 29.3 | 29.1 | 27.9 | 28.6 | 28.8 | 31.1 |
| Commercial | 2.5 | 2.7 | 3.1 | 3.5 | 3.9 | 3.6 | 3.7 | 3.8 | 3.5 | 3.4 | 4.0 | 2.9 | 3.1 | 3.4 |
| Industrial (2) | 20.9 | 23.0 | 27.7 | 29.3 | 30.0 | 30.1 | 30.7 | 29.2 | 30.6 | 31.9 | 32.7 | 29.6 | 28.8 | 29.3 |
| Electricity Generators | 19.8 | 25.6 | 29.2 | 35.5 | 39.6 | 39.8 | 40.9 | 43.6 | 47.3 | 47.1 | 41.4 | 39.4 | 44.1 | 37.5 |
| CNG | 2.8 | 4.6 | 8.1 | 7.4 | 7.6 | 7.8 | 8.1 | 7.7 | 7.0 | 6.6 | 6.7 | 5.1 | 6.4 | 6.6 |
| Official Entities | 0.9 | 0.9 | 1.1 | 1.2 | 1.2 | 1.2 | 1.2 | 1.3 | 1.2 | 1.2 | 1.2 | 0.9 | 1.1 | 1.3 |
| PTR + Patagonian gas pipelines (3) | 8.5 | 10.7 | 18.9 | 18.1 | 15.7 | 17.2 | 16.4 | 15.4 | 14.6 | 15.6 | 14.4 | 15.1 | 13.9 | 16.8 |
| **Subtotal commercial use** | **71.9** | **86.5** | **110.2** | **122.2** | **129.7** | **130.3** | **131.7** | **133.6** | **133.3** | **134.9** | **128.2** | **121.7** | **126.2** | **125.9** |
| Fuel gas and withheld at gas pipeline | 8.4 | 13.3 | 15.7 | 17.7 | 17.1 | 17.3 | 18.3 | 19.5 | 19.5 | 19.5 | 19.9 | 18.7 | 18.7 | 18.8 |
| **Total demand** | **80.2** | **99.8** | **125.9** | **139.8** | **146.8** | **147.6** | **150.0** | **153.1** | **152.9** | **154.4** | **148.1** | **140.3** | **144.9** | **144.7** |

***(1)*** *Including Sub-distributors.*
***(2)*** *Not including Cerri Plant comprised in Plant Thermal Reduction ("PTR").*
***(3)*** *Including volumes used in PTR (Mega, Refinor, Cerri, Tierra del Fuego, etc.) and Patagonian pipelines.*
***(4)*** *Five-year average.*
***(*)*** *2022, considering data for November 2021-October 2022 rolling year.*
***Sources****: ENARGAS and Argentina's Energy Secretariat*

From the privatization of the natural gas utility service by late 1992 up to 2022[3] an accumulated growth of gas demand of approximately 100% was recorded in the country, with an outstanding growth of 200% in compressed natural gas ("CNG") demand and 60% in industrial demand. Furthermore, the demand from the electricity generation segment recorded a 130% growth with respect to 1992. Residential gas demand increased 14% as compared to previous year, recording a total increase of 91%. The industrial sector remains stable as compared to 2021. As for CNG, demand increased by 9% against 2021.

[3] *For 2022, data for November 2021-October 2022 rolling year is considered.*

**3 – REGULATORY ASPECTS**

TGN has been awarded a license (the "License") to render the natural gas utility service, which includes an exclusive right to operate the two TGN-owned gas pipelines existing in the North and Mid-west regions of Argentina. As a provider of an essential utility service, TGN is subject to governmental regulations under Act No. 24,076 (the "Natural Gas Act"), the enforcement authority of which is the ENARGAS.

***Effects of the Economic Emergency on the License – Comprehensive Rate Review ("CRR")***

The License went through a process of renegotiation under the Public Emergency Law No. 25,561 enacted in January 2002 ("LEP"), which further established the pesification of rates for natural gas transportation destined to the local market, and repealed the Producer Price Index based semi-annual rate adjustment mechanism. Against such legal framework, and after more than thirteen years of rate freezing, in March 2017 the Company executed with the PEN an agreement for renegotiating its License (the "Comprehensive Agreement") which was ratified and came into force through Decree No. 251 dated March 27, 2018. This put an end to the renegotiation process under the LEP. The Comprehensive Agreement provisions cover the contractual period from January 6, 2002 to the end of the life of the License.

The Comprehensive Agreement requires the Company to indemnify and hold the National Government harmless from and against arbitration awards obtained prior to its date of execution by former shareholders CMS and Total. The amount of said indemnity, to be determined, will not include any proportional reduction percentage that could have been established under the respective settlement agreements, will exclude amounts on account of default interest accrued against the National Government, and will be calculated at present value. By way of reference, these are the amounts established in the arbitration awards: CMS Gas Transmission Company vs. Argentina (case ARB/01/8, with award in favour of CMS for US$ 133.2 million, dated May 12, 2005), and Total S.A. vs. Argentina (case ARB/04/1, with award in favour of Total for US$ 85.2 million, dated November 27, 2013). The indemnity, for such amounts to be defined as above mentioned, shall be borne by TGN exclusively through sustainable investments, additional to those established by ENARGAS as mandatory investments, in gas pipelines and ancillary facilities in Neuquina Basin. These investments will not be reflected in the Company's rate base.

Between April 2014 and December 2017, TGN obtained successive interim rate increases to be computed toward the Comprehensive Rate Review ("CRR") undertaken by the ENARGAS effective March 2016. The CRR further established that between April 1, 2017 and March 31, 2022 the Company should undertake a Mandatory Investment Plan ("MIP") for approximately $ 5.6 billion, at December 2016 currency, with said amount to be adjusted in the same proportion as TGN rates. The Company was required to make the committed investment and also to execute the works established in the MIP.

The regulatory framework applicable to the industry allows for non-automatic, semi-annual rate adjustments by the cost of service, in order to maintain the economic-financial balance and the quality of service.

In September 2019, the Energy Secretariat passed Resolution 521/2019 (amended by Resolution 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).

The Social Solidarity and Production Reactivation Law, under the Public Emergency Framework Law No. 27,541 (the "Solidarity Law") enacted in December 2019, empowered the PEN to freeze natural gas rates 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. The PEN was further empowered to administratively intervene ENARGAS. Indeed, on March 16, 2020 the PEN instructed the intervention of the ENARGAS, entrusting the comptroller, to conduct a legal, technical and economic audit of all aspects regulated under the Solidarity Law in energy matters, and to prepare a report to be submitted to the PEN.

Upon enactment of the Solidarity Law, the National Government announced its intention to suspend natural gas and electricity transportation and distribution utility rate adjustments for companies under federal jurisdiction for

180 days, to start the CRR renegotiation process that was in place since 2017, or start a rate review of an exceptional nature. On June 18, 2020, the PEN passed Necessity and Urgency Decree No. 543/20 by means of which it extended the rate freezing initially established under the Solidarity Law for another 180 consecutive days.

On November 20, 2020, ENARGAS Comptroller submitted a report to the National Energy Secretary and the National 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, 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 proposed 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 established under Decree 1020/20, making reservation of its rights and actions.

On June 1, 2021 the Company received notice of certain resolutions passed by the Ministry of Economy ("MECON") as well as the ENARGAS, all of them validated by a presidential decree, whereby an Interim Rate Regime ("IRR") was put in force.

The IRR involved: (i) that TGN rates remained frozen, (ii) that the Company will have to continue to render the gas transportation service, (iii) the continued prohibition to distribute dividends, prepay loans with shareholders and acquire companies or grant loans (except to users or contractors other than the Company's shareholders) without ENARGAS previous approval, and (iv) that no mandatory investment plan applies during the IRR. The IRR also provided for the possibility that ENARGAS adjusts TGN rates as from April 1, 2022.

On June 30, 2021, the Company filed an appeal at administrative level against Decree 1020/20, MECON and ENARGAS Joint Resolution 2/21 whereby the IRR was approved subject to further approval by the PEN, Decree No. 353/21 which ratified Joint Resolution 2 and ENARGAS Resolution 150/21 whereby the IRR rate charts were put into force. In line with the express provisions of the 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 prohibitions imposed by the IRR.

Under Resolution No. 518/2021 dated December 27, 2021, ENARGAS called for a new public hearing that took place on January 19, 2022, during which gas transportation and distribution licensees submitted their interim rate adjustment proposals for year 2022.

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, that will remain effective until December 2022, unless extended by agreement of the parties, does not provide for mandatory investments but establishes: (i) that the Company will have to continue rendering the gas transportation service, (ii) the prohibition to distribute dividends, prepay loans with shareholders and acquire companies or grant loans (except to users or contractors other than the Company's shareholders), without ENARGAS previous approval, and (iii) that during the effective term, TGN and its controlling shareholder, Gasinvest S.A. ("Gasinvest") 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 its ratification by PEN Decree No. 91/22 and through ENARGAS Resolution No. 59/22 dated February 23, 2022, approving the interim rates effective as of March 1, 2022.

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

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

**4 – FINANCIAL POSITION**

***Loans and Notes***

As of year-end, TGN total financial debt amounted to $ 9,715.5 million, all of which is fully denominated in US dollars.

As to the debt in pesos, during 2022, TGN has paid the full debt as follows:

- *Loan in Pesos*: disbursed by Banco Macro in August 2020 for $750 million at a BADLAR rate plus margin, repayable in three equal consecutive instalments due within 12, 15 and 18 months thereafter. The last principal instalment and interest thereon for a total of $ 275 million was paid on February 21, 2022.

- *Notes in Pesos* ("*ON Series I*"): non-convertible notes issued by the Company on August 10, 2020 for an amount of $ 1.5 billion, at a private BADLAR plus margin and due in three consecutive instalments within 12, 15 and 18 months thereafter. On February 10, 2022, the last principal instalment and interest thereon (net of repurchase) was paid for a total amount of $ 450 million.

As to the debt in US dollars, on October 21, 2022 TGN voluntarily renewed the loan with Itaú Unibanco Nassau Branch for a two-year term, with a lower interest rate. The new terms and conditions of the loan are described below:

- Amount: US$ 55,000,000.
- Term: twenty-four months.
- Amortization: 100% at maturity.
- Interest: quarterly.
- Rate: 1.5% p/a.
- Prepayment: total or partial at any time without any cost or penalty.
- Guarantee: first lien for the amount of US$ 56,500,000.

Thus, and in spite of the substantial economic crisis that the country is going through, the Company has paid all its financial commitments and has consequently reduced its indebtedness by $ 750 million, with respect to the previous fiscal year.

**5 – TGN' S ACTIVITY**

With a 6,788 km gas pipeline network, TGN provides the natural gas transportation service via high-pressure gas pipelines in the Central and Northern regions of Argentina. TGN also operates and maintains 11,000 km of both own and third party pipelines. Through its two main gas pipelines, Northern and Central West, TGN supplies gas to eight of the nine gas distributors as well as to several power plants and industries across fifteen Argentine provinces. TGN system is connected to "*Gas Andes*" and "*NorAndino"* gas pipelines, built in due course to transport gas to the Central and Northern regions of Chile, respectively; to the "*Entrerriano*" Gas Pipeline, which transports gas to the Province of Entre Ríos and the Uruguayan coastline, to *Transportadora de Gas del Mercosur S.A*. pipeline and to the *"Northeast Gas Pipeline"* ("GNEA"). The Company also operates and maintains midstream facilities upstream its system at Vaca Muerta Field (Neuquina Basin), as well as along "*Gas Pacífico Argentina*", "*Loma Campana*" (YPF Luz) and "*Fortín de Piedra*" (Tecpetrol). Additionally, TGN provides operation and maintenance services to *Gasoducto de Integración Juana Azurduy* ("GIJA") in Argentine territory. This pipeline extends along 30 km from the Argentine-Bolivian border to Refinor S.A. plant in the Province of Salta, and connects to the Northern pipeline system and GNEA intake.

Since the beginning of its operations in 1992, TGN has, on its own and in association with third parties, expanded its transportation capacity from 22.6 MMm3/d to 59.7 MMm3/d, representing a 164% increase. These expansions, as well as the great number of maintenance and integrity works, required investments by TGN for US$ $1,541.3 million. In physical terms, those expansions required the installation of 2,619 km of new gas pipelines, the construction of eight new compressor plants and the installation of twenty-one turbo-compressors, which added 216,250 HP of installed capacity.

**6 – OPERATIONAL HIGHLIGHTS**

***Gas Transportation***

- The volume of gas received and transported during the fiscal year reached 18,710 MMm3, that is, an average of 51.26 MMm3/d, distributed as follows: 31.19 MMm3/d, Central West pipeline, 13.42 MMm3/d, Northern pipeline, and 6.65 MMm3/d were delivered in average in the Province of Buenos Aires.

- Maximum daily injection values at intake were 35.66 MMm3/d in Central West pipeline and 20.59 MMm3/d in Northern pipeline.

- As regards Northern pipeline, average injection by local producers was 2.99 MMm3/d while the rest was injection of gas imported from Bolivia, which reached an average of 10.4 MMm3/d, with injection peaks of 16.55 MMm3/d during July and September.

- As to injection received in the Province of Buenos Aires, a total volume of 1,267 MMm3 of LNG was received in the district of Escobar, mostly during the period of April to August, with a maximum daily injection of 20.2 MMm3/d. In turn, in the locality of General Rodríguez, Transportadora de Gas del Sur S.A. injected a total of 1,163 MMm3.

***Operational Excellence***

The Company's Operations Management Department has issued a document with operational guidelines called "*A journey toward Operational Excellence*". In essence, the vision is supported on three fundamental pillars to achieve excellence: "People", "Processes" and "Technology".

- In terms of "People", by training and implementing competence certification processes, establishing partnerships with universities and academic sectors (e.g., *Asociación de Empresas de Petróleo, Gas y Energía Renovable de América Latina y El Caribe* ("ARPEL"), IAPG, etc.), in order to share experiences with other operators and attending national and international conferences, so as to attain a professional management.

- In terms of "Processes", by updating business processes, adjusting them to new requirements, seeking their digitalization as well as prioritizing the concepts of safety, quality and efficiency.

- In terms of “Technology”, by innovating, going beyond the limits, with topics such as Machine Learning, Internet of things, etc.

The vision contained in this document is consistent with the Company’s Vision and Mission and is strongly connected to three strategic goals perused in recent years. These are:

- Strengthen TGN’s Know How: by consolidating the technical career, training and certifying staff and reinforcing the relationship with universities.

- Manage the cultural change project on safety matters, setting annual milestones to be met along time to evidence progress made in said project.

- Ensure facility maintenance and pipe integrity management quality, aimed at maximizing transportation capacity in line with a prudent, efficient and diligent operation, as required under the License.

The Company is currently working to make this Operational Excellence vision part of the global energetic transition context. To that end, the goal to reach zero net greenhouse gas emissions in transmission operations by 2050 has been set. In order to appropriately define this goal, the Interstate Natural Gas Association of America commitment issued in 2021 has been taken as reference. Accordingly, a multidisciplinary team has been created that is evaluating and developing technical alternatives to drive down emissions from gas pipeline venting. Based on a preliminary study conducted by said team, a five-year goal and 2023 objectives have been established, including that to raise awareness and train staff in environmental protection and sustainability matters.

***Integrity of Facilities***

- The Company was able to conduct a comprehensive cathodic protection inspection on its facilities by remotely monitoring current injection equipment and the use of other technologies, and continued with the Cathodic Protection System (“CPS”) program, and technologically updating rectifiers, adding 17 new equipment to the system. Thus, an implementation rate of 90% of the total number of equipment in TGN system was achieved, and the program is expected to be completed during 2023. Also, a new field mobile application (*App Mobile*) was implemented for surveying CPS equipment, corrosion cores and casing pipes, achieving shorter inspection times and a better data quality.

- Pipeline inline inspection and repair programs were carried out by applying different inline inspection technologies for a greater detection and interaction of threats and system georeferencing. Scraper runs were implemented along nine Central West pipeline sections; also the tool *Electro Magnetic Acoustic Transducer* (“EMAT”) was run along section 33 (Central West Pipeline) and section 38 (“*Aldao – Santa Fe*” pipeline). Additionally, the scraper was run along third party pipelines, such as one section of Entrerriano pipeline and another one along “*GNL – Escobar*” pipeline owned by YPF S.A. (“YPF”).

- As for the crack management program, progress has been made around the study of materials, by conducting laboratory and specialized mechanical and fractomechanical tests. Failures continued to be analysed in order to determine root causes and thus strengthen the integrity program. Efforts were also made to improve on-site non-destructive tests and develop new suppliers, thus improving the safety factors in line with reported cracks.

- Efforts toward the design of a program to improve EMAT tool performance were made jointly with supplier ROSEN. A new inline inspection with the EMAT tool is scheduled along section 13 for 2023, in order to confirm the improved performance of the tool.

- As regards the overhead pipe integrity plan, nipples were retrofitted at San Jerónimo Compressor Plant and x-rays were taken of circumferential seams at Beazley Compressor Plant.

- The internal corrosion program was continued to be reinforced with specific monitoring and mitigation actions such as laboratory analyses, studies to determine the corrosive potential of the transported fluid and analyses through hydrodynamic simulations. Progress was made with the acquisition of scrapers to carry out inline cleaning programs. Work is being done with an external supplier on the development of a procedure that allows to define the main premises and thus mitigate this threat to the system.

- The new PART G of the Argentine Gas Standard NAG-100 was complied with by updating safety assessment reports on specific sites where surrounding conditions experienced changes. Note that the initial analysis of 100% of the system required by said standard was completed during the previous fiscal year.

- The implementation of the “Damage Prevention Program” in compliance with API 1162 standard continued through awareness sessions, while satellite and aerial images taken by drones, as well as terrestrial surveys were used for the close inspection of particular pipeline sections.

- New applications were developed and implemented for surveying construction works, signalling and prevention inspection visit records.

- The prevention specialist team continued to be consolidated by increasing their number to twelve assistants strategically distributed.

***Projects and Works on Gas Pipelines, Meter and Regulating Stations and Compressor Plants***

TGN undertook a program involving projects and works to maintain its transportation system. The main activities conducted were as follows:

- Completion of 48km recoating along sections 3, 5 and 13 of main Northern pipeline.

- Installation of a new air cooler for oil and a coalescing filter for fuel gas at *Solar Taurus 70* equipment at Beazley Compressor Plant. Also at this compressor plant, the plant control system (ESD-PLC and STN-PLC Systems) was replaced, as well as the Solar Taurus 70 turbocompressor ancillary services and control system.

- The Hazard and Operability (“HAZOP”) studies were carried out at Lavalle and Deán Funes Compressor Plants.

- The second stage of the project implemented for retrofitting obsolete on/off valve control boards at Miraflores Compressor Plant was completed.

- With respect to the cathodic protection program for pipe insulations and replacement of gaskets/joints, materials were acquired in order to carry out the work at Cochico Compressor Plant. Retrofits were also made within Lavalle, Deán Funes, Ferreyra and San Jerónimo Compressor Plants

- Hydraulic tests were conducted along section 13, portions 4 & 5 (47.4 km), section 3 (21.5 km), and section 11 (24.9 km). Tests along these sections were conducted at such a pressure that would allow, on the one hand, to mitigate the threat of cracks resulting from spike tests, and on the other, would provide each tested segment with a reasonable safety factor.

- Barrels were manufactured for fixed scraper traps on Central West pipeline, to be installed in 2023.

- Several tasks were undertaken at certain Meter and Regulating Stations located in the Provinces of Córdoba and Santa Fe (such as the removal of liquid storage tanks, refurbishment of bypasses, installation of vent relief valves, etc.).

- Overall, 193 test holes were completed along the entire TGN system, as well as eleven for third party pipelines (Gas Pacífico Argentina S.A. and Entrerriano Pipeline – CEGSA –).

- Refurbishments at “Río Piedras, Río Negro and Río San Lorenzo river crossings were completed.

***Operation and Maintenance for own and third party pipelines***

Activities to be highlighted include:

- A service hired by YPF is in progress; it consists of overhauling and starting-up three Ruston TB 5000 turbines at their Randall de Loma La Lata Plant located in the Province of Neuquén. This service includes the inspection and maintenance of natural gas compressors Cooper RC3BB and Rademakers boxes.

- TGN improved the quality of third-party pipeline operation and maintenance services, each time giving the responses expected by each client. Thus, commitments made with ENARSA for the operation and maintenance of GNEA and GIJA; with Gas Pacífico Argentina S.A. (for the operation and maintenance of pipeline along San José de Añelo and Chos Malal sections) and Tecpetrol S.A. (for the operation of Fortín de Piedra) have been appropriately honoured.

- Works were commissioned along GNEA in the Province of Formosa, and maintenance plans for 2023 were developed. Additionally, three meter stations were commissioned during the fiscal year. Line valve maintenance and inspection services were also provided.

- An integral audit was conducted on Norandino Chile gas pipeline facilities so as to be able to improve the maintenance and integrity program.

- A pilot "Insight" services contract was implemented with Solar Turbines ("SOLAR") at La Mora Compressor Plant. This allows to remotely monitor the three turbo compressor packages at the plant with an ongoing monitoring of their integrity and operating conditions. Determination was made to extend the pilot contract until June 2023, with the addition of three turbocompressors at Puelén Compressor Plant. Starting in July 2023, these six equipment under the pilot contract, plus another equipment from Beazley Compressor Plant and still another one from Cochico Compressor Plant, will become the first eight machines covered under a formal InSight agreement with SOLAR.

- The overhaul of the MC05 CLARK motor-driven compressor, TLAD8 model, was completed at Tucumán Compressor Plant, and the overhaul of the MC01 CLARK motor-driven compressor, TLAD8 model, at Miraflores Compressor Plant is in progress.

- In-house overhauls were carried out on SULLAIR LS 10 air compressors at Baldissera, Miraflores and Pichanal Compressor Plants.

- In-house overhauls on three WAUKESHA motor generator sets were carried out at Miraflores, Lumbreras and Chaján Compressor Plants, as well as on a CATERPILLAR motor generator set at La Mora Compressor Plant.

- The program for converting "compressor cylinders" into "non-lubricated" cylinders for five equipment at Lumbreras Compressor Plant and other four at Deán Funes Compressor Plant was completed.

- SULLAIR CA03 air compressor was installed at Ferreyra Compressor Plant and the two *Atlas Copco* air compressors were already received at Baldissera Compressor Plant for prompt installation in order to meet the new standard for compressed air systems at plants.

- The quarterly analysis to investigate causes for station emergency shutdown ("*SESD*") plants with venting capabilities continued. After said analysis, responsibilities were assigned to different areas in the organization and specific actions were defined to minimize the occurrence of those incidents.

- In-person audits at direct customers' facilities were completed, with a total of 34 annual inspections scheduled.

- The work team created for implementation of ISA 18.2 standard on HMI alarm management at compressor plants was able to fully rationalize alarms as required under said standard at Baldissera Compressor Plant.

- Improvements were made to the general infrastructure of the warehouse building including, among others, (i) painting inside the warehouse, offices and hallways, (ii) painting the warehouse floors and full signalling, as well as vinyl floors in offices, and (iii) electricity system retrofit.

- The project for interconnecting Sierra Chata pipeline to Loma Campana Thermal Plant through a physical bypass was carried out as contractors for YPF, which allowed to comply with the committed contractual milestone.

***Implementation and reinforced use of technologies applied in operation and maintenance***

Innovation management is a strategic objective for TGN. Below is a description of main activities conducted in connection with this matter during the fiscal year:

- The use of digital radiography was adopted (instead of conventional physical radiography) for taking x-rays of circumferential seams at Beazley Compressor Plant as a pilot project. In light of the proven advantages of this technology, its future application as a standard in all TGN works will be evaluated.

- Efforts were undertaken toward the development of mobile applications for slow-pace field activities, inspection of construction works and signalling, aimed at collecting data, store it at the corporate database and view data through the geographic information system ("GIS").

- The second stage of the pilot project for pipe modelling through augmented reality technique started to be developed.

- Tools designed to combine and validate calculations about fitness for service and repairs continue to be developed and reviewed. The tool is used to calculate: (i) cracks; (ii) corrosion and (iii) geometric defects.

- Progress has been made in terms of testing and studying the cathodic charge in order to assess the susceptibility to hydrogen embrittlement of particular materials along the system (section 13).

- Fitness for service calculations were updated, consolidated and automated, jointly with others relating to critical cracks and defects, through the use of a software developed for the purpose.

- Breakthrough equipment for direct measurement with current (*Sharck – Spyne – Reddy*) was acquired for assessing and measuring cracks in the field, allowing to detect and measure discontinuities such as Stress Corrosion Cracking ("SCC") as well as axial and circumferential defects both in body and weld, including geometrical deformities, this representing a state-of-the art technology for this type of testing.

- As regards project management, technological tools continued to be developed and implemented, such as the *Daily Report Inspection Application*, in order to be able to have online information about the progress of the works. On the other hand, the monthly project certification forecast process was migrated to the corporate information system ("SAP") for more robust data and easier access to information. Also, the use of the "*Estimate*" software for budgeting, as well as the use of boards in *Power BI* became more extensive.

- In terms of maintenance, progress was made toward the application of a tool that allows access to the full Ruston turbine overhaul process via a tablet type device. Said tool was used in the last three overhauls, with good results This application facilitates: (i) conduct of major maintenance works with a step by step guide, (ii) recording of maintenance work, (iii) on the job training, and (iv) supervision of the quality process through approval of critical tasks on the part of specialists. In addition, another technological tool started to be developed for use also in tablet type devices to facilitate the adoption and implementation of a new condition assessment activity that involves technical inspections at compressor plants.

- In warehouse management terms, the use of data collectors for recording movement of materials was consolidated at six warehouses at several TGN locations, after a successful implementation at the central warehouse.

- As for the telesupervision of block valves and meter and regulating stations project through *IOT Lorawan* ("Internet of Things") technology, and for the purposes of conducting an initial concept test of this technology, a work team made up by specialists from the University of Buenos Aires Gas and Oil Institute ("IGPUBA"), the University of Buenos Aires School of Engineering ("FIUBA"), and the National Institute of Industrial Technology ("INTI") was established.

- Central recording of SESD events was completed through OSI PI software. This will allow the ESD report to be issued more frequently, i.e. every two months, as well as a better follow-up of associated incidents to prevent reoccurrence.

***Know-how deepening as a strategic objective.***

TGN has academic relationships with several public and private universities in the country with the aim of onboarding talented professionals. In 2022, young professionals who participated in the second edition of the "Gas Specialization" course at the IGPUBA, graduated successfully. In this second year, 20 professionals participated, totalling 500 teaching hours. In order to acquire a deeper know how, the following activities were carried out:

- Certification of competencies for own executors continued, with the following results:
    - Cathodic protection certification program – level 2 and level 3.
    - The first external training workshop on WACHS (FLOUSA) cold cutters was conducted, including one hands-on session at Beazley Compressor Plant under simulated conditions.
    - 100% of staff who operate motor-driven compressor plants was certified.
    - Hot taps: The first external training workshop on drilling equipment (TD WILLIAMSON) including a hands-on session was conducted at Pacheco Base under simulated conditions.
    - Staff assigned to passive compression shifts was certified.
    - The certification of pilots of unmanned aerial vehicles by the National Civil Aviation Administration ("ANAC") was completed.
    - Painters assigned to recoating works were certified by an external reputable entity.

- Personnel from the integrity area received international certification as Pipeline Integrity Engineer, Foundation Level. In 2021 and 2022 the next stage of this certification started, aimed at achieving the "Practitioner Level" in 2023.

- The technical career for training and development of specialists continues to be consolidated. During 2022, an integral review of the contents of the technical career started, for implementation in 2023.

- Training continued for key personnel through leadership forums for new leaders and young professionals with high potential.

- The course to become a university expert in "*Risk Management and Occupational Health and Safety Assessment*" was given at the National Technological University ("UTN") addressed to personnel from the Operations Department.

- Eight plant operators completed the new "Program for Trainees".

- The training program for trainees continued to be designed, with the acquisition of such level of knowledge allowing to conduct the maintenance of Meter and Regulating Stations on an autonomous basis.

- Progress was made in the mapping of processes, sizing and skills of people from the project management department, so as to obtain a diagnostics about their performance, identification of gaps and design and implementation of actions required to cover them.

- The Company participates in organizations such as ARPEL, IAPG ("Integrity Committee" and their subcommittees on "Damage Prevention" and "Databases and Coatings"), Instituto Argentino de Normalización y Certificación ("IRAM"), where experiences are shared with other operators. In matters of damage prevention, TGN has created and leads the new "DP and Interference Committee" at the IAPG - Neuquén.

- Involvement in Y-TEC *H2Ar* joint venture led by YPF Tecnología ("Y-TEC") continued, which promotes a collaborative framework to study, develop and propose stimulus programs, and also to implement pilot projects related to the value chain of hydrogen.

- Specialists from TGN integrity area participated in the following international conferences: *Technology for Future and Ageing Pipelines*, *Transportation Oil and Gas Congress*, and *Pipeline Pigging and Integrity Management*. Additionally, said specialists made a presentation on "*Operation and Maintenance of Mountain Pipelines*" through a *Webinar* hosted by the *International Division of the Pipe Line Contractors Association.*

- Safety Sessions were held through webinars, designed to share lessons learned, to thus strengthen the safety culture. With the support of the API RP 1173 process, several safety webinars on incident investigations have been conducted, and third party pipeline ruptures have been studied, applying there the "lessons learned" concept. Awareness efforts in safety matters were also strengthened, basically through safety committees, training and certification of inspectors, and safety development programs with contractors, among other actions.

- The "*TGN Safety Week 2022*" was celebrated in order to keep on raising awareness about the value of prevention, focusing on making it a cultural habit sustainable along time. Here the focus was placed on contractors' safety, as well as the 'safety first' concept.

- Equipment is being inspected, as a step necessary to achieve the classification required for ISO 14224 standard implementation.

**7 – PENDING CONTROVERSIES RELATED TO EXPORT TRANSPORTATION AGREEMENTS**

In 2004, as a result of an increased domestic demand for gas and a simultaneous drop in production and reserves, the National Government adopted measures, still in force, to ensure that natural gas supply is primarily allocated to meet domestic demand. This involved restrictions on gas exports, which significantly affected sales of gas transportation services to foreign destinations and caused a steady decline in the use of firm gas transportation services. Although TGN was able to enter into settlement agreements with some foreign customers for the early termination of transportation contracts in exchange for a monetary compensation (which early termination nevertheless has caused a negative net effect on TGN's expected cash flows), one legal dispute with the Chilean distributor Metrogas S.A., which is described in Note 22.1.4, to the Company's Financial Statements as of December 31, 2022, remains unsettled.

With respect to the conflict that the Company had with YPF, on February 3, 2023 the parties reached a settlement agreement which is described in Note 22.1.3 to the financial statements referred to in the preceding paragraph.

**8 – QUALITY, SAFETY AND ENVIRONMENT**

The safety, environmental and health prevention culture program continued to be developed, with an awareness and accident prevention campaign, as well as one in-person meeting with all leaders of TGN contractors being central efforts.

In quality matters, a relevant activity during the year was the audit conducted for maintaining the certification of the Integrated Management System ("SIG"), as per quality management ISO 9001 standard, environmental management ISO 14001 standard and occupational health and safety management ISO 45001 standard, with satisfactory results.

As for process safety management, activities were conducted during the year, such as participation on the ARPEL safety committee and training through an external consultant on "Process Safety Management" implementation.

In health and safety matters, TGN maintained compliance Level 4, which is the highest level established under PEN Decree No. 170/96 related to occupational risks; this means maintaining a prevention management, working conditions and work environment in excess of legal requirements

Several webinars were held during the year about incident reporting and lessons learned, which were widely attended by staff from all operating areas.

The third "Greenhouse Gas Inventory" was also developed during the year, and studies were started to identify emission reduction opportunities in natural gas operations. This measurement allows to manage, control and eventually reduce said emissions, while it also facilitates determination of the scope of associated environmental impacts.

In environmental improvement matters, the following programs were implemented: (i) monitoring of safe venting at plants; (ii) assistance with the implementation of the reverse osmosis process in cooling water treatment processes at Miraflores Compressor Plant; and (iii) reforestation by planting fifty new trees in different regions along the sides of the pipeline trail.

As for the occupational health management and prevention & management programs associated with the COVID pandemic, the "*Contingency and Continuity Plan*", refurbishment of facilities to accommodate in-person activities, and prevention and care activities continued.

Finally, as for the prevention of psychoactive substance use, an awareness and communication program was developed with the participation of an external specialist, targeted at all TGN employees.

## 9 – HUMAN RESOURCES

Below are the actions adopted aimed at attracting, motivating, developing and retaining human resources whose talent is required for the successful management of the business.

### *Development*

The 2021 employee performance management process was conducted; said process consisted of several stages, with the final one being the definition of specific development actions for the following year. The "People Review" process was also completed in order to define specific development actions targeted at employees and a succession plan for key positions. As part of said process, the fourth cycle of the "Technical Career" was held.

The *Work Climate Survey* was launched in August, again through Great Place To Work ("GPTW"). The participation rate obtained was 95%, and the average rate of all answers was 75%. Thanks to these results, TGN got the GPTW certification as a great place to work for the second time in a row.

A new edition of the *Young Professionals Program* started in September. Said program was redesigned in order to generate a differential value proposal aligned with TGN present and future needs. The group is made up by twelve young professionals who participated in induction courses, training sessions, technical visits, etc.

"*Exchange and Integration Sessions*" were held as usual in the months of May and November. The agenda included reviewing several organizational aspects and others relating to the context, and experiences were also shared.

Finally, the "Diversity and Inclusion" project moved forward. During the year the "TGN Diversity & Inclusion Statement" was developed and communicated, and workshops to reflect about the value of diversity, the challenges of inclusion, and how to contribute to gender equality, were also held at all levels in the organization.

### *Internal Communication*

The internal communication area continued to play an active role in order to keep employees informed and updated about the Company's news and its main processes. More than six hundred pieces were prepared and published in several communication channels. Semi-annual meetings with the CEO were held with the participation of over 350 associates, during which TGN's CEO shared the most relevant news and challenges faced by the organization. -

### *Training*

Different training efforts were implemented during the year through the "*Center for Knowledge Transfer*" ("CKT") designed to drive the leading role of technical leaders in the design of a high-quality technical training and management offering. The most relevant ones are mentioned below:

- Program for new entrants.

- On the job training and supervised practice for technical-operating positions as well as for new Section Leaders.

- Internal certification projects continued to be implemented for employees who fulfil high risk tasks.

- Technical training sessions were implemented under the Young Professionals Program aimed at strengthening professional competencies and skills of future successors.

- Training of leaders included “Forums on “Leadership” for managerial positions in the various areas of the Operations Management department.

- As part of the agreement with the UTN, the course “*University Expert on Risk Management and Occupational Health and Safety Assessment*” was delivered to managers in each Section.

- The virtual course “*TGN Journey, Integrity and Transparency*” was designed and implemented in order to strengthen the transparency and anticorruption culture; attendance was mandatory for all employees as well as Board and Supervisory Committee members.

***Employment***

Eighty employees were hired by TGN during the year, mostly for the Operations Department. Additionally, several actions were adopted in order to promote TGN as an employer and attract new talents:

- *Young Professionals Program*: This program was intended to attract young professionals and students about to get their engineering degree so that they would assist in positioning TGN brand through university job boards and social networks. As a result of the program, twelve young professionals from several provinces of the country were hired by TGN in September 2022.

- *Education internships at Deán Funes Section*: Four students from technical schools joined the Company; these students went through a learning process guided by a dedicated tutor for three months. Upon completion of said period, they presented their internship project in front of the educational community and the technical team from said Section.

- *FIUBA Education Internships*: Four students from FIUBA joined the Company in October 2022 for a period of six months. Each intern shall prepare a project to be then presented to said university and a technical team from TGN.

- TGN participated in the *Sixteenth Annual Meeting of Student Chapter – 2022,* held in the Province of Neuquén.

***Compensations***

With respect to unionized employees, after negotiations for April 2021 to March 2022 period were completed during the first quarter of the fiscal year, several salary agreements were entered into for the period between April 2022 and March 2023. Said negotiations will be concluded in March 2023. Non-unionized employees obtained a salary increase in line with industry reference pay levels. Likewise, in line with the Compensation Policy, that contains principles of internal equality, external competitiveness and performance, among others, the process of salary increases by merit was conducted during the year, and the performance bonus for 2021 fiscal year was paid in April 2022.

**10 – PUBLIC AFFAIRS**

By managing Public Affairs, TGN strengthens its reputation in order to gain social consensus to operate and thus contribute to drive economic results. This is carried out by managing links, positioning the brand and putting forward matters of concern for internal audiences and stakeholders. Thus the Company manages institutional affairs and external communications in order to strengthen links, manage interests with key audiences, as well as reinforce its commitment with the United Nations sustainable development objectives.

The annual action plan for public affairs management covers the Company’s objectives, project plans, the integral risk map, pipeline system matrix, mapping of stakeholders, as well as the context where the Company does business.

The Company has presence in trade fairs, congresses and exhibitions held both in the industry and spaces where specific knowledge about the gas industry or business management is developed (for instance, E*xpo Oil and Gas – Buenos Aires and Neuquén – Argentina, Annual Conference – ARPEL – Lima, Perú*).

Additionally, the Company conducts institutional advertising on national, provincial or regional, as well as niche media, and manages relationships with the press through spokesmen and communications, and through the implementation of its digital content strategy on websites and social networks.

TGN encourages and supports its employees so that they take part in technical committees belonging to business or professional associations, as well as to engage in its corporate volunteering efforts, in order to enhance its Corporate Responsibility programs. Such an active role is guided by the Company's Vision, which is "*being a sustainable and growing company, an example in the energy sector, chosen by its people as a place to grow, recognized in the industry and committed to the community*".

As part of the digital strategy for social networks, TGN implements an action plan aimed at growing the number of followers, and also at gaining customer loyalty, by improving the quality of contents in order to increase interactions as well as the engagement rate. In each of the social networks TGN participates, efforts are made to create content in line with its audience profile and relevant agendas on a gradual basis.

As for press management, the Company works proactively on getting to know the media, their publishers and journalists. It defines those media that are strategic and seeks to focus on technical matters and the particular features of the market. It also shares information about its sustainability management efforts and experience or vision about issues relating to employer branding, diversity, safety, among others.

Finally, its advertising approach has two specific coverage targets. On the one hand, a media plan for the inland of the country addressed to communities, municipalities and companies, so as to support its operations and prevent damages, to alert, prevent and raise awareness about the existence of its pipelines and eventual interferences. On the other hand, it develops media plans for niche media, basically in the energy sector, and a targeted and strategic presence in newspapers, magazines and/or web portals of national reach with a focus on business, market and sustainability.

## 11 – CORPORATE SOCIAL RESPONSIBILITY

A responsible conduct of business involves, for TGN, a comprehensive consideration of environmental and social matters associated with its main activity of gas transportation, including the supply chain and business relationships. Furthermore, TGN is of the opinion that the Sustainable Development Goals ("SDG") defined by the United Nations in 2015, imply challenges and opportunities for business development within its value chain. During 2022 the Company implemented a number of initiatives aimed at identifying improvement opportunities related to its business strategy as part of this approach.

The most significant efforts here include:

i. SDG prioritization was updated and their hierarchy was aligned with the Company's strategy and main decision-making processes.

ii. A study was started based on environmental, social and governance criteria ("ESG" by its acronym in English).

iii. The reporting process was updated according to the standards required by the *Communication on Progress by the UN Global Compact.*

### *Main Community Relations Programs*

### *"Value Chain" – Local Provider Development*

This program, which is 15 years old, is designed to drive providers' capacities so that they are able to offer quality services. Eighteen providers from six provinces participated during the year.

***Corporate Volunteer Program***

One hundred and six volunteers joined the program, keeping participation at the same level as in 2021, though with the addition of in-person activities that resumed after the COVID pandemic.

***"Education in Motion" platform***

The educaciónenmovimientotgn.com.ar website seeks to maintain communication with the whole educational community, by providing teaching resources and updates about the Company's activities, workshops and contests.

***2020 – Fundación Leer***

This program is intended to encourage the habit of reading among children in the country so that each of them reads at least 20 books per year. The number of readings on the platform exceeded 21 million. More than 364,000 users from 3,529 localities signed up. In the Province of Salta, the program was implemented in three rural schools and other three urban schools in the department of Orán.

***Project Risk Management***

Through partnerships with public sector institutions, the civil society and other private sector players, actions to prevent the occurrence of personal damages in areas confronted with significant social conflicts were implemented. Due diligence processes were put in place for each project aimed at assessing risks, designing action plans, and applying conflict prevention and mitigation actions.

**12 – COMPENSATION POLICY**

The Board of Directors' compensation is determined by the Shareholders' Meeting for each fiscal year. The compensation policy for Company's managers and chief officers establishes a monthly fixed basic compensation and a variable additional amount payable on an annual basis. The fixed component is based on the level of responsibility inherent to the position and market values, in accordance with TGN's Compensation Policy that contains salary guidelines for all non-unionized staff. The variable component consists of an additional amount based on performance and achievement of the objectives set for the year. Said compensation is fixed according to the Performance Bonus Policy and applies to all non-unionized staff. Additionally, all TGN employees are recipients of the Profit Sharing Bonus, established at 0.25% of profits for each fiscal year. The Company's policy does not foresee stock option or other plans for its personnel.

**13 – DECISION-MAKING POLICY**

The corporate bylaws establishes that the Board of Directors of the Company shall consist of fourteen regular directors and an equal number of alternate directors, who shall be responsible for TGN's management and administration. The directors' term of office is one year from their appointment by the Shareholders' Meeting. Of the fourteen directors: (i) nine regular directors and their respective alternates are elected by Class A shares at a Special Class A Shareholders' Meeting; (ii) four regular directors and their respective alternates are elected by Class B shares at a Special Class B Shareholders' Meeting, and (iii) one regular director and his or her respective alternate are elected by Class C shares at a Special Class C Shareholders' Meeting. Of these, at least one Class A director and one Class B director shall be independent as per the Capital Market Act No. 26,831 (as amended by Act No. 27,440, the "Capital Market Act") and applicable Comisión Nacional de Valores ("CNV") regulations. The director appointed by Class C shareholders shall not have such status. TGN's controlling company, Gasinvest, has the right to appoint the majority of regular and alternate directors (the nine appointed by Class A). Compañía General de Combustibles S.A. and Tecpetrol Internacional SL, who jointly hold 100% of Gasinvest common shares, have entered into a Shareholders' Agreement ("the Agreement") in order to regulate certain aspects related to their indirect participation in TGN, such as the number of directors that each shareholder may appoint, and the decisions and actions that must be agreed upon unanimously. The Agreement establishes that the following actions and decisions must be unanimously agreed upon by Compañía General de Combustibles S.A. and Tecpetrol Internacional SL:

*i.* amendments to TGN's bylaws or equivalent documents,
*ii.* any consolidation or merger of TGN with another company,
*iii.* adoption of annual activity plans, investment plans and financial plans,

iv. budgets and any amendment thereto,
v. increase or decrease in number of members on TGN's Board of Directors and/or any other Company committee,
vi. issuance or redemption of TGN shares,
vii. TGN's dissolution, liquidation or bankruptcy proceedings,
viii. declaration or payment of dividends or other distribution by TGN that is not consistent with the dividend policy established in the activity plan,
ix. any investment by TGN in another company,
x. execution by TGN of any agreement which involves total payments or the purchase or sale by TGN of assets that, valued at their book value, exceed US$ 3 million in one or more transactions within a six-month period,
xi. any material changes in TGN's management, and
xii. selection of TGN's independent auditor.

Additionally, a supplementary shareholders' agreement establishes that all contracts for the supply of goods and/or services must comply with mechanisms that assure a plurality of technically and financially qualified bidders to ensure that contracts are carried out on an arm's-length basis, in observance of TGN's organization and management policies and standards. Also, contracts for the acquisition of goods and/or services with a company and/or its controlling and/or controlled companies that together exceed the amount of US$ 4 million must be approved by the Board of Directors.

The internal supervision of the Company's affairs is performed by a Supervisory Committee consisting of three regular and three alternate statutory auditors: (i) two regular members and their alternates are appointed at a Special Class A and Class B Shareholders' Meeting, acting jointly, of which at least one regular member must be independent; and (ii) a regular member and his or her alternate are appointed at a Special Class C Shareholders' Meeting. Supervisory Committee meetings are held with the presence of an absolute majority of members, and decisions are adopted by a majority of present votes, without prejudice to the rights of the dissenting statutory auditor. The members of the Supervisory Committee have the duty and right to attend Board and Shareholders' Meetings, call such meetings, request that items be included on the agenda and, in general, supervise all matters related to the Company and its compliance with the law and corporate bylaws.

**14 – AUDIT COMMITTEE**

Pursuant to the provisions of the public offering transparency regime set forth in the Capital Market Act and regulations thereunder, companies that offer their shares to the public must set up an Audit Committee consisting of at least three Board members, a majority of which must be independent as required by CNV regulations. During the fiscal year, TGN's Audit Committee performed the functions entrusted to it by the law and its internal regulations, in line with an annual plan submitted to the Board of Directors and the Supervisory Committee. The audit report forms part of the Company's annual financial statements.

**15 – COMPANY'S INTERNAL CONTROL**

The Company has an "Audit, Compliance and Process Improvement Department". The area manager functionally reports to the Board, through the Audit Committee, and hierarchically to the General manager. The "Internal Audit" area is responsible for regularly reviewing internal control systems in order to enhance the quality of processes, their documentation and reporting. The internal control is a process carried out by Management and the rest of the personnel, designed to provide a reasonable degree of assurance that the objectives of the Company will be met, considering the effectiveness and efficiency of operations, reliability of financial information and compliance with applicable laws and standards. In this regard, Internal Audit carries out procedures to comply with an annual plan, which is intended to monitor critical and significant operating, financial, legal, regulatory and IT-related risks, among others. The Audit Committee is informed by this Department about identified internal control weaknesses, as well as corrective actions taken.

Additionally, the "Compliance" Department is an autonomous area with sufficient resources, and reports directly to the Audit Committee or Supervisory Committee, as the case may be. Said area is responsible for identifying and mitigating corruption risks, promoting an ethical and transparent culture, as well as designing anti-corruption and anti-bribe standards in line with national and international legislation. It also receives and reviews reports submitted through the Transparent Line, and treats all information provided strictly confidential to the extent so allowed under applicable legislation.

**16 – DISCLOSURE OF THE COMPANY'S BALANCES AND TRANSACTIONS WITH ITS CONTROLLING COMPANY, FOREIGN RELATED COMPANIES, OTHER RELATED PARTIES AND KEY MANAGEMENT PERSONNEL**

Balances and transactions between the Company and its controlling company, foreign related companies, other related parties and key management personnel are presented in Note 28 to TGN's financial statements for the twelve-month period ended December 31, 2022. Individuals comprised in Section 72 of the Capital Market Act have been included as related parties.

**17 – OUTLOOK**

As for the rate issue, and as mentioned in paragraph 3) of this Annual Report, on January 4, 2023, a public hearing convened by ENARGAS took place, at which gas transportation and distribution licensees put forward their interim rate adjustment proposals for the current year. The Company expects ENARGAS to authorize a new rate adjustment during the second quarter of 2023 to partially mitigate the adverse effect resulting from by the rate freeze and inflation.

Finally, as described in paragraph 1) in this Report, 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.

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

**18 – PROFIT ALLOCATION PROPOSAL**

Fiscal year 2022 resulted in a loss of $ 7,173,947 thousand, while retained earnings as of December 31, 2022 as shown in the Statement of Changes in Shareholders' Equity amount to a loss of $ 2,618,968 thousand, net of Directors' and Statutory Auditors' remuneration.

Consequently, the Board of Directors proposes the Shareholders that said loss amounting to $ 2,618,968, be absorbed against the "Voluntary Reserve for Working Capital and Liquidity Coverage", reserve which, considering the balance as at previous year end and following this absorption, will stand at a balance of $ 43,289,620 thousand.

It is furthermore proposed that: (i) Board members be paid a remuneration of $ 66,439 thousand, and (ii) Supervisory Committee members be paid a remuneration of $ 18,894 thousand.

The Board thanks customers, suppliers and third parties in general, as well as the Company's employees, for their support and cooperation during this fiscal year.

City of Buenos Aires, March 8, 2023.

Luis Alberto Santos
Regular Director

Juan José Valdez Follino
Regular Statutory Auditor

Free translation from the original in Spanish for publication in Argentina

**ANNEX**
**REPORT ON THE CODE OF CORPORATE GOVERNANCE**

## A) THE ROLE OF THE BOARD

### Principles

I. The company should be led by a professional and qualified Board which will be responsible for laying the necessary bases to assure the sustainable success of the company. The Board is responsible for running the company's affairs and protecting the interests of all its shareholders.

II. The Board shall be responsible for determining and promoting the corporate culture and values. The Board shall assure compliance with the highest ethical and integrity standards according to the best interest of the company.

III. The Board shall assure the implementation of a strategy that is inspired by the company's vision and mission, and is aligned with the corporate culture and values. The Board shall constructively interact with management in order to assure a proper development, execution, supervision and alignment of the company's strategy.

IV. The Board shall continuously control and supervise the company's affairs, making sure that management takes actions addressed toward implementation of the strategy and business plan approved by the Board.

V. The Board shall have such mechanisms and policies in place as may be required for the performance of its duties and those of each of its members in an efficient and effective manner.

***1. The Board promotes an ethical organizational culture and establishes the company's vision, mission and values.***

Transportadora de Gas del Norte S.A. ("the Company" or "TGN") has a Board which, as a body responsible for the Company's administration, approves the Company's policies relating to corporate governance and performs its duties in accordance with the law and generally accepted ethical principles, within a transparent framework, by avoiding or managing any conflict of interest, creating and promoting an ethical organizational culture, establishing and sharing the Company's vision, mission and culture with all stakeholders. Such vision, mission and culture are available on TGN's website. In turn, TGN has a Board-approved Code of Ethics, which covers: (i) Social Responsibility; (ii) Corporate Principles; (iii) Ethical Values; and (iv) Behavioral Guidelines. Such Code establishes the values that must be observed by the Company and its employees when making decisions and taking actions. It also serves as a basis for assessing conducts within TGN. The Code of Ethics applies to TGN Board, Supervisory Committee and all TGN staff and that of its controlled companies. It also applies to relationships with contractors, subcontractors, suppliers, customers, public officers, shareholders and investors, and third parties in general. The Code is available to all TGN associates and the public in general through the Company's website.

***2. The Board establishes the company's general strategy and approves the strategic plan prepared by the management department. In so doing, the Board takes into consideration environmental, social and corporate governance factors. The Board supervises its***

***implementation through the use of key performance indicators and having in mind the best interest of both the company and all its shareholders.***

As the body responsible for the Company's administration, the Board approves and supervises compliance with TGN policies and strategies, subject to control by the shareholders. Thus, as part of the annual budget, the Board approves TGN business plan and management objectives for each fiscal year, having regard for environmental, social and corporate governance factors, with the relevant policies being approved by the Board. Additionally, TGN issues the "Annual Sustainability Report" that follows international standards in GRI G3 Guidelines (*Global Reporting Initiative)*. This report is published on an annual basis in the United Nations website and is supervised by an external consultant who makes improvement recommendations. The Sustainability Report is also available on TGN website and includes, among other topics, measures adopted toward a greater transparency in social responsibility actions, and summarizes actions related to environmental protection adopted during the year.

***3. The Board supervises the management department and makes sure the latter develops, implements and maintains an adequate internal control system with clear reporting lines.***

The Board monitors the performance of the management department as part of the Company's overall performance control. The Board holds regular meetings to assess how the management department develops and implements the Company's strategy. Directors, managers and statutory auditors are informed on an ongoing basis about all relevant business issues, the knowledge of which is necessary for the performance of their duties. The Company's Board monitors compliance with the annual budget and business plan, based on monthly management control reports and other reports issued by the management department when discussing the interim and annual financial statements. The internal control system, supervised by the Board, is a process aimed at providing a reasonable degree of assurance as to whether the company's objectives are met, considering the efficiency and effectiveness of operations, the reliability of financial information and compliance with standards and applicable laws.

***4. The Board designs structures and practices concerning corporate governance, designates who will be responsible for their implementation, monitors their effectiveness and recommends changes where necessary.***

As the body responsible for the Company's administration, the Board approves corporate governance policies and monitors compliance therewith. TGN Board shares the principles reflected in the Code of Corporate Governance issued by the National Securities Commission ("CNV") and, as required by said entity, issues a Report on the Code of Corporate Governance every year for its disclosure to the public.

***5. The Board members have time enough to perform their duties in a professional and efficient manner. The Board and its committees have clearly established organizational and procedural rules that are published in the Company's website.***

TGN Board members have sound professional and academic backgrounds and proven track records in executive positions at local and international companies, particularly within the energy sector. Based on the above, though the Board does not consider it necessary to formalize policies or mechanisms concerning the fulfillment of their duties, each Board member serves in accordance with TGN Corporate Bylaws and legal provisions applicable thereto.

## B) CHAIRMAN OF THE BOARD AND CORPORATE SECRETARY

**Principles**

VI. The Chairman of the Board is responsible for assuring the effective fulfillment of the Board's duties and for leading its members. The Chairman shall create a positive work dynamics and promote a constructive participation among its members, and shall also assure that Board members are provided with the necessary elements and information for decision making. The same applies to the Chairmen of each Board committee regarding their specific duties.

VII. The Chairman of the Board shall lead processes and establish structures designed so that Board members fulfill their duties in a committed, objective and competent manner, and the Board as a whole performs to the best of its ability and in line with the Company's needs.

VIII. The Chairman of the Board shall see that the Board in its entirety gets involved in and is responsible for the appointment of a successor to the general manager.

***6. The Chairman of the Board is responsible for properly arranging the Board meetings, preparing the agenda with the cooperation of all other members, and assuring that members receive relevant materials in sufficient advance in order to participate in meetings in an efficient and informed manner. The same applies to committee chairmen concerning their own meetings.***

The Chief Legal Officer, upon prior consultation with the Chairman of the Board and Chief Executive Officer, shall prepare the agenda for each board meeting and shall, within the statutory term, distribute to Board members supporting documentation about issues to be dealt with so that they are duly informed in advance to the meeting. TGN has an Audit Committee and the Chief Legal Officer, who carries out certain tasks inherent to a corporate secretary and performs identical duties for said Committee meetings.

***7. The Chairman of the Board supervises the proper internal operation of the Board through the implementation of formal annual assessment processes.***

Even if TGN Board does not have a formal assessment procedure in place, the Board performance is reviewed and assessed annually at the shareholders meeting held following the end of each fiscal year. The Chairman of the Board makes sure that the managing body performs in accordance with the provisions contained in Law 19,550.

***8. The Chairman of the Board creates a working space that is both positive and constructive for all Board members and makes sure that they receive continuous training in order to keep themselves updated and be able to properly perform their duties.***

As mentioned in item 5, TGN Board members have sound professional and academic backgrounds and proven track records in executive positions at local and international companies. Accordingly, the Board does not deem it necessary to implement a training plan for its members for the time being. This notwithstanding, the Board members cooperate with each other in the fulfillment of their responsibilities, with such cooperation enhancing their individual contributions.

***9. The Corporate Secretary supports the Chairman in effectively administering the Board and assists with communications among shareholders, Board and the Management Department.***

The duties typically inherent to a corporate secretary are performed by the Chief Legal Officer who, additionally, is the Market Relations Officer. Communication among shareholders, the Board and the Management Department is fluid and permanent. Directors and managers are constantly updated about relevant business aspects, with managerial officers often participating in board meetings when issues to be discussed therein are relevant to them. On their part, shareholders have all relevant information about the Company that is available through CNV Financial Information Highway.

***10. The Chairman of the Board assures that all its members participate in the development and approval of a succession plan for the Company's Chief Executive Officer.***

The appointment of a successor to the Company's Chief Executive Officer is the responsibility of the Board.

## C) COMPOSITION, NOMINATION AND SUCCESSION OF THE BOARD

**Principles**

IX. The Board shall have adequate levels of independence and diversity so that its members are able to make decisions in the best interest of the Company, avoiding groupthink and decision making by individuals or prevailing groups within the Board.

X. The Board shall assure that the Company has formal procedures in place for proposing and nominating candidates to hold positions on the Board as part of a succession plan.

***11. The Board has at least two members with independent status in accordance with the criteria currently established by the National Securities Commission.***

In accordance with the criteria established by the CNV, TGN Board currently has the required number of independent directors to serve on its Audit Committee.

***12. The Company has a Nomination Committee consisting of at least three (3) members and chaired by an independent director. When chairing the Nomination Committee, the Chairman of the Board shall refrain from participating in discussions concerning the designation of a successor to his/her own position.***

The Company does not deem it necessary to have a nomination committee. Board members are designated at a shareholders meeting in accordance with the provisions of Law 19,550.

***13. The Board, through the Nomination Committee, develops a succession plan for its members that dictates the process for preselecting candidates to fill in vacancies and takes into consideration the non-binding recommendations made by its members, the Chief Executive Officer and shareholders.***

Not applicable; please refer to item 12 above.

***14. The Board implements an orientation program for its newly elected members.***

Even though the Company does not have a formal orientation program for new Board members, the new directors designated at the shareholders' meeting take part in induction meetings with the Chief Executive Officer and senior managers to receive the information they need for the fulfillment of their duties.

### D) REMUNERATION

**Principles**

XI. The Board shall establish remuneration incentives in order to align the management department – led by the Chief Executive Officer – and the Board itself with the company's long-term interests so that all directors fulfill their duties toward all shareholders on an equitable basis.

***15. The Company has a Remuneration Committee consisting of at least three (3) members. All these members are either independent or non-executive.***

Although TGN does not have a remuneration committee, directors' fees are established at the shareholders' meeting in accordance with the Company's interests and market practices.

***16. The Board, through the Remuneration Committee, establishes a remuneration policy for the general manager and Board members.***

Not applicable; please refer to item 15 above.

### E) CONTROL ENVIRONMENT

**Principles**

XII. The Board shall assure the existence of a control environment, consisting of internal controls developed by the management, internal audit, risk management, regulatory compliance and external audit departments, establishing those lines of defense necessary to assure integrity in both the company's operations and financial reports.

XIII. The Board shall assure the existence of a comprehensive risk management system to help the management department and Board to efficiently direct the Company towards achievement of its strategic objectives.

XIV. The Board shall assure the existence of an individual or department (depending on the size and complexity of the business, the nature of its operations, and risks faced) responsible for the company's internal audit. Audit members responsible for reviewing and auditing the Company's internal controls, corporate governance processes and risk management system, shall be independent and objective and shall have clearly established reporting lines.

XV. The Board's Audit Committee shall consist of qualified and experienced members, and shall perform its duties in a transparent and independent manner.

XVI. The Board shall establish appropriate procedures to supervise the independent and effective performance on the part of External Auditors.

***17. The Board determines the Company's risk appetite and further supervises and assures the existence of a comprehensive risk management system to identify, review, determine the course of action and monitor the risks faced by the Company, including - among others – environmental, social and business risks in the short and long term.***

When making any decision, the Board first identifies the associated risks, and then determines their probability of occurrence and potential impact, thus determining the risk to be assumed by the Company with each decision. There also exists a Risk Management Committee within the Steering Committee. Said committee monthly monitors how the integral risk matrix approved by the Board has evolved. The main risk factors are associated with failures, ruptures or incidents occurring in gas transportation facilities. In such cases, mitigation measures consist of a work program aimed at assuring the safe provision of the service in accordance with the industry's best practices.

***18. The Board monitors and reviews the effectiveness of the independent internal audit function and assures resources for the implementation of a risk-based annual audit plan and a direct reporting line to the Audit Committee.***

TGN has an Internal Audit department, the members of which are independent from all other operating areas and shareholders or related entities, and are hierarchically and functionally accountable to the Chief Executive Officer and the Board, respectively, directly reporting to the Chairman of the Board and the Audit Committee, which reviews their performance. This department supervises compliance with procedures related to internal control in accordance with three-year plans. The head of this department is independent. The Audit Committee further establishes its annual plan considering the nature of the business and the environment where the business is conducted (including risks inherent to the Company's business and risks incurred in its operations).

***19. The internal auditor or members of the internal audit department are independent and highly qualified.***

As mentioned in item 18 above, the members of the Internal Audit department are independent from all other operating areas and shareholders or related entities, and are hierarchically and functionally accountable to the Chief Executive Officer and the Board, respectively, directly reporting to the Chairman of the Board and the Audit Committee. Its members are highly qualified professionals with university education in their field.

***20. The Board has an Audit Committee that has regulations in place. The committee is mostly made up and chaired by independent directors and does not include the Chief Executive Officer. Most of its members have professional experience in financial and accounting areas.***

The Audit Committee, designated by the Board, is made up by three regular directors, the majority of them being independent, in accordance with the criteria established in the CNV regulations, and knowledgeable in business, financial or accounting areas. The Chief Executive

Officer does not form part of the Committee. The Audit Committee has regulations in place, which are available at CNV's Financial Information Highway.

***21. The Board, in consultation with the Audit Committee, approves a policy for selecting and monitoring external auditors, that establishes the indicators to be taken into account when making the recommendation to the shareholders about retaining or replacing the external auditor.***

External auditors are designated at the Shareholders' Meeting, usually upon motion of the controlling shareholder, though the Company's external accounting audit firm applies procedures to assure the qualification, independence and performance of its members, all of which is supervised by TGN Audit Committee.

## F) ETHICS, INTEGRITY AND COMPLIANCE

**Principles**

XVII. The Board shall design and establish appropriate structures and practices to promote a culture of ethics, integrity and compliance that allows to prevent, detect and address serious corporate or personal misconducts.

XVIII. The Board shall assure the adoption of formal mechanisms to prevent or otherwise address any conflicts of interest as may occur in the course of administering and running the Company. Formal procedures shall be established to assure that transactions between related parties are made in the best interest of the Company and that all shareholders receive an equal treatment.

***22. The Board approves a Code of Ethics and Conduct that reflects ethics and integrity values and principles, as well as the Company's culture. The Code of Ethics and Conduct is communicated and applies to all directors, managers and employees of the Company.***

TGN has a Code of Ethics approved by the Board and published in its website. The Code covers social responsibility, corporate principles, ethical values and behavioral guidelines. This Code establishes the values that must be observed by the Company and its employees when making decisions and taking actions. It also serves as a basis for assessing conducts within TGN. The Code of Ethics applies to TGN Board, Supervisory Committee and all TGN staff and that of its controlled companies. It also applies to relationships with contractors, subcontractors, suppliers, customers, public officers, shareholders and investors, and third parties in general.

***23. The Board establishes and regularly reviews, based on the Company's risks, size and financial resources, an Ethics & Integrity Program. The program is visibly and unequivocally supported by the Management department which designates an internal party responsible for developing, coordinating, supervising and reviewing the efficiency of the program on a regular basis. The program provides for: (i) periodic training for directors, managers and employees about ethics, integrity and compliance issues; (ii) internal channels for reporting irregularities, open to third parties and adequately advertised; (iii) a policy for protecting reporters against retaliation; and an internal investigation system that respects the rights of suspected subjects and imposes effective penalties for breach of the Code of Ethics and Conduct; (iv) integrity policies for bidding procedures; (v) mechanisms for regular review of risks, monitoring and evaluation of the Program; and (vi) procedures for vetting***

***the integrity and track records of third parties or business partners (including due diligence for determining the existence of irregularities, unlawful actions or vulnerabilities during corporate transformation and acquisition processes), including suppliers, distributors, service providers, agents and intermediaries.***

TGN has an Integrity Program approved by the Board, which has been developed based on three levels of action: "prevent", "detect" and "respond". These levels of action cover in turn five blocks: "leadership", "risk assessment", "standards and controls", "communication and training" and "monitoring and response". TGN regularly conducts compliance risk assessments. The Company has clearly defined policies for its associates and executives in matters of anti-corruption, hiring processes for intermediary third parties and business partners, participation in public tenders, conflicts of interest, gifts, representation, accommodation and travel expenses, donations, memberships and sponsorships, among others.

The Integrity Program is strongly supported by the Board. Its implementation is the responsibility of the Chief Compliance Officer designated by the Board, who reports to the Board through the Audit Committee, and is hierarchically accountable to the Chief Executive Officer.

TGN offers confidential communication lines for those who may feel under pressure or receive unethical instructions from their seniors, or those who would like to report some violation of the law or non-compliance with procedures within the Company. The Transparent Line offers the possibility of reporting these situations in an anonymous and gratuitous basis, 24 hours a day, with the assurance of no retaliation for such reporting.

***24. The Board assures the existence of formal mechanisms to prevent and address conflicts of interest. In the case of transactions between related parties, the Board approves a policy that establishes the role to be played by each corporate body and defines how those transactions that are prejudicial to the company or only to certain investors are identified, handled and disclosed.***

The Integrity Program contains specific provisions to prevent and address conflicts of interest, and to handle transactions with related parties that are subject to the supervision of the Audit Committee as required by CNV Regulations.

## G) PARTICIPATION BY SHAREHOLDERS AND STAKEHOLDERS

**Principles**

XIX. The Company shall treat all Shareholders on an equal basis. It shall assure equal access to relevant non-confidential information to enable decision-making by the Company's shareholders.

XX. The Company shall promote active and informed participation by all Shareholders, particularly regarding the Board's composition.

XXI. The Company shall have a transparent Dividend Distribution Policy that is in line with the strategy.

XXII. The Company shall have the interests of its stakeholders in mind.

***25. The Company's website discloses financial and non-financial information, providing Investors with a timely and equal access. The website has a dedicated area for addressing queries from Investors.***

TGN website at **www.tgn.com.ar** has a specific section designed to provide investors with financial and non-financial information, assuring them a timely and equal access. It also offers a query channel especially dedicated to the investor public. Notwithstanding the above, TGN complies with its market reporting duties through the CNV Financial Information Highway and Bolsas y Mercados Argentinos ("ByMA") digital platform. Said website has a link to the CNV website, and another link to the National Regulatory Gas Entity's website. The Company answers specific queries from investors through the Market Relations Officer.

***26. The Board shall assure the existence of a procedure for identifying and classifying stakeholders and a communication channel for them.***

TGN, through its Integrated Management System, adopts reasonable practices to identify its stakeholders and maintain communication channels with them.

***27. The Board sends to Shareholders, prior to their Meeting, an "interim information package" that allows Shareholders – through a formal communication channel – to submit non-binding feedback and share views different from recommendations made by the Board, which, when submitting the final information package, shall expressly refer to any such feedback received as it may deem necessary.***

The Board believes that CNV Financial Information Highway and ByMA digital platform are the suitable means for all shareholders to receive the same information in terms of quality, quantity and timelines. All relevant information about the Company, which should be disclosed to the market according to regulations, is made available to the public when required to be disclosed.

***28. The Company's Bylaws establishes that Shareholders may receive information packages for their Meetings through virtual means and may attend Meetings through the use of electronic communication means that allow for the simultaneous transmission of audio and video, thus assuring all participants an equal treatment.***

Save as provided under CNV's General Resolution No. 830/2020, shareholders meetings are held as provided under Law 19,550. The Company's Bylaws provides for attendance at shareholders meetings through the use of virtual means. Information is accessed by shareholders as described in items 25 and 27 above.

***29. The Dividend Distribution Policy is in line with the strategy, and clearly establishes the criteria, frequency and conditions under which dividends shall be distributed.***

As TGN does not have an established dividend policy, the distribution of dividends shall be subject, among other things, to the results of its operations, investment requirements, availability of return from investment projects and their associated cost, existing legal and contractual restraints, perspectives, and any other factor as may be deemed relevant by the Board and approved by shareholders at an ordinary shareholders meeting.

City of Buenos Aires, March 8, 2023

Luis Alberto Santos
Regular Director

Juan José Valdez Follino
Regular Statutory Auditor

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BALANCE SHEETS AS OF DECEMBER 31, 2022 AND DECEMBER 31, 2021 ON A COMPARATIVE BASIS
(in thousand pesos – Note 2.3)

| | **Note** | 12.31.2022 | 12.31.2021 |
|---|---|---|---|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | **6** | 109,254,148 | 124,306,085 |
| Investments in affiliated companies | **7** | 372,531 | 299,781 |
| Materials and spare parts | **11** | 3,616,104 | 4,032,531 |
| Other accounts receivable | **12** | 242,175 | 28,136 |
| Trade accounts receivable | **13** | 15,111,530 | 17,053,584 |
| Investments at amortized cost | **9** | - | 2,322 |
| Investments at amortized cost of restricted availability | **9** | 10,011,057 | - |
| Total non-current assets | | 138,607,545 | 145,722,439 |
| Current assets | | | |
| Materials and spare parts | | 253,654 | 350,320 |
| Other accounts receivable | **12** | 1,645,894 | 2,533,679 |
| Trade accounts receivable | **13** | 4,623,691 | 4,400,029 |
| Investments at amortized cost | **9** | 1,214 | 7,636 |
| Investments at amortized cost of restricted availability | **9** | - | 11,299,851 |
| Investments at fair value | **9** | 15,762,252 | 8,526,546 |
| Cash and cash equivalents | **14** | 2,604,354 | 5,629,001 |
| Total current assets | | 24,891,059 | 32,747,062 |
| Total assets | | 163,498,604 | 178,469,501 |

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BALANCE SHEETS AS OF DECEMBER 31, 2022 AND DECEMBER 31, 2021 ON A COMPARATIVE BASIS (in thousand pesos – Note 2.3)

| | Note | 12.31.2022 | 12.31.2021 |
|---|---|---|---|
| SHAREHOLDERS' EQUITY | | | |
| Common stock | **15** | 439,374 | 439,374 |
| Common stock integral adjustment | | 55,863,804 | 55,863,804 |
| Property, plant and equipment revaluation allowance | | 16,368,504 | 21,334,468 |
| Statutory reserve | | 11,260,641 | 11,260,641 |
| Optional reserve for working capital and liquidity coverage | | 45,908,588 | 50,523,999 |
| Voluntary reserve for future dividends | | - | 932,415 |
| Other reserves | | (89,864) | (71,261) |
| Retained earnings | | (2,618,968) | (5,547,826) |
| Total shareholders' equity | | 127,132,079 | 134,735,614 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Deferred income tax liability | **8** | 19,997,574 | 25,635,706 |
| Loans | **16** | 9,686,716 | - |
| Lease debts | **20** | 705,846 | 4,098 |
| Other debts | **19** | 170,252 | 167,431 |
| Trade accounts payable | **21** | 259,601 | 371,827 |
| Total non-current liabilities | | 30,819,989 | 26,179,062 |
| Current liabilities | | | |
| Contingencies | **22** | 43,222 | 204,948 |
| Loans | **16** | 28,826 | 11,508,027 |
| Notes | **17** | - | 843,367 |
| Lease debts | **20** | 135,420 | 6,177 |
| Salaries and social security contributions | | 1,744,321 | 1,274,427 |
| Taxes payable | **18** | 322,701 | 488,639 |
| Other debts | **19** | 161,007 | 223,570 |
| Trade accounts payable | **21** | 3,111,039 | 3,005,670 |
| Total current liabilities | | 5,546,536 | 17,554,825 |
| Total liabilities | | 36,366,525 | 43,733,887 |
| Total liabilities and shareholders' equity | | 163,498,604 | 178,469,501 |

The accompanying notes 1 to 31 are an integral part of these financial statements.

Juan José Valdez Follino
Regular Statutory Auditor

Luis Alberto Santos
Regular Director

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STATEMENTS OF COMPREHENSIVE INCOME FOR FISCAL YEARS ENDED DECEMBER 31, 2022 AND 2021 (in thousand pesos – Note 2.3)

| | Note | 12.31.2022 | 12.31.2021 |
|---|---|---|---|
| Revenues | 23 | 40,942,375 | 39,038,124 |
| Cost of service | 24 | (40,010,512) | (40,095,594) |
| **Gross gain (loss)** | | **931,863** | **(1,057,470)** |
| Selling expenses | 24 | (1,690,326) | (1,612,669) |
| Administrative expenses | 24 | (5,723,200) | (5,629,811) |
| **Loss before other income and expenses** | | **(6,481,663)** | **(8,299,950)** |
| Other net income and expenses | 25 | (11,180) | 42,993 |
| Recovery due to impairment of financial assets | | 97,018 | 169,903 |
| **Loss before financial income** | | **(6,395,825)** | **(8,087,054)** |
| Net financial income | | | |
| Other net financial income | 26 | 14,136,643 | 7,810,254 |
| Financial income | 26 | 1,053,143 | 1,759,764 |
| Financial expenses | 26 | (255,920) | (1,959,787) |
| Loss on monetary position | 26 | (21,182,993) | (12,485,604) |
| **Net financial loss** | | **(6,249,127)** | **(4,875,373)** |
| Income from investments in affiliated companies | 7 | 91,353 | 63,869 |
| **Loss before income tax** | | **(12,553,599)** | **(12,898,558)** |
| Income tax | | | |
| Current | 8 | (37,180) | (584,343) |
| Deferred | 8 | 5,416,832 | (4,582,504) |
| **Subtotal income tax** | | **5,379,652** | **(5,166,847)** |
| **Loss for the fiscal year** | | **(7,173,947)** | **(18,065,405)** |
| **Items that will be reclassified through profit or loss** | | | |
| Affiliated companies' financial statements currency translation adjustment | 7 | (18,603) | (96,470) |
| **Items that will not be reclassified through profit or loss** | | | |
| Property, plant and equipment revaluation allowance | 2.6 | (410,985) | (8,788,915) |
| **Other comprehensive income for fiscal year [(1)]** | | **(429,588)** | **(8,885,385)** |
| **Comprehensive loss for the year** | | **(7,603,535)** | **(26,950,790)** |
| Net loss per share, basic and diluted | 27 | (16.3277) | (41.1162) |

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

The accompanying notes 1 to 31 are an integral part of these financial statements.

Juan José Valdez Follino
Regular Statutory Auditor

Luis Alberto Santos
Regular Director

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STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR FISCAL YEARS ENDED DECEMBER 31, 2022 AND 2021 (in thousand pesos - Note 2.3)

| ITEM | Common stock (Note 15) | Common stock integral adjustment | Property, plant and equipment revaluation allowance (Note 2.6) | 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** | **55,863,804** | **42,640,962** | **11,260,641** | **33,819,556** | **932,415** | **25,209** | **16,704,443** | **161,686,404** |
| Resolution at Ordinary Shareholders' Meeting dated April 14, 2021: | | | | | | | | | |
| Creation of Optional Reserve for working capital and liquidity coverage | - | - | - | - | 16,704,443 | - | - | (16,704,443) | - |
| Loss for the fiscal year | - | - | - | - | - | - | - | (18,065,405) | (18,065,405) |
| Other comprehensive income | - | - | (21,306,494) | - | - | - | (96,470) | 12,517,579 | (8,885,385) |
| **Balances as of December 31, 2021** | **439,374** | **55,863,804** | **21,334,468** | **11,260,641** | **50,523,999** | **932,415** | **(71,261)** | **(5,547,826)** | **134,735,614** |
| Resolution at Ordinary Shareholders' Meeting dated April 12, 2022: | | | | | | | | | |
| Absorption of Optional Reserve for working capital and liquidity coverage | - | - | - | - | (4,615,411) | - | - | 4,615,411 | - |
| Absorption of voluntary reserve for future dividends | - | - | - | - | - | (932,415) | - | 932,415 | - |
| Loss for the fiscal year | - | - | - | - | - | - | - | (7,173,947) | (7,173,947) |
| Other comprehensive income | - | - | (4,965,964) | - | - | - | (18,603) | 4,554,979 | (429,588) |
| **Balances as of December 31, 2022** | **439,374** | **55,863,804** | **16,368,504** | **11,260,641** | **45,908,588** | **-** | **(89,864)** | **(2,618,968)** | **127,132,079** |

The accompanying notes 1 to 31 are an integral part of these financial statements.

Juan José Valdez Follino
Regular Statutory Auditor

Luis Alberto Santos
Regular Director

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STATEMENTS OF CASH FLOWS FOR FISCAL YEARS ENDED DECEMBER 31, 2022 AND 2021 (in thousand pesos – Note 2.3)

| | Note | 12.31.2022 | 12.31.2021 |
|---|---|---|---|
| Loss for fiscal year | | (7,173,947) | (18,065,405) |
| **Adjustments to cash generated by (used in) operating activities:** | | | |
| Property, plant and equipment depreciation | **6** | 23,073,098 | 24,029,932 |
| Residual value of property, plant and equipment written-off | **6** | 79,853 | 19,504 |
| Income tax | **8** | (5,379,652) | 5,166,847 |
| Accrued interest generated by liabilities | **26** | 279,596 | 1,931,682 |
| Accrued interest generated by assets | **26** | (1,053,143) | (1,759,764) |
| Increase in allowances and provisions (net of recoveries) | | (110,257) | (92,959) |
| Exchange rate differences and other net financial income | | (4,224,202) | 6,000,939 |
| Loss from investments in affiliated companies | **7** | (91,353) | (63,869) |
| **Net changes in operating assets and liabilities:** | | | |
| Decrease in trade accounts receivable | | 9,981,300 | 10,805,281 |
| Decrease (increase) in other accounts receivable | | 781,228 | (493,871) |
| Decrease in materials and spare parts | | 543,073 | 358,020 |
| Decrease in trade accounts payable | | (23,478) | (357,381) |
| Increase (decrease) in salaries and social security contributions | | 469,894 | (192,880) |
| Increase in taxes payable | | 73,241 | 746,512 |
| Decrease in other debts | | (247,210) | (60,583) |
| Decrease in contingencies | | (161,726) | (264,332) |
| Income tax payment | | (312,192) | (3,787,751) |
| **Net cash flow generated by operating activities** | | **16,504,123** | **23,919,922** |
| Acquisition of property, plant and equipment | | (7,745,515) | (6,323,662) |
| Subscriptions net of redemption of investments at amortized cost and investments at fair value (non-cash equivalents) | | 6,301,479 | 5,236,755 |
| Principal received from investments at amortized cost and investments at fair value | | 3,864 | 11,600 |
| Interest received from investments at amortized cost and investments at fair value | | 2,145 | 8,035 |
| **Net cash flow used in investing activities** | | **(1,438,027)** | **(1,067,272)** |
| Taking of local loans in pesos | **16.1** | - | 105,623 |
| Payment of principal on Notes | **17.1** | (738,765) | (2,122,636) |
| Payment of interest on Notes | **17.1** | (67,249) | (1,146,241) |
| Repurchase of Notes | **17.1** | - | (176,225) |
| Payment of interest on Itaú Unibanco S.A. Nassau Branch Loan | **16.1** | (170,278) | (214,031) |
| Payment of principal on local loans in pesos | **16.1** | (381,771) | (1,162,906) |
| Payment of interest on local loans in pesos | **16.1** | (40,350) | (578,573) |
| Lease payment | | (25,518) | (30,904) |
| **Net cash flow used in financing activities** | | **(1,423,931)** | **(5,325,893)** |
| **Net Increase in cash and cash equivalents** | | **13,642,165** | **17,526,757** |
| Cash and cash equivalents at the beginning of fiscal year | | 5,629,001 | 9,061,974 |
| Financial income generated by cash | | (16,666,812) | (20,959,730) |
| **Cash and cash equivalents at the end of fiscal year** | **14** | **2,604,354** | **5,629,001** |
| **<u>Transactions not affecting cash:</u>** | | | |
| Right-of-use on property, plant and equipment through leases | **6** | **(1,004,524)** | **(10,509)** |
| Transfer of property, plant and equipment to materials | | **16,741** | **76,145** |

The accompanying notes 1 to 31 are an integral part of these financial statements.

Juan José Valdez Follino
Regular Statutory Auditor

Luis Alberto Santos
Regular Director

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NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

## 1 – OVERVIEW

### 1.1 - Incorporation of the Company

Transportadora de Gas del Norte S.A. (the "Company" or "TGN") was incorporated on November 24, 1992 as a result of the enactment of Laws Nos. 23,696 on State Reform and 24,076 ("Natural Gas Act") and the issuance of National Executive Branch Decree No. 1,189/92 which regulates such law, 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 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 vs. Argentine Republic (Case No. ARB/01/8 in favour of CMS for US$ 133.2 million, dated May 12, 2005) and Total S.A. vs. 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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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 is required to evaluate the Company’s performance and make a recommendation to the National Executive Branch. The request for extension may be filed not less than 18 months nor more than 54 months prior to the expiration date of the initial term.

### 1.3.2 - Rates

Natural 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.

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 provided that between April 1, 2017 and March 31, 2022, the Company had to implement a Mandatory Investment Plan ("MIP") for approximately $ 5.6 billion (expressed in December 2016 currency), which amount would be adjusted in line with TGN rate adjustment. The Company was bound to both invest the amount committed and to carry out those works described under the MIP.

The regulatory framework provides for non-automatic semi-annual transportation rate procedures for rate reviews, due to changes experienced in the cost of 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, or embark on a rate review of an exceptional nature. On June 18, 2020, the PEN enacted Necessity and Urgency Decree No. 543/20 extending once again the rate freeze established under the Solidarity Law for another 180 running days.

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

## 1 – OVERVIEW (Cont.)

### 1.3 - Regulatory framework (Cont.)

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

1 – OVERVIEW (Cont.)

1.3 - Regulatory framework (Cont.)

1.3.3 – Renegotiation of 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 involved: (i) that TGN rates remained frozen, (ii) that the Company will have to continue rendering the gas transportation service, (iii) the continued prohibition to distribute dividends, prepay loans with shareholders and acquire companies or grant loans (except to users or contractors other than the Company's shareholders), without ENARGAS previous approval, and (iv) that no mandatory investment plan applies during the IRR. The IRR also provided for the possibility that ENARGAS adjusts TGN rates as from April 1, 2022.

On June 30, 2021, the Company filed an appeal at administrative level against Decree 1020/20, MECON and ENARGAS Joint Resolution 2/21 whereby the IRR was approved subject to further approval by the PEN, Decree No. 353/21 which ratified Joint Resolution 2 and ENARGAS Resolution 150/21 whereby the IRR rate charts were put into force. In line with the express provisions of the Natural Gas Act (article 48) and the "Basic Rules of the Transportation License" (item 9.8), the Company believes that the cost of any subsidy to natural gas users must be borne by the National Treasury, and not TGN, or otherwise TGN must be compensated by the PEN. The Company also believes that neither the PEN, MECON nor ENARGAS have the authority to place the bans imposed by the IRR.

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

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

On February 18, 2022, TGN entered into an interim agreement with MECON and ENARGAS that established a 60% transportation rate increase effective as of March 2022 (the "2022 Interim Agreement"). Said agreement, which will remain in force until December 2022, unless extended by mutual consent of the parties, does not provide for mandatory investments but establishes: (i) that the Company will have to continue rendering the gas transportation service, (ii) the 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. ("Gasinvest"), 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.

## 1 – OVERVIEW (Cont.)

### 1.3 - Regulatory framework (Cont.)

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

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

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

### 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 2022 was 5.5%.
- Primary fiscal deficit for 2022 was 2.4% of the GDP, while the financial deficit reached 4.2% of the GDP.
- Cumulative inflation between January 1, 2022 and December 31, 2022 reached 94.79% as shown by the Consumer Price Index ("CPI") published by the National Institute of Statistics and Census ("INDEC").
- From January 1 to December 31, 2022, the peso depreciated 72.47% against the US dollar, as shown by the exchange rate published by Banco de la Nación Argentina.

The Central Bank of Argentina ("BCRA") imposed greater exchange restrictions, which also affect the value of the foreign currency on existing alternative markets for certain exchange transactions that are restricted on the official market. These measures, aimed at restricting access to the exchange market and therefore the demand for US dollars, imply the need to obtain the previous authorization of the BCRA for certain transactions. Said exchange restrictions, or any other as may be imposed in the future, may affect the Company's capacity to access the Free Foreign Exchange Market ("MULC") to acquire the foreign currency necessary to face its commercial obligations. As of December 31, 2022, foreign currency denominated assets and liabilities have been valued based on the exchange rates quoted by MULC.

Additionally, in the month of August 2022, MECON announced 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.

## 1 – OVERVIEW (Cont.)

### 1.4 – Current economic context (Cont.)

However, it should be mentioned that as of the date of issue of these 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 financial statements should be read in the light of said circumstances.

### 1.5 - Decrease in revenues from gas transportation for export

In 2004, as a result of an increased domestic demand for gas and a simultaneous drop in production and reserves, the National Government adopted measures, still in force, to ensure that natural gas supply be primarily allocated to meet domestic demand. This involved restrictions on gas exports, which significantly affected sales of gas transportation services to foreign destinations and caused a steady decline in the use of firm gas transportation services. Although TGN was able to enter into settlement agreements with some foreign customers for the early termination of transportation contracts in exchange for economic compensation (which nevertheless have caused a negative net effect on TGN's expected cash flows), a legal dispute with the Chilean distributor Metrogas S.A. ("Metrogas"), which is described in Note 22.1.4 to these financial statements, remains unsettled.

As to the conflict the Company maintained with YPF S.A. ("YPF"), on February 3, 2023 a settlement agreement described in Note 22.1.3 to these financial statements was signed.

## 2 - PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

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.

Balances as of December 31, 2021 shown for comparison purposes, are derived from the financial statements for the fiscal year ended as of that date.

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## 2 - PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

### 2.1 – Use of estimates and accounting policies

The preparation of financial statements requires the Company to make estimates that affect the reported valuation of assets and liabilities at the date of issue of these financial statements as well as income and expenses recorded for the fiscal year. However, actual results and amounts may significantly differ from estimates used in the preparation of financial statements. The accounting policies applied in preparing these financial statements are consistent with those applied in preparing the financial statements for the period ended December 31, 2021.

### 2.2 – Going Concern

As of the date of these financial statements, there are no uncertainties as regards events or conditions that might cast doubt on the Company's ability to continue doing business normally as a going concern.

### 2.3 –Measuring Unit

International Accounting Standard N° 29 on "Financial Reporting in Hyperinflationary Economies" ("IAS 29") requires that financial statements of an entity which functional currency is that of a hyperinflationary economy, whether based on the historical or current cost approach, be stated in terms of the measuring unit current as of the closing date of the reporting period. Consequently, in general terms, non-monetary items should include actual inflation since their acquisition or revaluation date, as appropriate. Said requirements also apply to comparative information included in financial statements.

The standard describes a number of factors indicative of a hyperinflationary economy under IAS 29, such as when the cumulative inflation rate over three years approaches, or exceeds 100%. This is why Argentina's economy should have been regarded as hyperinflationary as from July 1, 2018.

In turn, Law No. 27,468 (published in Official Gazette on December 4, 2018), amended article 10 of Law 23,928 as amended, by repealing all statutory or regulatory pieces of legislation that established or authorized price adjustment based on price increases, currency restatement, cost variation or other forms of boosting debts, taxes, prices or rates for goods, works or services. This does not apply to financial statements in respect of which the provisions of article 62 in fine of the General Company Law No 19,550 (as restated in 1984) as amended ("LGS") will continue to apply. Said legislation also repealed Decree No. 1269/2002 dated July 16, 2002 as amended, and delegated to PEN, through its supervisory entities, the power to establish the date as from which said provisions will apply to financial statements filed with it. Therefore, CNV instructed, through General Resolution 777/2018 (published in Official Gazette on December 28, 2018), that issuing entities subject to its supervision restate their annual, interim or special financial statements closed after December 31, 2018 in constant currency as per IAS 29. Therefore, these financial statements as of December 31, 2022 have been restated.

## 2 - PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

### 2.3 –Measuring Unit (Cont.)

Pursuant to IAS 29 any entity reporting its financial statements in the currency of a hyperinflationary economy shall report them in the measuring unit current as of the date of those financial statements. All such amounts in the balance sheet as are not reported in terms of the measuring unit as of the date of the financial statements shall be adjusted by applying a general price index. All items in the statement of income shall be reported in terms of the measuring unit adjusted as of the date of the financial statements, by applying the general Price index variation experienced since the date when income and expenses were originally recognized in the financial statements.

The inflation adjustment to initial balances was determined considering the indexes established by FACPCE on the basis of price indexes published by INDEC. The average price index variation for fiscal year ended December 31, 2022 was 94.79%.

The main procedures for the inflation adjustment above mentioned are as follows:

- Monetary assets and liabilities reported at the financial statements closing currency are not restated as they are already stated in terms of the measuring unit current at the date of said financial statements.
- Non-monetary assets and liabilities reported at cost as of the date of the financial statements, and equity items, are restated by applying relevant adjustment rates.
- All statement of comprehensive income items are adjusted by applying relevant conversion factors.
- The effect of inflation on the Company's net monetary position is shown in the statement of comprehensive income, under "Net financial income", more specifically under "Gain/loss on monetary position".
- Comparative figures have been adjusted for inflation following the same procedure described in the preceding items.

In initially applying the inflation adjustment, equity items have been restated as follows:

- Common stock has been restated as from the later of subscription date or date of last inflation-adjustment. The resulting amount has been reflected under "Common stock integral adjustment".
- Other comprehensive income has been restated as from each accounting entry date.
- Other reserves under the statement of income have not been restated initially.

### 2.4 - Investments in affiliated companies

Affiliated companies are all entities over which the Company exerts a significant influence. Investments in affiliated companies are valued using the equity method of accounting. Investments in affiliated companies Comgas Andina S.A. ("COMGAS") and Companhia Operadora do Rio Grande do Sul ("COPERG") have been valued at equity value, on the basis of their financial statements (see Note 7).

## 2 - PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

### 2.5 - Functional currency

(a) Functional and reporting currency

The Company's functional and reporting currency is the Argentine peso. The Argentine peso is the currency that best reflects the economic substance of the Company's relevant circumstances and underlying events taken as a whole. However, there are affiliated companies with a functional currency other than the peso, which are valued on an equity interest basis (see Note 7).

(b) Transactions and balances

Foreign currency transactions are converted into the functional currency based on the exchange rate prevailing at the date of the transactions or at the date of the financial statements in the case of accounts receivable or payable. Gains or losses resulting from exchange rates in force as at the date of the transaction and those in force at year end for foreign currency denominated assets and liabilities are recorded in the statement of comprehensive income. Exchange differences (gains or losses) are reported in the statement of comprehensive income under "Financial income" and "Financial expenses", respectively.

(c) Affiliated companies

The results of operations and financial position of affiliated companies, which have a functional currency different from TGN's reporting currency, and none of which operates in hyperinflationary economy, are converted into the reporting currency as follows:

i. Assets and liabilities are converted at the exchange rates prevailing at the closing date of financial statements;
ii. Income and expenses are converted at the monthly average exchange rate, except where such exchange rate does not reasonably reflect the cumulative effect of exchange rates prevailing at the date of each transaction, in which event they are converted at the exchange rate in force at the date of each transaction; and
iii. All resulting conversion differences are reported under other comprehensive income with a balancing entry under "other reserves" (see Note 2.11.3).

### 2.6 – Property, plant and equipment

The Company uses, between the two models foreseen in IAS 16 ("Property, plant and equipment"), the "revaluation model" for valuating: (i) its essential assets which include gas pipelines and branch lines, compressor plants, meter and regulating stations, other technical installations, certain plots of land, certain buildings and civil construction works, gas inventory and the SCADA system; and (ii) other revalued assets, including: all other Lands and Buildings and civil construction works (collectively, "Revalued Assets").

Revaluation shall be conducted as often as necessary so that the book value will not significantly differ from the fair value of assets as of the date of each measurement. Cumulative depreciation as of each revaluation date shall be proportional to the change in the gross book value of the asset, so that the book value after revaluation is equal to its revalued amount.

## 2 - PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

### 2.6 – Property, plant and equipment (Cont.)

To measure the fair value of Revalued Assets the "income approach" established by IFRS 13 ("Fair Value Measurement") is used as valuation method. Said valuation method has been categorized as per IFRS 13 within Level 3 of the fair value hierarchy. The Company uses a discounted cash flow model based on estimates about future performance of certain inputs that are sensitive to the fair value determination process: (i) firm transportation capacity contracted and transportation volumes sold under interruptible and exchange and displacement modalities; (ii) gas transportation rates; (iii) operation and maintenance expenses; (iv) mandatory investments agreed with ENARGAS; (v) weighted discount rate; and (vi) macro-economic variables, such as the inflation rate, devaluation rate, etc. The Company believes that any sensitivity analysis involving relevant modifications to above mentioned factors, could result in significant changes.

Discounted cash flows used cover a period of 15 years, i.e., the years remaining to elapse until the due date of the initial 35-year License period (to take place in 2027) plus the ten-year extension period the Company may apply for (National Executive Branch Decree 2255/92). Additionally, TGN has reflected under discounted cash flows an additional amount foreseen in the License upon expiration thereof, when the Company will be entitled to receive the lesser of the residual value of essential assets or the amount resulting from a new tender, net of expenses and taxes paid by the successful bidder. This latter amount has been recognized by the Company as a perpetual income as of that date.

The increase or decrease in the book value of an asset as a consequence of a revaluation is reported under "Other comprehensive income", net of the associated deferred tax. When the book value of an asset is impaired as a result of a revaluation, said impairment will be reported under the income for the year to the extent it exceeds the balance standing in the "Property, plant and equipment revaluation allowance".

As required under CNV regulations for valuation of items of Property, plant and equipment at fair value, the Company entrusts said valuation to independent external experts who act as advisors to the Board, with the latter being ultimately responsible for said valuation.

Based on the measurement made in accordance with the revaluation model, the following differences have been identified with respect to book values measured by the 'cost model', for Revalued Assets as of December 31, 2022:

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NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

2 - PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.6 – Property, plant and equipment (Cont.)

| **Revalued Assets** | **Residual book value as of 12/31/2022 (cost model)** | **Higher value net of impairment** | **Fair value as of 12/31/2022 (revaluation model)** |
|---|---|---|---|
| Gas pipelines and branch lines | 52,830,431 | 18,985,413 | 71,815,844 |
| Compressor plants | 9,002,540 | 2,913,336 | 11,915,876 |
| Meter and regulating stations | 1,320,237 | 494,737 | 1,814,974 |
| SCADA System | 1,607,305 | 270,704 | 1,878,009 |
| Lands | 82,611 | 104,568 | 187,179 |
| Buildings and civil construction works | 2,055,518 | 586,462 | 2,641,980 |
| Gas inventory | 967,949 | 1,518,481 | 2,486,430 |
| Other technical installations | 2,300,106 | 96,114 | 2,396,220 |
| **Subtotal essential assets** | **70,166,697** | **24,969,815** | **95,136,512** |
| | | | |
| Lands | 7,993 | 63,551 | 71,544 |
| Buildings and civil construction works | 831,808 | 148,964 | 980,772 |
| **Subtotal other assets subject to revaluation** | **839,801** | **212,515** | **1,052,316** |
| | | | |
| **Total Revalued Assets** | **71,006,498** | **25,182,330** | **96,188,828** |

Cumulative depreciation as of the revaluation date is offset against the gross book value of the asset. Depreciation, based on a component criterion, is calculated using the straight-line method based on the remaining useful life as of the revaluation date:

| | **Years of estimated remaining useful life** |
|---|---|
| Gas pipelines and branch lines | 1 and 15 |
| Compressor plants | 4 |
| Meter and regulating stations | 15 |
| SCADA System | 5 |
| Gas inventory | n/a |
| Lands | n/a |
| Buildings and civil construction works | 24 |
| Other technical installations | 10 |

During the fiscal year ended December 31, 2022, the Company recognized an impairment charge for its property, plant and equipment for an amount of 632,284.

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2 - PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.6 – Property, plant and equipment (Cont.)

The depreciation charge in each fiscal year is recognized under Income for the fiscal year, except where reported under other assets' book value. "Property, plant and equipment revaluation allowance" reported under Shareholders' Equity decreases due to the use, retirement and disposal of Revalued Assets with a counter-entry in "Retained earnings" under Shareholders' Equity, with no negative impact on the income for the fiscal year. As for depreciation charges, the amount to be transferred from the account "Property, plant and equipment revaluation allowance" will be equal to the difference between depreciation calculated on the revalued asset and depreciation that would have been estimated on the basis of its initial cost, net of the deferred tax effect. If an impairment loss occurs, it shall be immediately recorded under income for the fiscal year unless the asset is accounted for under the revaluation method, in which event the impairment loss shall be treated as a decrease in the account "Property, plant and equipment revaluation allowance", and the excess will be attributed to income for the fiscal year.

Changes in "Property, plant and equipment revaluation allowance" are described below:

| | |
|---|---|
| Balance as of December 31, 2020 | 42,640,962 |
| Reversal during 2021 fiscal year | (12,517,579) |
| Impairment during 2021 fiscal year | (8,788,915) |
| Balance as of December 31, 2021 | 21,334,468 |
| Reversal during 2022 fiscal year | (4,554,979) |
| Impairment during 2022 fiscal year | (410,985) |
| Balance as of December 31, 2022 | 16,368,504 |

Non-essential assets not subject to revaluation have been valued using the "cost model" foreseen in IAS 16 ("Property, plant and equipment"), upon acquisition, considering the purchase or construction cost, including material, labour and indirect costs and are then adjusted for inflation as provided in IAS 29. Depreciation is calculated using the straight-line method, applying annual depreciation rates sufficient to extinguish their original values at the end of their useful lives. In determining the useful lives ENARGAS regulations have been considered, among other parameters.

| | **Years of estimated remaining useful life** |
|---|---|
| Machinery, equipment and tools | 5 |
| Other technical installations | 3 |
| Communication equipment and devices | 2 |
| Vehicles | 3 |
| Furniture and fixtures | 5 |
| Rights-of-use | 1-15 |
| Works in progress | n/a |

## 2 - PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

### 2.6 – Property, plant and equipment (Cont.)

The depreciation charge for each fiscal year is recognized under Income. The residual value and useful life of an asset are reviewed, at least, as of each fiscal year end, and if expectations differ from previous estimates, changes are reported as a change in an accounting estimate as provided under IAS 8 ("Accounting Policies, Changes in Accounting Estimates and Errors"). Assets are impaired to reflect their recoverable amount if the carrying residual value exceeds the estimated recoverable amount.

Gains and losses derived from the sale of assets are determined by comparing income received with their carrying residual value and reported in the statement of comprehensive income under "Other net income and expenses" (See Note 25 to these financial statements).

The Company has considered as part of the acquisition price of "Property, plant and equipment" items, net cost of third-party funding in the case of long-term construction works, until their start-up. The above-mentioned amounts are reported net of cumulative depreciations. Subsequent costs are recognized only when they are likely to generate future economic benefits for the Company and can be reasonably measured.

### 2.7 – Financial Instruments

#### 2.7.1 – Recognition and Valuation

All financial instruments have been recognized or derecognized on the trade date, i.e., the date on which the Company purchases or sells said instruments. Financial assets are initially measured at fair value, net of transaction costs, except for those financial assets classified at fair value into profit or loss, where transaction costs are recorded as a financial expense in the statement of comprehensive income.

Investments are derecognized when the right to receive their cash flows expire or is transferred and the Company substantially ceases to have all the risks and rewards derived from ownership. Trade accounts receivable and other accounts receivable are valued at amortized cost applying the effective interest rate method.

Profits and losses from changes in the fair value of financial assets at fair value through profit or loss are included in the statement of comprehensive income under "Net Financial Income", in the fiscal year in which the aforementioned changes take place.

Different valuation levels for financial instruments carried at fair value have been defined as follows:

* Level 1: Quoted prices in active markets for identical assets.
* Level 2: Information, other than the quoted price included in Level 1 that can be confirmed for the asset, either directly (i.e., prices) or indirectly (i.e., derived from prices).
* Level 3: Information on the asset that cannot be confirmed in the market (i.e., non-observable data).

## 2 - PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

### 2.7 – Financial Instruments (Cont.)

#### 2.7.1 – Recognition and Valuation (Cont.)

As of this date, the Company has no financial instruments valued as established in Level 3.

The value of financial instruments traded on active markets is based on the quoted market prices at the date of the financial statements. The quoted market price used for financial assets held by the Company is the ask price as of December 31, 2022. These instruments are included in Level 1 and comprise investments in mutual funds, notes and government bonds. Note 10 to these financial statements contains a description of the Company's Level 1 assets, measured at fair value as of December 31, 2022 and December 31, 2021.

#### 2.7.2 - Classification

The Company classifies its financial instruments into the following categories: financial assets at fair value through profit or loss, financial assets at amortized cost and financial liabilities at amortized cost. This classification depends on the Company’s business model to manage financial assets and the characteristics of the contractual cash flows thereof.

The Company has a policy approved by the Board, which describes the criteria to value its investments in financial assets and establishes monitoring mechanisms to be followed by the General Management Department, as to the proper application of said criteria.

##### 2.7.2.1 – Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value included within this category are the notes, mutual funds and certain government bonds.

##### 2.7.2.2 – Financial Assets at Amortized Cost

The following items have been included in this category: cash and cash equivalents, term deposits, investments of restricted availability, bonds, surety bonds in pesos, trade accounts receivable and other accounts receivable.

## 2 - PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

### 2.7 – Financial Instruments (Cont.)

#### 2.7.2 – Classification (Cont.)

##### 2.7.2.3 – Financial Liabilities at Amortized Cost

The Company has determined that all financial liabilities are valued at amortized cost using the effective interest rate method.

#### 2.7.3 - Impairment

As of the date of issue of each of its Financial Statements, the Company makes an estimate of the impairment of its financial assets, based on the expected loss model, where impairment is recognized during the life of the financial asset, considering historical loss data and reasonable estimates of future economic conditions.

### 2.8 - Materials and Spare Parts

Materials and spare parts are recorded at their historical cost adjusted for inflation, as provided in IAS 29. This cost is calculated according to the "Weighted Average Price" method. The breakdown of materials and spare parts into current and non-current has been performed based on the estimated utilization schedule. An allowance for slow-moving and obsolete materials and spare parts is determined for those slow-moving or obsolete assets. Considering the economic and financial projections prepared by the Company based on its best estimate, the book value of materials and spare parts does not exceed their recoverable value.

### 2.9 – Trade Accounts Receivable and Other Accounts Receivable

Trade accounts receivable represent amounts due from customers for services rendered by the Company in the normal course of its business. If said amounts are expected to be received within one year or less, they are classified as current assets. Otherwise, they are disclosed as non-current assets. Non-current trade accounts receivable are principally related to customers in dispute described in Notes 22.1.3 and 22.1.4 to these financial statements, and have been valued according to the best estimate of receivables.

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2 – PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.9 – Trade Accounts Receivable and Other Accounts Receivable (Cont.)

Other accounts receivable has been valued at amortized cost applying the effective interest rate method, net of an allowance for doubtful accounts. To estimate expected credit losses, the Company applies IFRS 9. Said standard requires that a loss allowance be established during the full lifetime of trade accounts receivable. The expected credit loss to be recognized is calculated based on a percentage of bad debts across due dates of each trade account receivable. To measure the expected credit loss, trade accounts receivable have been grouped based on their credit risk and time elapsed since due. Book value of trade accounts receivable and other accounts receivable does not present material differences when compared to their fair value.

2.10 – Cash and Cash Equivalents

This item includes available cash, bank deposits and other short-term liquid investments originally falling due within three months or less. Available cash, bank deposits, sureties and term deposits are valued at their amortized cost. Mutual funds are valued at their fair value. Note 14 to these financial statements provides a breakdown of cash and cash equivalents.

2.11 – Shareholders' Equity

Shareholders' equity includes common stock, reserves, other comprehensive income, and retained earnings, recorded as provided at the Shareholders' Meeting and applicable laws and regulations. These accounts are restated as provided in Note 2.3 to these financial statements, except for Common Stock, which is maintained at nominal value.

2.11.1 – Common Stock and common stock integral adjustment

Common shares are recorded at their nominal value. The difference between common stock stated in constant currency and its historical nominal value is shown under "Common stock integral adjustment" in the statement of changes in shareholders' equity.

2.11.2 – Statutory Reserve

As provided in the LGS and CNV regulations, 5% of the year's net profit must be set aside and allocated to Statutory Reserve, provided there are no cumulative losses, in which event, said 5% must be calculated on the excess of net profit for the year over cumulative losses. In compliance with said provisions, TGN's Statutory Reserve reached 20% of its common stock plus the balance in the "common stock integral adjustment" account.

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NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

2 – PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.11 – Shareholders' Equity (Cont.)

2.11.3 – Reserves

The "Optional reserve for working capital and liquidity coverage" and the "Voluntary reserve for future dividends" have been accounted for based on the decision adopted at the Shareholders' Meeting.

The "Property, plant and equipment revaluation allowance" is reported as described in Note 2.6 to these financial statements.

"Other reserves" include the reserve for affiliated companies' currency conversion, which is reported as described in Note 2.5 (c) to these financial statements.

2.11.4 – Retained earnings

Retained earnings include cumulative profits or losses not specifically allocated, which if positive may be distributed if so decided at a Shareholders' Meeting, in absence of any applicable legal restriction.

2.12 – Trade Accounts Payable and Other Debts

Trade accounts payable represent payment obligations for goods or services purchased from suppliers in the normal course of the Company's business. Trade accounts payable and other debts are classified as current or non-current liabilities depending on when the Company's liabilities become due. Trade accounts payable and other debts have been valued at their amortized cost, using the effective interest rate method. Book value of trade accounts payable and other debts do not present material differences when compared to their fair value.

2.13 – Loans and Notes

Loans and Notes have been valued at their amortized cost. Any difference between loans received (net of transaction costs) and amounts repaid is recognized in the statement of comprehensive income, using the effective interest rate method. Loans and Notes are classified as current or non-current liabilities, depending on when principal and interest payments become due.

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2 – PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.14 – Income Tax

(a) Income Tax

The income tax charge for the year comprises both current and deferred tax. The income tax is recognized under the statement of comprehensive income, except to the extent related to items recognized under Other comprehensive income, in which case it is recognized under Other comprehensive income.

Current income tax is calculated in accordance with legislation approved as of the date of these financial statements. Positions taken as reflected in tax returns are periodically reviewed where applicable tax regulations are subject to interpretation, and if necessary, provisions are established for estimated amounts likely to be paid.

Deferred income tax is recognized in accordance with the balance sheet method, based on temporary differences resulting between tax bases for assets and liabilities and carrying amounts. It is calculated using tax rates approved, expected to be applicable when the deferred income tax asset is realized or the deferred income tax liability is paid, based on the laws enacted as of the close of fiscal year.

Deferred income tax assets are recognized only to the extent future tax benefits are likely to be available so that temporary differences may be used.

Deferred income tax assets and liabilities are offset when allowed under the law, they derive from the same entity's income tax, are subject to the same tax authority, and are reported to the latter on a net basis.

By means of Decree No. 387/2021, the PEN passed Law No. 27,630 which, among other things, modifies the income tax rates that had been established by Law No. 27,430. Thus, said decree establishes a new tiered rate structure for the income tax for fiscal years as of January 1, 2021, with three segments according to the cumulative taxable net income. Consequently, this change has been reflected in 2021 fiscal year. Current tax shows a higher charge of 159,107, while deferred net assets and liabilities record a higher charge of 7,324,487, based on the actual rate expected to be applicable as of the probable date of reversal of those deferred assets and liabilities.

These tiers have been updated by means of Administración Federal de Ingresos Públicos ("AFIP") General Resolution 5168/2022, for fiscal years beginning as of January 1, 2022, as follows:

- 25% for cumulative taxable net income of up to $ 7,604,948.57.
- $ 1,901,237.14 plus 30% over the excess of $ 7,604,948.57, for cumulative taxable net income above that amount and up to $ 76,049,485.68.
- $ 22,434,598.28 plus 35% over the excess of $ 76,049,485.68, for cumulative taxable net income above that amount.

## 2 – PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

### 2.14 – Income Tax (Cont.)

(a) Income Tax (Cont.)

Law 27,430 also establishes that the tax inflation adjustment provided for in Title VI of the Income Tax Law be applied to the first, second and third fiscal years as from its effective date (2018), provided the CPI cumulative variation from the beginning to the end of each fiscal year exceeds fifty-five percent (55%), thirty percent (30%) and fifteen percent (15%) in 2018, 2019 and 2020, respectively. The CPI cumulative variation recorded in the first fiscal year did not exceed 55%. However, during the two following fiscal years, according to the information published by INDEC, the CPI exceeded the percentages established. As of fiscal year 2019, the tax inflation adjustment has consequently been calculated and reflected in the current and deferred income tax provision, considering that the Solidarity Law established, as a temporary measure, that any resulting adjustment, either gain or loss, for the first and second fiscal years as from January 1, 2019, be allocated as follows: one-sixth during said fiscal period and the remaining five-sixths during the immediately following five fiscal periods in equal shares. The inflation adjustment for fiscal year 2022 must be fully allocated in said fiscal year.

(b) Tax on dividends

Law 27,430, has introduced a tax on dividends or distribution of earnings, applicable among others, to Argentine companies or permanent establishments, individuals, undivided estates or foreign beneficiaries. However, as a result of the changes introduced by the Solidarity Law and the above mentioned Law 27,630, it was established that dividends derived from earnings accrued during fiscal years beginning January 1, 2018 are subject to a 7% withholding tax.

Dividends derived from earnings accrued up to fiscal year prior to that beginning on January 1, 2018 will continue to be subject, as to all their recipients, to a 35% withholding tax over the excess of retained earnings that are tax-free distributable (transition period for matching tax).

### 2.15 - Contingencies

Provisions for labour, civil and administrative lawsuits are recognized when the Company has a legal or constructive liability as a result of past events, and it is likely that an outflow of cash will be required to settle said liability in an amount that can be accurately estimated. Provisions for contingencies are measured at the estimated present value of cash disbursements expected to be required to settle said liability.

2 – PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.16 - Leases

Leases are recognized as a right-of-use asset, and a liability is recorded on the date when the leased asset is available for use by the Company. Right-of-use assets are measured at cost, which includes the following:

- initial lease liability,
- lease payments made on or before commencement date, and
- any initial direct cost.

Right- of-use assets are depreciated on a straight-line basis throughout the lesser of the useful life of the asset or lease term. Lease liabilities are measured at the present value of discounted future payments under the lease agreement, at a discount rate implicit in said agreements, if it can be determined, or at the weighted average of the incremental borrowing rate.

2.17 – Revenue Recognition

As from January 1, 2018, the Company has applied IFRS 15 "Revenue from Contracts with Customers".

Consequently, revenues from firm and interruptible transportation services and operation and maintenance contracts are recognized at the present value of the amounts received or to be received, net of value added tax, withholdings and discounts. Firm transportation revenues are recognized based on the contracted capacity reserved, regardless of actual usage. Interruptible transportation revenues are recognized based on the volumes of natural gas delivered. Operation and maintenance revenues are recognized when services are provided.

IFRS 15 sets up a five-step model to recognize and measure revenues: i) identify the contract with the customer; ii) identify the performance obligations in the contract; iii) determine the transaction price; iv) allocate the transaction price to the performance obligations in the contract; and v) recognize revenue when or as the entity satisfies a performance obligation.

According to the basic rules of the License, the Company transfers the turnover tax and tax on bank transactions, related to regulated services, to customers via increases in monthly billings.

2.18 - Interest

Interest income is recognized based on the proportion of time elapsed, using the effective interest rate method and the original contractual rate associated with the underlying instrument or loan.

## 2 – PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

### 2.19 –Related Party Transactions

Related party transactions with controlling company, affiliated companies and other related parties are entered into according to current market conditions. Individuals and companies comprised in Section 72 of the Capital Markets Law, have been included as related parties.

### 2.20 - Commitments

As of the date of these Financial Statements, the Company has committed disbursements (see Notes 1.2 and 6.1 to these Financial Statements).

### 2.21 – Changes in Interpretation and Accounting Standards

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

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

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

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

## 3 – FINANCIAL RISK MANAGEMENT

### 3.1 – Financial Risk Factors

The Company's activities expose it to various financial risks: capital risk, market risk (including currency risks, price risks, interest rate risks on fair value and cash flows), credit risk and liquidity risk. The Company has an investment policy that provides a conceptual framework within which investments and fund placements are made, minimizing exposure to capital risk, maximizing return based on specific market characteristics, and maintaining liquidity levels necessary for its normal operation.

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NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

## 3 – FINANCIAL RISK MANAGEMENT (Cont.)

### 3.2 – Capital Risk Management

The following table shows the Company's capitalization as of December 31, 2022 and December 31, 2021:

| | 12.31.2022 | 12.31.2021 |
|---|---|---|
| Current Loans | 28,826 | 11,508,027 |
| Current Notes | - | 843,367 |
| Non-Current Loans | 9,686,716 | - |
| Total Loans and Notes | 9,715,542 | 12,351,394 |
| Common Stock | 439,374 | 439,374 |
| Common Stock integral adjustment | 55,863,804 | 55,863,804 |
| Statutory reserve | 11,260,641 | 11,260,641 |
| Optional reserve for working capital and liquidity coverage | 45,908,588 | 50,523,999 |
| Voluntary reserve for future dividends | - | 932,415 |
| Property, Plant and Equipment Revaluation Allowance | 16,368,504 | 21,334,468 |
| Other Reserves | (89,864) | (71,261) |
| Retained Earnings | (2,618,968) | (5,547,826) |
| Total Shareholders' Equity | 127,132,079 | 134,735,614 |
| Total Capitalization | 136,847,621 | 147,087,008 |

### 3.3 – Market Risks

#### 3.3.1 – Currency Risks

The potential impact on the statement of comprehensive income and the statement of changes in shareholders' equity resulting from each percentage point of depreciation or appreciation of the peso against the US dollar would account for an approximate loss or profit, as applicable, of $ 145.11 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 FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

## 3 – FINANCIAL RISK MANAGEMENT (Cont.)

### 3.3 – Market Risks (Cont.)

#### 3.3.1 – Currency Risks (Cont.)

Foreign Currency denominated Assets and Liabilities

| | 12.31.22 | | | | 12.31.21 | | |
|---|---|---|---|---|---|---|---|
| | Amount and type of foreign currency (1) | | Current trading price in $ | Amount in local currency (1) | Amount and type of foreign currency (1) | | Amount in local currency (1) |
| **ASSETS** | | | | | | | |
| **NON-CURRENT ASSETS** | | | | | | | |
| **Trade accounts receivable (Note 13)** | | | | | | | |
| Trade accounts receivable with third parties | US$ | 189,378 | 176.96 | 33,512,304 | US$ | 189,378 | 37,819,129 |
| | | | | **33,512,304** | | | **37,819,129** |
| **Investments at amortized cost of restricted availability (Note 9)** | | | | | | | |
| Investments at amortized cost of restricted availability | US$ | 56,572 | 176.96 | 10,011,057 | | | - |
| | | | | **10,011,057** | | | - |
| **Total non-current assets** | | | | **43,523,361** | | | **37,819,129** |
| **CURRENT ASSETS** | | | | | | | |
| **Other accounts receivable (Note 12)** | | | | | | | |
| Other sundry accounts receivable | US$ | 1,709 | 176.96 | 302,425 | US$ | 249 | 49,725 |
| Other receivables with controlling company | US$ | 16 | 176.96 | 2,839 | US$ | 16 | 3,109 |
| Other receivables with affiliated companies | US$ | 12 | 176.96 | 2,067 | US$ | 8 | 1,564 |
| | R$ | 106 | 31.20 | 3,293 | R$ | 106 | 3,639 |
| | | | | **310,624** | | | **58,037** |
| **Trade accounts receivable (Note 13)** | | | | | | | |
| Trade accounts receivable with third parties | US$ | 8,287 | 176.96 | 1,466,452 | US$ | 4,727 | 944,079 |
| Trade accounts receivable with related parties | US$ | 83 | 176.96 | 14,710 | US$ | 79 | 15,710 |
| Trade accounts receivable with affiliated companies | US$ | 13 | 176.96 | 2,297 | US$ | 13 | 2,592 |
| | | | | **1,483,459** | | | **962,381** |
| **Investments at amortized cost of restricted availability (Note 9)** | | | | | | | |
| Investments at amortized cost of restricted availability | | | | - | US$ | 56,584 | 11,299,851 |
| | | | | - | | | **11,299,851** |
| **Cash and cash equivalents (Note 14)** | | | | | | | |
| Bank balances | US$ | 4 | 176.96 | 735 | US$ | 7 | 1,346 |
| | | | | **735** | | | **1,346** |
| **Total current assets** | | | | **1,794,818** | | | **12,321,615** |
| **Total assets** | | | | **45,318,179** | | | **50,140,744** |

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NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

## 3 – FINANCIAL RISK MANAGEMENT (Cont.)

### 3.3 – Market Risks (Cont.)

### 3.3.1 – Currency Risks (Cont.)

Foreign Currency denominated Assets and Liabilities (Cont.)

| | 12.31.22 | | | 12.31.21 | |
|---|---|---|---|---|---|
| | **Amount and type of foreign currency [1]** | **Current trading price in $** | **Amount in local currency [1]** | **Amount and type of foreign currency [1]** | **Amount in local currency [1]** |
| **LIABILITIES** | | | | | |
| **NON-CURRENT LIABILITIES** | | | | | |
| **Loans (Note 16)** | | | | | |
| Loan with Itaú Unibanco S.A. Nassau Branch | US$ 54,678 | 177.16 | 9,686,716 | | - |
| **Total Non-current assets** | | | **9,686,716** | | - |
| **CURRENT LIABILITIES** | | | | | |
| **Trade accounts payable (Note 21)** | | | | | |
| Suppliers - goods and services | US$ 180 | 177.16 | 31,824 | US$ 60 | 12,001 |
| Unbilled Goods and Services | US$ 9,285 | 177.16 | 1,644,992 | US$ 7,985 | 1,597,659 |
| | £ 55 | 214.68 | 11,793 | £ 49 | 13,215 |
| | € 69 | 189.92 | 13,147 | € 29 | 6,479 |
| | | | **1,701,756** | | **1,629,354** |
| **Loans (Note 16)** | | | | | |
| Itaú Unibanco S.A. Nassau Branch Loan | US$ 163 | 177.16 | 28,826 | US$ 54,985 | 11,001,956 |
| | | | **28,826** | | **11,001,956** |
| **Total Current Liabilities** | | | **1,730,582** | | **12,631,310** |
| **Total Liabilities** | | | **11,417,298** | | **12,631,310** |

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

[1] Does not include allowances, provisions for contingencies or discounts at present value.

3 – FINANCIAL RISK MANAGEMENT (Cont.)

3.3 – Market Risks (Cont.)

3.3.2 – Price risks

The Company is exposed to the risk of price fluctuations in investments held and classified in its balance sheet as at fair value through profit or loss. To manage the 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 fair value of the investment portfolio, would approximately represent a gain or loss, as applicable, of $ 173 million, provided the other economic-financial variables affecting the Company remained stable. This sensitivity analysis is based on reasonable assumptions and information. Yet, actual results might significantly differ from said analysis.

3.4 – Credit risks

The credit risk related to investments arises from the credit rating of the financial instrument and the counterparty where such instrument is deposited. The Company's investment policy establishes minimum levels of credit rating for financial instruments and counterparties, according to the type of instrument, currency and marketplace. The Company must transact business with financial institutions with high credit ratings and/or a strong market presence. Diversification restrictions are set, both by instrument and institution.

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NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

## 3 – FINANCIAL RISK MANAGEMENT (Cont.)

### 3.4 – Credit risks (Cont.)

As to customers, independent risk ratings are used, where available, or otherwise, a customer's credit rating considering its financial position, experience and other factors is assessed. If it is determined that the customer represents a risk in terms of payment or compliance with obligations, actions to eventually mitigate such risks are considered. The credit risk associated with gas transportation for export customers is described in Note 1.5 to these financial statements.

Short- and medium-term cash flow forecasting is performed on a regular basis to ensure that sufficient cash is available to meet the Company's operation and maintenance requirements.

### 3.5 – Liquidity risks

The Company invests cash surplus in interest-bearing accounts, term deposits, mutual funds, government bonds and securities, choosing instruments with adequate maturity dates or sufficient liquidity. The table below breaks down liabilities by the term remaining to elapse to maturity, counted as from the date of the Financial Statements.

| As of December 31, 2022 | Less than 3 months | Between 3 months and a year | Between 1 and 2 years | More than 2 years | Past due/- Without term | Total |
|---|---|---|---|---|---|---|
| Loans | 28,826 | - | 9,743,800 | - | - | 9,772,626 |
| Other liabilities (except Contingencies, Deferred income tax liabilities, Salaries and social security contributions and Taxes payable) | 1,604,352 | 45,812 | 122,165 | 137,436 | 2,633,400 | 4,543,165 |

| As of December 31, 2021 | Less than 3 months | Between 3 months and a year | Between 1 and 2 years | More than 2 years | Past due/- Without term | Total |
|---|---|---|---|---|---|---|
| Loans and Notes | 1,390,218 | 11,005,035 | - | - | - | 12,395,253 |
| Other liabilities (except Contingencies, Deferred income tax liabilities, Salaries and social security contributions and Taxes payable) | 1,129,380 | 55,773 | 148,730 | 223,097 | 2,221,793 | 3,778,773 |

## 4 – CRITICAL ACCOUNTING ESTIMATES

In preparing these Financial Statements the Company's Board is required to make estimates that affect the valuation of contingent assets and liabilities disclosed as of their date of issue, the allowance for doubtful accounts and disputed amounts (see Notes 2.9, 22.1.3 and 22.1.4), depreciation, fair value of essential assets and recoverable value of non-essential assets (see Note 2.6), allowance for slow-moving or obsolete materials (see Note 2.8), income tax charge (see Note 2.14), as well as income and expenses recorded in the pertinent fiscal year. However, actual results may significantly differ from the estimates used in the preparation of these Financial Statements.

## 5 –SEGMENT INFORMATION

Segment reporting 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);

| | 12.31.2022 | 12.31.2021 |
|---|---|---|
| Revenues | 40,.942 | 39,038 |
| Costs of service | (24,351) | (23,308) |
| Management EBITDA | 16,591 | 15,730 |
| Acquisition of "Property, plant and equipment" | 8,750 | 6,334 |

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

| | 12.31.2022 | 12.31.2021 |
|---|---|---|
| Management EBITDA in million pesos | 16,591 | 15,730 |
| "Property, plant and equipment" depreciation | (23,073) | (24,030) |
| Other net income and expenses | (11) | 43 |
| Recovery due to impairment of financial assets | 97 | 170 |
| Net financial income | (6,249) | (4,875) |
| Income (loss) from investments in affiliated companies | 91 | 63 |
| Income before income tax | (12,554) | (12,899) |

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NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

## 6 – PROPERTY, PLANT AND EQUIPMENT

| | 12.31.2022 | | | | | | | | | | Net book value | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Cost of acquisition | | | | | | Depreciation | | | | | |
| | At the beginning of fiscal year | Additions | Disposals | Transfers | Impairment Revaluation | At the end of fiscal year | At the beginning of fiscal year | Fiscal year | Disposals | At the end of fiscal year | 12.31.2022 | 12.31.2021 |
| Essential assets: | | | | | | | | | | | | |
| Gas pipelines and branch lines | 87,680,381 | - | - | 2,846,391 | (472,072) | 90,054,700 | - | 18,238,856 | - | 18,238,856 | 71,815,844 | 87,680,381 |
| Compressor plants | 11,981,894 | - | (4,395) | 3,070,640 | (78,327) | 14,969,812 | - | 3,057,826 | (3,890) | 3,053,936 | 11,915,876 | 11,981,894 |
| Meter and regulating stations | 1,960,223 | - | (250) | 20,965 | (11,931) | 1,969,007 | - | 154,206 | (173) | 154,033 | 1,814,974 | 1,960,223 |
| SCADA system | 2,388,250 | - | - | - | (12,345) | 2,375,905 | - | 497,896 | - | 497,896 | 1,878,009 | 2,388,250 |
| Gas inventory | 2,502,774 | - | - | - | (16,344) | 2,486,430 | - | - | - | - | 2,486,430 | 2,502,774 |
| Lands | 140,790 | - | - | 47,619 | (1,230) | 187,179 | - | - | - | - | 187,179 | 140,790 |
| Buildings and civil construction works | 2,709,619 | - | - | 47,146 | (17,367) | 2,739,398 | - | 97,418 | - | 97,418 | 2,641,980 | 2,709,619 |
| Other technical installations | 2,218,715 | - | - | 440,189 | (15,751) | 2,643,153 | - | 246,933 | - | 246,933 | 2,396,220 | 2,218,715 |
| **Sub-total essential assets** | **111,582,646** | **-** | **(4,645)** | **6,472,950** | **(625,367)** | **117,425,584** | **-** | **22,293,135** | **(4,063)** | **22,289,072** | **95,136,512** | **111,582,646** |
| | | | | | | | | | | | | |
| Other revalued assets: | | | | | | | | | | | | |
| Lands | 72,014 | - | - | - | (470) | 71,544 | - | - | - | - | 71,544 | 72,014 |
| Buildings and civil construction works | 829,850 | - | - | 175,193 | (6,447) | 998,596 | - | 17,824 | - | 17,824 | 980,772 | 829,850 |
| **Sub-total other revalued assets** | **901,864** | **-** | **-** | **175,193** | **(6,917)** | **1,070,140** | **-** | **17,824** | **-** | **17,824** | **1,052,316** | **901,864** |
| **Total revalued assets** | **112,484,510** | **-** | **(4,645)** | **6,648,143** | **(632,284)** | **118,495,724** | **-** | **22,310,959** | **(4,063)** | **22,306,896** | **96,188,828** | **112,484,510** |
| | | | | | | | | | | | | |
| Non-essential assets: | | | | | | | | | | | | |
| Machinery, equipment and tools | 2,094,697 | 122,975 | (4,471) | - | - | 2,213,201 | 1,510,964 | 325,712 | (3,996) | 1,832,680 | 380,521 | 583,733 |
| Other technical installations | 2,262,714 | 89,417 | (6,204) | - | - | 2,345,927 | 1,800,649 | 128,872 | (6,204) | 1,923,317 | 422,610 | 462,065 |
| Communication equipment and devices | 247,120 | 14,109 | (466) | - | - | 260,763 | 207,709 | 15,861 | (467) | 223,103 | 37,660 | 39,411 |
| Vehicles | 1,672,897 | 271,115 | (173,510) | - | - | 1,770,502 | 1,200,109 | 201,237 | (164,990) | 1,236,356 | 534,146 | 472,788 |
| Furniture and fixtures | 829,694 | 26,733 | (2,708) | - | - | 853,719 | 689,988 | 26,239 | (2,581) | 713,646 | 140,073 | 139,706 |
| Right-of-use (Note 20) | 149,030 | 1,004,524 | - | - | - | 1,153,554 | 134,113 | 64,218 | - | 198,331 | 955,223 | 14,917 |
| Works in progress | 10,108,955 | 7,221,166 | (86,891) | (6,648,143) | - | 10,595,087 | - | - | - | - | 10,595,087 | 10,108,955 |
| **Sub-total non-essential assets** | **17,365,107** | **8,750,039** | **(274,250)** | **(6,648,143)** | **-** | **19,192,753** | **5,543,532** | **762,139** | **(178,238)** | **6,127,433** | **13,065,320** | **11,821,575** |
| | | | | | | | | | | | | |
| **Balance as of December 31, 2022** | **129,849,617** | **8,750,039** | **(278,895)** | **-** | **(632,284)** | **137,688,477** | **5,543,532** | **23,073,098** | **(182,301)** | **28,434,329** | **109,254,148** | **-** |
| **Balance as of December 31, 2021** | **160,642,307** | **6,334,171** | **(117,072)** | **-** | **(13,521,407)** | **153,337,999** | **5,023,405** | **24,029,932** | **(21,423)** | **29,031,914** | **-** | **124,306,085** |

NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

## 6 – PROPERTY, PLANT AND EQUIPMENT (Cont.)

| | 12.31.2021 | | | | | | | | | | Net book value |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Cost of acquisition | | | | | | Depreciation | | | | |
| | At the beginning of fiscal year | Additions | Disposals | Transfers | Impairment | At the end of fiscal year | At the beginning of fiscal year | Fiscal year | Disposals | At the end of fiscal year | 12.31.2021 |
| Essential assets: | | | | | | | | | | | |
| Gas pipelines and branch lines | 112,060,055 | - | - | 4,936,940 | (10,539,782) | 106,457,213 | - | 18,776,832 | - | 18,776,832 | 87,680,381 |
| Compressor plants | 16,179,685 | - | (23,574) | 622,678 | (1,440,307) | 15,338,482 | - | 3,361,871 | (5,283) | 3,356,588 | 11,981,894 |
| Meter and regulating stations | 2,239,438 | - | - | 171,428 | (235,632) | 2,175,234 | - | 215,011 | - | 215,011 | 1,960,223 |
| SCADA system | 2,434,093 | - | - | 752,176 | (287,084) | 2,899,185 | - | 510,935 | - | 510,935 | 2,388,250 |
| Gas inventory | 2,803,624 | - | - | - | (300,850) | 2,502,774 | - | - | - | - | 2,502,774 |
| Lands | 157,637 | - | - | 76 | (16,923) | 140,790 | - | - | - | - | 140,790 |
| Buildings and civil construction works | 3,055,468 | - | - | 115,184 | (325,716) | 2,844,936 | - | 135,317 | - | 135,317 | 2,709,619 |
| Other technical installations | 2,348,564 | - | - | 549,194 | (266,705) | 2,631,053 | - | 412,338 | - | 412,338 | 2,218,715 |
| **Sub-total essential assets** | **141,278,564** | **-** | **(23,574)** | **7,147,676** | **(13,412,999)** | **134,989,667** | **-** | **23,412,304** | **(5,283)** | **23,407,021** | **111,582,646** |
| | | | | | | | | | | | |
| Other revalued assets: | | | | | | | | | | | |
| Lands | 80,671 | - | - | - | (8,657) | 72,014 | - | - | - | - | 72,014 |
| Buildings and civil construction works | 917,315 | - | - | 93,647 | (99,751) | 911,211 | - | 81,361 | - | 81,361 | 829,850 |
| **Sub-total other revalued assets** | **997,986** | **-** | **-** | **93,647** | **(108,408)** | **983,225** | **-** | **81,361** | **-** | **81,361** | **901,864** |
| **Total revalued assets** | **142,276,550** | **-** | **(23,574)** | **7,241,323** | **(13,521,407)** | **135,972,892** | **-** | **23,493,665** | **(5,283)** | **23,488,382** | **112,484,510** |
| | | | | | | | | | | | |
| Non-essential assets: | | | | | | | | | | | |
| Machinery, equipment and tools | 2,084,378 | 18,241 | (7,922) | - | - | 2,094,697 | 1,411,499 | 106,722 | (7,257) | 1,510,964 | 583,733 |
| Other technical installations | 2,221,571 | 41,143 | - | - | - | 2,262,714 | 1,630,507 | 170,142 | - | 1,800,649 | 462,065 |
| Communication equipment and devices | 246,616 | 504 | - | - | - | 247,120 | 191,696 | 16,013 | - | 207,709 | 39,411 |
| Vehicles | 1,486,494 | 194,750 | (8,347) | - | - | 1,672,897 | 1,019,384 | 188,529 | (7,804) | 1,200,109 | 472,788 |
| Furniture and fixtures | 798,282 | 32,493 | (1,081) | - | - | 829,694 | 676,510 | 14,557 | (1,079) | 689,988 | 139,706 |
| Right-of-use (Note 20) | 138,521 | 10,509 | - | - | - | 149,030 | 93,809 | 40,304 | - | 134,113 | 14,917 |
| Works in progress | 11,389,895 | 6,036,531 | (76,148) | (7,241,323) | - | 10,108,955 | - | - | - | - | 10,108,955 |
| **Sub-total non-essential assets** | **18,365,757** | **6,334,171** | **(93,498)** | **(7,241,323)** | **-** | **17,365,107** | **5,023,405** | **536,267** | **(16,140)** | **5,543,532** | **11,821,575** |
| | | | | | | | | | | | |
| **Balance as of December 31, 2021** | **160,642,307** | **6,334,171** | **(117,072)** | **-** | **(13,521,407)** | **153,337,999** | **5,023,405** | **24,029,932** | **(21,423)** | **29,031,914** | **124,306,085** |

NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

## 6 – PROPERTY, PLANT AND EQUIPMENT (Cont.)

### 6.1 – Commitments

As of December 31, 2022, the Company has firm contractual commitments with suppliers for the acquisition of Property, plant and equipment for 1,664,451.

## 7 – INVESTMENTS IN AFFILIATED COMPANIES

| | 12.31.2022 | 12.31.2021 |
|---|---|---|
| Balance at the beginning of fiscal year | 299,781 | 332,382 |
| Income from investments in affiliated companies | 91,353 | 63,869 |
| Conversion difference allocated to Other comprehensive income | (18,603) | (96,470) |
| Balance at the end of fiscal year | 372,531 | 299,781 |

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NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

## 7 – INVESTMENTS IN AFFILIATED COMPANIES (Cont.)

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

| | Description | | | | Book value as of | | Information on issuer | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Most Recent Financial Statements | | | | | |
| **Issuer** | **Shares** | **Face Value** | **Amount** | **Cost** | **12.31.22** | **12.31.21** | **Main Activity** | **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 | 370,725 | 298,111 | Gas pipeline operation and maintenance service | 12.31.22 | 361 | - | 756,220 | 756,581 | 49.0 |
| Companhia Operadora do Rio Grande do Sul | Common | (2) 1 per share | 49 | 0.1 | 1,806 | 1,670 | Gas pipeline operation and maintenance service | 12.31.22 | 3 | 12,544 | (8,861) | 3,686 | 49.0 |
| **Total** | | | | | **372,531** | **299,781** | | | | | | | |

(1) Chilean pesos
(2) Brazilian Reais

NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

## 8 – INCOME TAX

Deferred income tax assets and liabilities are offset when it is legally possible, derive from income tax corresponding to the same entity, are subject to the same tax authority and are presented to the authority on a net basis. The deferred income tax net position is as follows:

| | 12.31.2022 | 12.31.2021 |
|---|---|---|
| Deferred income tax assets: | | |
| Deferred income tax assets to be recovered after 12 months | 477,030 | 260,618 |
| Deferred income tax assets to be recovered within 12 months | 106,779 | 98,756 |
| | 583,809 | 359,374 |
| Deferred income tax liabilities: | | |
| Deferred income tax liabilities to be recovered after 12 months | (20,672,437) | (26,148,489) |
| Deferred income tax liabilities to be recovered within 12 months | 91,054 | 153,409 |
| | (20,581,383) | (25,995,080) |
| Deferred income tax liabilities (net) | (19,997,574) | (25,635,706) |

Deferred tax assets and liabilities, excluding the settlement of balances, is as follows:

| Deferred income tax assets | Trade accounts payable and financial liabilities | Materials and spare parts | Contingencies | Other debts | Tax Loss Carryforward | Investments at fair value | Other accounts receivable | Total |
|---|---|---|---|---|---|---|---|---|
| Balance as of December 31, 2020 | 200,201 | 557,570 | 101,544 | 20,761 | - | - | 26,864 | 906,940 |
| Charged to statement of comprehensive income | (49,589) | (427,090) | (44,444) | (1,504) | - | - | (24,939) | (547,566) |
| Balance as of December 31, 2021 | 150,612 | 130,480 | 57,100 | 19,257 | - | - | 1,925 | 359,374 |
| Charged to statement of comprehensive income | (47,322) | (59,822) | 256,113 | (4,129) | 68,942 | 12,184 | (1,531) | 224,435 |
| Balance as of December 31, 2022 | 103,290 | 70,658 | 313,213 | 15,128 | 68,942 | 12,184 | 394 | 583,809 |

| Deferred income tax liabilities | Property, plant and equipment | Trade accounts receivable | Revaluation of Property, plant and equipment (1) | Investments at fair value | Tax inflation adjustment | Total |
|---|---|---|---|---|---|---|
| Balance as of December 31, 2020 | (5,312,117) | (4,856,650) | (14,213,696) | (22,238) | (2,287,934) | (26,692,635) |
| Charged to statement of comprehensive income | (1,753,574) | (852,869) | 2.725,858 | (83,699) | 661,839 | 697,555 |
| Balance as of December 31, 2021 | (7,065,691) | (5,709,519) | (11,487,838) | (105,937) | (1,626,095) | (25,995,080) |
| Charged to statement of comprehensive income | 1,076,619 | 511,440 | 2,673,972 | 105,937 | 1,045,729 | 5,413,697 |
| Balance as of December 31, 2022 | (5,989,072) | (5,198,079) | (8,813,866) | - | (580,366) | (20,581,383) |

(1) As of December 31, 2022, included net of revaluation balance of "Property, plant and equipment" under Shareholders' Equity.

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NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

8 – INCOME TAX (Cont.)

Reconciliation between income tax charged to the statement of comprehensive income and the amounts obtained by applying the income tax rate to pre-tax income is presented below:

| | 12.31.2022 | 12.31.2021 |
|---|---|---|
| Income before income tax | (12,553,599) | (12,898,558) |
| Statutory income tax rate | 35% | 35% |
| Income tax charge determined by applying statutory tax rate to the income for the fiscal year | 4,393,759 | 4,514,496 |
| Exceptions to statutory income tax rate: | | |
| - Accounting adjustment for inflation | (14,784,168) | (11,484,108) |
| - Income from investments in affiliated companies | 31,974 | 22,354 |
| - Change in income tax rate [1] | - | (8,755,782) |
| - Tax inflation adjustment – Title VI and updates art 89 – Income Tax Law | 2,899,652 | 1,701,507 |
| - Tax revaluation – Law 27,430 – Chapter X – art. 1 | 12,805,955 | 8,829,133 |
| - Other adjustments including non-deductible and not taxable items | 32,480 | 5,553 |
| Total income tax charge | 5,379,652 | (5,166,847) |

[1] Derived from applying changes in income tax rate to the deferred income tax assets and liabilities, as provided under Law 27,430, based on the year in which their realization is expected to occur.

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NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

## 9 – INVESTMENTS

| **Non-Current:** | 12.31.2022 | 12.31.2021 |
|---|---|---|
| **Investments at amortized cost:** | | |
| VRD bonds | - | 2,322 |
| **Total investments at amortized cost** | **-** | **2,322** |
| | | |
| **Non-Current:** | | |
| **Investments at amortized cost of restricted availability** | | |
| Term deposit of restricted availability (Note 3.3) | 10,011,057 | - |
| **Total investments at amortized cost of restricted availability** | **10,011,057** | **-** |
| | | |
| **Current:** | | |
| **Investments at amortized cost:** | | |
| VRD bonds | 1,214 | 7,636 |
| **Total investments at amortized cost** | **1,214** | **7,636** |
| | | |
| **Investments at amortized cost of restricted availability** | | |
| Term deposit of restricted availability (Note 3.3) | - | 11,299,851 |
| **Total investments at amortized cost of restricted availability** | **-** | **11,299,851** |
| | | |
| **Current:** | | |
| **Investments at fair value:** | | |
| Notes | 5,387,316 | 1,402,121 |
| Mutual funds | - | 781,454 |
| Government bonds | 10,374,936 | 6,342,971 |
| **Total investments at fair value** | **15,762,252** | **8,526,546** |

**Investments at amortized cost of restricted availability:**

The Company has a term deposit as guarantee for the loan with Itaú Unibanco S.A. Nassau Branch for the amount of US$ 56.6 million (see Note 16 to these financial statements). These funds will remain restricted until the loan is repaid.

NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

## 10 – FINANCIAL INSTRUMENTS BY CATEGORY

| | 12.31.2022 | 12.31.2021 |
|---|---|---|
| **Financial assets at fair value [(1)]:** | | |
| **Current**: | | |
| Classified as "Investments at fair value": | | |
| Notes | 5,387,316 | 1,402,121 |
| Mutual funds | - | 781,454 |
| Government bonds | 10,374,936 | 6,342,971 |
| Subtotal | 15,762,252 | 8,526,546 |
| Classified as "Cash and cash equivalents": | | |
| Mutual funds (Note 14) | 1,551,689 | 2,650,301 |
| Subtotal | 1,551,689 | 2,650,301 |
| **Total financial assets at fair value - Current** | **17,313,941** | **11,176,847** |
| **Financial assets at amortized cost:** | | |
| **Current:** | | |
| Classified as "Investments at amortized cost": | | |
| VRD bonds | 1,214 | 7,636 |
| Subtotal | 1,214 | 7,636 |
| Classified as "Investments at amortized cost of restricted availability": | | |
| Term deposit of restricted availability | - | 11,299,851 |
| Subtotal | - | 11,299,851 |
| Classified as "Cash and cash equivalents": | | |
| Cash and banks [(3)] (Note 14) | 28,614 | 86,500 |
| Term deposits [(2)] (Note 14) | 450,003 | - |
| Surety bonds [(2)] (Note 14) | 574,048 | 2,892,200 |
| Subtotal | 1,052,665 | 2,978,700 |
| Classified as "Trade accounts receivable" and "Other accounts receivable" | 5,898,928 | 6,434,950 |
| **Total financial assets at amortized cost - Current** | **6,952,807** | **20,721,137** |

NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

10 – FINANCIAL INSTRUMENTS BY CATEGORY (Cont.)

| | | |
|---|---|---|
| **Financial assets at amortized cost (Cont.):** | | |
| | 12.31.2022 | 12.31.2021 |
| **Non-Current:** | | |
| Classified as "Investments at amortized cost": | | |
| VRD bonds | - | 2,322 |
| Subtotal | - | 2,322 |
| Classified as "Investments at amortized cost of restricted availability": | | |
| Term deposit of restricted availability | 10,011,057 | - |
| Subtotal | 10,011,057 | - |
| Classified as "Trade accounts receivable" and "Other accounts receivable" | 15,353,705 | 17,081,720 |
| **Total financial assets at amortized cost – Non-Current** | **25,364,762** | **17,084,042** |
| | | |
| **Financial liabilities at amortized cost:** | | |
| **Current:** | | |
| Loans | 28,826 | 11,508,027 |
| Notes | - | 843,367 |
| Trade accounts payable, other debts and lease debt | 3,407,466 | 3,235,417 |
| **Total financial liabilities at amortized cost – Current** | **3,436,292** | **15,586,811** |
| **Non-Current:** | | |
| Loans | 9,686,716 | - |
| Trade accounts payable, other debts and lease debt | 1,135,699 | 543,356 |
| **Total financial liabilities at amortized cost – Non-Current** | **10,822,415** | **543,356** |

(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 financial statements. The quoted market price used for financial assets held by the Company is the ask price as of December 31, 2022 and 2021.

(2) Investments originally falling due within three months or less are classified as "Cash and cash equivalents" in the balance sheet. A breakdown of this account is presented in Note 14 to these financial statements.

(3) As of December 31, 2022 and December 31, 2021, it includes 735, and 1,346, respectively, denominated in foreign currency (see Note 3.3.1).

NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

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## 10 – FINANCIAL INSTRUMENTS BY CATEGORY (Cont.)

Credit rating of the financial assets is as follows:

| | 12.31.2022 | 12.31.2021 |
|---|---|---|
| AAA | 4,231,937 | 2,157,276 |
| AA | 2,553,915 | 1,504,890 |
| AA+ | - | 390,256 |
| AA- | 603,156 | 781,454 |
| BB | 10,011,057 | - |
| BB- | - | 11,299,851 |
| CCC+ | 10,374,936 | 6,342,971 |
| Other financial assets without credit rating | 21,856,509 | 26,505,328 |
| Total | 49,631,510 | 48,982,026 |

## 11 – MATERIALS & SPARE PARTS

| | | |
|---|---|---|
| Non-Current | | |
| Spare parts and consumables | 5,768,034 | 6,197,700 |
| Allowance for slow-moving and obsolete materials | (2,151,930) | (2,165,169) |
| Total non-current materials and spare parts | 3,616,104 | 4,032,531 |

Changes in allowance for slow-moving and obsolete materials:

| | |
|---|---|
| Balance as of December 31, 2020 | 2,088,225 |
| – Increases | 76,944 |
| Balance as of December 31, 2021 | 2,165,169 |
| – Recoveries, net | (13,239) |
| Balance as of December 31, 2022 | 2,151,930 |

The Company recognizes an allowance for slow-moving and obsolete materials and spare parts, for those slow-moving or obsolete assets, considering the economic-financial projections prepared on a best estimate basis.

NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

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## 12 – OTHER ACCOUNTS RECEIVABLE

| | 12.31.2022 | 12.31.2021 |
|---|---|---|
| Non-current | | |
| Tax credits – Income tax | 213,081 | - |
| Other | 29,094 | 28,136 |
| Total other accounts receivable – Non-current | 242,175 | 28,136 |
| Current | | |
| Key management personnel (Note 28) | 85,333 | 97,580 |
| Prepaid expenses and advances | 833,117 | 983,076 |
| Tax credits – Value added tax | 144,802 | 1,208,791 |
| Assistance fees and recovery of expenses – controlling shareholder (Note 28) | 2,839 | 3,109 |
| Other receivables – affiliated companies (Notes 28 and 3.3) | 5,360 | 5,203 |
| Other receivables – other related parties (Note 28) | 27,033 | 45,663 |
| Allowance for doubtful accounts or disputed amounts | (1,127) | (5,503) |
| Other trade receivables | 548,537 | 195,760 |
| Total other accounts receivable - Current | 1,645,894 | 2,533,679 |

Changes in the allowance for doubtful accounts or disputed amounts under other accounts receivable are as follows:

| | |
|---|---|
| Balance as of December 31, 2020 | 107,469 |
| – Increases | 14,304 |
| – Applications | (84,973) |
| – Loss on monetary position | (31,297) |
| Balance as of December 31, 2021 | 5,503 |
| – Applications | (1,779) |
| – Loss on monetary position | (2,597) |
| Balance as of December 31, 2022 | 1,127 |

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NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

## 13 – TRADE ACCOUNTS RECEIVABLE

| | 12.31.2022 | 12.31.2021 |
|---|---|---|
| Non-current | | |
| Trade accounts receivable - third parties (Note 3.3) | 33,512,304 | 37,819,129 |
| Allowance for doubtful accounts and disputed amounts | (18,400,774) | (20,765,545) |
| Total trade accounts receivable – Non-current | 15,111,530 | 17,053,584 |
| Current | | |
| Trade accounts receivable - third parties | 3,842,422 | 4,535,450 |
| Trade accounts receivable – other related parties (Note 28) | 841,786 | 732,853 |
| Trade accounts receivable – affiliated companies (Note 28) | 2,297 | 2,592 |
| Less: Allowance for doubtful accounts and disputed amounts | (62,814) | (870,866) |
| Total trade accounts receivable - Current | 4,623,691 | 4,400,029 |

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

| | |
|---|---|
| Balance as of December 31, 2020 | 25,666,370 |
| – Loss due to monetary position and exposure to exchange rate differences | (4,900,825) |
| Balance as of December 31, 2021 | 20,765,545 |
| – Loss due to monetary position and exposure to exchange rate differences | (2,364,771) |
| Balance as of December 31, 2022 | 18,400,774 |

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

| | |
|---|---|
| Balance as of December 31, 2020 | 1,668,900 |
| – Recoveries, net | (184,207) |
| – Applications | (14,091) |
| – Loss on monetary position | (599,736) |
| Balance as of December 31, 2021 | 870,866 |
| – Recoveries, net | (97,018) |
| – Applications | (327,198) |
| – Loss on monetary position | (383,836) |
| Balance as of December 31, 2022 | 62,814 |

NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

## 13 – TRADE ACCOUNTS RECEIVABLE (Cont.)

Aging of trade accounts receivable at nominal value is as follows:

| | 12.31.2022 | 12.31.2021 |
|---|---|---|
| To become due | 3,584,375 | 3,687,525 |
| Past due from 0 to 6 months | 1,033,190 | 710,707 |
| Past due for more than 6 months | 33,581,244 | 38,691,792 |
| Total | 38,198,809 | 43,090,024 |

The maximum credit risk exposure at the date of issue of these Financial Statements is the book value of each type of trade accounts receivable and other accounts receivable. The values recorded for the Company's accounts receivable at nominal value are stated in the following currencies:

| | 12.31.2022 | 12.31.2021 |
|---|---|---|
| Argentine Pesos | 3,203,046 | 4,308,514 |
| US Dollars (Note 3.3) | 34,995,763 | 38,781,510 |
| Total | 38,198,809 | 43,090,024 |

## 14 – CASH AND CASH EQUIVALENTS

| | | |
|---|---|---|
| Cash and banks [(1)] | 28,614 | 86,500 |
| Mutual funds | 1,551,689 | 2,650,301 |
| Term deposits | 450,003 | - |
| Surety bonds | 574,048 | 2,892,200 |
| Total | 2,604,354 | 5,629,001 |

[(1)] As of December 31, 2022, and 2021, it includes $ 735 and $ 1,346, respectively, denominated in foreign currency. See Note 3 to these financial statements.

## 15 – COMMON STOCK

The nominal common stock of $ 439,373,939, is represented by 179,264,584 book-entry Class A common shares of $ 1 par value each and entitled to 1 vote per share, 172,234,601 book-entry Class B common shares, of $1 par value each and entitled to 1 vote per share, and 87,874,754 book-entry Class C common shares, of $ 1 par value each and entitled to 1 vote per share. All issued shares are subscribed and paid-in. Class B shares are admitted for listing on Bolsas y Mercados Argentinos S.A. (“BYMA”). Class C shares are listed on BYMA.

## 15 – COMMON STOCK (Cont.)

### 15.1 - Restrictions on the transfer of the Company's shares

Gasinvest - TGN's controlling company- and Gasinvest´s shareholders, are restricted by the Bidding Terms and the Transfer Agreement to dispose of their interests in the Company and in Gasinvest, respectively. Consequently, Gasinvest may not reduce its shareholding and votes in the Company to less than 51% ("controlling interest") without ENARGAS previous approval. ENARGAS will approve the transfer of the controlling interest provided that (i) shares are transferred in whole but not in part, or the new buyer purchases all of the outstanding Class A shares of common stock and (ii) the quality of the gas transportation service rendered by the Company is not affected. Any transfer or other disposition as a result of which the interest of Gasinvest's original shareholders in said company's capital stock is reduced to less than 51%, including said shareholders' failure to subscribe for any capital increase in Gasinvest, can only be made with the ENARGAS' prior consent- The foregoing restrictions do not apply to transfers between parties belonging to the same economic group, as established in the Bidding Terms and Conditions.

### 15.2 – Restriction on distribution of profits

At the Shareholders' Meeting held on October 3, 2017 the Board was delegated the power to establish restrictions on payment of dividends.

### 15.3 – Unpaid cumulative dividends on preferred shares

The Company has no preferred shares.

### 15.4 – Conditions, circumstances or terms for release of restrictions on the distribution or retained earnings

At the Shareholders' Meeting held on October 3, 2017 the Board was delegated the power to establish restrictions on payment of dividends. Additionally, there are no losses to be absorbed by the Statutory reserve.

NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

## 16 - LOANS

As of the date of issue of these financial statements, the Company has an outstanding loan with Itaú Unibanco S.A. Nassau Branch. Said loan was taken on October 19, 2020 and on September 16, 2022 an amendment was executed to renew said loan as from its due date, October 21, 2022. The terms and conditions of the renewal are described below:

- Amount: US$ 55,000,000.
- Term: twenty-four months.
- Amortization: 100% at maturity.
- Interest: quarterly.
- Rate: 1.5% p/a.
- Prepayment: total or partial at any time without any cost or penalty.
- Guarantee: first lien for the amount of US$ 56.5 million.

During this fiscal year the Company has paid interest for US$ 0.98 million. The current and non-current balances as of December 31, 2022 amount to 28,826 and 9,686,716, respectively.

The book value of loans does not differ from their fair value.

### 16.1 – Changes in Loans

| | 12.31.2022 | 12.31.2021 |
|---|---|---|
| Non-current: | | |
| Balance at the beginning of fiscal year | - | 14,224,449 |
| Transfer of Itaú Unibanco S.A. Nassau Branch loan from current | 9,501,167 | - |
| Transfer of local loans in pesos to current | - | (841,524) |
| Transfer of Itaú Unibanco S.A. Nassau Branch loan to current | - | (14,473,013) |
| Accrual of interest on Itaú Unibanco S.A. Nassau Branch loan | (51,548) | - |
| Exchange rate difference on Itaú Unibanco S.A. Nassau Branch loan | 1,715,945 | - |
| (Loss) gain on monetary position | (1,478,848) | 1,090,088 |
| Balance at the end of fiscal year | 9,686,716 | - |

NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

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## 16 – LOANS (Cont.)

### 16.1 – Changes in Loans (Cont.)

| | 12.31.2022 | 12.31.2021 |
|---|---|---|
| Current: | | |
| Balance at the beginning of fiscal year | 11,508,027 | 1,604,054 |
| Accrual of interest on Itaú Unibanco S.A. Nassau Branch loan | 201,863 | 270,527 |
| Exchange rate difference on Itaú Unibanco S.A. Nassau Branch loan | 3,503,532 | (5,002) |
| Payment of interest on Itaú Unibanco S.A. Nassau Branch loan | (170,278) | (214,031) |
| Taking of local loans in pesos | - | 105,623 |
| Transfer of local loans in pesos from non-current | - | 841,524 |
| Transfer of Itaú Unibanco S.A. Nassau Branch loan from non-current | - | 14,473,013 |
| Transfer of Itaú Unibanco S.A. Nassau Branch loan to non-current | (9,501,167) | - |
| Accrual of interest on local loans in pesos | 23,432 | 542,694 |
| Payment of principal on local loans in pesos | (381,771) | (1,162,906) |
| Payment of interest on local loans in pesos | (40,350) | (578,573) |
| Loss on monetary position | (5,114,462) | (4,368,896) |
| Balance at the end of fiscal year | 28,826 | 11,508,027 |

## 17 – NOTES

On February 8, 2022, the Company has paid the full balance of the notes issued on August 10, 2020 for a par value amount of $ 1.5 billion.

### 17.1 – Changes in Notes

| | 12.31.2022 | 12.31.2021 |
|---|---|---|
| Non-current: | | |
| Balance at the beginning of fiscal year | - | 1,435,834 |
| Transfer to current | - | (1,643,797) |
| Gain on monetary position | - | 207,963 |
| Balance at the end of fiscal year | - | - |

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NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

## 17 – NOTES (Cont.)

### 17.1 – Changes in Notes (Cont.)

| | 12.31.2022 | 12.31.2021 |
|---|---|---|
| Current: | | |
| Balance at the beginning of fiscal year | 843,367 | 3,131,191 |
| Transfer from non-current | - | 1,643,797 |
| Accrual of interest on Notes | 31,554 | 1,088,362 |
| Payment of interest on Notes | (67,249) | (1,146,241) |
| Payment of principal on Notes | (738,765) | (2,122,636) |
| Repurchase of notes | - | (176,225) |
| Loss on monetary position | (68,907) | (1,574,881) |
| Balance at the end of fiscal year | - | 843,367 |

## 18 – TAXES PAYABLE

| | | |
|---|---|---|
| Value Added Tax | - | 21,513 |
| Turnover Tax | 50,738 | - |
| Tax withholdings and receipts from third parties | 271,963 | 467,126 |
| Total taxes payable | 322,701 | 488,639 |

## 19 – OTHER DEBTS

| | | |
|---|---|---|
| Non-current | | |
| Allowance for easements | 170,252 | 167,431 |
| Total other debts – Non-current | 170,252 | 167,431 |
| | | |
| Current | | |
| Allowance for easements | 47,396 | 62,755 |
| Key management personnel (Note 28) | 85,333 | 101,515 |
| Other debts with related parties (Note 28) | - | 3,927 |
| Contractual liabilities | - | 356 |
| Various fees payable | 22,257 | 43,291 |
| Other debts and customer’s guarantees | 6,021 | 11,726 |
| Total other debts - Current | 161,007 | 223,570 |

Changes in contractual liabilities

| | | |
|---|---|---|
| Balance of contractual liabilities at the beginning of fiscal year | 356 | - |
| Advances from customers | - | 6,191 |
| Consumptions | (342) | (4,628) |
| Loss on monetary position | (14) | (1,207) |
| Balance of contractual liabilities at the end of fiscal year | - | 356 |

NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

## 20 - LEASES

Information on leases under which the Company acts as lessee is described below:

(i) Amounts accounted for in the balance sheet

| | 12.31.2022 | 12.31.2021 |
|---|---|---|
| **Right-of-use** (1) | | |
| Buildings – Offices | 955,223 | 14,917 |
| **Lease debt** (1) | | |
| Current | 135,420 | 6,177 |
| Non-current | 705,846 | 4,098 |

The Company's lease related liabilities classified according to their due dates are the following:

| | 12.31.2022 | 12.31.2021 |
|---|---|---|
| To become due between 0 and 3 months | 37,118 | 3,186 |
| To become due between 3 months and 1 year | 98,302 | 2,991 |
| To become due between 1 and 2 years | 22,409 | 1,175 |
| To become due between 2 and 3 years | 183,922 | 2,923 |
| To become due between 3 and 4 years | 80,702 | - |
| To become due between 4 and 5 years | 69,234 | - |
| To become due in more than 5 years | 349,579 | - |
| Total | 841,266 | 10,275 |

(1) On September 13, 2022, the Company entered into a lease agreement in connection with corporate offices located in the City of Buenos Aires. Said agreement is for an initial term of 5 years as from September 15, 2022, having the Company the irrevocable right to opt for the extension of said lease, for a minimum term of five years on each occasion, until a maximum of fifteen years from the expiration of the initial term is reached. The Company anticipates that the total term of this lease will be fifteen years, and the discount rate at present value used for those lease payments is a 14.5% annual nominal rate.

(ii) Amounts accounted for in the statement of comprehensive income

| | | |
|---|---|---|
| - Right-of-use depreciation | (64,218) | (40,309) |
| - Interest and exchange differences | (39,388) | 14,479 |

NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

## 21 – TRADE ACCOUNTS PAYABLE

| | 12.31.2022 | 12.31.2021 |
|---|---|---|
| Non-current | | |
| AES Argentina Generación S.A. | 259,601 | 371,827 |
| Total trade accounts payable – Non current | 259,601 | 371,827 |
| | | |
| Current | | |
| Suppliers – goods and services | 386,593 | 139,495 |
| Accounts payable with other related parties (Note 28) | 29,516 | - |
| AES Argentina Generación S.A. | 73,306 | 80,563 |
| Unbilled goods and services | 2,621,624 | 2,785,612 |
| Total trade accounts payable - Current | 3,111,039 | 3,005,670 |

## 22 - CONTINGENCIES

| Provision for labour, civil and administrative lawsuits | Current |
|---|---|
| Balance as of December 31, 2020 | 469,280 |
| Recoveries, net | (97,217) |
| – Decreases (payments / uses) | (8,742) |
| – Loss on monetary position | (158,373) |
| Balance as of December 31, 2021 | 204,948 |
| – Recoveries, net | (57,311) |
| – Decreases (payment / uses) | (46,590) |
| – Loss on monetary position | (57,825) |
| Balance as of December 31, 2022 | 43,222 |

### 22.1 – Legal matters

The Company is party to several legal proceedings and claims that have arisen in the ordinary course of its business. Although there can be no assurance as to the ultimate disposition of these matters due to their complexity and current status, it is the opinion of the Company's Board, based upon the estimates described in Note 4, that the expected outcome of these claims and legal actions, individually or in the aggregate, would not have a material effect on the Company’s financial position or results of operations in excess of the provisions recorded by the Company. However, the actual future outcome of these claims could differ from the estimates and assessments performed as of the date of issue of these Financial Statements. Following there is a summary of the most significant claims and legal actions, including those brought by and against TGN.

## 22 – CONTINGENCIES (Cont.)

### 22.1 – Legal matters (Cont.)

#### 22.1.1 – Tax assessments related to payments to Note Holders

Since December 2004, TGN was engaged in a litigation with AFIP, pending before the National Tax Court ("TFN"). This controversy was the result of a Value Added Tax assessment made on the interest paid to the International Finance Corporation as a result of the notes issued by TGN in accordance with Law No. 23,576. On August 22, 2022, TGN received notice of the court judgment revoking the tax authority's assessment, and thereby confirming the Company's position. AFIP withdraw the appeal, except in respect of the determination of the legal costs imposed.

#### 22.1.2 – Tax assessments related to useful lives for tax purposes

In late December 2005 TGN was notified of two resolutions whereby AFIP assessed Income Tax differences for 1999 to 2002 fiscal periods. The total amount claimed is $ 21.2 million, including interest at that date and a fine of 70% of the tax assessed. The tax authorities' claim is supported on the fact that all of the Company´s essential assets must be fully depreciated at the end of the License, considering its 45-year term, according to AFIP. In February 2006 TGN challenged said tax assessments by filing the pertinent appeals with the National Tax Court. On August 22, 2022, TGN received notice of the court judgment revoking the tax authority's assessment, and thereby confirming the Company's position. Said judgment has been appealed by AFIP.

#### 22.1.3 – Pending judicial disputes with YPF

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.

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. Both cases have been joined and were handled together.

Upon pronouncement of judgments in first and second instance favourable to TGN, YPF filed an extraordinary appeal with the National Supreme Court of Justice.

NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

## 22 – CONTINGENCIES (Cont.)

### 22.1 – Legal matters (Cont.)

#### 22.1.3 – Pending judicial disputes with YPF (Cont.)

On February 3, 2023, the Company and YPF entered into a settlement agreement that put an end to the complaints, under which YPF agrees to pay TGN the amount of US$ 190.6 million –in Argentine pesos at the asked rate published by Banco de la Nación Argentina- in four annual instalments payable each February 1 2024, 2025, 2026 and 2027.

#### 22.1.4 – Pending judicial disputes with Chilean Distributor Metrogas

In April 2009, Metrogas filed a declaratory action against TGN to obtain a court statement on the inapplicability of the US$ denominated rate provided for in the gas transportation contract, if gas is not actually transported. In February 2023 the court rendered judgement dismissing the claim on the grounds that said claim should have been filed against the PEN (ENARGAS). The judgement is not final and may be appealed by Metrogas.

In September 2011 TGN filed a lawsuit (subsequently extended) for breach of contract, claiming an amount of US$ 114.5 million (plus interest and expenses) for transportation services billed and unpaid, from September 2009 up to and including April 2015. In November 2012, Metrogas filed the answer to the complaint requesting that the complaint be dismissed and that the producers that supplied it with gas be summoned as third parties; there was no counterclaim for damages. In April 2015 TGN terminated the firm gas transportation contract for export with Metrogas, due to repeated breaches on the part of shipper. In November 2015, TGN filed a claim against Metrogas for damages arising from the wrongful early termination of the transportation contract for US$ 113 million and requested that this claim be joined with the claim for unpaid invoices.

The complaints for breach of contract and damages have been joined. At present, having the production of evidence requested by the court been fully completed, the parties filed their pleas.

On August 4, 2022 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, and (ii) the amount of US$ 135.32 million (in said currency or in pesos at the ask price) on account of loss of profit, plus interest thereon. Both parties have filed an appeal against said judgement, and therefore it is still pending.

## 23 - REVENUES

| | 12.31.2022 | 12.31.2021 |
|---|---|---|
| Gas transportation service | 37,852,153 | 36,613,192 |
| Gas pipeline operation and maintenance and other services | 3,090,222 | 2,424,932 |
| Total revenues | 40,942,375 | 39,038,124 |

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NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

## 24 – EXPENSES BY NATURE

| Item | Cost of service | Selling expenses | Administrative expenses | Total as of 12.31.2022 | Total as of 12.31.2021 |
|---|---|---|---|---|---|
| Directors’ fees | - | - | 89,310 | **89,310** | **93,549** |
| Supervisory Committee’s fees | - | - | 25,314 | **25,314** | **26,661** |
| Fees for professional services | 248,116 | 7,289 | 404,987 | **660,392** | **756,715** |
| Salaries, wages and other personnel benefits | 4,854,911 | 100,720 | 1,993,855 | **6,949,486** | **6,127,983** |
| Social security contributions | 974,074 | 16,862 | 472,981 | **1,463,917** | **1,322,788** |
| Materials and spare parts | 1,424,709 | 214 | 20,560 | **1,445,483** | **1,770,991** |
| Third party services and supplies | 496,108 | 907 | 12,740 | **509,755** | **491,800** |
| Maintenance and repair of property, plant and equipment | 7,633,747 | 5,150 | 76,665 | **7,715,562** | **7,483,489** |
| Travel expenses | 581,822 | 4,847 | 105,802 | **692,471** | **485,397** |
| Freight and transportation | 110,290 | - | 265 | **110,555** | **86,085** |
| Post and telecommunication expenses | 45,613 | 3,014 | 40,824 | **89,451** | **81,549** |
| Insurance | 504,212 | 50 | 26,175 | **530,437** | **616,957** |
| Office supplies | 98,135 | 2,267 | 76,071 | **176,473** | **113,147** |
| Rentals | 74,268 | 1,204 | 41,009 | **116,481** | **170,524** |
| Easements | 202,965 | - | - | **202,965** | **167,629** |
| Taxes, rates and contributions | 25,210 | 1,537,112 | 1,858,775 | **3,421,097** | **3,342,176** |
| Property, plant and equipment depreciation | 22,659,476 | 10,143 | 403,479 | **23,073,098** | **24,029,932** |
| Slow-moving and obsolete materials and spare parts | - | - | - | **-** | **76,944** |
| Other | 76,856 | 547 | 74,388 | **151,791** | **93,758** |
| **Balance as of December 31, 2022** | **40,010,512** | **1,690,326** | **5,723,200** | **47,424,038** | **-** |
| **Balance as of December 31, 2021** | **40,095,594** | **1,612,669** | **5,629,811** | **-** | **47,338,074** |

NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

## 25 – OTHER INCOME AND EXPENSES

| | 12.31.2022 | 12.31.2021 |
|---|---|---|
| Income from commercial indemnities | 49,593 | 34,030 |
| Disposal of property, plant and equipment, net | 90,697 | (83,325) |
| Readjustment of compensation for damages (1) | (224,244) | - |
| Recovery of contingency allowance | 57,311 | 97,217 |
| Recovery of slow-moving and obsolete spare parts and materials allowance | 13,239 | - |
| Other income and expenses | 2,224 | (4,929) |
| Total other income and expenses | (11,180) | 42,993 |

(1) During the fiscal year ended December 31, 2022, the Company has recognized losses for $ 224.2 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.

## 26 – NET FINANCIAL INCOME

| | 12.31.2022 | 12.31.2021 |
|---|---|---|
| Other net financial income | | |
| Foreign exchange gain, net | 8,208,942 | 4,152,118 |
| Income from changes in fair values | 5,883,804 | 3,137,136 |
| Other | 43,897 | 521,000 |
| Total other net financial income | 14,136,643 | 7,810,254 |
| Financial income | | |
| Interest | 1,053,143 | 1,759,764 |
| Total financial income | 1,053,143 | 1,759,764 |
| Financial expenses | | |
| Interest | (279,596) | (1,931,682) |
| Interest compounded on property, plant and equipment (1) | 111,489 | - |
| Banking and financial fees, expenses and taxes | (87,813) | (28,105) |
| Total financial expenses | (255,920) | (1,959,787) |
| Loss on monetary position | (21,182,993) | (12,485,604) |
| Total net financial loss | (6,249,127) | (4,875,373) |

(1) The monthly effective compounding rate used is 1.05% (interest compounded in the fourth quarter of 2022).

NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

## 27 – NET EARNINGS PER SHARE

Earnings per common share have been calculated by dividing the income for fiscal years 2022 and 2021, by the weighted average of outstanding common shares, which as at said dates totalled 439,373,939 shares. As of December 31, 2022 and 2021 there are neither notes nor other debt securities convertible into shares, for which reason no diluted earnings per share have been disclosed. Basic earnings per share are calculated by dividing profits attributable to the Company's equity holders by the weighted average number of common shares outstanding during the fiscal year. The Company has no preferred shares or debt convertible into shares, so the basic earnings per share are equal to the diluted earnings per share.

## 28 – RELATED PARTIES

Transactions with related parties are as follows:

| | 12.31.2022 | 12.31.2021 |
|---|---|---|
| **Controlling company** | | |
| Other net income and expenses | | |
| Gasinvest S.A. | 2,439 | 3,017 |
| Total other net income and expenses | 2,439 | 3,017 |
| Recovery of expenses | | |
| Gasinvest S.A. | 2,096 | 2,293 |
| Total recovery of expenses | 2,096 | 2,293 |
| **Affiliated companies** | | |
| Revenues | | |
| Comgas Andina S.A. | 24,053 | 29,825 |
| Companhia Operadora do Rio Grande do Sul | 4,013 | 4,624 |
| Total revenues | 28,066 | 34,449 |
| Recovery of expenses | | |
| Comgas Andina S.A. | 1,878 | 1,504 |
| Companhia Operadora do Rio Grande do Sul | 190 | 136 |
| Total recovery of expenses | 2,068 | 1,640 |
| **Other related parties** | | |
| Revenues | | |
| Litoral Gas S.A. | 4,928,740 | 5,588,690 |
| Ternium Argentina S.A. | 689,704 | 800,684 |
| Compañía General de Combustibles S.A. | 122,444 | - |
| Siderca S.A. | 440,939 | 504,039 |
| Transportadora de Gas del Mercosur S.A. | 146,194 | 172,349 |
| Tecpetrol S.A. | 1,660,186 | 336,963 |
| Gasoducto Gasandes Argentina S.A. | 80,495 | 41,351 |
| Total revenues | 8,068,702 | 7,444,076 |

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NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

28 – RELATED PARTIES (Cont.)

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

| **Other related parties (Cont.)** | 12.31.2022 | 12.31.2021 |
|---|---|---|
| Financial income | | |
| Transportadora de Gas del Mercosur S.A. | 100 | 127 |
| Total financial income | 100 | 127 |
| Recovery of expenses | | |
| Transportadora de Gas del Mercosur S.A. | 27,033 | 24,571 |
| Total recovery of expenses | 27,033 | 24,571 |
| Acquisition of materials and property, plant and equipment | | |
| Siat S.A. | (124,596) | - |
| Siderca S.A. | (4,588) | - |
| Total acquisition of materials and property, plant and equipment | (129,184) | - |
| Cost of service | | |
| Litoral Gas S.A. | - | (2,394) |
| Total cost of service | - | (2,394) |
| **Key management personnel** | | |
| Board of Directors' fees | (89,310) | (93,549) |
| Supervisory Committee's fees | (25,314) | (26,661) |

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NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

28 – RELATED PARTIES (Cont.)

Balances with related parties are as follows:

| **Trade accounts receivable** | 12.31.2022 | 12.31.2021 |
|---|---|---|
| Other related parties | | |
| Transportadora de Gas del Mercosur S.A. | 14,710 | 15,710 |
| Compañía General de Combustibles S.A. | 32,537 | - |
| Litoral Gas S.A. | 374,581 | 503,104 |
| Ternium Argentina S.A. | 54,101 | 66,765 |
| Siderca S.A. | 32,821 | 42,303 |
| Tecpetrol S.A. | 326,734 | 100,502 |
| Gasoducto Gasandes Argentina S.A. | 6,302 | 4,469 |
| Total trade accounts receivable - other related parties | 841,786 | 732,853 |
| | | |
| Accounts receivable – affiliated companies | | |
| Comgas Andina S.A. | 1,969 | 2,223 |
| Companhia Operadora do Rio Grande do Sul | 328 | 369 |
| Total accounts receivable –affiliated companies | 2,297 | 2,592 |
| | | |
| **Other accounts receivable** | | |
| Assistance fee and recovery of expenses – controlling company | | |
| Gasinvest S.A. | 2,839 | 3,109 |
| Total assistance fee and recovery of expenses – controlling company s | 2,839 | 3,109 |
| | | |
| Other accounts receivable – affiliated companies | | |
| Comgas Andina S.A. | 1,877 | 1,504 |
| Companhia Operadora do Rio Grande do Sul | 3,483 | 3,699 |
| Total other accounts receivable – affiliated companies | 5,360 | 5,203 |
| | | |
| Other accounts receivable – related parties | | |
| Gasoducto Gasandes Argentina S.A. | - | 503 |
| Litoral Gas S.A. | - | 230 |
| Siat S.A. | - | 20,360 |
| Transportadora de Gas del Mercosur S.A. | 27,033 | 24,570 |
| Total other accounts receivable – related parties | 27,033 | 45,663 |
| | | |
| Other accounts receivable - Key Management Personnel | | |
| Board of Directors and Supervisory Committee’s fees paid in advance | 85,333 | 97,580 |
| Total other accounts receivable - Key Management Personnel | 85,333 | 97,580 |

NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2022, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

28 – RELATED PARTIES (Cont.)

Balances with related parties are as follows:

| | 12.31.2022 | 12.31.2021 |
|---|---|---|
| **Accounts payable** | | |
| Accounts payable with other related parties | | |
| Siat S.A. | (29,516) | - |
| Total accounts payable with other related parties | (29,516) | - |
| **Other debts** | | |
| Other debts - Key Management Personnel | | |
| Provision for Directors and Supervisory Committee’s fees | (85,333) | (101,515) |
| Total other debts Key Management Personnel | (85,333) | (101,515) |
| Other debts with related parties | | |
| Transportadora de Gas del Mercosur S.A. | - | (3,927) |
| Total other debts with related parties | - | (3,927) |

Senior management compensation

The Board of Directors compensation is determined by the Shareholders' Meeting for each fiscal year. The compensation policy for Company’s managers establishes a monthly, fixed basic compensation, and an additional variable amount, payable on an annual basis. While the fixed component is established according to the level of responsibility inherent to the position and market values, the variable component consists of an additional amount based on performance and achievement of the year’s objectives. The Company’s policy does not establish option or other plans for its personnel.

## 29 – FINANCIAL TRUSTS FOR EXPORT MARKET EXPANSION

On March 8, 2004, the Company (as trustor) and HSBC Bank Argentina S.A. (as trustee) entered into a Master Agreement for the creation of Financial Trusts for an amount of up to US$ 50 million and a term of 5 years (the "Program"), pursuant to ENARGAS Resolution 2,877 and Law N° 24,441. The Program envisages the possibility of creating Financial Trusts for the issuance of securities authorized or not for public offering, to finance the capacity expansion of the Company's gas pipeline system. The Program also establishes that, upon expiration of the trust, those expansion works will become the exclusive property of the Company, free from any charge or encumbrances. While the trust is in force, the Company shall be responsible for the operation and maintenance of those assets. Under this Program, the Company´s Board authorized the creation of "TGN Series 01" Financial Trust currently in force, under which securities were issued for a nominal value of US$ 7.5 million, that were subscribed and paid-in on March 26, 2004, and applied to expand the transportation capacity by 303,000 m3/d contracted by Metrogas. Series 01 establishes September 30, 2019 or the date on which Series 01 securities are repaid as the Final Payment Date. Under the Master Agreement, neither the Company nor the Trustee will be liable to secure with their own assets any shortage of funds to pay principal and/or interest on trust securities and/or trust taxes and expenses. Security holders will have no right to claim such shortage from TGN or the Trustee and the limitation on TGN's liability as technical operator has been established in the contract. The trust is not consolidated in the Company's financial statement. As of the date of issue of these financial statements, the trust has not been yet liquidated.

## 30 – FINANCIAL TRUSTS FOR DOMESTIC MARKET EXPANSION CREATED BY FORMER NATIONAL ENERGY SECRETARIAT

Former Ministry of Federal Planning, Public Investment and Services (MPFIPyS) Resolution No. 185/04, adopted on the basis of Decree No. 180/04, created a Gas Trust Program organized by former National Energy Secretariat aimed at financing infrastructure works for transportation and distribution of natural gas. In April 2006 the National Congress enacted Law 26,095 vesting the National Executive Branch with the power to apply rate charges destined to finance those works.

Under said program and as instructed by the former National Energy Secretariat, in 2004 and 2006 expansion works were conducted which accounted for a capacity increase of 5.2 MMm3/d along the Northern gas pipeline and 2,337 MMm3/d on La Mora – Beazley section and 3,404 MMm3/d on Beazley – La Dormida section along Central West gas pipeline.

In September 2018 the former Ministry of Energy issued Resolution No. 15 providing, among other things, for the permanent discontinuation of expansion works under said program, the consolidation of trust assets created thereunder, the sale of residual assets and payment of outstanding amounts owed to TGN on account of technical management fees for those expansion works.

## 31 – SUBSEQUENT EVENTS

As of the date of issue of these financial statements, the US dollar exchange rate published by Banco de la Nación Argentina amounts to 199.68 pesos per US dollar. See Note 3.3.1 to these financial statements, where the impact on the Company's equity is described.

No events or circumstances have occurred subsequent to December 31, 2022 which may significantly impact on the Company's financial or economic position as of that date other than those made available to the public and disclosed in these financial statements.

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OVERVIEW FOR FISCAL YEARS ENDED DECEMBER 31, 2022 AND 2021

As required by the National Securities Commission ("CNV"), an overview of Transportadora de Gas del Norte S.A. ("TGN" or the "Company") revenues, financial position, certain economic-financial indicators and business prospects, that must be read in conjunction with the Company's Financial Statements for fiscal year ended December 31, 2022, is shown below, as well as relevant facts timely informed to the CNV.

I) ANALYSIS OF COMPREHENSIVE INCOME AND FINANCIAL POSITION

*Comprehensive income for fiscal year:*

*(in million pesos)*

| | *Fiscal year ended 12.31.* | | | | | |
|---|---|---|---|---|---|---|
| | ***2022*** | ***2021*** | ***Variation*** | ***2020*** | ***2019*** | ***2018*** |
| ***Revenues*** | | | | | | |
| *Gas transportation service* | *37,852.2* | *36,613.2* | *1,239.0* | *52,838.3* | *68,607.4* | *70,666.1* |
| *Gas pipeline operation & maintenance and other services* | *3,090.2* | *2,424.9* | *665.3* | *2,751.2* | *2,609.6* | *2,376.8* |
| ***Total revenues*** | ***40,942.4*** | ***39,038.1*** | ***1,904.3*** | ***55,589.5*** | ***71,217.0*** | ***73,042.9*** |
| ***Cost of service*** | | | | | | |
| *Operation and maintenance costs* | *(17,351.0)* | *(16,717.5)* | *(633.5)* | *(13,807.3)* | *(17,588.9)* | *(16,680.6)* |
| *Property, plant and equipment depreciation* | *(22,659.5)* | *(23,378.1)* | *718.6* | *(21,306.6)* | *(22,201.2)* | *(20,318.5)* |
| ***Subtotal*** | ***(40,010.5)*** | ***(40,095.6)*** | ***85.1*** | ***(35,113.9)*** | ***(39,790.1)*** | ***(36,999.1)*** |
| ***Gross gain (loss)*** | ***931.9*** | ***(1,057.5)*** | ***1,989.4*** | ***20,475.6*** | ***31,426.9*** | ***36,043.8*** |
| *Administrative and selling expenses* | *(7,413.5)* | *(7,242.5)* | *(171.0)* | *(7,796.1)* | *(8,255.5)* | *(9,043.9)* |
| ***(Loss) gain before other net income and expenses*** | ***(6,481.6)*** | ***(8,300.0)*** | ***1,818.4*** | ***12,679.5*** | ***23,171.4*** | ***26,999.9*** |
| *Other income and expenses* | *(11.2)* | *43.0* | *(54.2)* | *545.5* | *828.9* | *(669.6)* |
| *Recovery / (Charge) due to impairment of financial assets* | *97.0* | *169.9* | *(72.9)* | *(882.4)* | *(184.7)* | *(199.6)* |
| ***(Loss) gain before financial income*** | ***(6,395.8)*** | ***(8,087.1)*** | ***1,691.3*** | ***12,342.6*** | ***23,815.6*** | ***26,130.7*** |
| *Net financial income* | *(6,249.1)* | *(4,875.4)* | *(1,373.7)* | *(1,628.6)* | *(1,707.3)* | *(10,395.0)* |
| *Income from investments in affiliated companies* | *91.3* | *63.9* | *27.4* | *44.1* | *90.7* | *56.0* |
| ***Income before income tax*** | ***(12,553.6)*** | ***(12,898.6)*** | ***345.0*** | ***10,758.1*** | ***22,199.0*** | ***15,791.7*** |
| *Income tax* | *5,379.7* | *(5,166.8)* | *10,546.5* | *(1,660.0)* | *(5,166.6)* | *7,126.9* |
| ***(Loss) gain for the period*** | ***(7,173.9)*** | ***(18,065.4)*** | ***10,891.5*** | ***9,098.1*** | ***17,032.4*** | ***22,918.6*** |
| *Currency conversion of affiliated companies' financial statements* | *(18.6)* | *(96.5)* | *77.9* | *46.6* | *(21.4)* | *26.7* |
| *Property, plant and equipment revaluation allowance* | *(411.0)* | *(8,788.9)* | *8,377.9* | *(19,317.6)* | *(8,724.0)* | *20,531.3* |
| ***Other comprehensive (loss) income for the period*** | ***(429.6)*** | ***(8,885.4)*** | ***8,455.8*** | ***(19,271.0)*** | ***(8,745.4)*** | ***20,558.0*** |
| ***Comprehensive (loss) income for the period*** | ***(7,603.5)*** | ***(26,950.8)*** | ***19,347.3*** | ***(10,172.9)*** | ***8,287.0*** | ***43,476.6*** |
| ***EBITDA [(1)]*** | ***16,591.4*** | ***15,729.9*** | ***861.5*** | ***34,868.0*** | ***45,737.5*** | ***47,851.8*** |

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

Juan José Valdez Follino
Regular Statutory Auditor

OVERVIEW FOR FISCAL YEARS ENDED DECEMBER 31, 2022 AND 2021

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

*(in million pesos)*

| | ***12.31.2022*** | ***12.31.2021*** | ***12.31.2020*** | ***12.31.2019*** | ***12.31.2018*** |
|---|---|---|---|---|---|
| *Total assets* | *163,499* | *178,470* | *216,953* | *250,733* | *284,914* |
| *Total liabilities* | *36,367* | *43,734* | *55,266* | *78,874* | *105,865* |
| *Shareholder's equity* | *127,132* | *134,736* | *161,687* | *171,859* | *179,049* |

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 $ 1,904.3 million between fiscal years ended December 31, 2022 and 2021 is due to:

*i.* $ 5,156.0 million increase in revenues, due to higher export volumes under interruptible and exchange and displacement transportation services;

*ii.* $ 3,916.9 million decrease in revenues, as a result of the net effect between inflation acceleration and the 60% rate increase in force since March 2022. (See Note 1.3.3 to the Company's financial statements for the fiscal year ended December 31, 2022); and

*iii.* $ 665.2 million increase in revenues from "*Gas pipeline operation and maintenance and other services*".

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Regular Statutory Auditor

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OVERVIEW FOR FISCAL YEARS ENDED DECEMBER 31, 2022 AND 2021

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

*Cost of service*

*(in million Pesos)*

| Accounts | Fiscal years ended 12.31. | | | | | |
|---|---|---|---|---|---|---|
| | **2022** | **2021** | **Variation** | **2020** | **2019** | **2018** |
| *Fees for professional services* | 248.1 | 240.3 | 7.8 | 289.3 | 377.7 | 298.0 |
| *Salaries, wages and other personnel benefits and social security contributions* | 5,829.0 | 5,277.1 | 551.9 | 4,983.3 | 5,444.7 | 5,246.6 |
| *Materials and spare parts* | 1,424.7 | 1,757.6 | (332.9) | 1,389.1 | 2,091.7 | 1,823.9 |
| *Maintenance and repair of property, plant and equipment and third-party services and supplies* | 8,129.9 | 7,818.7 | 311.2 | 5,662.5 | 8,279.0 | 7,803.8 |
| *Post, telecommunications, transportation, freight and travel expenses* | 737.7 | 563.3 | 174.4 | 408.6 | 759.8 | 760.5 |
| *Insurance* | 504.2 | 587.7 | (83.5) | 553.7 | 395.3 | 328.5 |
| *Rentals and office supplies* | 172.4 | 169.2 | 3.2 | 164.5 | 220.2 | 224.5 |
| *Easements* | 203.0 | 167.6 | 35.4 | 136.6 | 145.5 | 212.3 |
| *Taxes, rates and contributions* | 25.2 | 14.1 | 11.1 | 13.8 | 17.5 | 15.7 |
| *Property, plant and equipment depreciation* | 22,659.5 | 23,378.1 | (718.6) | 21,306.6 | 22,201.2 | 20,318.5 |
| *Slow-moving and obsolete materials and spare parts* | - | 76.9 | (76.9) | 142.9 | (304.0) | (133.8) |
| *Other* | 76.8 | 45.0 | 31.8 | 63.0 | 161.5 | 100.6 |
| ***Total*** | **40,010.5** | **40,095.6** | **(85.1)** | **35,113.9** | **39,790.1** | **36,999.1** |
| ***% of Cost of service on revenues*** | **98%** | **103%** | | **63%** | **56%** | **51%** |

Accounts recording the most significant variations between both fiscal years have been as follows:

*i.* $ 2,177.7 million increase in *Salaries, wages and other personnel benefits and social security contributions* (which adjusted for inflation amounts to $ 551.9 million). Said variation is explained by salary increases due to inflation adjustment ($ 1,792.3 million) and a higher headcount ($ 22.1 million), among others;

*ii.* $ 155.4 million increase in *Materials and spare parts* (which adjusted for inflation amounts to a $ 332.9 million decrease). Said variation is mainly due to higher costs in spare parts ($ 56.6 million), consumables ($ 140.5 million) and projects related to client services ($ 88.2 million), partially offset against projects related to ancillary integrity at compressor plants ($ 117.5 million);

*iii.* $ 2,719.2 million increase in *Maintenance and repair of property, plant and equipment and third-party services and supplies* (which adjusted for inflation amounts to $ 311.2 million). Said variation is mainly due to higher costs associated with cleaning and clearing of facilities ($ 175.4 million), outsourced maintenance works ($ 306.0 million), layout works ($ 864.6 million), corrosion protection ($ 154.2 million), river crossings ($ 125.8 million), pipe inspections ($ 294.6 million), projects related to compression integrity at compressor plants ($ 261.3 million), projects related to integrity at meter and regulating stations ($ 166.4 million), security and surveillance ($ 138.2 million), cost of projects related to client services ($ 182.8 million), and other pipeline projects ($ 26.9 million); and

*iv.* $ 2,921.4 million increase in *Property, plant and equipment depreciation* (which adjusted for inflation amounts to a $ 718.6 million decrease). Said variation is due to the higher depreciation, as a result of capitalizations.

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OVERVIEW FOR FISCAL YEARS ENDED DECEMBER 31, 2022 AND 2021

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

*Administrative and selling expenses*

*(in million pesos)*

| | *Fiscal years ended 12.31.* | | | | | |
|---|---|---|---|---|---|---|
| ***Accounts*** | ***2022*** | ***2021*** | ***Variation*** | ***2020*** | ***2019*** | ***2018*** |
| *Salaries, wages and other personnel benefits and social security contributions* | *2,584.4* | *2,173.7* | *410.7* | *2,121.9* | *2,229.8* | *2,088.6* |
| *Property, plant and equipment depreciation* | *413.6* | *651.8* | *(238.2)* | *881.9* | *364.9* | *533.4* |
| *Fees for professional services* | *412.3* | *516.4* | *(104.1)* | *332.3* | *491.7* | *371.2* |
| *Taxes, rates and contributions* | *3,395.9* | *3,328.1* | *67.8* | *3,862.3* | *4,441.5* | *5,097.2* |
| *Post, telecommunications, transportation, freight and travel expenses* | *154.8* | *89.8* | *65.0* | *62.7* | *134.8* | *130.0* |
| *Maintenance and repair of property, plant and equipment and third-party services and supplies* | *95.5* | *156.6* | *(61.1)* | *124.5* | *166.1* | *176.4* |
| *Rentals and office supplies* | *120.6* | *114.4* | *6.2* | *110.3* | *165.5* | *108.5* |
| *Suits* | - | - | - | *32.3* | *2.2* | *128.1* |
| *Supervisory Committee's fees* | *25.3* | *26.7* | *(1.4)* | *26.9* | *30.5* | *27.3* |
| *Board of Directors' fees* | *89.3* | *93.5* | *(4.2)* | *96.0* | *113.5* | *206.5* |
| *Materials and spare parts* | *20.8* | *13.3* | *7.5* | *65.2* | *22.2* | *53.6* |
| *Insurance* | *26.2* | *29.2* | *(3.0)* | *33.3* | *38.7* | *42.3* |
| *Other* | *74.8* | *49.0* | *25.8* | *46.5* | *54.1* | *80.8* |
| ***Total*** | ***7,413.5*** | ***7,242.5*** | ***171.0*** | ***7,796.1*** | ***8,255.5*** | ***9,043.9*** |
| ***% of administrative and selling expenses on revenues*** | ***18%*** | ***19%*** | | ***14%*** | ***12%*** | ***12%*** |

Accounts recording the most relevant variations between both fiscal years have been as follows:

*i.* $ 1,050.1 million increase in *Salaries, wages and other personnel benefits and social security contributions* (which adjusted for inflation amounts to $ 410.7 million). Said variation is mainly explained by salary increases due to inflation adjustment ($ 938.9 million); and

*ii.* $ 82.9 million increase in *Fees for professional services* (which adjusted for inflation amounts to a $ 104.1 million decrease) due to higher expenses associated with institutional events and development and maintenance of system applications.

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OVERVIEW FOR FISCAL YEARS ENDED DECEMBER 31, 2022 AND 2021

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

## *Other income and expenses*

*(in million pesos)*

| *Accounts* | *Fiscal years ended 12.31.* | | | | | |
|---|---|---|---|---|---|---|
| | ***2022*** | ***2021*** | ***Variation*** | ***2020*** | ***2019*** | ***2018*** |
| *Net income from disposal of property, plant and equipment* | *90.7* | *(83.3)* | *174.0* | *(50.7)* | *36.7* | *39.1* |
| *Income from commercial compensations* | *49.6* | *34.0* | *15.6* | *-* | *1.3* | *160.2* |
| *Readjustment of compensation for damages)* | *(224.2)* | *-* | *(224.2)* | *-* | *(367.1)* | *(955.8)* |
| *Various income and expenses* | *72.7* | *92.3* | *(19.6)* | *596.2* | *1,158.0* | *86.9* |
| ***Total*** | ***(11.2)*** | ***43.0*** | ***(54.2)*** | ***545.5*** | ***828.9*** | ***(669.6)*** |

During fiscal years ended December 31, 2022 and 2021 the Company has recognized losses for $ 11.2 million and gains for $ 43.0 million, respectively. The lower charge for $ 54.2 million is mainly due to:

*i.* $ 224.2 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 financial statements for the fiscal year ended December 31, 2022);

*ii.* $ 174.0 million higher income from the sale of "*Property, plant and equipment*"; and

*iii.* $ 15.6 million higher income from commercial compensations.

## *Recovery / (Charge) due to impairment of financial assets*

*(in million pesos)*

| *Accounts* | *Fiscal years ended 12.31.* | | | | | |
|---|---|---|---|---|---|---|
| | ***2022*** | ***2021*** | ***Variation*** | ***2020*** | ***2019*** | ***2018*** |
| *Recovery / (Charge) due to impairment of financial assets* | *97.0* | *169.9* | *(72.9)* | *(882.4)* | *(184.7)* | *(199.6)* |
| ***Total*** | ***97.0*** | ***169.9*** | ***(72.9)*** | ***(882.4)*** | ***(184.7)*** | ***(199.6)*** |

During fiscal years ended December 31, 2022 and 2021, the Company has recognized recoveries for $ 97.0 million and $ 169.9 million, respectively. The $ 72.9 million variation is due to lower allowances established in this fiscal year in connection with balances of delinquent customers.

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OVERVIEW FOR FISCAL YEARS ENDED DECEMBER 31, 2022 AND 2021

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

*Net financial income*

*(in million pesos)*

| *Accounts* | Fiscal years ended 12.31. 2022 | 2021 | Variation | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|---|
| ***Other net financial income:*** | | | | | | |
| *Net exchange rate gain* | *8,208.9* | *4,152.1* | *4,056.8* | *5,942.1* | *362.4* | *(12,427.4)* |
| *Income due to changes in fair values* | *5,883.8* | *3,137.1* | *2,746.7* | *1,306.9* | *1,739.1* | *181.4* |
| *Income from derivative financial instruments* | - | - | - | *(227.2)* | *1,683.3* | - |
| *Other* | *43.9* | *521.0* | *(477.1)* | *87.2* | *148.0* | *26.6* |
| ***Total other net financial income*** | ***14,136.6*** | ***7,810.2*** | ***6,326.4*** | ***7,109.0*** | ***3,932.8*** | ***(12,219.4)*** |
| ***Financial income:*** | | | | | | |
| *Interest* | *1,053.1* | *1,759.8* | *(706.7)* | *711.2* | *686.7* | *718.8* |
| ***Total financial income*** | ***1,053.1*** | ***1,759.8*** | ***(706.7)*** | ***711.2*** | ***686.7*** | ***718.8*** |
| ***Financial expenses:*** | | | | | | |
| *Interest* | *(279.6)* | *(1,931.7)* | *1,652.1* | *(3,768.7)* | *(4,474.1)* | *(3,730.3)* |
| *Interest compounded on Property, plant and equipment* | *111.5* | - | *111.5* | *264.9* | *1,217.4* | *1,261.1* |
| *Banking, financial and other fees, expenses and taxes* | *(87.8)* | *(28.1)* | *(59.7)* | *(157.0)* | *(89.4)* | *(53.8)* |
| ***Total financial expenses*** | ***(255.9)*** | ***(1,959.8)*** | ***1,703.9*** | ***(3,660.8)*** | ***(3,346.1)*** | ***(2,523.0)*** |
| ***Loss on monetary position*** | ***(21,182.9)*** | ***(12,485.6)*** | ***(8,697.3)*** | ***(5,788.0)*** | ***(2,980.7)*** | ***3,628.6*** |
| ***Total net financial (loss) income*** | ***(6,249.1)*** | ***(4,875.4)*** | ***(1,373.7)*** | ***(1,628.6)*** | ***(1,707.3)*** | ***(10,395.0)*** |

Net financial income for fiscal year ended December 31, 2022 showed a higher gain of $ 9,068.1 million (which adjusted for inflation amounts to a $ 1,373.7 million decrease), as compared to fiscal year ended December 31, 2021. Accounts with the most relevant variations between both fiscal years have been:

*i.* a higher gain of $ 4,748.2 million (which adjusted for inflation amounts to $ 4,056.8 million), on account of net exchange rate differences on US dollar denominated assets and liabilities;

*ii.* a higher gain of $ 711.9 million (which adjusted for inflation amounts to $ 945.4 million), associated with interest accrued during fiscal year;

*iii.* a higher gain of $ 3,731.4 million (which adjusted for inflation amounts to $ 2,746.7 million), due to changes in fair values accrued during fiscal year;

*iv.* a higher gain of $ 111.5 million in compound interest in connection with works the duration of which exceeds one year. The monthly effective compounding rate used was 1.05% (interest compounded in the fourth quarter of 2022);

*v.* a lower gain of $ 171.4 million (which adjusted for inflation amounts to $ 477.1 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 fiscal year ended December 31, 2021); and

*vi.* a higher loss of $ 8,697.3 million on monetary position, due to (i) the greater number of monetary assets exposed to inflation held in the current fiscal year as compared to previous fiscal year, and (ii) the increase in the Consumer Price Index for this fiscal year was 94.79%, while the increase in said index for the previous fiscal year had been 50.94%.

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

### *Income tax*

Income tax for fiscal year ended December 31, 2022 reported a lower charge of $ 10,546.5 million as compared to the previous year. Said variation is the result of a lower current tax charge of $ 547.2 million and a higher gain on account of deferred income tax of $ 9,999.3 million.

### *Other comprehensive income for the fiscal year*

"*Other comprehensive income for the fiscal year"* reported a lower loss of $ 8,455.8 million mainly due to the fact that during the current fiscal year an impairment on "*Property, plant and equipment*" items for an amount of $ 411.0 million was recorded, as compared to the impairment for an amount of $ 8,788.9 million recorded in previous fiscal year. See Note 2.6 to the Company's financial statements for fiscal year ended December 31, 2022.

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OVERVIEW FOR FISCAL YEARS ENDED DECEMBER 31, 2022 AND 2021

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

## *Summary of statement of cash flows*

*(in million pesos)*

| | *Fiscal years ended 12.31.* | | | | |
|---|---|---|---|---|---|
| | ***2022*** | ***2021*** | ***2020*** | ***2019*** | ***2018*** |
| *Cash generated by operating activities* | *21,604.2* | *16,821.4* | *17,728.2* | *16,091.5* | *47,281.2* |
| *Income tax* | *(5,379.7)* | *5,166.8* | *1,660.0* | *5,166.6* | *(7,126.9)* |
| *Interest accrued on liabilities* | *279.6* | *1,931.7* | *3,768.7* | *4,474.1* | *3,730.3* |
| ***Net cash flow generated by operating activities*** | ***16,504.1*** | ***23,919.9*** | ***23,156.9*** | ***25,732.2*** | ***43,884.6*** |
| *Acquisition of property, plant and equipment* | *(7,745.5)* | *(6,323.7)* | *(7,591.9)* | *(11,098.3)* | *(13,810.5)* |
| *Subscriptions, net of recovery of investments at amortized cost and investments at fair value (non-cash equivalents)* | *6,301.5* | *5,236.8* | *(3,727.1)* | *23,991.7* | *(15,541.6)* |
| *Principal and interest received from investments at amortized cost and investments at fair value* | *6.0* | *19.6* | *40.9* | *81.0* | *173.3* |
| ***Net cash flow (used in) generated by investing activities*** | ***(1,438.0)*** | ***(1,067.3)*** | ***(11,278.1)*** | ***12,974.4*** | ***(29,178.8)*** |
| *Taking of loan with Itaú Unibanco S.A. Nassau Branch* | - | - | *13,507.4* | - | - |
| *Taking of local loans in pesos* | - | *105.6* | *22,413.6* | *2,597.6* | - |
| *Issue of Notes* | - | - | *5,049.1* | - | - |
| *Payment of principal on Notes* | *(738.8)* | *(2,122.6)* | - | - | - |
| *Payment of interest on Notes* | *(67.2)* | *(1,146.2)* | *(358.3)* | - | - |
| *Repurchase of Notes* | - | *(176.2)* | - | - | - |
| *Payment of interest on Itaú Unibanco S.A. Nassau Branch Loan* | *(170.3)* | *(214.0)* | - | - | - |
| *Payment of principal on Syndicated Loan* | - | - | *(26,711.0)* | *(26,838.4)* | - |
| *Payment of interest on Syndicated Loan* | - | - | *(1,146.7)* | *(3,000.7)* | *(2,469.2)* |
| *Payment of principal on local loans in pesos* | *(381.8)* | *(1,162.9)* | *(21,094.3)* | - | - |
| *Payment of interest on local loans in pesos* | *(40.4)* | *(578.6)* | *(1,997.2)* | *(360.9)* | - |
| *Payment of dividends in cash* | - | - | - | *(15,476.5)* | *(3,050.5)* |
| *Lease payment* | *(25.4)* | *(30.9)* | *(39.2)* | *(35.4)* | - |
| ***Net cash flow used in financing activities*** | ***(1,423.9)*** | ***(5,325.8)*** | ***(10,376.6)*** | ***(43,114.3)*** | ***(5,519.7)*** |
| ***Net Increase (decrease) in cash and cash equivalents*** | ***13,642.2*** | ***17,526.8*** | ***1,502.2*** | ***(4,407.7)*** | ***9,186.1*** |
| ***Cash and cash equivalents at the beginning of fiscal year*** | ***5,629.0*** | ***9,061.9*** | ***8,501.1*** | ***14,421.6*** | ***4,323.0*** |
| ***Financial loss (gain) generated by cash*** | ***(16,666.9)*** | ***(20,959.7)*** | ***(941.4)*** | ***(1,512.8)*** | ***912.5*** |
| ***Cash and cash equivalents at the end of fiscal year*** | ***2,604.3*** | ***5,629.0*** | ***9,061.9*** | ***8,501.1*** | ***14,421.6*** |

## *Breakdown of cash and cash equivalents*

*(in million pesos)*

| ***Accounts*** | *Fiscal years ended 12.31.* | | | | |
|---|---|---|---|---|---|
| | ***2022*** | ***2021*** | ***2020*** | ***2019*** | ***2018*** |
| *Cash and banks* [1] | *28.6* | *86.5* | *23.7* | *187.9* | *2,774.8* |
| *Term deposits* | *450.0* | - | *1,084.8* | *1,319.4* | *11,646.8* |
| *Mutual funds* | *1,551.7* | *2,650.3* | *3,986.9* | *6,993.8* | - |
| *Surety bonds* | *574.0* | *2,892.2* | *3,680.2* | - | - |
| *T- bills in $* | - | - | *286.3* | - | - |
| ***Cash and cash equivalents at the end of fiscal year*** | ***2,604.3*** | ***5,629.0*** | ***9,061.9*** | ***8,501.1*** | ***14,421.6*** |

[1] As of December 31, 2022, and 2021 it includes $ 0.7 million and $ 1.3 million, respectively, denominated in foreign currency.

Juan José Valdez Follino
Regular Statutory Auditor

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OVERVIEW FOR FISCAL YEARS ENDED DECEMBER 31, 2022 AND 2021

II) COMPARATIVE BALANCE SHEETS AS OF DECEMBER 31, 2022, 2021, 2020, 2019 and 2018

*(in million pesos)*

| ***Accounts*** | ***As of 12.31*** | | | | |
|---|---|---|---|---|---|
| | ***2022*** | ***2021*** | ***2020*** | ***2019*** | ***2018*** |
| *Non-current assets* | *138,608* | *145,723* | *195,333* | *220,450* | *242,170* |
| *Current assets* | *24,891* | *32,747* | *21,620* | *30,283* | *42,744* |
| ***Total assets*** | ***163,499*** | ***178,470*** | ***216,953*** | ***250,733*** | ***284,914*** |
| *Shareholders' equity* | *127,132* | *134,736* | *161,687* | *171,859* | *179,049* |
| *Non-current liabilities* | *30,820* | *26,179* | *42,327* | *37,061* | *66,613* |
| *Current liabilities* | *5,547* | *17,555* | *12,939* | *41,813* | *39,252* |
| *Subtotal liabilities* | *36,367* | *43,734* | *55,266* | *78,874* | *105,865* |
| ***Total*** | ***163,499*** | ***178,470*** | ***216,953*** | ***250,733*** | ***284,914*** |

III) COMPARATIVE COMPREHENSIVE INCOME FOR FISCAL YEARS ENDED DECEMBER 31, 2022, 2021, 2020, 2019 and 2018

*(in million pesos)*

| ***Accounts*** | ***As of 12.31*** | | | | |
|---|---|---|---|---|---|
| | ***2022*** | ***2021*** | ***2020*** | ***2019*** | ***2018*** |
| ***(Loss) gain before other net income and expenses*** | ***(6,481.6)*** | ***(8,300.0)*** | ***12,679.5*** | ***23,171.4*** | ***26,999.9*** |
| *Other income and expenses* | *(11.2)* | *43.0* | *545.5* | *828.9* | *(669.6)* |
| *Recovery / (Charge) due to impairment of financial assets* | *97.0* | *169.9* | *(882.4)* | *(184.7)* | *(199.6)* |
| ***(Loss) gain before financial income*** | ***(6,395.8)*** | ***(8,087.1)*** | ***12,342.6*** | ***23,815.6*** | ***26,130.7*** |
| *Net financial loss* | *(6,249.1)* | *(4,875.4)* | *(1,628.6)* | *(1,707.3)* | *(10,395.0)* |
| *Income from investments in affiliated companies* | *91.3* | *63.9* | *44.1* | *90.7* | *56.0* |
| ***(Loss) income before income tax*** | ***(12,553.6)*** | ***(12,898.6)*** | ***10,758.1*** | ***22,199.0*** | ***15,791.7*** |
| *Income tax* | *5,379.7* | *(5,166.8)* | *(1,660.0)* | *(5,166.6)* | *7,126.9* |
| ***(Loss) gain for fiscal year*** | ***(7,173.9)*** | ***(18,065.4)*** | ***9,098.1*** | ***17,032.4*** | ***22,918.6*** |
| *Other comprehensive (loss) income for fiscal year* | *(429.6)* | *(8,885.4)* | *(19,271.0)* | *(8,745.4)* | *20,558.0* |
| ***Comprehensive (loss) income for fiscal year*** | ***(7,603.5)*** | ***(26,950.8)*** | ***(10,172.9)*** | ***8,287.0*** | ***43,476.6*** |

IV) COMPARATIVE STATISTICAL DATA FOR FISCAL YEARS ENDED DECEMBER 31, 2022, 2021, 2020, 2019 and 2018

*Dispatched volumes in million m3:*

*By type of transportation*

| | ***As of 12.31.*** | | | | |
|---|---|---|---|---|---|
| | ***2022*** | ***2021*** | ***2020*** | ***2019*** | ***2018*** |
| *Firm* | *12,701* | *12,701* | *12,661* | *14,092* | *14,743* |
| *Interruptible & exchange and displacement* | *12,456* | *12,650* | *10,839* | *10,976* | *9,201* |
| ***Total*** | ***25,157*** | ***25,351*** | ***23,500*** | ***25,068*** | ***23,944*** |

Juan José Valdez Follino
Regular Statutory Auditor

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OVERVIEW FOR FISCAL YEARS ENDED DECEMBER 31, 2022 AND 2021

## IV) COMPARATIVE STATISTICAL DATA FOR FISCAL YEARS ENDED DECEMBER 31, 2022, 2021, 2020, 2019 and 2018 (Cont.)

*By source*

| | *As of 12.31.* | | | | |
|---|---|---|---|---|---|
| | ***2022*** | ***2021*** | ***2020*** | ***2019*** | ***2018*** |
| *Northern Pipeline* | *6,870* | *7,527* | *8,897* | *9,777* | *9,649* |
| *Central West Pipeline* | *14,201* | *11,351* | *9,765* | *11,415* | *14,295* |
| *Final sections* | *4,086* | *6,473* | *4,838* | *3,876* | - |
| ***Total*** | ***25,157*** | ***25,351*** | ***23,500*** | ***25,068*** | ***23,944*** |

*By destination*

| | *As of 12.31.* | | | | |
|---|---|---|---|---|---|
| | ***2022*** | ***2021*** | ***2020*** | ***2019*** | ***2018*** |
| *Domestic market* | *23,246* | *24,620* | *22,648* | *23,909* | *23,816* |
| *Export market* | *1,911* | *731* | *852* | *1,159* | *128* |
| ***Total*** | ***25,157*** | ***25,351*** | ***23,500*** | ***25,068*** | ***23,944*** |

## V) COMPARATIVE RATIOS AS OF DECEMBER 31, 2022, 2021, 2020, 2019 and 2018

| | *As of 12.31.* | | | | |
|---|---|---|---|---|---|
| | ***2022*** | ***2021*** | ***2020*** | ***2019*** | ***2018*** |
| *Liquidity (1)* | *4.4873* | *1.8654* | *1.6709* | *0.7242* | *1.0890* |
| *Solvency (2)* | *3.4958* | *3.0808* | *2.9256* | *2.1789* | *1.6913* |
| *Equity Immobility (3)* | *0.8478* | *0.8165* | *0.9003* | *0.8792* | *0.8500* |
| *Profitability (4)* | *(0.0548)* | *(0.1219)* | *0.0546* | *0.0971* | *0.1443* |

(1) Current assets / current liabilities
(2) Equity / total liabilities
(3) Non-current assets / total assets
(4) Income for the year /average shareholders’ equity

## 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 Financial Statements as of December 31, 2022, in order to have a full picture of corporate matters.

Juan José Valdez Follino
Regular Statutory Auditor

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

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 sectors. The PEN was further empowered to administratively intervene the Natural Gas Regulatory Entity ("ENARGAS") for a one-year term. Indeed, on March 16, 2020 the PEN instructed the intervention of the ENARGAS, entrusting the comptroller, to conduct a legal, technical and economic audit of all aspects regulated under the Solidarity Law in energy matters, and to prepare a report to be submitted to the PEN. The rate freeze established under the Solidarity Law was 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.

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 have come into force in March 2018 and 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 subscription 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 scheme 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.

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

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

On June 1, 2021 the Company received notice of certain resolutions passed by the Ministry of Economy ("MECON") as well as the ENARGAS, all of them validated by a presidential decree, whereby an Interim Rate Regime ("IRR") was put in force.

The IRR involved: (i) that TGN rates remained frozen, (ii) that the Company will have to continue to render the gas transportation service, (iii) the continued prohibition to distribute dividends, prepay loans with shareholders and acquire companies or grant loans (except to users or contractors other than the Company's shareholders), without ENARGAS previous approval, and (iv) that no mandatory investment plan applies during the IRR. The IRR also provided for the possibility that ENARGAS adjusts TGN rates as from April 1, 2022.

On June 30, 2021, the Company filed an appeal at administrative level against Decree 1020/20, MECON and ENARGAS Joint Resolution 2/21 whereby the IRR was approved subject to further approval by the PEN, Decree No. 353/21 which ratified Joint Resolution 2 and ENARGAS Resolution 150/21 whereby the IRR rate charts were put into force. In line with the express provisions of the 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) 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.

Juan José Valdez Follino
Regular Statutory Auditor

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

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

Therefore, by means of Resolution No. 523/22 dated December 7, 2022, the ENARGAS convened a new public hearing that took place on January 4, 2023, at which gas transportation and distribution licensees put forward their interim rate adjustment proposals for the current year. The Company expects ENARGAS to authorize a new rate adjustment during the second quarter of 2023 to partially mitigate the adverse effect resulting from by the rate freeze and inflation.

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 financial statements as of December 31, 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, March 8, 2023

| Juan José Valdez Follino<br>Regular Statutory Auditor | Luis Alberto Santos<br>Regular Director |
|---|---|

# *Independent auditor's report*

To the Shareholders, President and Directors of
Transportadora de Gas del Norte S.A.

**Report on the audit of the financial statements**

## Opinion

We have audited the financial statements of Transportadora de Gas del Norte S.A. (the Company) that comprised the statement of financial position as at December 31,2022, and the statements of the comprehensive income, of changes in equity, of cash flows for the year then ended, and the notes to the financial statements, which include significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31,2022, its financial performance and its cash flows for the year then ended in accordance International Financial Reporting Standards (IFRS).

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in Argentina. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | *How our audit addressed the key audit matter* |
|---|---|
| **Revaluation of Property, Plant and Equipment**<br><br>As mentioned in Note 2.6 of the financial statements, the Company have Property, plant and equipment amounted to $ 109.254 millon as of December 31, 2022 which represents 67% of the total assets, for its valuation the Company uses the revaluation model as stated in International Accounting Standard 16. The revaluation shall be conducted as often as necessary so that the book value will not significantly differ from the fair value of assets as of the date of each measurement and concludes with the potential registration of a surplus or deficit.<br><br>As described in Note 2.6, for the revaluation of property, plant and equipment, the Company uses a discounted cash flow model based on estimates about future performance of certain inputs such as firm transportation capacity contracted and transportation volumes sold under interruptible and exchange and displacement modalities, gas transportation rates, operation and maintenance expenses; mandatory investments agreed with Ente Nacional Regulador del Gas (ENARGAS); weighted discount rate; and macro-economic variables (inflation rate, devaluation rate). The Company estimates that any sensitivity analysis involving relevant modifications to above mentioned factors, could result in significant changes. The Company entrusts said valuation to independent external experts.<br><br>This matter is key given that involves critical judgement and significant estimates performed by the Directors, which are subject to uncertainty and future events. Furthermore, it required a high degree of judgment and effort by the auditor in performing procedures to evaluate the cash flow projections made by management and test the significant assumptions. | The audit procedures performed in relation so this key matter include, among others:<br><br>• Obtain an understanding of the policies, process, method and assumptions used by the Company to determine the fair value of the property, plant and equipment.<br>• Verify the fair value estimated by the Company by reviewing the discounted cash flow methodology as well as the discount rate.<br>• Identify and validate the significant estimates used in the valuation.<br>• Evaluate the competence and objectivity of the expert engaged by the Company, including its professional credentials and experience.<br>• Check the mathematical accuracy of the calculation.<br>• Evaluate the disclosures in the financial statements.<br>• When evaluating the methodology and review of the discount rate used for the discounted cash flow estimated by the Directors we will use our internal experts. |

## Other information

The other information comprises the Annual report and the Informative review. Board of Directors is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

## Responsibilities of Board of Directors and of Audit Committee for the financial statements

Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Audit Committee is responsible for overseeing the Company's financial reporting process.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors.

- Conclude on the appropriateness of Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Autonomous City of Buenos Aires, March 8, 2023.

PRICE WATERHOUSE & CO. S.R.L.

(Socia)

C.P.C.E.C.A.B.A. Tº 1 Fº 17

Paula Verónica Aniasi
Contadora Pública (U.N.L.P.)
C.P.C.E.C.A.B.A. T° 364 F° 121

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# REPORT FROM THE SUPERVISORY COMMITTEE

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

## Report from the Supervisory Committee on the Financial Statements and Board's Annual Report

### *Opinion*

In accordance with the provisions of Section 294, Subsection 5 of the Argentine General Company Law, we have reviewed the enclosed Financial Statements of Transportadora de Gas del Norte S.A. (hereinafter, the "Company" or "TGN"), which comprise the Balance Sheet, Statement of Comprehensive Income, Statement of Changes in Shareholders' Equity and Statement of Cash Flows for the year ended as of December 31, 2022, and supplemental Notes and Annexes, the Inventory and Annual Report, as well its Annex containing the Report on the Code of Corporate Governance.

Balances and other information for fiscal year 2021 and interim periods are an integral part of the aforementioned Financial Statements and therefore they should be considered in relation with those Financial Statements.

In our opinion, the Financial Statements as of December 31, 2022, as discussed and approved on the date hereof by the Company's Board, present fairly, in all material respects, the Company's financial position, comprehensive income, and cash flows for the fiscal year ended as of December 31, 2022, in conformity with Argentine professional accounting principles and reflect all material facts and circumstances that have come to our knowledge.

### *Basis for our Opinion*

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 applicable auditing standards and that the consistency of significant information contained in those statements is verified against the information about corporate decisions set forth in minutes, including the consistency of those decisions with the Law and the Company's Bylaws insofar as formal and documentary aspects is concerned. Our responsibility pursuant to said standards is described below under Supervisory Committee's Responsibility.

To carry out such work, we have also considered the review of the Financial Statements as of December 31, 2022 conducted by independent auditors and the Audit Report issued by independent auditors and signed by Paula Verónica Aniasi (CPA), Partner of Price Waterhouse & Co. S.R.L., dated March 8, 2023, issued in compliance with applicable auditing standards in Argentina. Said standards require compliance with ethical requirements, and that an audit be planned and conducted so as to obtain a reasonable assurance that the financial statements are free from material mistakes. Our review included the verification of the work planning, nature, scope, and timeliness of the procedures followed and the results of the audit conducted by said professional.

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

The Board´s Annual Report for the fiscal year ended December 31, 2022, contains the information required by Section 66 of the Argentine General Company Law, with the assertions related to the economic context in which the Company operated, the Company´s management and subsequent events included in that document, being the sole responsibility of the Company´s Board. Insofar as matters within our competence, accounting figures included in said document are derived from the Company´s accounting records and related documentation. In addition, we have reviewed the Annex - Report on the Code of Corporate Governance - prepared by the Board of Directors, and we have no material remarks to make.

We expressly state that we are independent from the Company, and have complied with all other ethical requirements in conformity with the Code of Ethics of the Professional Council in Economic Sciences in the City of Buenos Aires, and Technical Resolutions (RT) No. 15 and 37 of the Argentine Federation of Professional Councils in Economic Sciences (FACPCE).

We believe that our audit and the Audit Report issued by independent auditors provide a reasonable basis for our opinion.

***Information enclosed to the Financial Statements ("other information")***

The Company's Board is responsible for the other information, which comprises the overview. Our opinion on the Financial Statements and Annual Report does not cover the other information, and therefore, we have no conclusion to make.

As for our review of the financial statements and controls conducted on the annual report, our responsibility is to read the other information, and in doing so, determine whether a substantial inconsistency exists between the other information and the financial statements or annual report, or if it appears to be a significant mistake in the other information. If, based on our audit, we believe that the other information contains a significant mistake, we are required to report it.
We have nothing further to report about it.

***Management Responsibility***

The preparation and presentation of the Financial Statements 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 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.

In preparing the Financial Statements, the Management is responsible for determining the Company's ability to continue as a going concern, by reviewing, where applicable, matters associated therewith and by using the accounting principle of going concern, except where the

Management intended to liquidate the Company's affairs or cease its operation, or else if there were no other realistic alternative for the Company to continue its existence.

In respect of the Annual Report, the managers are responsible for complying with the Argentine General Company Law and provisions laid down by supervisory entities insofar as its contents is concerned.

***Supervisory Committee's Responsibility***

Our purpose is to obtain a reasonable assurance that the Financial Statements are free from significant mistakes caused by fraud or error, and that the Annual Report is in compliance with legal and regulatory provisions, and to issue a report as Supervisory Committee containing our opinion. Reasonable assurance means a high degree of assurance, but does not guarantee that an audit conducted in conformity with FACPCE RT No. 37 will always detect a significant mistake. Mistakes may be due to fraud or error, and are considered significant if, individually or in aggregate, they can reasonably be expected to impact on economic decisions made by users relying on the Financial Statements and Annual Report insofar issues within our professional scope.

As part of our review of the Financial Statements, we apply our professional judgment by adopting auditing standards in accordance with FACPCE RT No. 37, and exercise professional skepticism during our review.

Also:

a) We identify and assess the risk of significant mistakes in the Financial Statements due to fraud or error, design and apply procedures to respond to said risks, and obtain sufficient and adequate facts in order to support our opinion.

b) We acquire knowledge about the internal control system that is relevant for the review so as to design procedures that are appropriate under the circumstances, and not for the purpose of expressing an opinion about the effectiveness of the Company's internal control system.

c) We determine whether the accounting policies applied are appropriate, and whether accounting estimates and relevant information furnished by the Company's Management are reasonable.

d) We conclude about whether the use by the Company's Management of the accounting principle of going concern is appropriate, and based on the facts obtained, we conclude whether or not there is significant uncertainty about facts or circumstances that might raise significant doubts about the Company's ability to continue existing as a going concern. If we conclude that there is a significant uncertainty, we are required in our report to call attention to the information disclosed in the Financial Statements, or the Annual Report, or if said disclosures are not adequate, we are required to express a modified opinion. Our conclusions are based on facts obtained until the date of issue of our Supervisory Committee's report. However, future facts or circumstances may cause the Company to stop being a going concern.

e) We assess the general presentation, structure and content of the Financial Statements, including the disclosed information, and whether the Financial Statements reflect the transactions and underlying facts so as to achieve a fair presentation.

f) We engage with the Company's Management with respect to, among other issues, how we plan and implement our procedures, and significant findings during our review as parties responsible for supervising the Company, as well regarding any significant internal control deficiency identified in the course of our review.

We also provide the Company's Management with a statement confirming that we have complied with applicable ethical requirements in relation with our independence.

***Report on compliance with applicable regulations***

a) The Financial Statements of Transportadora de Gas del Norte S.A. are recorded in the "Inventory and Balance Sheet" book and are in compliance with the provisions of the Argentine General Company Law and pertinent resolutions of the National Securities Commission. Accounting books and records are kept, in all formal respects, in accordance with applicable legislation, and have been approved by the CNV as they provide for a reasonable basis of assurance and integrity, except that they are pending to be signed.

b) We have complied with the requirements of Section 294 of the Argentine General Company Law, having regularly participated in Board and Audit Committee´s meetings and having exercised, where relevant, the powers vested on us by said piece of legislation and the Company´s Bylaws.

c) As required by the National Securities Commission regulations (restated in 2013), we have reviewed the Audit Report issued by the independent auditors, from which it is derived that:

i) The accounting policies applied to prepare the Financial Statements as of December 31, 2022 are in accordance with applicable professional accounting standards; and

ii) The independent auditors have conducted their audit applying auditing standards established by the FACPCE, which call for objectivity and independence.

d) We have applied the anti-money laundering and counter-terrorist financing procedures set forth in the relevant professional standards issued by the Professional Council in Economic Sciences in the City of Buenos Aires.

City of Buenos Aires, March 8, 2023.

By the Supervisory Committee

Dr. Juan José Valdez Follino (CPA)
Regular Statutory Auditor