



Interim Condensed Financial Statements as of June 30, 2023 in thousand Pesos, on a comparative basis



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Overview

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Registered address: Avenida del Libertador 7208 –22nd floor – City of Buenos Aires.

INTERIM CONDENSED FINANCIAL STATEMENTS for the six-month period ended June 30, 2023, on a comparative basis.

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

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

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

Amendments to by-laws registered with the Public Registry: March 7, 1994; June 9, 1994; July 5, 1994; February 14, 1995; August 9, 1995; June 27, 1996; December 23, 1996; September 20, 2000; July 7, 2004; August 24, 2005; August 18, 2006, September 15, 2017 and May 24, 2022.

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

Controlling shareholder: Gasinvest S.A.

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

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

Percentage of shares held by controlling shareholder: 56.354%.

Percentage of votes held by controlling shareholder: 56.354%.

Nominal Capital Structure

Classes of Shares	Subscribed and Paid-in	
	06.30.23	12.31.22
	Thousand \$	
Book-entry class A common shares, of \$1 par value each and entitled to one vote per share	179,264	179,264
Book-entry class B common shares, of \$1 par value each and entitled to one vote per share ⁽¹⁾	172,235	172,235
Book-entry class C common shares, of \$1 par value each and entitled to one vote per share ⁽²⁾	87,875	87,875
Total	439,374	439,374

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

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



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INTERIM CONDENSED BALANCE SHEETS AS OF JUNE 30, 2023 AND DECEMBER 31, 2022 ON A COMPARATIVE BASIS (in thousand pesos)

	Note	<u>06.30.2023</u>	<u>12.31.2022</u>
ASSETS			
Non-current assets			
Property, plant and equipment	5	160,004,628	164,625,600
Investments in affiliated companies	6	598,139	561,335
Materials and spare parts		5,106,480	5,448,793
Other accounts receivable	11.1	26,870,675	364,913
Trade accounts receivable	8	12,748,044	22,770,254
Investments at amortized cost of restricted availability	7	14,498,206	15,084,794
Investments at amortized cost	7	226,913	-
Total non-current assets		<u>220,053,085</u>	<u>208,855,689</u>
Current assets			
Materials and spare parts		543,112	382,209
Other accounts receivable	11.1	12,362,901	2,480,055
Trade accounts receivable	8	7,689,659	6,967,039
Investments at amortized cost	7	65	1,829
Investments at fair value	7	24,643,625	23,750,770
Cash and cash equivalents	7	3,237,111	3,924,275
Total current assets		<u>48,476,473</u>	<u>37,506,177</u>
Total assets		<u>268,529,558</u>	<u>246,361,866</u>

The accompanying notes 1 to 18 are an integral part of these interim condensed financial statements.



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INTERIM CONDENSED BALANCE SHEETS AS OF JUNE 30, 2023 AND DECEMBER 31, 2022 ON A COMPARATIVE BASIS (in thousand pesos)

	Note	<u>06.30.2023</u>	<u>12.31.2022</u>
SHAREHOLDERS' EQUITY			
Common stock		439,374	439,374
Common stock integral adjustment		84,399,002	84,399,002
Property, plant and equipment revaluation allowance		23,827,019	24,664,274
Statutory reserve		16,967,683	16,967,683
Optional reserve for working capital and liquidity coverage		65,229,374	69,175,670
Other reserves		(141,104)	(135,408)
Retained earnings		16,830,203	(3,946,296)
Total shareholders' equity		<u>207,551,551</u>	<u>191,564,299</u>
LIABILITIES			
Non-current liabilities			
Deferred income tax liability		21,864,718	30,132,610
Loans	9	14,059,600	14,596,072
Lease debts		1,284,068	1,063,578
Other debts		275,938	256,538
Trade accounts payable		426,815	391,170
Total non-current liabilities		<u>37,911,139</u>	<u>46,439,968</u>
Current liabilities			
Contingencies	11	119,861	65,127
Loans	9	41,180	43,435
Lease debts		59,548	204,053
Salaries and social security contributions		1,846,448	2,628,366
Taxes payable		712,098	486,250
Income tax payable		16,293,975	-
Other debts		2,033,102	242,607
Trade accounts payable		1,960,656	4,687,761
Total current liabilities		<u>23,066,868</u>	<u>8,357,599</u>
Total liabilities		<u>60,978,007</u>	<u>54,797,567</u>
Total liabilities and shareholders' equity		<u>268,529,558</u>	<u>246,361,866</u>

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Pablo Lozada
Regular Statutory Auditor

Emilio Daneri Conte-Grand
President



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INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022 (in thousand pesos)

	Note	<u>Six-month period ended</u>		<u>Three-month period ended</u>	
		<u>06.30.2023</u>	<u>06.30.2022</u>	<u>06.30.2023</u>	<u>06.30.2022</u>
Revenues	12	26,508,275	31,750,025	14,075,834	16,655,712
Cost of service	13	<u>(20,338,189)</u>	<u>(28,926,647)</u>	<u>(10,928,801)</u>	<u>(15,278,524)</u>
Gross profit		6,170,086	2,823,378	3,147,033	1,377,188
Selling expenses	13	<u>(1,158,027)</u>	<u>(1,261,423)</u>	<u>(621,681)</u>	<u>(659,780)</u>
Administrative expenses	13	<u>(8,017,416)</u>	<u>(4,265,271)</u>	<u>(3,683,485)</u>	<u>(2,361,363)</u>
Loss before other net income and expenses		<u>(3,005,357)</u>	<u>(2,703,316)</u>	<u>(1,158,133)</u>	<u>(1,643,955)</u>
Other net income and expenses	14	30,213,956	(69,514)	1,357,121	127,211
Recovery / (Charge) due to impairment of financial assets	11.1	<u>9,768,434</u>	<u>86,506</u>	<u>(3,364)</u>	<u>78,345</u>
Income (loss) before financial income		<u>36,977,033</u>	<u>(2,686,324)</u>	<u>195,624</u>	<u>(1,438,399)</u>
Net financial income					
Other net financial income	15	13,735,529	5,707,401	17,983,634	4,174,966
Financial income	15	629,476	559,381	241,927	150,426
Financial expenses	15	<u>(244,662)</u>	<u>(307,618)</u>	<u>(127,761)</u>	<u>(114,655)</u>
Loss on monetary position	15	<u>(26,620,849)</u>	<u>(14,515,979)</u>	<u>(15,006,563)</u>	<u>(7,554,806)</u>
Net financial (loss) income		<u>(12,500,506)</u>	<u>(8,556,815)</u>	<u>3,091,237</u>	<u>(3,344,069)</u>
Income from investments in affiliated companies	6	<u>42,500</u>	<u>80,060</u>	<u>32,974</u>	<u>72,032</u>
Income (loss) before income tax		<u>24,519,027</u>	<u>(11,163,079)</u>	<u>3,319,835</u>	<u>(4,710,436)</u>
Income tax					
Current		(16,793,969)	(80,353)	(569,438)	(80,353)
Deferred		<u>8,267,890</u>	<u>4,745,299</u>	<u>(295,613)</u>	<u>2,114,998</u>
Subtotal income tax		<u>(8,526,079)</u>	<u>4,664,946</u>	<u>(865,051)</u>	<u>2,034,645</u>
Income (loss) for the period		<u>15,992,948</u>	<u>(6,498,133)</u>	<u>2,454,784</u>	<u>(2,675,791)</u>
Items that will be reclassified through profit or loss					
Currency conversion of affiliated companies' financial statements	6	<u>(5,696)</u>	<u>(52,493)</u>	<u>10,504</u>	<u>(18,412)</u>
Other comprehensive income for the period ⁽¹⁾		<u>(5,696)</u>	<u>(52,493)</u>	<u>10,504</u>	<u>(18,412)</u>
Comprehensive income (loss) for the period		<u>15,987,252</u>	<u>(6,550,626)</u>	<u>2,465,288</u>	<u>(2,694,203)</u>
Net income (loss) per share, basic and diluted		36.40	(14.79)	5.59	(6.09)

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

The accompanying notes 1 to 18 are an integral part of these interim condensed financial statements.

Pablo Lozada
Regular Statutory Auditor

Emilio Daneri Conte-Grand
President



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INTERIM CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022 (in thousand pesos)

ITEM	Common stock	Common stock integral adjustment	Property, plant and equipment revaluation allowance	Statutory reserve	Optional reserve for working capital and liquidity coverage	Voluntary reserve for future dividends	Other reserves	Retained earnings	Total shareholders' equity
Balances as of December 31, 2021	439,374	84,399,002	32,147,059	16,967,683	76,130,232	1,404,975	(107,377)	(8,359,537)	203,021,411
Resolution at Ordinary Shareholders' Meeting dated April 12, 2022:									
Absorption of Optional Reserve for working capital and liquidity coverage	-	-	-	-	(6,954,562)	-	-	6,954,562	-
Absorption of voluntary reserve for future dividends	-	-	-	-	-	(1,404,975)	-	1,404,975	-
Loss for the six-month period ended June 30, 2022	-	-	-	-	-	-	-	(6,498,133)	(6,498,133)
Other comprehensive income	-	-	(4,050,051)	-	-	-	(52,493)	4,050,051	(52,493)
Balances as of June 30, 2022	439,374	84,399,002	28,097,008	16,967,683	69,175,670	-	(159,870)	(2,448,082)	196,470,785
Loss for the complementary six-month period ended December 31, 2022	-	-	-	-	-	-	-	(4,311,666)	(4,311,666)
Other comprehensive income	-	-	(3,432,734)	-	-	-	24,462	2,813,452	(594,820)
Balances as of December 31, 2022	439,374	84,399,002	24,664,274	16,967,683	69,175,670	-	(135,408)	(3,946,296)	191,564,299
Resolution at Ordinary Shareholders' Meeting dated April 18, 2023:									
Absorption of Optional Reserve for working capital and liquidity coverage	-	-	-	-	(3,946,296)	-	-	3,946,296	-
Profit for the six-month period ended June 30, 2023	-	-	-	-	-	-	-	15,992,948	15,992,948
Other comprehensive income	-	-	(837,255)	-	-	-	(5,696)	837,255	(5,696)
Balances as of June 30, 2023	439,374	84,399,002	23,827,019	16,967,683	65,229,374	-	(141,104)	16,830,203	207,551,551

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INTERIM CONDENSED STATEMENTS OF CASH FLOWS FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022 (in thousand pesos)

	Note	06.30.2023	06.30.2022
Income (loss) for the period		15,992,948	(6,498,133)
Adjustments to cash generated by (used in) operating activities:			
Property, plant and equipment depreciation	5	9,072,976	17,865,691
Residual value of property, plant and equipment written-off	5	77,819	33,020
Income tax		8,526,079	(4,664,946)
Accrued interest generated by liabilities	15	226,963	285,920
Accrued interest generated by assets	15	(629,476)	(559,381)
Income from discount at present value	15	13,884,488	-
Increase in allowances and provisions (net of recoveries)		(9,694,943)	(61,815)
Increase in allowances and provisions	13	2,453,500	-
Other income and expenses	17	(258,429)	-
Exchange rate differences and other net financial income		(23,945,787)	(2,711,780)
Income from commercial compensations	14	(28,937,381)	-
Loss from investments in affiliated companies	6	(42,500)	(80,060)
Net changes in operating assets and liabilities:			
Decrease in trade accounts receivable		15,315,374	6,164,762
(Increase) decrease in other accounts receivable		(596,465)	2,082,799
Decrease in materials and spare parts		223,052	249,597
Decrease in trade accounts payable		(2,707,293)	(1,252,045)
Decrease in salaries and social security contributions		(781,918)	(540,072)
(Decrease) increase in taxes payable		(295,824)	157,016
Decrease in other debts		(1,236,809)	(197,431)
Decrease in contingencies		(40,531)	(223,018)
Income tax payment		-	(141,436)
Net cash flow (used in) generated by operating activities		(3,394,157)	9,908,688
Acquisition of property, plant and equipment		(4,091,328)	(4,008,435)
Subscriptions, net of redemption of investments at amortized cost and investments at fair value (non-cash equivalents)		13,383,949	6,130,116
Principal received from investments at amortized cost and investments at fair value		1,126	4,598
Interest received from investments at amortized cost and investments at fair value		257	2,781
Net cash flow generated by investing activities		9,294,004	2,129,060
Payment of principal on Notes	10.1	-	(1,113,181)
Payment of interest on Notes	10.1	-	(101,331)
Payment of interest on Itaú Unibanco S.A. Nassau Branch loan	9.1	(106,073)	(132,024)
Payment of principal on local loans in pesos	9.1	-	(674,738)
Payment of interest on local loans in pesos	9.1	-	(60,800)
Lease payment		(320,870)	(20,650)
Net cash flow used in financing activities		(426,943)	(2,102,724)
Net increase in cash and cash equivalents		5,472,904	9,935,024
Cash and cash equivalents at the beginning of fiscal year		3,924,275	8,481,853
Financial loss generated by cash		(6,160,068)	(7,926,313)
Cash and cash equivalents at the end of period		3,237,111	10,490,564
Transactions not affecting cash:			
Right-of-use - property, plant and equipment through leases	5	(199,939)	(127,104)
Transfer of property, plant and equipment to materials		19,873	25,489
Transfer from trade account receivables to other accounts receivable		8,913,952	-

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

1 – OVERVIEW

1.1 - Incorporation of the Company

Transportadora de Gas del Norte S.A. (the “Company” or “TGN”) was incorporated on November 24, 1992 as a result of the enactment of Laws No. 23,696 on State Reform and 24,076 (“Natural Gas Act”) and the issuance of National Executive Branch (“PEN”) Decree No. 1,189/92 which regulates such act, whereby the privatization of the natural gas transportation and distribution services and the setting up of the companies that would receive the licenses to operate those services were established. TGN was granted a license (the “License”) pursuant to which it is authorized to provide the public service of natural gas transportation through the exclusive utilization of its two pipelines in the northern and central-western regions of Argentina.

1.2 – Effects of the economic emergency on the License

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

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

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

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



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1 – OVERVIEW (Cont.)

1.3 - Regulatory framework

1.3.1 - General

The Natural Gas Act and its regulations, together with the License, the Transfer Agreement, the Bidding Terms and Conditions for the privatization of Gas del Estado S.E. and the resolutions adopted by ENARGAS establish the legal framework pursuant to which the Company carries out its business. The License was granted for an initial term of 35 years, which expires in December 2027. However, the Natural Gas Act and the License provide that the Company may request from ENARGAS an extension of the License for an additional ten-year term. At that time, ENARGAS shall evaluate the Company's performance and make a recommendation to the PEN. The request for extension may be filed not less than 18 months nor more than 54 months prior to the expiration date of the initial term.

1.3.2 - Rates

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

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



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1 – OVERVIEW (Cont.)

1.3 - Regulatory framework (Cont.)

1.3.3 – Renegotiation of 2017 comprehensive rate review

From April 2014 to December 2017 TGN received successive interim rate increases toward the Comprehensive Rate Review (“CRR”) conducted by ENARGAS starting in March 2016. Additionally, the CRR provided that between April 1, 2017 and March 31, 2022, the Company had to implement a Mandatory Investment Plan (“MIP”) for approximately \$ 5.6 billion (expressed in December 2016 currency), which amount would be adjusted in line with TGN rate adjustment. The Company was bound to both invest the amount committed and to carry out those works described under the MIP.

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

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.



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

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



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1 – OVERVIEW (Cont.)

1.3 - Regulatory framework (Cont.)

1.3.3 – 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 prohibition to distribute dividends, prepay loans with shareholders and acquire companies or grant loans (except to users or contractors other than the Company’s shareholders), without ENARGAS previous approval, and (iv) that no mandatory investment plan applies during the IRR. The IRR also provided for the possibility that ENARGAS adjusts TGN rates as from April 1, 2022.

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

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

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

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



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

1 – OVERVIEW (Cont.)

1.3 - Regulatory framework (Cont.)

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

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

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

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

1.4 – Current economic context

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

- The Gross Domestic Product (“GDP”) growth in 2022 has been 5.5%.
- Primary fiscal deficit for 2022 was 2.4% of the GDP, while the financial deficit reached 4.2% of the GDP.
- Cumulative inflation between January 1 and June 30, 2023 reached 50.68% as shown by the Consumer Price Index published by the National Institute of Statistics and Census.
- From January 1 to June 30, 2023, the peso depreciated 44.90% against the US dollar, as shown by the exchange rate published by Banco de la Nación Argentina.

The Central Bank of Argentina (“BCRA”) imposed greater exchange restrictions, which also affect the value of the foreign currency on existing alternative markets for certain exchange transactions that are restricted on the official market. These measures, aimed at restricting access to the exchange market and therefore the demand for US dollars, imply the need to obtain the previous authorization of the BCRA for certain transactions. Said exchange restrictions, or any other as may be imposed in the future, may affect the Company’s capacity to access the Free Foreign Exchange Market (“MULC”) to acquire the foreign currency necessary to face its commercial obligations. As of June 30, 2023, foreign currency denominated assets and liabilities have been valued based on the exchange rates quoted by MULC.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

1 – OVERVIEW (Cont.)

1.4 – Current economic context (Cont.)

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

2 – BASIS OF PREPARATION AND PRESENTATION

These interim condensed financial statements for the six-month period ended June 30, 2023 have not been audited. The Company's Management believes that all adjustments necessary have been made to reasonably present the results for the period. The results for the six-month period ended June 30, 2023 do not necessarily reflect how the Company's full year results will evolve. In addition, these interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 ("Interim Financial Reporting").

The National Securities Commission ("CNV") under Title IV "Periodic Reporting Regime", Chapter III "Regulations relative to the manner of presentation and valuation criteria for financial statements" – Article 1 of its regulations, has established the application of Technical Resolution No. 26 of the Argentine Federation of Professional Councils in Economic Sciences ("FACPCE"), as amended, which adopts International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB"), to certain entities encompassed by the public offering regime of Law No. 26,831 (amended by law 27,440, the "Capital Markets Law"), either because of their capital or negotiable obligations, or because those entities have requested authorization to be encompassed by said regime. Furthermore, the provisions of ENARGAS Resolution No. 1660/00 (as amended by Resolution No. 1903/00, also enacted by ENARGAS) regulating certain valuation and disclosure criteria for the regulated natural gas transportation and distribution activity have been applied. These criteria are similar to those established by IFRS.

These interim condensed financial statements, which were approved for their release by the Company's Board on August 8, 2023, should be read together with the audited financial statements as of December 31, 2022, which have been prepared in accordance with IFRS. These interim condensed financial statements have been prepared following the same accounting policies applied in preparing the audited financial statements as of December 31, 2022.

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

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



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

2 – BASIS OF PREPARATION AND PRESENTATION (Cont.)

2.1 – Changes in Interpretation and Accounting Standards

a) New accounting standards, amendments and interpretations issued by IASB applicable as from June 30, 2023, adopted by the Company.

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

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

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

3 – FINANCIAL RISK MANAGEMENT

Except as mentioned below, as of June 30, 2023 no other significant variations in financial risks have been identified with respect to Note 3 to the Company's Financial Statements as of December 31, 2022

3.1 – Market Risks

3.1.1 – Currency Risks

The potential impact on the statement of comprehensive income and the statement of changes in shareholders' equity as of June 30, 2023 resulting from each percentage point of depreciation or appreciation of the peso against the US dollar would account for an approximate loss or gain, as applicable, of \$ 680.92 million, provided the other economic and financial variables affecting the Company remain stable. This sensitivity analysis is based on reasonable assumptions and information. Yet, actual results might significantly differ from such analysis.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

3 – FINANCIAL RISK MANAGEMENT (Cont.)

3.1 – Market Risks (Cont.)

3.1.1 – Currency Risks (Cont.)

Foreign Currency denominated Assets and Liabilities

	06.30.23			12.31.22	
	Amount and type of foreign currency ⁽¹⁾	Current trading price in \$	Amount in local currency ⁽¹⁾	Amount and type of foreign currency ⁽¹⁾	Amount in local currency ⁽¹⁾
ASSETS					
NON-CURRENT ASSETS					
Other accounts receivable					
Other sundry accounts receivable	US\$ 104,668	256.3	26,826,408		-
			26,826,408		-
Trade accounts receivable (Note 8)					
Trade accounts receivable with third parties	US\$ 114,529	256.3	29,353,869	US\$ 189,378	50,496,784
			29,353,869		50,496,784
Investments at amortized cost of restricted availability (Note 7)					
Investments at amortized cost of restricted availability	US\$ 56,567	256.3	14,498,206	US\$ 56,572	15,084,794
			14,498,206		15,084,794
Investments at amortized cost (Note 7)					
Term deposit	US\$ 885	256.3	226,913		-
			226,913		-
Total non-current assets			70,905,396		65,581,578
CURRENT ASSETS					
Other accounts receivable					
Other sundry accounts receivable	US\$ 46,022	256.3	11,795,439	US\$ 1,709	455,698
Other receivables with controlling company	US\$ 4	256.3	1,076	US\$ 16	4,278
Other receivables with affiliated companies	US\$ 3	256.3	727	US\$ 12	3,114
	R\$ 106	53.7	5,668	R\$ 106	4,962
			11,802,910		468,052
Trade accounts receivable (Note 8)					
Trade accounts receivable with third parties	US\$ 4,299	256.3	1,101,860	US\$ 8,287	2,209,669
Trade accounts receivable with related parties	US\$ 84	256.3	21,497	US\$ 83	22,165
Trade accounts receivable with affiliated companies	US\$ 13	256.3	3,327	US\$ 13	3,461
			1,126,684		2,235,295
Investments at fair value (Note 7)					
Mutual funds	US\$ 19,570	256.3	5,015,665		-
			5,015,665		-
Cash and cash equivalents					
Bank balances	US\$ 3	256.3	770	US\$ 4	1,108
			770		1,108
Total current assets			17,946,029		2,704,455
Total assets			88,851,425		68,286,033



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

3 – FINANCIAL RISK MANAGEMENT (Cont.)

3.1 – Market Risks (Cont.)

3.1.1 – Currency Risks (Cont.)

Foreign Currency denominated Assets and Liabilities (Cont.)

	06.30.23			12.31.22	
	Amount and type of foreign currency ⁽¹⁾	Current trading price in \$	Amount in local currency ⁽¹⁾	Amount and type of foreign currency ⁽¹⁾	Amount in local currency ⁽¹⁾
LIABILITIES					
NON-CURRENT LIABILITIES					
Loans (Note 9)					
Loan with Itaú Unibanco S.A. Nassau Branch	US\$ 54,771	256.7	14,059,600	US\$ 54,678	14,596,072
			14,059,600		14,596,072
Lease debt					
Lease debt	US\$ 4,810	256.7	1,234,787	US\$ 4,783	1,031,985
			1,234,787		1,031,985
Total Non-current liabilities			15,294,387		15,628,057
CURRENT LIABILITIES					
Loans (Note 9)					
Itaú Unibanco S.A. Nassau Branch Loan	US\$ 160	256.7	41,180	US\$ 163	43,435
			41,180		43,435
Lease debt					
Lease debt			-	US\$ 774	166,942
			-		166,942
Trade accounts payable					
Suppliers - goods and services	US\$ 413	256.7	105,933	US\$ 180	47,953
Unbilled Goods and Services	US\$ 3,273	256.7	840,238	US\$ 9,285	2,478,696
	£ 74	326.8	24,236	£ 55	17,770
	€ 104	280.5	29,097	€ 69	19,810
			999,504		2,564,229
Other debts					
Sundry liabilities	US\$ 7,500	256.7	1,925,250		-
			1,925,250		-
Total Current Liabilities			2,965,934		2,774,606
Total Liabilities			18,260,321		18,402,663

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

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



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

3 – FINANCIAL RISK MANAGEMENT (Cont.)

3.1 – Market Risks (Cont.)

3.1.2 – Price risks

The Company is exposed to the risk of price fluctuations in investments held and classified in its balance sheet as at fair value through profit or loss. To manage its exposure to price risks, the Company has a diversified portfolio. Portfolio diversification is subject to the restrictions established in TGN's investment policy.

The potential impact on the statement of comprehensive income and the statement of changes in shareholders' equity resulting from each percentage point increase or decrease in the average quotation of the fair value investment portfolio would approximately represent a gain or loss, as applicable, of \$ 210.3 million, provided the other economic-financial variables affecting the Company remained stable. This sensitivity analysis is based on reasonable assumptions and information. Yet, actual results might significantly differ from said analysis.

3.1.3 – Credit risks

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



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated).

4 – SEGMENT INFORMATION

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

	<u>06.30.2023</u>	<u>06.30.2022</u>
Revenues	26,509	31,750
Cost of service	(20,441)	(16,587)
Management EBITDA	<u>6,068</u>	<u>15,163</u>
Acquisition of “Property, plant and equipment”	<u>4,550</u>	<u>4,136</u>

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

	<u>06.30.2023</u>	<u>06.30.2022</u>
Management EBITDA in million pesos	6,068	15,163
“Property, plant and equipment” depreciation	(9,073)	(17,866)
Other net income and expenses	30,213	(70)
Recovery / (Charge) due to impairment of financial assets	9,769	87
Net financial loss	(12,501)	(8,557)
Income from investments in affiliated companies	43	80
Income (loss) before income tax	<u>24,519</u>	<u>(11,163)</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

5 – PROPERTY, PLANT AND EQUIPMENT

	06.30.2023										Resulting Net			
	Original Value					Depreciation					06.30.2023	12.31.2022	06.30.2022	
	At the beginning of fiscal year	Additions	Disposals	Transfers	Impairment	At the end of period	At the beginning of fiscal year	Period	Disposals	At the end of period				
Essential assets:														
Gas pipelines and branch lines	108,213,067	244,040	(6,314)	6,525,877	-	114,976,670	-	5,934,269	(2,195)	5,932,074	109,044,596	108,213,067	121,736,792	
Compressor plants	17,955,000	-	(1,836)	2,659,852	-	20,613,016	-	1,848,891	(651)	1,848,240	18,764,776	17,955,000	19,587,052	
Meter and regulating stations	2,734,827	-	-	714,310	-	3,449,137	-	49,020	-	49,020	3,400,117	2,734,827	2,784,592	
SCADA system	2,829,809	-	-	82,256	-	2,912,065	-	298,757	-	298,757	2,613,308	2,829,809	3,178,168	
Gas inventory	3,746,586	14,389	-	-	-	3,760,975	-	-	-	-	3,760,975	3,746,586	3,771,210	
Lands	282,044	-	-	-	-	282,044	-	-	-	-	282,044	282,044	212,142	
Buildings and civil construction works	3,980,971	-	-	-	-	3,980,971	-	85,706	-	85,706	3,895,265	3,980,971	4,083,103	
Other technical installations	3,610,656	-	(30,003)	6,655	-	3,587,308	-	343,300	(30,003)	313,297	3,274,011	3,610,656	3,732,065	
Sub-total essential assets	143,352,960	258,429	(38,153)	9,988,950	-	153,562,186	-	8,559,943	(32,849)	8,527,094	145,035,092	143,352,960	159,085,124	
Other revalued assets:														
Lands	107,803	-	-	-	-	107,803	-	-	-	-	107,803	107,803	108,510	
Buildings and civil construction works	1,477,843	-	-	-	-	1,477,843	-	32,087	-	32,087	1,445,756	1,477,843	1,263,341	
Sub-total other revalued assets	1,585,646	-	-	-	-	1,585,646	-	32,087	-	32,087	1,553,559	1,585,646	1,371,851	
Total revalued assets	144,938,606	258,429	(38,153)	9,988,950	-	155,147,832	-	8,592,030	(32,849)	8,559,181	146,588,651	144,938,606	160,456,975	
Non-essential assets:														
Machinery, equipment and tools	3,334,881	210,572	(33,341)	-	-	3,512,112	2,761,507	82,040	(31,196)	2,812,351	699,761	573,374	546,257	
Other technical installations	3,534,874	261,093	(2,963)	-	-	3,793,004	2,898,080	142,510	(2,287)	3,038,303	754,701	636,794	656,593	
Communication equipment and devices	392,921	-	-	-	-	392,921	336,174	13,653	-	349,827	43,094	56,747	47,018	
Vehicles	2,667,816	53,793	(47,333)	-	-	2,674,276	1,862,958	122,039	(42,417)	1,942,580	731,696	804,858	934,524	
Furniture and fixtures	1,286,395	4,231	(12,483)	-	-	1,278,143	1,075,331	21,308	(12,161)	1,084,478	193,665	211,064	200,462	
Right of use	1,738,190	199,939	-	-	-	1,938,129	298,848	99,396	-	398,244	1,539,885	1,439,342	116,773	
Works in progress	15,964,815	3,561,639	(84,329)	(9,988,950)	-	9,453,175	-	-	-	-	9,453,175	15,964,815	10,558,795	
Sub-total non-essential assets	28,919,892	4,291,267	(180,449)	(9,988,950)	-	23,041,760	9,232,898	480,946	(88,061)	9,625,783	13,415,977	19,686,994	13,060,422	
Balances as of June 30, 2023	173,858,498	4,549,696	(218,602)	-	-	178,189,592	9,232,898	9,072,976	(120,910)	18,184,964	160,004,628	-	-	
Balances as of December 31, 2022	195,659,126	13,184,675	(420,245)	-	(952,734)	207,470,822	8,353,068	34,766,850	(274,696)	42,845,222	-	164,625,600	-	
Balances as of June 30, 2022	195,659,126	4,135,539	(277,903)	-	-	199,516,762	8,353,068	17,865,691	(219,394)	25,999,365	-	-	173,517,397	



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5 – PROPERTY, PLANT AND EQUIPMENT (Cont.)

5.1 – Commitments

As of June 30, 2023, the Company has firm contractual commitments with suppliers for the acquisition of Property, plant and equipment for 3,717,599.

6 – INVESTMENTS IN AFFILIATED COMPANIES

	<u>06.30.2023</u>	<u>12.31.2022</u>
Balance at the beginning of fiscal year	561,335	451,714
Income from investments in affiliated companies	42,500	137,652
Conversion difference allocated to Other comprehensive income	(5,696)	(28,031)
Balance at the end of period	<u>598,139</u>	<u>561,335</u>



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6 – INVESTMENTS IN AFFILIATED COMPANIES (Cont.)

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

Issuer	Description		Amount	Cost	Book value as of		Main Activity	Information on issuer					
	Shares	Face Value			06.30.23	12.31.22		Most Recent Financial Statements					
								Date	Capital Stock and Capital Adjustment	Other Reserves	Retained Earnings	Shareholders Equity	Percentage of Direct Interest
Comgas Andina S.A.	Common	(1) 1 per share	490	246	593,918	558,613	Gas pipeline operation and maintenance service	06.30.23	537	-	1,211,536	1,212,073	49.0
Companhia Operadora do Rio Grande do Sul	Common	(2) 1 per share	49	0.1	4,221	2,722	Gas pipeline operation and maintenance service	06.30.23	5	21,590	(12,980)	8,615	49.0
Total					598,139	561,335							

⁽¹⁾ Chilean pesos

⁽²⁾ Brazilian Reais



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

7 – FINANCIAL INSTRUMENTS BY CATEGORY

	<u>06.30.2023</u>	<u>12.31.2022</u>
Financial assets at fair value ⁽¹⁾:		
Current:		
Classified as “Investments at fair value”:		
Notes	111,601	8,117,679
Mutual funds	5,758,843	-
Government bonds	<u>18,773,181</u>	<u>15,633,091</u>
Subtotal	<u>24,643,625</u>	<u>23,750,770</u>
Classified as “Cash and cash equivalents”:		
Mutual funds	<u>1,400,081</u>	<u>2,338,106</u>
Subtotal	<u>1,400,081</u>	<u>2,338,106</u>
Total financial assets at fair value – Current	<u>26,043,706</u>	<u>26,088,876</u>
Financial assets at amortized cost:		
Current:		
Classified as “Investments at amortized cost”:		
VRD bonds	<u>65</u>	<u>1,829</u>
Subtotal	<u>65</u>	<u>1,829</u>
Classified as “Cash and cash equivalents”:		
Cash and banks ⁽²⁾	212,317	43,116
Term deposits	-	678,070
Surety bonds	<u>1,624,713</u>	<u>864,983</u>
Subtotal	<u>1,837,030</u>	<u>1,586,169</u>
Classified as “Trade accounts receivable” and “Other accounts receivable”	19,407,868	8,888,583
Total financial assets at amortized cost - Current	<u>21,244,963</u>	<u>10,476,581</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

7 – FINANCIAL INSTRUMENTS BY CATEGORY (Cont.)

	<u>06.30.2023</u>	<u>12.31.2022</u>
Financial assets at amortized cost:		
Non-Current:		
Classified as “Investments at amortized cost of restricted availability”:		
Term deposit of restricted availability	14,498,206	15,084,794
Subtotal	<u>14,498,206</u>	<u>15,084,794</u>
Classified as “Financial assets at amortized cost”		
Term deposits	226,913	-
Subtotal	<u>226,913</u>	<u>-</u>
Classified as “Trade accounts receivable” and “Other accounts receivable”	39,618,719	23,135,167
Total financial assets at amortized cost – Non-Current	<u>54,343,838</u>	<u>38,219,961</u>
Financial liabilities at amortized cost:		
Current:		
Loans	41,180	43,435
Trade accounts payable, other debts and lease debt	4,053,306	5,134,421
Total financial liabilities at amortized cost – Current	<u>4,094,486</u>	<u>5,177,856</u>
Non-Current:		
Loans	14,059,600	14,596,072
Trade accounts payable, other debts and lease debt	1,986,821	1,711,286
Total financial liabilities at amortized cost – Non-Current	<u>16,046,421</u>	<u>16,307,358</u>

⁽¹⁾ Financial assets at fair value have been measured using Level 1 fair values. The value of financial instruments traded on active markets is based on quoted market prices as of the date of the interim condensed financial statements. The quoted market price used for financial assets held by the Company is the ask price as of June 30, 2023 and December 31, 2022.

⁽²⁾ As of June 30, 2023 and December 31, 2022, it includes 770, and 1,108, respectively, denominated in foreign currency (see Note 3.1.1).



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

8 – TRADE ACCOUNTS RECEIVABLE

	<u>06.30.2023</u>	<u>12.31.2022</u>
Non-current		
Trade accounts receivable - third parties	29,353,869	50,496,784
Allowance for doubtful accounts and disputed amounts (Note 11.1)	(16,605,825)	(27,726,530)
Total trade accounts receivable – Non-current	<u>12,748,044</u>	<u>22,770,254</u>
Current		
Trade accounts receivable - third parties	6,599,092	5,789,812
Trade accounts receivable – other related parties (Note 16)	1,174,466	1,268,414
Trade accounts receivable – affiliated companies (Note 16)	3,327	3,461
Allowance for doubtful accounts and disputed amounts	(87,226)	(94,648)
Total trade accounts receivable - Current	<u>7,689,659</u>	<u>6,967,039</u>

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

Balance as of December 31, 2021	31,289,798
– Loss on monetary position and exchange rate differences	(3,262,307)
Balance as of June 30, 2022	<u>28,027,491</u>
– Loss on monetary position and exchange rate differences	(300,961)
Balance as of December 31, 2022	<u>27,726,530</u>
– Recoveries, net (Note 11.1)	(9,797,857)
– Loss on monetary position and exchange rate differences	(1,322,848)
Balance as of June 30, 2023	<u>16,605,825</u>

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

Balance as of December 31, 2021	1,312,234
– Recoveries, net	(89,790)
– Loss on monetary position	(346,926)
Balance as of June 30, 2022	<u>875,518</u>
– Recoveries, net	(54,165)
– Applications	(495,259)
– Loss on monetary position	(231,446)
Balance as of December 31, 2022	<u>94,648</u>
– Increases, net	29,419
– Loss on monetary position	(36,841)
Balance as of June 30, 2023	<u>87,226</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

9 – LOANS

9.1 – Changes in Loans

	<u>06.30.2023</u>	<u>06.30.2022</u>
<u>Non-Current:</u>		
Balance at the beginning of fiscal year	14,596,072	-
Accrual of interest on Itaú Unibanco S.A. Nassau Branch loan	23,320	-
Exchange rate difference on Itaú Unibanco S.A. Nassau Branch loan	5,079,908	-
Loss on monetary position	(5,639,700)	-
Balance at the end of period	<u>14,059,600</u>	<u>-</u>
<u>Current:</u>		
Balance at the beginning of fiscal year	43,435	17,340,447
Accrual of interest on Itaú Unibanco S.A. Nassau Branch loan	104,178	169,920
Exchange rate difference on Itaú Unibanco S.A. Nassau Branch loan	8,721	2,989,258
Payment of interest on Itaú Unibanco S.A. Nassau Branch loan	(106,073)	(132,024)
Accrual of interest on local loans in pesos	-	35,308
Payment of principal on local loans in pesos	-	(674,738)
Payment of interest on local loans in pesos	-	(60,800)
Loss on monetary position	(9,081)	(4,788,646)
Balance at the end of period	<u>41,180</u>	<u>14,878,725</u>

10 - NOTES

10.1 – Changes in Notes

Current:

Balance at the beginning of fiscal year	-	1,270,796
Accrual of interest on Notes	-	47,546
Payment of interest on Notes	-	(101,331)
Payment of principal on Notes	-	(1,113,181)
Loss on monetary position	-	(103,830)
Balance at the end of period	<u>-</u>	<u>-</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

11 - CONTINGENCIES

	<u>Current</u>
Provision for labour, civil and administrative lawsuits	
Balance as of December 31, 2021	308,819
– Recoveries, net	(115,025)
– Decreases (payments / uses)	(46,516)
– Loss on monetary position	(61,477)
Balance as of June 30, 2022	<u>85,801</u>
– Increases, net	28,668
– Decreases (payment / uses)	(23,686)
– Loss on monetary position	(25,656)
Balance as of December 31, 2022	<u>65,127</u>
– Increases, net	95,265
– Decreases (payment / uses)	(2,061)
– Loss on monetary position	(38,470)
Balance as of June 30, 2023	<u>119,861</u>

11.1 – Pending judicial disputes with YPF

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

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

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

12 - REVENUES

	<u>Six-month period as of</u>		<u>Three-month period as of</u>	
	<u>06.30.2023</u>	<u>06.30.2022</u>	<u>06.30.2023</u>	<u>06.30.2022</u>
Gas transportation service	24,489,616	29,784,976	13,172,151	15,549,555
Gas pipeline operation and maintenance and other services	2,018,659	1,965,049	903,683	1,106,157
Total revenues	<u>26,508,275</u>	<u>31,750,025</u>	<u>14,075,834</u>	<u>16,655,712</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

13 – EXPENSES BY NATURE

Item	For the six-month period as of 06.30						Total as of 06.30.2023	Total as of 06.30.2022
	Cost of service		Selling expenses		Administrative expenses			
	2023	2022	2023	2022	2023	2022		
Directors' fees	-	-	-	-	65,118	67,578	65,118	67,578
Supervisory Committee's fees	-	-	-	-	18,841	18,950	18,841	18,950
Fees for professional services	359,125	130,208	10,437	4,855	623,374	275,688	992,936	410,751
Salaries, wages and other personnel benefits	3,842,754	3,295,399	76,443	73,144	1,790,367	1,294,637	5,709,564	4,663,180
Social security contributions	789,047	648,125	4,177	7,636	501,950	316,403	1,295,174	972,164
Materials and spare parts	704,721	957,291	1,234	-	197,013	5,922	902,968	963,213
Third party services and supplies	367,148	315,836	757	580	33,733	8,602	401,638	325,018
Maintenance and repair of property, plant and equipment	4,151,416	4,841,187	35,693	2,751	95,753	48,628	4,282,862	4,892,566
Travel expenses	492,116	374,883	14,460	3,225	58,094	46,503	564,670	424,611
Freight and transportation	73,844	61,813	-	-	505	-	74,349	61,813
Post and telecommunication expenses	36,272	32,417	2,403	2,143	32,613	29,019	71,288	63,579
Insurance	333,972	422,917	34	41	16,900	19,225	350,906	442,183
Office supplies	55,156	47,941	64	425	78,802	66,526	134,022	114,892
Rentals	63,650	56,861	2,077	843	33,812	22,877	99,539	80,581
Easements	168,019	128,410	-	-	-	-	168,019	128,410
Taxes, rates and contributions	9,291	12,260	1,001,137	1,159,981	1,610,280	1,656,069	2,620,708	2,828,310
Property, plant and equipment depreciation	8,848,385	17,532,747	8,774	5,461	215,817	327,483	9,072,976	17,865,691
Lawsuits	-	-	-	-	95,265	-	95,265	-
Litigation expenses	-	-	-	-	2,453,500	-	2,453,500	-
Slow-moving and obsolete materials and spare parts	-	30,208	-	-	-	-	-	30,208
Other	43,273	38,144	337	338	95,679	61,161	139,289	99,643
Balances as of June 30, 2023	20,338,189	-	1,158,027	-	8,017,416	-	29,513,632	-
Balances as of June 30, 2022	-	28,926,647	-	1,261,423	-	4,265,271	-	34,453,341



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

13 – EXPENSES BY NATURE (Cont.)

Item	For the three-month period as of 06.30						Total three-month period as of 06.30.2023	Total three-month period as of 06.30.2022
	Cost of service		Selling expenses		Administrative expenses			
	2023	2022	2023	2022	2023	2022		
Directors' fees	-	-	-	-	34,018	34,036	34,018	34,036
Supervisory Committee's fees	-	-	-	-	9,540	9,545	9,540	9,545
Fees for professional services	180,618	67,486	1,772	1,218	510,507	137,790	692,897	206,494
Salaries, wages and other personnel benefits	2,109,276	1,871,968	47,983	46,592	1,070,178	770,426	3,227,437	2,688,986
Social security contributions	457,454	366,961	1,404	2,419	323,409	187,204	782,267	556,584
Materials and spare parts	351,869	561,341	1,199	-	175,590	-	528,658	561,341
Third party services and supplies	183,959	156,674	371	306	28,384	4,106	212,714	161,086
Maintenance and repair of property, plant and equipment	1,997,477	2,548,140	34,221	1,519	71,525	24,091	2,103,223	2,573,750
Travel expenses	254,884	206,442	10,425	1,654	24,152	17,131	289,461	225,227
Freight and transportation	36,154	36,410	-	-	505	-	36,659	36,410
Post and telecommunication expenses	17,352	18,734	1,153	1,241	15,666	16,797	34,171	36,772
Insurance	148,239	216,996	15	21	8,775	11,490	157,029	228,507
Office supplies	31,916	35,001	64	-	26,399	35,679	58,379	70,680
Rentals	16,142	26,061	1,841	504	27,883	12,198	45,866	38,763
Easements	85,514	67,807	-	-	-	-	85,514	67,807
Taxes, rates and contributions	-	2,006	517,587	600,479	851,525	923,242	1,369,112	1,525,727
Property, plant and equipment depreciation	5,036,716	9,049,862	3,367	3,529	57,374	153,508	5,097,457	9,206,899
Lawsuits	-	-	-	-	16,636	-	16,636	-
Litigation expenses	-	-	-	-	379,728	-	379,728	-
Slow-moving and obsolete materials and spare parts	(3,366)	24,176	-	-	-	-	(3,366)	24,176
Other	24,597	22,459	279	298	51,691	24,120	76,567	46,877
Balances for the three-month period as of June 30, 2023	10,928,801	-	621,681	-	3,683,485	-	15,233,967	-
Balances for the three-month period as of June 30, 2022	-	15,278,524	-	659,780	-	2,361,363	-	18,299,667



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14 – OTHER INCOME AND EXPENSES

	<u>Six-month period as of</u>		<u>Three-month period as of</u>	
	<u>06.30.2023</u>	<u>06.30.2022</u>	<u>06.30.2023</u>	<u>06.30.2022</u>
Income from commercial compensations (Note 11.1)	29,008,120	74,727	70,739	63,542
Disposal of property, plant and equipment, net	(50,518)	178,867	6,499	154,459
Readjustment of compensation for damages ⁽¹⁾	(286,915)	(337,895)	(286,915)	70
Recovery of contingency allowance	-	115,025	-	8,768
Recovery of Slow-moving and obsolete materials and spare parts allowance	21,769	-	21,769	-
Income from liquidation of TGN Series 01 Financial Trust (Note 17)	1,583,963	-	1,583,963	-
Other income and expenses	<u>(62,463)</u>	<u>(100,238)</u>	<u>(38,934)</u>	<u>(99,628)</u>
Total other income and expenses, net	<u>30,213,956</u>	<u>(69,514)</u>	<u>1,357,121</u>	<u>127,211</u>

⁽¹⁾ During the period ended June 30, 2023 and 2022, the Company has recognized losses for \$ 286.9 million and \$ 337.9 million respectively, 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 95% and 60% increase according to the rate charts in force as from the month of April 2023 and March 2022, respectively.

15 – NET FINANCIAL INCOME

	<u>Six-month period as of</u>		<u>Three-month period as of</u>	
	<u>06.30.2023</u>	<u>06.30.2022</u>	<u>06.30.2023</u>	<u>06.30.2022</u>
Other net financial income				
Foreign exchange gain, net	20,995,289	4,730,191	13,035,541	2,818,418
Income from changes in fair values	6,604,310	963,689	6,178,527	1,352,861
Loss from discount at present value (Note 11.1)	(13,884,488)	-	(1,242,531)	-
Other	<u>20,418</u>	<u>13,521</u>	<u>12,097</u>	<u>3,687</u>
Total other net financial income	<u>13,735,529</u>	<u>5,707,401</u>	<u>17,983,634</u>	<u>4,174,966</u>
Financial income				
Interest	<u>629,476</u>	<u>559,381</u>	<u>241,927</u>	<u>150,426</u>
Total financial income	<u>629,476</u>	<u>559,381</u>	<u>241,927</u>	<u>150,426</u>
Financial expenses				
Interest	(226,963)	(285,920)	(120,939)	(105,075)
Banking and financial fees, expenses and taxes	<u>(17,699)</u>	<u>(21,698)</u>	<u>(6,822)</u>	<u>(9,580)</u>
Total financial expenses	<u>(244,662)</u>	<u>(307,618)</u>	<u>(127,761)</u>	<u>(114,655)</u>
Loss on monetary position	<u>(26,620,849)</u>	<u>(14,515,979)</u>	<u>(15,006,563)</u>	<u>(7,554,806)</u>
Total net financial loss	<u>(12,500,506)</u>	<u>(8,556,815)</u>	<u>3,091,237</u>	<u>(3,344,069)</u>



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

16 – RELATED PARTIES

Transactions with related parties are as follows:

	<u>06.30.2023</u>	<u>06.30.2022</u>
Controlling company		
<u>Other net income and expenses</u>		
Gasinvest S.A.	1,748	1,897
<u>Total other net income and expenses</u>	<u>1,748</u>	<u>1,897</u>
Affiliated companies		
<u>Revenues</u>		
Comgas Andina S.A.	17,234	18,730
Companhia Operadora do Rio Grande do Sul	2,875	3,124
<u>Total revenues</u>	<u>20,109</u>	<u>21,854</u>
<u>Recovery of expenses</u>		
Comgas Andina S.A.	266	-
Companhia Operadora do Rio Grande do Sul	2,929	-
<u>Total recovery of expenses</u>	<u>3,195</u>	<u>-</u>
Other related parties		
<u>Revenues</u>		
Litoral Gas S.A.	2,892,184	4,161,046
Compañía General de Combustibles S.A.	211,953	-
Ternium Argentina S.A.	407,421	575,472
Siderca S.A.	263,830	366,428
Transportadora de Gas del Mercosur S.A.	108,332	112,330
Tecpetrol S.A.	1,259,066	940,154
Gasoducto Gasandes Argentina S.A.	44,075	67,196
<u>Total revenues</u>	<u>5,186,861</u>	<u>6,222,626</u>



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16 – RELATED PARTIES (Cont.)

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

Other related parties (Cont.)

	<u>06.30.2023</u>	<u>06.30.2022</u>
<u>Financial income</u>		
Transportadora de Gas del Mercosur S.A.	-	151
<u>Total financial income</u>	-	151
<u>Other income and expenses</u>		
Gasoducto Gasandes Argentina S.A.	3,081	3,434
<u>Total other income and expenses</u>	3,081	3,434
<u>Recovery of expenses</u>		
Gasinvest S.A.	45	-
Transportadora de Gas del Mercosur S.A.	55	-
<u>Total recovery of expenses</u>	100	-
<u>Acquisition of materials and property, plant and equipment</u>		
Siat S.A.	-	(68,826)
Siderca S.A.	-	(3,982)
<u>Total acquisition of materials and property, plant and equipment</u>	-	(72,808)
 Key management personnel		
Board of Directors' fees	(65,118)	(67,578)
Supervisory Committee's fees	(18,841)	(18,950)



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16 – RELATED PARTIES (Cont.)

Balances with related parties are as follows:

Trade accounts receivable	<u>06.30.2023</u>	<u>12.31.2022</u>
<u>Other related parties</u>		
Transportadora de Gas del Mercosur S.A.	21,497	22,165
Compañía General de Combustibles S.A.	-	49,027
Litoral Gas S.A.	772,392	564,424
Ternium Argentina S.A.	102,674	81,520
Siderca S.A.	67,278	49,455
Tecpetrol S.A.	203,888	492,327
Gasoducto Gasandes Argentina S.A.	6,737	9,496
<u>Total trade accounts receivable - other related parties</u>	<u>1,174,466</u>	<u>1,268,414</u>
<u>Accounts receivable – affiliated companies</u>		
Comgas Andina S.A.	2,851	2,967
Companhia Operadora do Rio Grande do Sul	476	494
<u>Total accounts receivable –affiliated companies</u>	<u>3,327</u>	<u>3,461</u>
<u>Other accounts receivable</u>		
<u>Assistance fee and recovery of expenses – controlling company</u>		
Gasinvest S.A.	1,076	4,278
<u>Total assistance fee and recovery of expenses – controlling company</u>	<u>1,076</u>	<u>4,278</u>
<u>Other accounts receivable – affiliated companies</u>		
Comgas Andina S.A.	144	2,828
Companhia Operadora do Rio Grande do Sul	6,251	5,248
<u>Total other accounts receivable – affiliated companies</u>	<u>6,395</u>	<u>8,076</u>
<u>Other accounts receivable – related parties</u>		
Transportadora de Gas del Mercosur S.A.	-	40,734
Siat S.A.	298,695	-
<u>Total other accounts receivable – related parties</u>	<u>298,695</u>	<u>40,734</u>
<u>Other accounts receivable - Key Management Personnel</u>		
Board of Directors and Supervisory Committee’s fees paid in advance	71,329	128,581
<u>Total other accounts receivable - Key Management Personnel</u>	<u>71,329</u>	<u>128,581</u>



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16 – RELATED PARTIES (Cont.)

Balances with related parties are as follows:

	<u>06.30.2023</u>	<u>12.31.2022</u>
Commercial debts		
<u>Commercial debts with related parties</u>		
Siat S.A.	-	(44,475)
<u>Total commercial debts with related parties</u>	-	(44,475)
Other debts		
<u>Other debts - Key Management Personnel</u>		
Provision for Directors and Supervisory Committee's fees	(71,329)	(128,581)
<u>Total other debts - Key Management Personnel</u>	(71,329)	(128,581)

17 - FINANCIAL TRUSTS FOR EXPORT MARKET EXPANSION

With respect to the financial trust for export market expansion referred to in Note 29 to the Company's financial statements as of December 31, 2022, it is worth mentioning that on May 8, 2023, an agreement was entered into among TGN, HSBC Bank Argentina S.A. and Chilean distributor Metrogas S.A., to liquidate "TGN Series 01 Financial Trust". Consequently, the expanded transportation assets, the firm transportation for export agreement and the remaining liquidity amounting to US\$ 880,000 and \$ 1,153 million have been transferred to TGN in its capacity as Trustor.



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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023, PRESENTED ON A COMPARATIVE BASIS (in thousand pesos, except as otherwise expressly stated)

18 – SUBSEQUENT EVENTS

On June 28, 2023, TGN's Board approved the incorporation of a single-member corporation (SAU) as a vehicle to develop a natural gas supply project through pipelines, mainly dedicated to mining ventures in the Puna region of Argentina. The new company, called Gasoducto Vicuñas S.A.U., was incorporated on July 4, 2023 and registered with the Superintendency of Corporations on July 18, 2023. Its initial capital amounts to two million pesos, which has been fully subscribed and paid in by TGN.

As of the date of issue of these interim condensed financial statements, the US dollar exchange rate published by Banco de la Nación Argentina amounts to 283.20 pesos per US dollar. See Note 3.1.1 to these interim condensed financial statements, where the impact on the Company's equity is described.

No events or circumstances have occurred subsequent to June 30, 2023 which may significantly impact on the Company's financial or economic position as of that date other than those made available to the public and disclosed in these interim condensed financial statements.



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OVERVIEW FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022

As required by the National Securities Commission (“CNV”), an overview of Transportadora de Gas del Norte S.A. (“TGN” or the “Company”) revenues, financial position, certain economic-financial indicators and business prospects, that must be read in conjunction with the Company’s interim condensed financial statements for the six-month period ended June 30, 2023, is shown below, as well as relevant facts timely informed to the CNV.

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

Comprehensive income for the period:

	<i>(in million pesos)</i>					
	Six-month period ended 06.30.					
	2023	2022	Variation	2021	2020	2019
Revenues						
Gas transportation service	24,489.6	29,785.0	(5,295.4)	28,721.8	44,170.5	52,717.4
Gas pipeline operation & maintenance and other services	2,018.7	1,965.0	53.7	2,127.6	2,306.7	1,674.2
Total revenues	26,508.3	31,750.0	(5,241.7)	30,849.4	46,477.2	54,391.6
Cost of service						
Operation and maintenance costs	(11,489.8)	(11,393.8)	(96.0)	(10,629.8)	(9,424.5)	(10,903.6)
Property, plant and equipment depreciation	(8,848.4)	(17,532.7)	8,684.3	(17,340.2)	(15,652.0)	(20,904.2)
Subtotal	(20,338.2)	(28,926.5)	8,588.3	(27,970.0)	(25,076.5)	(31,807.8)
Gross profit	6,170.1	2,823.5	3,346.6	2,879.4	21,400.7	22,583.8
Administrative and selling expenses	(9,175.4)	(5,526.6)	(3,648.8)	(5,510.7)	(5,533.3)	(6,154.6)
(Loss) profit before other net income and expenses	(3,005.3)	(2,703.1)	(302.2)	(2,631.3)	15,867.4	16,429.2
Other income and expenses	30,213.9	(69.4)	30,283.3	(109.9)	642.2	(472.1)
Recovery / (Charge) due to impairment of financial assets	9,768.4	86.4	9,682.0	(587.9)	(804.5)	(88.8)
Income (loss) before financial income	36,977.0	(2,686.1)	39,663.1	(3,329.1)	15,705.1	15,868.3
Net financial income	(12,500.5)	(8,556.8)	(3,943.7)	(2,685.3)	46.3	(782.6)
Income from investments in affiliated companies	42.5	80.0	(37.5)	25.2	76.1	53.7
Income before income tax	24,519.0	(11,162.9)	35,681.9	(5,989.2)	15,827.5	15,139.4
Income tax	(8,526.1)	4,664.9	(13,191.0)	(12,704.6)	(4,467.7)	(5,863.1)
Income (loss) for the period	15,992.9	(6,498.0)	22,490.9	(18,693.8)	11,359.8	9,276.3
Currency conversion of affiliated companies’ financial statements	(5.7)	(52.6)	46.9	(65.5)	13.2	(25.2)
Property, plant and equipment revaluation allowance	-	-	-	-	(6,341.9)	-
Other comprehensive (loss) income for the period	(5.7)	(52.6)	46.9	(65.5)	(6,328.7)	(25.2)
Comprehensive income (loss) for the period	15,987.2	(6,550.6)	22,537.8	(18,759.3)	5,031.1	9,251.1
EBITDA ⁽¹⁾	6,067.7	15,162.5	(9,094.8)	15,311.9	31,986.8	37,979.9

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



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OVERVIEW FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022

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

	<i>(in million pesos)</i>				
	<i>06.30.2023</i>	<i>12.31.2022</i>	<i>12.31.2021</i>	<i>12.31.2020</i>	<i>12.31.2019</i>
<i>Total assets</i>	<i>268,530</i>	<i>246,362</i>	<i>468,359</i>	<i>569,352</i>	<i>658,001</i>
<i>Total liabilities</i>	<i>60,978</i>	<i>54,798</i>	<i>114,771</i>	<i>145,036</i>	<i>206,989</i>
<i>Shareholder’s equity</i>	<i>207,552</i>	<i>191,564</i>	<i>353,588</i>	<i>424,316</i>	<i>451,012</i>

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

Revenues

The decrease in inflation adjusted revenues amounting to \$ 5,241.7 million between the six-month periods ended June 30, 2023 and 2022 is due to:

- i.* \$ 4,106.3 million increase in revenues mainly due to higher export volumes under interruptible and exchange and displacement transportation services;
- ii.* \$ 9,401.7 million decrease in revenues, as a result of the net effect between inflation acceleration and the 95% rate increase in force as from April 29, 2023. (See Note 1.3.3 to the Company’s interim condensed financial statements for the six-month period ended June 30, 2023); and
- iii.* \$ 53.7 million increase in revenues from “*Gas pipeline operation and maintenance and other services*”.



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OVERVIEW FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022

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

Cost of service

<i>Accounts</i>	<i>(in million Pesos)</i>					
	<i>Six-month period ended 06.30.</i>					
	2023	2022	Variation	2021	2020	2019
<i>Fees for professional services</i>	359.1	130.2	228.9	138.8	223.3	190.8
<i>Salaries, wages and other personnel benefits and social security contributions</i>	4,631.8	3,943.6	688.2	3,782.4	3,580.4	3,570.4
<i>Materials and spare parts</i>	704.7	957.4	(252.7)	1,232.7	1,030.3	1,723.1
<i>Maintenance and repair of property, plant and equipment and third-party services and supplies</i>	4,518.6	5,157.1	(638.5)	4,298.2	3,374.9	4,608.7
<i>Post, telecommunications, transportation, freight and travel expenses</i>	602.2	469.1	133.1	406.4	339.1	559.0
<i>Insurance</i>	334.0	423.0	(89.0)	490.7	457.9	293.8
<i>Rentals and office supplies</i>	118.8	104.8	14.0	122.0	133.2	130.4
<i>Easements</i>	168.0	128.5	39.5	132.4	96.1	130.0
<i>Taxes, rates and contributions</i>	9.3	12.3	(3.0)	12.5	12.3	16.4
<i>Property, plant and equipment depreciation</i>	8,848.4	17,532.7	(8,684.3)	17,340.2	15,652.0	20,904.2
<i>Slow-moving and obsolete materials and spare parts</i>	-	30.2	(30.2)	-	135.4	(409.6)
<i>Other</i>	43.3	37.6	5.7	13.7	41.6	90.6
Total	20,338.2	28,926.5	(8,588.3)	27,970.0	25,076.5	31,807.8
% of Cost of service on revenues	77%	91%		91%	54%	58%

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

- i. \$ 2,350.1 million increase in *Salaries, wages and other personnel benefits and social security contributions* (which adjusted for inflation amounts to \$ 688.2 million). Said variation is explained by salary increases due to inflation adjustment (\$ 1,947.4 million), overtime and outsourced personnel (\$ 238.9 million) and a higher headcount (\$ 96.1 million), among others;
- ii. \$ 1,670.7 million increase in *Maintenance and repair of property, plant and equipment and third-party services and supplies* (which adjusted for inflation amounts to a \$ 638.5 million decrease). Said variation is mainly due to higher costs associated with cleaning and clearing of facilities (\$ 138.0 million), outsourced maintenance works (\$ 235.9 million), layout works (\$ 496.7 million), corrosion protection (\$ 48.9 million), river crossings (\$ 42.6 million), pipe inspections (\$ 62.1 million), projects related to compression integrity and safety at compressor plants (\$ 13.9 million), security and surveillance services (\$ 161.0 million) and cost of projects related to client services (\$ 194.6 million); and
- iii. \$ 1,142.6 million decrease in *Property, plant and equipment depreciation* (which adjusted for inflation amounts to \$ 8,684.3 million). Said variation is mainly due to the end of the useful life of certain items of “*Property, plant and equipment*” during 2022 fiscal year.



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OVERVIEW FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022

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

Administrative and selling expenses

<i>Accounts</i>	<i>(in million pesos)</i>					
	<i>Six-month period ended 06.30.</i>					
	<i>2023</i>	<i>2022</i>	<i>Variation</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
<i>Salaries, wages and other personnel benefits and social security contributions</i>	2,372.9	1,691.9	681.0	1,584.5	1,535.6	1,521.3
<i>Property, plant and equipment depreciation</i>	224.6	332.9	(108.3)	603.0	467.4	646.5
<i>Fees for professional services</i>	633.8	280.5	353.3	526.2	224.2	329.0
<i>Taxes, rates and contributions</i>	2,611.4	2,816.1	(204.7)	2,367.3	2,742.8	3,183.5
<i>Post, telecommunications, transportation, freight and travel expenses</i>	108.1	80.8	27.3	55.2	61.7	88.8
<i>Maintenance and repair of property, plant and equipment and third-party services and supplies</i>	165.9	60.6	105.3	139.0	122.0	129.6
<i>Rentals and office supplies</i>	114.8	90.8	24.0	89.5	103.5	95.3
<i>Supervisory Committee's fees</i>	18.8	19.0	(0.2)	20.0	20.7	23.3
<i>Board of Directors' fees</i>	65.1	67.5	(2.4)	69.2	73.7	87.7
<i>Materials and spare parts</i>	198.2	5.8	192.4	5.8	92.9	11.4
<i>Lawsuits and litigation expenses</i>	2,548.7	-	2,548.7	-	25.2	(41.4)
<i>Insurance</i>	16.9	19.2	(2.3)	22.2	24.6	30.2
<i>Other</i>	96.2	61.5	34.7	28.8	39.0	49.4
Total	9,175.4	5,526.6	3,648.8	5,510.7	5,533.3	6,154.6
<i>% of administrative and selling expenses on revenues</i>	35%	17%		18%	12%	11%

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

- i. \$ 1,352.2 million increase in *Salaries, wages and other personnel benefits and social security contributions* (which adjusted for inflation amounts to \$ 681.0 million). Said variation is mainly explained by salary increases due to inflation adjustment (\$ 1,143.9 million) and an increase in headcount (\$ 61.7 million), among others;
- ii. \$ 619.8 million increase in *Fees for professional services* (which adjusted for inflation amounts to \$ 353.3 million). Said variation is mainly due to higher costs associated with the relocation of the main offices (\$ 514.2 million);
- iii. \$ 1,073.4 million increase in *Taxes, rates and contributions* (which adjusted for inflation amounts to a \$ 204.7 million decrease). Said variation is mainly due to higher costs associated with the verification and control fee paid to the National Gas Regulatory Entity (“ENARGAS”) (\$ 569.7 million), turnover tax (\$ 378.1 million), and tax on bank transactions (\$ 107.2 million); and
- iv. \$ 2,047.2 million increase in *Lawsuits and litigation expenses* (which adjusted for inflation amounts to \$ 2,548.7 million). Said variation is due to a provision for litigation expenses associated with the settlement agreement mentioned in Note 11.1 to the Company’s interim condensed financial statements for the six-month period ended June 30, 2023.



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OVERVIEW FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022

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

Recovery / (Charge) due to impairment of financial assets

(in million pesos)

Accounts	Six-month period ended 06.30.					
	2023	2022	Variation	2021	2020	2019
<i>Recovery / (Charge) due to impairment of financial assets</i> ⁽¹⁾	9,768.4	86.4	9,682.0	(587.9)	(804.5)	(88.8)
Total	9,768.4	86.4	9,682.0	(587.9)	(804.5)	(88.8)

Other income and expenses

(in million pesos)

Accounts	Six-month period ended 06.30.					
	2023	2022	Variation	2021	2020	2019
<i>Net income from disposal of property, plant and equipment</i>	(50.5)	178.9	(229.4)	(16.4)	(20.7)	(99.0)
<i>Income from commercial compensations</i> ⁽¹⁾	29,008.1	74.9	28,933.2	-	-	1.9
<i>Income from liquidation of TGN Series 01 Financial Trust</i> ⁽²⁾	1,584.0	-	1,584.0	-	-	-
<i>Readjustment of compensation for damages</i> ⁽³⁾	(286.9)	(337.9)	51.0	-	-	(553.1)
<i>Various income and expenses</i>	(40.8)	14.7	(55.5)	(93.6)	662.9	178.1
Total	30,213.9	(69.4)	30,283.3	(109.9)	642.2	(472.1)

- (1) Positive charges recorded under “*Recovery / (Charge) due to impairment of financial assets*” and “*Income from commercial compensations*” derive from the settlement agreement entered into with YPF S.A. (“YPF”) during the first quarter ended March 31, 2023 in connection with the legal actions described in Note 22.1.3 to the Company’s financial statements as of December 31, 2022. Under said agreement executed on February 3, 2023, YPF agreed to pay TGN the amount of US\$ 190.6 million – in Argentine pesos at the asked rate published by Banco de la Nación Argentina – in four annual instalments payable each February 1, 2024, 2025, 2026 and 2027. (See Note 11.1 to the Company’s interim condensed financial statements for the six-month period ended June 30, 2023).
- (2) With respect to the financial trust for export market expansion referred to in Note 29 to the Company’s financial statements as of December 31, 2022, it is worth mentioning that on May 8, 2023, an agreement was entered into among TGN, HSBC Bank Argentina S.A. and Chilean distributor Metrogas S.A., to liquidate “TGN Series 01 Financial Trust”. Consequently, the expanded transportation assets, the firm transportation for export agreement and the remaining liquidity amounting to US\$ 880,000 and \$ 1,153 million have been transferred to TGN in its capacity as Trustor.
- (3) During the periods ended June 30, 2023 and 2022, the Company has recognized losses for \$ 286.9 and \$ 337.9 million, respectively, 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 95% and 60% increase according to the rate charts in force as from the month of April 2023 and March 2022, respectively.



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OVERVIEW FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022

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

Net financial income

(in million pesos)

Accounts	Six-month period ended 06.30.					
	2023	2022	Variation	2021	2020	2019
Other net financial income:						
Net exchange rate gain	20,995.3	4,730.3	16,265.0	4,290.0	3,692.2	87.1
Income due to changes in fair values	6,604.3	963.6	5,640.7	2,480.0	1,116.5	295.1
Loss from discount at present value	(13,884.5)	-	(13,884.5)	-	-	-
Income from derivative financial instruments	-	-	-	-	(342.3)	(275.9)
Other	20.4	13.6	6.8	689.4	-	(0.4)
Total other net financial (loss) income	13,735.5	5,707.5	8,028.0	7,459.5	4,466.4	105.8
Financial income:						
Interest	629.5	559.4	70.1	1,539.7	209.5	695.9
Total financial income	629.5	559.4	70.1	1,539.7	209.5	695.9
Financial expenses:						
Interest	(227.0)	(285.9)	58.9	(1,841.3)	(2,442.5)	(2,771.3)
Interest compounded on Property, plant and equipment	-	-	-	-	254.0	396.5
Banking, financial and other fees, expenses and taxes	(17.7)	(21.7)	4.0	(24.6)	(255.5)	(64.9)
Total financial expenses	(244.7)	(307.6)	62.9	(1,865.8)	(2,444.0)	(2,439.7)
(Loss) gain on monetary position	(26,620.8)	(14,516.1)	(12,104.7)	(9,818.6)	(2,185.6)	855.4
Total net financial (loss) income	(12,500.5)	(8,556.8)	(3,943.7)	(2,685.3)	46.3	(782.6)

Net financial income for the six-month period ended June 30, 2023 showed a higher gain of \$ 11,918.3 million (which adjusted for inflation amounts to a \$ 3,943.7 million decrease), as compared to the six-month period ended June 30, 2022. Accounts with the most relevant variations between both periods were:

- i. a higher gain of \$ 16,402.1 million (which adjusted for inflation amounts to \$ 16,265.0 million), on account of net exchange rate differences on US dollar denominated assets and liabilities;
- ii. a higher gain of \$ 214.9 million (which adjusted for inflation amounts to \$ 129.0 million), associated with interest accrued during the period;
- iii. a higher gain of \$ 5,987.8 million (which adjusted for inflation amounts to \$ 5,640.7 million), due to changes in fair values accrued during the period;
- iv. a lower gain of \$ 10,693.0 million (which adjusted for inflation amounts to \$ 13,884.5 million), due to changes from discount at present value during the period; and
- v. a higher loss of \$ 12,104.7 million on monetary position, due to: (i) the greater number of net monetary assets exposed to inflation held in the period as compared to the same period in previous year, and (ii) the increase in the Consumer Price Index which amounted to 50.68% in this six-month period as compared to the 36.15% increase during the same period in previous year.



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OVERVIEW FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022

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

Income tax

Income tax for the six-month period ended June 30, 2023 reported a higher charge of \$ 13,191.0 million as compared to the same period in previous year. Said variation is the result of a higher current tax charge of \$ 16,713.6 million and a higher gain on account of deferred income tax of \$ 3,522.6 million.

Summary of statement of cash flows

(in million pesos)

	<i>Six-month period ended 06.30</i>				
	<i>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
<i>Cash generated by operating activities</i>	(12,147.3)	14,287.8	(2,654.7)	16,952.8	16,376.6
<i>Income tax</i>	8,526.1	(4,664.9)	12,704.6	4,467.7	5,863.1
<i>Interest accrued on liabilities</i>	227.0	285.9	1,841.3	2,442.5	2,771.3
<i>Net cash flow (used in) generated by operating activities</i>	(3,394.2)	9,908.7	11,891.2	23,863.0	25,011.0
<i>Acquisition of property, plant and equipment</i>	(4,091.3)	(4,008.5)	(4,045.6)	(5,725.2)	(7,309.0)
<i>Subscriptions, net of recovery of investments at amortized cost and investments at fair value (non-cash equivalents)</i>	13,383.9	6,130.0	3,334.8	5,678.8	7,854.2
<i>Principal and interest received from investments at amortized cost and investments at fair value</i>	1.4	7.5	20.9	38.2	80.0
<i>Net cash flow generated by (used in) investing activities</i>	9,294.0	2,129.1	(689.9)	(8.2)	625.2
<i>Taking of local loans in pesos</i>	-	-	159.1	29,969.1	-
<i>Payment of principal on Notes</i>	-	(1,113.3)	-	-	-
<i>Payment of interest on Notes</i>	-	(101.3)	(1,007.8)	-	-
<i>Payment of principal on Syndicated Loan</i>	-	-	-	(19,895.5)	(19,397.1)
<i>Payment of interest on Syndicated Loan</i>	-	-	-	(1,191.9)	(2,492.1)
<i>Payment of interest on Itaú Unibanco S.A. Nassau Branch Loan</i>	(106.0)	(131.9)	(170.5)	-	-
<i>Payment of principal on local loans in pesos</i>	-	(674.8)	(152.8)	(15,917.4)	-
<i>Payment of interest on local loans in pesos</i>	-	(60.8)	(509.2)	(794.2)	-
<i>Payment of dividends in cash</i>	-	-	-	-	(19,088.1)
<i>Lease payment</i>	(320.9)	(20.7)	(30.0)	(29.8)	(30.0)
<i>Net cash flow used in financing activities</i>	(426.9)	(2,102.8)	(1,711.3)	(7,859.6)	(41,007.2)
<i>Net increase (decrease) in cash and cash equivalents</i>	5,472.9	9,935.0	9,490.1	15,995.2	(15,371.1)
<i>Cash and cash equivalents at the beginning of fiscal year</i>	3,924.3	8,481.8	13,654.6	12,809.6	21,730.7
<i>Financial loss generated by cash</i>	(6,160.1)	(7,926.2)	(11,943.1)	(6,557.3)	(132.4)
<i>Cash and cash equivalents at the end of period</i>	3,237.1	10,490.6	11,201.6	22,247.5	6,227.2



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OVERVIEW FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022

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

Breakdown of cash and cash equivalents

(in million pesos)

<i>Accounts</i>	<i>Six-month period ended 06.30.</i>				
	<i>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
<i>Cash and banks</i> ⁽¹⁾	212.3	22.0	414.8	6,647.4	243.6
<i>Mutual funds</i>	1,400.1	7,946.9	7,389.9	15,599.9	4,233.1
<i>Term deposits</i>	-	-	-	-	1,750.5
<i>Surety bonds</i>	1,624.7	2,521.6	3,396.9	-	-
<i>Cash and cash equivalents at the end of period</i>	3,237.1	10,490.6	11,201.6	22,247.5	6,227.2

⁽¹⁾ As of June 30, 2023, 2022, 2021, 2020 and 2019, it includes \$ 0.7 million, \$ 1.5 million, \$ 30.4 million, \$ 2,255.2 million and \$ 17.7 million, respectively, denominated in foreign currency.

II) COMPARATIVE BALANCE SHEETS AS OF JUNE 30, 2023, 2022, 2021, 2020, AND 2019

(in million pesos)

<i>Accounts</i>	<i>As of 06.30.</i>				
	<i>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
<i>Non-current assets</i>	220,054	202,604	274,861	314,814	348,943
<i>Current assets</i>	48,476	49,331	34,450	52,381	43,251
<i>Total assets</i>	268,530	251,935	309,311	367,195	392,194
<i>Shareholders' equity</i>	207,552	196,471	224,873	263,992	259,955
<i>Non-current liabilities</i>	37,911	34,734	69,419	54,338	77,085
<i>Current liabilities</i>	23,067	20,730	15,019	48,865	55,154
<i>Total liabilities</i>	60,978	55,464	84,438	103,203	132,239
<i>Total</i>	268,530	251,935	309,311	367,195	392,194



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OVERVIEW FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022

II) COMPARATIVE COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023, 2022, 2021, 2020, AND 2019

(in million pesos)

Accounts	As of 06.30.				
	2023	2022	2021	2020	2019
<i>(Loss) income before other net income and expenses</i>	(3,005.3)	(2,703.1)	(2,631.3)	15,867.4	16,429.2
<i>Other income and expenses</i>	30,213.9	(69.4)	(109.9)	642.2	(472.1)
<i>Recovery / (Charge) due to impairment of financial assets</i>	9,768.4	86.4	(587.9)	(804.5)	(88.8)
<i>Income (loss) before financial income</i>	36,977.0	(2,686.1)	(3,329.1)	15,705.1	15,868.3
<i>Net financial loss (income)</i>	(12,500.5)	(8,556.8)	(2,685.3)	46.3	(782.6)
<i>Income from investments in affiliated companies</i>	42.5	80.0	25.2	76.1	53.7
<i>Income (loss) before income tax</i>	24,519.0	(11,162.9)	(5,989.2)	15,827.5	15,139.4
<i>Income tax</i>	(8,526.1)	4,664.9	(12,704.6)	(4,467.7)	(5,863.1)
<i>Income (loss) for the period</i>	15,992.9	(6,498.0)	(18,693.8)	11,359.8	9,276.3
<i>Other comprehensive (loss) income for the period</i>	(5.7)	(52.6)	(65.5)	(6,328.7)	(25.2)
<i>Comprehensive income (loss) for the period</i>	15,987.2	(6,550.6)	(18,759.3)	5,031.1	9,251.1

IV) COMPARATIVE STATISTICAL DATA FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023, 2022, 2021, 2020, AND 2019

Dispatched volumes in million m3:

By type of transportation

	As of 06.30.				
	2023	2022	2021	2020	2019
<i>Firm</i>	6,140	6,337	6,257	6,244	6,966
<i>Interruptible & exchange and displacement</i>	6,472	6,045	5,527	5,502	5,198
<i>Total</i>	12,612	12,382	11,784	11,746	12,164

By source

	As of 06.30.				
	2023	2022	2021	2020	2019
<i>Northern Pipeline</i>	2,874	3,492	4,326	4,267	4,403
<i>Central West Pipeline</i>	7,076	7,100	4,855	5,211	6,639
<i>Final sections</i>	2,662	1,790	2,603	2,268	1,122
<i>Total</i>	12,612	12,382	11,784	11,746	12,164

By destination

	As of 06.30.				
	2023	2022	2021	2020	2019
<i>Domestic market</i>	11,372	11,566	11,670	11,003	11,511
<i>Export market</i>	1,240	816	114	743	653
<i>Total</i>	12,612	12,382	11,784	11,746	12,164



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OVERVIEW FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022

V) COMPARATIVE RATIOS AS OF JUNE 30, 2023, 2022, 2021, 2020, AND 2019

	<i>As of 06.30.</i>				
	<i>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
<i>Liquidity (1)</i>	<i>2.1015</i>	<i>2.3797</i>	<i>2.2937</i>	<i>1.0720</i>	<i>0.7842</i>
<i>Solvency (2)</i>	<i>3.4037</i>	<i>3.5423</i>	<i>2.6631</i>	<i>2.5579</i>	<i>1.9658</i>
<i>Equity Immobility (3)</i>	<i>0.8195</i>	<i>0.8042</i>	<i>0.8886</i>	<i>0.8574</i>	<i>0.8897</i>

(1) Current assets / current liabilities

(2) Equity / total liabilities

(3) Non-current assets / total assets

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

This section about the Company's business, operating, financial and regulatory prospects should be read, analysed and interpreted in conjunction with the notes to the interim condensed financial statements as of June 30, 2023, in order to have a full picture of corporate matters.

Notes 1.2 and 1.3 to the Company's interim condensed financial statements as of June 30, 2023 describe the effects that the Public Emergency Law No. 25,561 enacted in January 2002, had on the License as well as the different stages of 2017 comprehensive rate review renegotiation process.

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

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



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OVERVIEW FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2023 AND 2022

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

Finally, worth mentioning is the fact that the Company operates within an uncertain economic context where main variables have experienced and continue to experience a strong volatility. (See Note 1.4 to the interim condensed financial statements as of June 30, 2023).

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

City of Buenos Aires, August 8, 2023

Pablo Lozada
Regular Statutory Auditor

Emilio Daneri Conte-Grand
President



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REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

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

Report on the interim condensed financial statements

Introduction

We have reviewed the accompanying interim condensed financial statements of Transportadora de Gas del Norte S.A. (hereinafter, "the Company" or "TGN"), comprised of the interim condensed balance sheets at June 30, 2023, the interim condensed statement of comprehensive income for the six and three months periods ended on June 30, 2023 and the interim condensed statement of changes in shareholders' equity and the interim condensed statement of cash flows for the six months period then ended, and the selected explanatory notes.

Management's responsibilities

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

Scope of the review

Our responsibility is to express a conclusion on these interim condensed financial statements based on our review, which was performed in accordance with the International Standards on Review Engagements ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity", adopted as a review standard in Argentina by Technical Pronouncement No. 33 of the FACPCE and approved by the International Auditing and Assurance Standards Board (IAASB). A review of interim condensed financial statements involves making inquiries mainly of the Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit examination conducted in accordance International Standards on Auditing; consequently it does not enable us to obtain assurance that we will become aware of all the significant matters that might be identified in an audit. Therefore, we do not express an audit opinion.



Conclusion

On the basis of our review, nothing has come to our attention that make us think that the interim condensed financial statements mentioned in the first paragraph of this report have not been prepared, in all material respects, in accordance with International Accounting Standard 34.

Report on compliance with regulations in force

In compliance with current regulations, we report with respect to Transportadora de Gas del Norte S.A. that:

- a) the interim condensed financial statements of Transportadora de Gas del Norte S.A. are transcribed into the "Inventory and Balance Sheet" book and, as regards the matters that are within our field of competence, comply with the provisions of the General Companies Law and the relevant resolutions of the National Securities Commission;
- b) the interim condensed financial statements of Transportadora de Gas del Norte S.A. arise from accounting records carried in all formal aspects in conformity with legal requirements;
- c) we have read the Overview, on which we have no observations to make insofar as concerns matters within our field of competence;
- d) at June 30, 2023, the liabilities accrued by Transportadora de Gas del Norte S.A. in favor of the Argentine Integrated Social Security System according to the Company's accounting records amounted to ARS 322.696.692,87, none of which was claimable at that date.

Autonomous City of Buenos Aires, August 8, 2023

PRICE WATERHOUSE & CO.S.R.L.

(Partner)

Fernando A. Rodríguez

REPORT FROM THE SUPERVISORY COMMITTEE

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

Documents reviewed

In accordance with the provisions of Section 63, Subsection b) of Buenos Aires Stock Exchange (Bolsa de Comercio de Buenos Aires) Regulations, we have reviewed the enclosed Interim Condensed Financial Statements of Transportadora de Gas del Norte S.A. (hereinafter “the Company” or “TGN”), which comprise the Interim Condensed Balance Sheet as of June 30, 2023, Interim Condensed Statement of Comprehensive Income for the six-month period ended June 30, 2023, and Statement of Changes in Shareholders’ Equity and Statement of Cash Flows for the six-month period ended as of that date, and selected notes.

Balances and other information for fiscal year 2022 and interim periods are an integral part of the aforementioned financial statements and therefore should be considered in relation with those financial statements.

Management Responsibility

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

Supervisory Committee’s Responsibility

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

To carry out such work, we have also considered the Review Report on the Interim Condensed Financial Statements prepared by independent auditor Fernando A. Rodríguez (CPA), Partner of Price Waterhouse & Co. S.R.L., dated August 8, 2023, issued in compliance with standards applicable in Argentina for the “Review of interim financial information developed by the Company’s independent auditor”. Our review included the verification of the work planning, nature, scope and timeliness of the procedures followed and the results of the review conducted by said professional.

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

Conclusion

We believe that the scope of our work and the independent auditor's report provide us with a reasonable basis for our opinion, and in accordance with applicable regulations we inform that the Interim Condensed Financial Statements as of June 30, 2023, discussed and approved by the Company's Board on the date hereof, include all material facts and circumstances that have come to our knowledge.

Report on compliance with applicable regulations

- a) The Interim Condensed Financial Statements are derived from accounting systems, which records are entered on books kept, in all formal respects, in accordance with applicable legislation, and comply with the provisions of the Argentine General Company Law and National Securities Commission resolutions.
- b) As regards the above-mentioned Interim Condensed Financial Statements and the additional information to the Notes thereto required under Title IV, Chapter III, we have no other remarks than those above stated.
- c) During the reported period, we have complied with the requirements of Section 294 of the Argentine General Company Law.

City of Buenos Aires, August 8, 2023.

By the Supervisory Committee

Dr. Pablo Lozada
Regular Statutory Auditor