



City of Buenos Aires, May 9, 2024

## TRANSPORTADORA DE GAS DEL NORTE S.A

(hereinafter the “Company” or “TGN”) is pleased to announce RESULTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2024.

### STOCK INFORMATION:

*Market capitalization as of March 27, 2024: AR\$ 930,154.6 million.*



20% of its capital stock trades on BYMA<sup>(\*)</sup>; Ticker: TGNO4

### Capital Structure:

Class A: 179.3 million  
Class B: 172.2 million  
Class C: 87.9 million  
**Total: 439.4 million**

### For more information:

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<sup>(\*)</sup> Bolsas y Mercados Argentinos S.A.

### Main indicators for the three-month period ended March 31, 2024:

- Loss for the first quarter 2024 amounted to AR\$ 32,252.2 million (AR\$ -73.4048 per share) compared to an income of AR\$ 42,422.0 million (AR\$ 96.5511 per share) during the same period in previous year, principally explained by a lower gain in other income and higher loss on monetary position, which was partially offset by a lower deferred income tax charge.
- Revenues for the three-month period reached AR\$ 27,475.9 million, decreasing 29.5% in comparison with the same period in previous year where revenues amounted to AR\$ 38,957.2 million. This decrease is mainly explained as a result of the net effect between inflation acceleration and the 95% rate increase in force since April 29, 2023.
- EBITDA <sup>1</sup> for the period reached AR\$ -1,940.0 million, representing a decrease of 129.1% compared to the same period in 2023 where EBITDA amounted to AR\$ 6,669.0 million. This variation is mainly explained by a decrease in sales, which was partially offset by lower administrative expenses.

<sup>1</sup> EBITDA: Earnings before interest, tax, depreciation and amortization, have been calculated as “Income before other income and expenses” plus depreciation for the period for items of “Property, plant and equipment”.



## 1- Current economic context:

The Company operates within a complex economic context where main variables have experienced a strong volatility.

Argentina's main macroeconomic indicators are:

- The Gross Domestic Product drop in 2023 was 1.6%.
- Cumulative inflation between January 1 and March 31, 2024 reached 51.62% and March year-to-year inflation reached 287.87%, according to the Consumer Price Index published by the National Institute of Statistics and Census.
- Between January 1 and March 31, 2024, the peso depreciated 6.13% against the US dollar, according to the exchange rate published by Banco de la Nación Argentina ("BNA").

During 2023, 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 may affect the Company's capacity to access the Free Foreign Exchange Market to acquire the foreign currency necessary to face its commercial obligations.

On December 10, 2023, a new administration took office in Argentina, which has proposed among its objectives the establishment of a new economic regime in the country, for which the new president intends to carry out a broad reform of laws and regulations, moving forward with a profound deregulation of the economy and with structural reforms that free up restrictions to invest and operate in the country.

Among its first measures, the new government published Necessity and Urgency Decree No. 70/2023 ("DNU") which annuls and/or modifies approximately three hundred laws, introducing reforms in the labour market, customs code and status of state-owned companies, among others. The DNU must be discussed and ratified by at least one of the houses of the National Congress: it has been rejected by the Senate and its treatment is still pending at the Lower House, however its provisions remain partially effective since December 29, 2023, as a result of certain judicial actions that have suspended certain modifications.

As of the date of issue of these 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 financial statements should be read in the light of said circumstances.



## 2- Revenues for the three-month ended March 31, 2024:

The decrease in inflation adjusted revenues amounting to \$ 11,481.2 million between the three-month periods ended March 31, 2024 and 2023 is due to:

- AR\$ 8,176.0 million increase in revenues due to the higher exchange rate for export transportation services and other revenues;
- AR\$ 19,428.5 million decrease in revenues, as a result of the combined effect of inflation and rate freezing in force as from April 2023; and
- AR\$ 228.7 million decrease in revenues from “Gas pipeline operation and maintenance and other services”.

As of March 31, 2024, 88.1% of the Company’s revenues came from the gas transportation services (regulated business), with the remaining 11.9% being represented by gas pipeline operation and maintenance and other services (non-regulated business). As of March 31, 2023, revenues from the regulated business accounted for 91.0% while those from the non-regulated business accounted for the remaining 9.0%.

## 3- 2024 Interim Agreement:

On December 18, 2023, the PEN pronounced Necessity and Urgency Decree No. 55/23 whereby, among other things, the PEN (i) declares the commencement of the CRR process pursuant to article 42 of the Natural Gas Act, and establishes that the coming into force of the rate charts resulting from such process shall not be later than December 31, 2024, (ii) decrees the intervention of ENARGAS effective as of January 1, 2024 until designation of the Board members resulting from a selection process and (iii) determines that ENARGAS comptroller as such will have the power to run and administer said entity in accordance with the Natural Gas Act.

On March 26, 2024 the Company entered into a new interim agreement (the “2024 Interim Agreement”) with ENARGAS for the rate adjustment, by virtue of which ENARGAS published Resolution No. 113/2024, approving a 675% increase in TGN's transportation rates, effective as from April 2024 and monthly adjustable under ENARGAS resolution. Such increase entails the obligation to execute during 2024 a mandatory investment plan for the amount of nineteen thousand one hundred and fifty million pesos (AR\$ 19,150,000,000), adjustable in the same way as the rate, prioritizing reliability, safety and quality works along the Company's gas pipeline system. During the term of the 2024 Interim Agreement, the Company undertakes not to initiate actions or claims against the National Government based on the rate freeze provided by the Solidarity Law. As of the date of issue of these financial statements, ENARGAS has not yet published the resolution with the rate charts corresponding to the month of May, with the monthly adjustment foreseen in the 2024 Interim Agreement.



#### 4- Costs and expenses for the three-month period ended March 31, 2024:

During the first three-month period of 2024, the cost of service amounted to AR\$ 31,167.9 million, increasing 5.7% in comparison with the same period in previous year. This increase is mainly explained by a variation in Maintenance and repair of property, plant and equipment and third-party services and supplies.

Administrative and selling expenses for the period amounted to AR\$ 9,226.1 million, showing a 39.4% decrease with respect to the previous year, mainly explained by a lower charge on Lawsuits and litigation expenses.

#### 5- Financial situation:

##### Indebtedness in foreign currency:

As of March 31, 2024, TGN has Indebtedness in foreign currency according to the following detail:

- On September 16, 2022, the loan taken with “Itaú Unibanco S.A. Nassau Branch” on October 19, 2020, and originally due on October 21, 2022, was extended for an additional term of twenty-four months.

The terms and conditions of the facility are described below:

- Amount: US\$ 55,000,000;
  - Term: twenty-four months;
  - Amortization: 100% at maturity;
  - Interest: quarterly;
  - Rate: 1.50% p/a;
  - Prepayment: total or partial at any time without any cost or penalty;
  - Guarantee: first lien for the amount of of US\$ 56,500,000.
- Loan with Itaú Unibanco S.A. Nassau Branch for an amount of US\$ 436 thousand to pay for imports, taken in October 2023, for a term of 171 days at a fixed rate, with the same guarantee as the one mentioned above;
  - Loan with Itaú Unibanco S.A. Nassau Branch for an amount of US\$ 343 thousand to pay for imports, taken in November 2023, for a term of 217 days at a fixed rate, with the same guarantee as the one mentioned above.



The current balance as of March 31, 2024 amounts to AR\$ 47,929.7.

As a subsequent event, on April 26, 2024, the Company took a loan with Itaú Unibanco Nassau Branch for an amount of US\$ 780,000 due on October 21, 2024, at a fixed rate. Additionally, on April 18, 2024 TGN has paid interest for US\$ 0.21 million.

Indebtedness in pesos:

During the first three-month period of 2024, the company has paid principal installments for an amount of AR\$ 7,000 million and interests for AR\$ 1,716.5 million. With these payments, TGN has cancelled on a timely manner all of its debts in local currency.

6- Operating data:

Volumes dispatched during the first three-month period of 2024 increased by 8.7% compared to the same period in 2023. This was mainly explained by an increase in interruptible local transportation services, which was partially offset by a decrease in export transportation volumes.

Below are volumes dispatched broken down by source, contract type and destination:

Per source in million m <sup>3</sup>	As of 03.31	
	2024	2023
Northern Pipeline	1,305	1,414
Central West Pipeline	3,469	3,322
Final Sections	1,300	854
<b>Total</b>	<b>6,074</b>	<b>5,590</b>

Per contract type in million m <sup>3</sup>	As of 03.31	
	2024	2023
Firm	2,880	2,865
Interruptible & exchange and displacement	3,194	2,725
<b>Total</b>	<b>6,074</b>	<b>5,590</b>



Per destination in million m <sup>3</sup>	As of 03.31	
	2024	2023
Domestic market	5,507	4,881
Export market	567	709
<b>Total</b>	<b>6,074</b>	<b>5,590</b>

#### 7- Other relevant news of the period:

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.

On February 1, 2024, YPF paid the first instalment under the agreement amounting to US\$ 47.7 million.

In the context of the legal proceedings initiated by TGN against the Chilean gas distributor Metrogas S.A., it should be noted that on May 8, 2024, TGN was notified of the ruling issued by Court Room III of the National Court of Appeals in Federal Civil and Commercial Matters, which revokes the first instance judgment and dismisses the claims filed by the Company for performance of transportation contract and damages. TGN is preparing to appeal this decision through an Extraordinary Appeal before the Supreme Court of Justice.



## ANNEXES:

### 1- Statement of Income (in millions AR\$)

	Three-month period ended	
	03.31.2024	03.31.2023
Revenues	27,475.9	38,957.2
Cost of service	(31,167.9)	(29,485.0)
<b>Gross (loss) profit</b>	<b>(3,692.0)</b>	<b>9,472.2</b>
Selling expenses	(1,397.6)	(1,680.1)
Administrative expenses	(7,828.6)	(13,580.4)
Other net income and expenses	2,661.8	90,423.3
(Charge) / recovery due to impairment of financial assets	(84.6)	30,620.1
<b>(Loss) profit before financial income</b>	<b>(10,341.0)</b>	<b>115,255.1</b>
Other net financial income	39,349.2	(13,311.5)
Financial income	2,246.6	1,214.4
Financial expenses	(1,667.2)	(366.3)
Loss on monetary position	(91,859.3)	(36,393.5)
Income from investments in affiliated companies	227.8	29.9
<b>(Loss) income before income tax</b>	<b>(62,043.8)</b>	<b>66,428.0</b>
Income tax	29,791.7	(24,005.9)
<b>(Loss) profit for the period</b>	<b>(32,252.2)</b>	<b>42,422.0</b>
Other comprehensive loss for the period	(1,472.3)	(50.8)
<b>Comprehensive (loss) profit for the period</b>	<b>(33,724.5)</b>	<b>42,371.3</b>



## 2- Balance Sheet (in millions AR\$)

	03.31.2024	12.31.2023
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	476,155.9	480,120.7
Investments in affiliated companies	1,864.6	3,109.2
Materials and spare parts	18,193.6	13,663.8
Other accounts receivable	62,271.2	137,525.1
Trade accounts receivable	42,526.6	60,742.9
Investments at amortized cost	1,004.2	1,417.5
<b>Total non-current assets</b>	<b>602,016.0</b>	<b>696,579.1</b>
<b>Current assets</b>		
Materials and spare parts	1,082.5	2,317.7
Other accounts receivable	42,887.3	63,389.1
Trade accounts receivable	13,798.7	13,371.3
Investments at amortized cost of restricted availability	48,366.8	69,085.9
Investments at fair value	80,216.6	103,506.2
Cash and cash equivalents	32,085.9	6,801.9
<b>Total current assets</b>	<b>218,437.8</b>	<b>258,472.1</b>
<b>Total assets</b>	<b>820,453.8</b>	<b>955,051.2</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	439.4	439.4
Share capital adjustment	265,402.9	265,402.9
Revaluation surplus	68,187.0	69,461.1
Legal reserve	53,168.5	53,168.5
Optional reserve for working capital and liquidity coverage	204,397.2	204,397.2
Other reserves	(932.1)	540.3
Retained earnings	61,896.9	92,875.0
<b>Total shareholders' equity</b>	<b>652,559.8</b>	<b>686,284.3</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred income tax liability	40,460.4	70,252.0
Lease debts	4,103.4	5,918.1
Other debts	429.2	563.1
Trade accounts payable	337.5	556.8
<b>Total non-current liabilities</b>	<b>45,330.5</b>	<b>77,290.1</b>
<b>Current liabilities</b>		
Contingencies	98.2	297.9
Loans	47,929.7	80,217.1
Lease debts	549.7	524.2
Salaries and social security contributions	6,292.8	7,072.5
Taxes payable	841.6	947.5
Income tax payable	47,317.0	72,035.0
Other debts	6,572.0	9,255.3
Trade accounts payable	12,962.6	21,127.3
<b>Total current liabilities</b>	<b>122,563.6</b>	<b>191,476.7</b>
<b>Total liabilities</b>	<b>167,894.0</b>	<b>268,766.9</b>
<b>Total liabilities and shareholders' equity</b>	<b>820,453.8</b>	<b>955,051.2</b>



### 3- Statement of Cash Flows (in millions AR\$)

	03.31.2024	03.31.2023
(Loss) profit for the period	(32,252.2)	42,422.0
<b>Adjustments to cash generated by (used in) operating activities:</b>		
Property, plant and equipment depreciation	10,978.5	12,457.3
Residual value of property, plant and equipment w ritten-off	28.1	218.2
Income tax	(29,791.7)	24,005.9
Accrued interest generated by liabilities	1,628.7	332.2
Accrued interest generated by assets	(2,246.6)	(1,214.4)
Income from discount at present value	(3,629.9)	39,613.8
Recovery of allow ances and provisions	(2,529.7)	(30,363.1)
Increase in allow ances and provisions	-	6,497.8
Exchange rate differences and other net financial income	(52,155.9)	(25,233.8)
Income from commercial compensations	-	(90,675.7)
Loss from investments in affiliated companies	(227.8)	(29.9)
<b>Net changes in operating assets and liabilities</b>		
Decrease in trade accounts receivable	19,950.0	45,243.0
Decrease (increase) in other accounts receivable	102,197.2	(22,076.3)
(Increase) decrease in materials and spare parts	(782.5)	576.2
Decrease in trade accounts payable	(8,417.9)	(7,608.3)
Decrease in salaries and social security contributions	(779.7)	(1,061.8)
Decrease in taxes payable	(24,861.9)	(1,443.2)
Decrease in other debts	(5,440.9)	(1,200.4)
Decrease in contingencies	(101.5)	(38.9)
<b>Net cash flow used in operating activities</b>	<b>(28,435.8)</b>	<b>(9,579.2)</b>
Acquisition of property, plant and equipment	(7,031.6)	(4,074.1)
Subscriptions, net of redemption of investments at amortized cost and investments at fair value (non-cash equivalents)	75,731.2	20,698.2
Principal received from investments at amortized cost and investments at fair value	-	2.6
Interest received from investments at amortized cost and investments at fair value	-	0.7
<b>Net cash flow generated by investing activities</b>	<b>68,699.6</b>	<b>16,627.3</b>
Payment of interest on Itaú Unibanco S.A. Nassau Branch loan	(215.0)	(175.4)
Payment of principal on local loans in pesos	(7,873.6)	-
Payment of interest on local loans in pesos	(2,059.5)	-
Lease payment	(16.4)	(137.9)
<b>Net cash flow used in financing activities</b>	<b>(10,164.4)</b>	<b>(313.3)</b>
<b>Net increase in cash and cash equivalents</b>	<b>30,099.4</b>	<b>6,734.8</b>
Cash and cash equivalents at the beginning of fiscal year	6,801.9	12,296.8
Financial loss generated by cash	(4,815.4)	(7,073.7)
<b>Cash and cash equivalents at the end of period</b>	<b>32,085.9</b>	<b>11,957.9</b>

This earnings release should be read in connection with the interim condensed financial statements for the three-month period ended March 31, 2024 that are available at:

[www.tgn.com.ar](http://www.tgn.com.ar)

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