

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(B) OR (G) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended: December 31, 2023

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____.

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report _____.

Commission file number: 1-13.396
TRANSPORTADORA DE GAS DEL SUR S.A.
(Exact name of Registrant as specified in its charter)

GAS TRANSPORTER OF THE SOUTH INC.
(Translation of Registrant's name into English)

Republic of Argentina
(Jurisdiction of incorporation or organization)

Cecilia Grierson 355
26th Floor
C1107CBG City of Buenos Aires
Argentina
(Address of principal executive offices)

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C1107ABF City of Buenos Aires
Argentina
(Name, telephone, email and/or facsimile number and Address of Company contact person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
American Depositary Shares ("ADS"), representing Class "B" Shares Class "B" Shares, par value Ps.1.00 per share	TGS n/a	New York Stock Exchange New York Stock Exchange*

*Not for trading, but only in connection with the registration of American Depositary Shares related to the issuer's American Depositary Receipts ("ADRs") program, pursuant to the requirements of the Securities and Exchange Commission.

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

Class "A" Shares, par value Ps.1.00 each	405,192,594
Class "B" Shares, par value Ps.1.00 each	347,568,464
Total⁽¹⁾	752,761,058

(1) Excludes 41,734,225 treasury shares, representing 5.25% of the total shares not deemed outstanding under Argentine law.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Securities Exchange Act of 1934.

Large accelerated filer Accelerated filer Non-accelerated filer
Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Securities Exchange Act of 1934.

†The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b)

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an Annual Report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934).

Yes No

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Defined Terms

In this annual report on Form 20-F (“**Annual Report**”), unless otherwise indicated or the context requires otherwise: (i) references to “**we**,” “**us**,” “**our**” and the “**Company**” mean Transportadora de Gas del Sur S.A. (“**tgs**”) and its consolidated subsidiaries, Telcosur S.A. (“**Telcosur**”) and CTG Energía S.A.U. (“**CTG**”), (ii) references to “**Argentina**” are to the Republic of Argentina, (iii) references to the “**United States**” or “**U.S.**” are to the United States of America, (iv) references to “**pesos**” or “**Ps.**” are to Argentine pesos, the legal currency of Argentina, (v) references to “**U.S. dollars**,” “**dollars**” or “**U.S.\$**” are to United States dollars, the legal currency of the United States, (vi) a “**billion**” is a thousand million, (vii) references to “**cf**” are to cubic feet, (viii) references to “**MMcf**” are to millions of cubic feet, (ix) references to “**Bcf**” are to billions of cubic feet, (x) references to “**m3**” are to cubic meters, (xi) references to “**d**” are to days, and (xii) references to “**HP**” are to horsepower.

Financial Statements and Basis of Preparation

We maintain our financial books and records and publish our consolidated Financial Statements (as defined below) in pesos, which is our functional currency. This Annual Report includes our audited consolidated statements of financial position as of December 31, 2023 and 2022, and our audited consolidated statements of comprehensive income, changes in equity and cash flows, and the related explanatory notes for the years ended December 31, 2023, 2022 and 2021 (our “**Financial Statements**”). Our Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“**IFRS Accounting Standards**”), and as in effect on the date of preparation of the Financial Statements. IFRS Accounting Standards have been adopted by the *Federación Argentina de Consejos Profesionales de Ciencias Económicas* (“**FACPCE**”) as its professional accounting standards and are required to be adopted by certain public companies in Argentina (*entidades incluidas en el régimen de oferta pública de la Ley de Mercado de Capitales*) pursuant to the rules of the *Comisión Nacional de Valores* (“**CNV**”), compiled under General Resolution No. 622/2013 (as amended by General Resolution No. 668/2016 and as further amended, the “**CNV Rules**”).

At our shareholders’ meeting held on April 26, 2017, as a result of a proposal by our controlling shareholder, Compañía de Inversiones de Energía S.A. (“**CIESA**”), our shareholders voted in favor of having a joint audit on our consolidated financial statements commencing with fiscal year ended December 31, 2017, even though there is currently no legal requirement in Argentina for a joint audit. As a result, our Financial Statements were jointly audited by Price Waterhouse & Co. S.R.L., Buenos Aires, Argentina (“**PwC**”), member firm of PricewaterhouseCoopers International Limited, and Pistrelli, Henry Martin y Asociados S.R.L. (“**EY**”), member firm of Ernst & Young Global Limited. The joint report of PwC and EY, dated April 24, 2024, is included elsewhere in this Annual Report. Each of PwC and EY is an independent registered public accounting firm, as stated in the joint report appearing herein.

International Accounting Standard 29 (“**IAS 29**”) “*Financial reporting in hyperinflationary economies*” requires that the financial statements of an entity whose functional currency is one of a hyperinflationary economy be expressed in terms of the current unit of measurement at the closing date of the reporting period, regardless of whether such financial statements are based on the historical cost method or the current cost method. This requirement also comprises the restatement of comparative information of the financial statements to be presented in the current currency as of December 31, 2023, without modifying the statutory decisions made based on the financial information corresponding to those fiscal years.

IAS 29 describes characteristics that may indicate that an economy is hyperinflationary. However, it states that it is a matter of judgement by management when restatement of financial statements becomes necessary. Among other factors, an economy is “hyperinflationary” in accordance with IAS 29 when it has a cumulative inflation rate over three years that approaches, or exceeds, 100%, also taking into consideration other qualitative factors related to the macroeconomic environment.

The IASB does not identify specific economies that satisfy the requirements to be deemed hyperinflationary. The International Practices Task Force (“IPTF”) of the Center for Audit Quality monitors the status of “highly inflationary” countries. The criteria of IPTF for identifying such countries are similar to those for identifying “hyperinflationary economies” under IAS 29. From time to time, the IPTF issues reports of its discussions with the staff of the Securities and Exchange Commission (“SEC”) on the IPTF’s recommendations of which countries should be considered highly inflationary, and which countries are on the IPTF’s inflation “watch list.” The IPTF’s discussion document for its November 9, 2023 meeting states that in the view of the IPTF, Argentina had a three-year cumulative inflation rate exceeding 100%.

Inflation in Argentina significantly increased during 2023, 2022 and 2021, which resulted in an accumulated inflation rate for each of the three-year periods ended December 31, 2023, 2022 and 2021, in excess of 100%. In addition, the rest of the indicators do not contradict the conclusion that Argentina should be considered a hyperinflationary economy for accounting purposes. As a result, our management considers that there is sufficient evidence to conclude that Argentina is a hyperinflationary economy in terms of IAS 29, effective as from July 1, 2018.

The Financial Statements and the other financial information included in this Annual Report for all the periods reported are presented on the basis of constant pesos as of December 31, 2023 (“**Current Currency**”). Thus, our audited consolidated statements of financial position as of December 31, 2022, and our audited consolidated statements of comprehensive income, changes in equity and cash flows, and the related explanatory notes for each of the years ended December 31, 2022 and 2021, included elsewhere in this Annual Report have been restated in accordance with IAS 29 for comparative purposes from the original figures reported and supersede any previously disclosed consolidated financial statements relating to such periods.

In analyzing the provisions of IAS 29, our management used the inflation rates stated in the official statistics published by the *Instituto Nacional de Estadística y Censos* (“**INDEC**”), similar to the criteria adopted by the accounting profession and corporate regulatory bodies in Argentina. In order to restate the financial statements referred in the immediately preceding paragraph, the CNV has established that the series of indexes to be used for the application of IAS 29 is determined by the FACPCE. This series of indexes combines the National Consumer Price Index (“**CPI**”) as of January 2020 (base month December 2019) with the Domestic Wholesale Price Index (“**WPI**”), both published by INDEC until that date. According to information from FACPCE, inflation was 211.4%, 94.5%, and 50.9% in the years ended December 31, 2023, 2022 and 2021, respectively.

For more information, see note 4(d) to the Financial Statements and “*Item 5. Operating and Financial Review and Prospects—A. Operating Results—Factors Affecting Our Consolidated Results of Operations.*” Also, see “*Item 3. Key Information—D. Risk Factors—Risks Relating to Argentina—High levels of inflation could negatively affect our business, results of operations and financial condition, the value of our securities, and our ability to meet our financial obligations.*”

Currency

Solely for the convenience of the reader, certain amounts presented in pesos in this Annual Report as of and for the year ended December 31, 2023, have been converted into U.S. dollars at specified exchange rates. Unless otherwise specified, all exchange rate information contained in this Annual Report has been derived from information published by Banco de la Nación Argentina (“**Banco Nación**”) on December 31, 2023, without any independent verification by us. As a result of fluctuations in the peso/U.S. dollar exchange rate, the exchange rate at such date may not be indicative of current or future exchange rates. Such fluctuations may affect the U.S. dollar equivalent of peso amounts included in this Annual Report. Consequently, these translations should not be construed as a representation that the peso amounts represent, or have been, or could be converted, into, U.S. dollars at that or any other rate.

Fluctuations in the exchange rate between pesos and U.S. dollars would affect the U.S. dollar equivalent of the peso price of our Class “B” shares, par value Ps.1 each (the “**Class B Shares**”), on the Buenos Aires Stock Exchange (*Bolsas y Mercados Argentinos* (“**BYMA**”)) and, as a result, the market price of our American Depositary Shares (“**ADSs**”) on the New York Stock Exchange (“**NYSE**”) as well.

Historically, Argentina has been subject to several restrictions imposed on the foreign exchange market. In the recent years, the Central Bank of the Republic of Argentina (*Banco Central de la República Argentina* or the “**BCRA**”) issued several communications which introduced several changes to the then existing foreign exchange control regime. For additional information, see “*Item 10. Additional Information—D. Exchange Controls.*”

The following table sets forth, for the periods indicated, high, low, average and period-end exchange rates between the peso and the U.S. dollar, as reported by Banco Nación. The Federal Reserve Bank of New York does not publish a buying rate for the peso. The average rate is calculated by using the average of Banco Nación reported exchange rates on each day during the relevant monthly period and on the last day of each month during the relevant annual period.

	Pesos per U.S. dollar			
	High	Low	Average	Period end
Most recent six months:				
December 2023	808.45	361.10	643.07	808.45
January 2024	826.40	810.70	818.27	826.40
February 2024	842.20	826.90	834.88	842.20
March 2024	858.00	842.50	850.18	858.00
April 2024 (until 22 nd)	872.00	861.00	866.43	872.00
Year ended December 31,				
2019	60.40	36.90	48.23	59.89
2020	84.15	59.81	70.78	84.15
2021	102.72	84.70	95.16	102.72
2022	177.16	103.00	130.81	177.16
2023	808.45	178.15	295.30	808.45

Our results of operations and financial condition are highly sensitive to changes in the peso-U.S. dollar exchange rate because a significant portion of our revenues (65.2% of our total consolidated revenues from sales for the year ended December 31, 2023), most of our capital expenditures, almost all of our debt obligations and the cost of natural gas used in our Liquids business are denominated in U.S. dollars, but substantially all of our assets are located in Argentina, and our functional currency is the peso.

Currency fluctuations would also affect the U.S. dollar amounts received by holders of our ADSs upon conversion (by us or by Citibank N.A. (the “**Depository**”), pursuant to the deposit agreement for the issuance of the ADSs entered into between the Depository and us (the “**Deposit Agreement**”) of the cash dividends paid in pesos on the underlying Class “B” Shares.

Rounding

Certain figures included in this Annual Report have been rounded for ease of presentation. Percentage figures included in this Annual Report have not, in all cases, been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, percentage amounts in this Annual Report may vary from those obtained by performing the same calculations using the figures in our Financial Statements. Certain numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that preceded them due to rounding.

Available Information

The SEC maintains an internet site (<http://www.sec.gov>) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Our telephone number is (54-11) 4371-5100, and our principal executive offices are located at Cecilia Grierson 355, 26th Floor, C1107CPG City of Buenos Aires, Argentina. Our internet address is www.tgs.com.ar. This URL is intended to be an inactive textual reference only. It is not intended to be an active hyperlink to our website. The information included in our website or which may be accessed through our website is not part of this Annual Report, is not incorporated by reference herein or otherwise and should not be relied upon in determining whether to make an investment in any securities issued by us.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some of the information in this Annual Report, including information incorporated by reference herein, may constitute estimates and forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933 (the “Securities Act”) and Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”). These estimates and forward-looking statements can be identified by the use of forward-looking terminology such as “anticipate”, “believe”, “can”, “continue”, “estimate”, “expect”, “goal”, “intend”, “may”, “plan”, “potential”, “predict”, “projection”, “should”, “will”, “will likely result”, “would” or other similar words. These estimates and statements appear in a number of places in this Annual Report and include statements regarding our intent, belief or current expectations, and those of our officers, with respect to (among other things) our business, financial condition and results of operations. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks and uncertainties and are based on information available to us as of the date of this Annual Report.

When considering forward-looking statements, you should keep in mind the factors described in “*Item 3. Key Information—D. D. Risk Factors*” and other cautionary statements appearing in “*Item 5*”. These factors and statements, as well as other statements contained herein, describe circumstances that could cause actual results to differ materially from those expressed in or implied by any forward-looking statement.

Forward-looking statements include, but are not limited to, the following:

- statements regarding changes in general economic, business, political or other conditions in Argentina and globally, including changes from actions taken by the Argentine government (the “**Government**”) and changes due to natural and human-induced disasters, and the impact of the foregoing;
- estimates relating to future energy demand (including demand for fossil fuels), tariffs and volumes for our natural gas transportation services and future prices and volumes for our natural gas liquid products such as propane and butane (also referred to as liquid petroleum gas or “**LPG**”), ethane and natural gasoline (collectively “**Liquids**”) and for products and services provided in the Midstream and other Services (“**Midstream**”) business segment;
- statements regarding future political developments in Argentina and future developments regarding the license granted to us by Government to provide natural gas transportation services through the exclusive use of the southern natural gas transportation system in Argentina (“**License**”), the impact of the adoption of the new revised scheme of tariffs resulting from the renegotiation process of our License with the Government, regulatory actions by Ente Nacional Regulador del Gas (“**ENARGAS**”) and other agencies of the Government, the legal framework established by the Federal Energy Bureau and any other applicable governmental authority that may affect us and our business;
- with our employees in Argentina;
- statements and estimates regarding future pipeline expansion and other projects and the cost of, or return to us from, any such expansion or projects;

- estimates of our future level of capital expenditures and delays in such capital expenditures, including those required by ENARGAS or other governmental authorities for the expansion of our pipeline system or other purposes, and unscheduled and unexpected expenditures for the repair and maintenance of our fixed or capital assets;
- statements regarding the ability of companies engaged in the upstream business in the region where we operate to identify drilling locations and prospects for future drilling opportunities, and drill and develop such locations (such as the Vaca Muerta formation), as well as the Government's regulations and policies affecting such companies and projects; and
- the risk factors discussed under "*Item 3. Key Information—D. Risk Factors.*"

Estimates and forward-looking statements speak only as of the date of this Annual Report and we do not undertake any obligation to update any forward-looking statement or other information contained in this Annual Report to reflect events or circumstances occurring after the date of this Annual Report or to reflect the occurrence of unanticipated events. Additional factors affecting our business emerge from time to time and it is not possible for us to predict all of those factors, nor can we assess the impact of all such factors on our business, operations or financial condition, or the extent to which any factors, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. Estimates and forward-looking statements involve risks and uncertainties and do not guarantee future performance, as actual results or developments may be substantially different from the expectations described in the forward-looking statements. In light of the risks and uncertainties described above, the events referred to in the estimates and forward-looking statements included in this Annual Report may or may not occur, and our business performance, financial condition and results of operations may differ materially from those expressed in our estimates and forward-looking statements, due to factors that include but are not limited to those mentioned above. Investors are warned not to place undue reliance on any estimates or forward-looking statements in making any investment decision.

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

You should carefully consider the following risks and uncertainties, and any other information appearing elsewhere in this Annual Report. The risks and uncertainties described below are intended to highlight risks and uncertainties that are specific to us. Additional risks and uncertainties, including those generally affecting Argentina and the industry in which we operate, risks and uncertainties that we currently consider immaterial or risks and uncertainties generally applicable to similar companies in Argentina may also impair our business, results of operations, financial condition, the value of our securities and our ability to meet our financial obligations.

The information in this Risk Factors section includes forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of numerous factors, including those described in "Cautionary Statement Regarding Forward-Looking Statements" above.

The following summarizes some, but not all, of the risks provided below. The following summary of material risk factors could materially and adversely affect our business, financial condition and results of operation, and our ability to meet our financial obligations. Consequently, such risk factors may cause historical results to differ materially from any results projected, forecasted, estimated or budgeted by us in our forward-looking statements. Please carefully consider all of the information discussed in this "Item 3. Key Information—D. Risk Factors" in this Annual Report for a more thorough description of these and other risks:

- Risks Relating to Our Business
 - Failure or delay in the implementation of tariff increases could have a material adverse effect on our business, results of operations and financial condition, the value of our securities, and our ability to meet our financial obligations.
 - Our operations are subject to extensive regulation.
 - Failure to maintain our relationships with labor unions may have an adverse effect on our business, financial condition, results of operations and prospects.
-

- Our regulated business is dependent on our ability to maintain our License, which is subject to revocation under some circumstances.
- Our creditors may not be able to enforce their claims against us in Argentina.
- The Government's strategies, measures and programs with respect to the natural gas transportation industry could materially adversely affect our business, results of operations, financial condition, the value of our securities and our ability to meet our financial obligations.
- A significant portion of our revenues is generated under natural gas transportation contracts that must be renegotiated and/or extended periodically.
- Our business may require substantial capital expenditures for ongoing maintenance requirements and the expansion of our installed transportation capacity; we could be unable to make such expenditures due to the lack of financing.
- Our Liquids production depends on the natural gas that arrives at the Cerri Complex through three main pipelines from the Neuquina, Austral and San Jorge natural gas basins. The flow and heating value of this natural gas are subject to risks that could materially adversely affect our Liquids and midstream business segment.
- Measures taken by the Government may have an adverse effect on the supply of natural gas to the Cerri Complex and the margins we are able to obtain from our Liquids business, which may adversely affect the results in our Liquids Production and Commercialization segment and, as a result, our overall business and results of operations.
- Fluctuations in market prices and the enactment of new taxes or regulations limiting the sales price of LPG and natural gasoline may affect our Liquids business.
- Our ethane sales depend on the capacity of PBB, as the sole purchaser of our ethane production.
- Measures taken by the Government may have an adverse effect on the flow of natural gas through our midstream (gathering and treatment) facilities, which may adversely affect the results in our midstream business.
- The affirmative and restrictive covenants in our currently outstanding indebtedness could adversely restrict our financial and operating flexibility and subject us to other risks.
- Our insurance policies may not fully cover damage or we may not be able to obtain insurance against certain risks.
- Changes in the interpretation by the courts of labor laws that tend to favor employees could adversely affect our business, results operations and financial condition, the value of our securities, and our ability to meet our financial obligations.

- We may be exposed to risks related to litigation and administrative proceedings that could materially and adversely affect our business, results of operations and financial condition, the value of our securities, and our ability to meet our financial obligations in the event of an unfavorable ruling.
 - Our operations are subject to environmental, occupational health and safety regulations.
 - Our operations could cause environmental risks and any change in environmental laws could increase our operating costs.
 - We may face competition.
 - Downgrades in our credit ratings could have negative effects on our funding costs and business operations.
 - Our business has become dependent on digital technologies to conduct day-to-day operations and we may be subject to cyberattacks or other risks related to new technologies.
 - Our natural gas transportation systems, gas gathering and treatment and processing facilities are subject to the risk of mechanical or electrical failures and any resulting unavailability may affect our ability to fulfill our contractual and other commitments and thus adversely affect our business, results of operations and financial condition, the value of our securities, and our ability to meet our financial obligations.
 - Our business is subject to risks arising from natural disasters, catastrophic accidents and terrorist attacks.
 - We are subject to anti-trust, anti-corruption, anti-bribery and anti-money laundering laws. Failure to comply with these laws could result in penalties, which could harm our reputation and have an adverse effect on our business.
 - Our ability to operate our business may suffer if we are unable to retain our employees or attract other skilled employees or contractors.
 - Climate change could impact our operating results, access to capital and strategy.
 - Our activities are subject to social and reputational risks, including the potential for protests by members of the local communities.
 - The failure of any bank in which we deposit our funds could have an adverse effect on our financial condition.
 - *Risks Relating to Argentina*
 - Argentina’s ability to obtain financing from international markets could be limited, which may impair its ability to implement reforms and foster economic growth and, consequently, affect our business, results of our operations and growth prospects.
 - Argentina’s fiscal situation could limit the country’s access to the capital market and adversely affect the Argentine economy.
-

- Certain risks inherent to any investment in a company operating in an emerging market such as Argentina.
- Economic volatility in Argentina has adversely affected and may continue to adversely affect our business, results of operations, financial condition, the value of our securities and our ability to meet our financial obligations.
- The ongoing political instability in Argentina may adversely affect the Argentine economy.
- The impact of the measures adopted or to be adopted after the presidential elections in 2023 is uncertain.
- Public health threats could have an adverse effect on the Argentine economy and on our business, financial condition or results of operations.
- High levels of inflation could negatively affect our business, results of operations and financial condition, the value of our securities, and our ability to meet our financial obligations.
- Restrictions on transfers of foreign currency and the repatriation of capital from Argentina may impair our ability to pay dividends or imports and investors may face restrictions on their ability collect capital and interest payments in connection with corporate bonds issued by Argentine companies.
- Fluctuations in the value of the peso may also adversely affect the Argentine economy, our financial condition and results of operations.
- The impossibility of addressing the actual and potential risks of institutional deterioration and corruption, the economy and the financial situation of Argentina has been affected negatively and could continue to be.
- Government intervention in the Argentine economy could adversely affect our business, results of operations and financial condition, the value of our securities, and our ability to meet our financial obligations.
- The Argentine economy may be adversely affected by economic developments in other markets and by more general effects, which could have a material adverse effect on Argentina's economic growth.
- Argentina's past default and litigation with holdout bondholders may limit our ability to access international markets.
- A sustained deterioration in the terms of trade given a decline in the global prices for Argentina's main commodity exports or an increase in the global prices for Argentina's main commodity imports, as well as adverse weather conditions affecting the production of Argentina's main commodity exports, could have an adverse effect on Argentina's economic growth.
- Further downgrades in the credit rating or rating outlook of Argentina could impact the rating of our securities or adversely affect the market price of our securities.
- The Argentine government may mandate salary increases for private sector employees, which would increase our operating costs.

- Argentine corporations may be restricted from making payments in foreign currencies or from importing certain products.
 - The conflict between Russia and Ukraine and between Israel and Iran could adversely affect the global economy, the Argentine economy and our operational results and financial condition.
 - We continue operating in a period of economic uncertainty and capital markets disruption, which has been significantly impacted by geopolitical instability since the ongoing military conflict between Russia and Ukraine, escalation of conflict between Israel and Iran, poor global economic performance, a potential recession looming in the U.S. and Europe and China showing weak growth.
 - Risks Relating to Our Shares and ADSs
 - shareholders outside Argentina may face additional investment risk from currency exchange rate fluctuations in connection with their holding of our shares or ADSs represented by ADRs. Exchange controls imposed by the Government may limit our ability to make payments to the Depositary in U.S. dollars, and thereby limit ADR holders' ability to receive cash dividends in U.S. dollars.
 - Our principal shareholders exercise significant control over matters affecting us, and may have interests that differ from those of our other shareholders.
 - Sales of a substantial number of shares could decrease the market prices of our shares and the ADRs.
 - Under Argentine law, shareholder rights may be fewer or less well defined than in other jurisdictions.
 - As a foreign private issuer we are exempt from certain rules that apply to domestic U.S. issuers.
 - Changes in Argentine tax laws may adversely affect the tax treatment of our Class B Shares or ADSs.
 - Holders of ADRs may be unable to exercise voting rights with respect to our Class B Shares underlying the ADRs at our shareholders' meetings.
 - Holders of ADRs may be unable to exercise preemptive, accretion or other rights with respect to the Class B shares underlying the ADSs.
 - The NYSE and/or BYMA may suspend trading and/or delist our ADSs and common shares, respectively, upon occurrence of certain events relating to our financial situation.
 - The price of our Class B Shares and the ADSs may fluctuate substantially, and your investment may decline in value; and
 - The relative volatility and illiquidity of the Argentine securities markets may substantially limit the ability to sell the Class B Shares underlying the ADSs on the BYMA at the price and time desired by the shareholder.
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Risks Relating to Our Business

Failure or delay in the implementation of tariff increases could have a material adverse effect on our business, results of operations and financial condition, the value of our securities, and our ability to meet our financial obligations.

All our net revenues from the Natural Gas Transportation public service (which represented 22% of total revenues during 2023) are attributable to contracts, which are subject to Government regulation. Prior to the enactment of the Public Emergency Law and Foreign Exchange System Reform Law No. 25,561 (the “**Public Emergency Law**”), our tariffs were stated in U.S. dollars, adjusted on a semiannual basis by reference to the U.S. Producer Price Index (“**PPPI**”), and further adjusted every five years, based on the efficiency of, and investments in, our gas transportation business. The Public Emergency Law, however, eliminated tariff indexation, and public service tariffs were converted into pesos and fixed at an exchange rate of Ps.1.00 per U.S.\$1.00, even though the peso was devaluating significantly against the U.S. dollar.

Sustained inflation in Argentina since 2002, without any corresponding increase in our natural gas transportation tariffs until recently, has adversely affected, and continued inflation would continue to adversely affect, our Natural Gas Transportation revenues and financial condition. During the last few years, we have monitored our operating costs in order to minimize the impact of the insufficient adjustment of our tariffs on our activities. These measures have had no negative impact on the reliability and efficiency tasks carried out on the pipeline system.

From the effective date of the Public Emergency Law until April 2014, our tariff remained unchanged. Only in April 2014 we received a transitory tariff increase of 20%, much lower than the evolution of other macroeconomic variables that affect our operating costs.

Subsequently, and until the execution of the integral tariff renegotiation (“**RTI**”) Agreement approved in March 2017 through Resolution No. 4362/2017 (“**Resolution 4362**”), we received only partial increases in May 2015 and as of April 2016.

Resolution 4362, which approved a staged tariff increase which contemplates an aggregate transportation tariff increase of 214.2% and an aggregate access and use charge (“**CAU**”) increase of 37%. Pursuant to this resolution, we should have also execute a capital expenditures program for a five-year period (from April 1, 2017, to March 31, 2022), which contemplated investments of Ps.6,786 million (in nominal value on December 31, 2016) to improve the operation and maintenance of the pipeline system (the “**Five-Year Plan**”). In addition, Resolution 4362 contemplated a non-automatic semiannual adjustment mechanism for the natural gas transportation tariff to reflect changes in WPI, which must be approved by ENARGAS evaluating the evolution of the economic circumstances.

On March 27, 2018, through Decree No. 250/2018 (“**Decree 250**”), the Executive Branch ratified the tariff structure under Resolution 4362, following the approval of several governmental authorities, including the Argentine Congress. Decree 250 concluded the renegotiation process of our License with the Government, which lasted more than 17 years. After the conclusion of the RTI mentioned above, we received the semiannual tariff increase corresponding for the period August 2018–February 2019 beginning on April 2019.

As a consequence of Argentina’s economic condition, and together with other measures taken by the Government, on September 3, 2019, the Secretary of Hydrocarbon Resources (“**SHR**”) (formerly the Federal Energy Bureau) issued Resolution No. 521/2019 (“**Resolution 521**”), which defers the subsequent semiannual adjustment.

Under the Decree 1020 tariffs were frozen until the new RTI concludes. Since that moment we have received only two transitory-tariff increases which have compensated only partially the development of the operation costs. “Item 4. Our Information—B. Business Overview—Natural Gas Transportation—Regulatory Framework—Tariff situation.”

On December 14, 2023, ENARGAS Resolution No. 704/2023 called for a public hearing to be held on January 8, 2024. As a result of this hearing, on March 26, 2024, we signed an agreement with the Secretary of Energy (the 2024’s Transitional Agreement”).

On December 16, 2023, Decree No. 55/2023 was issued, declaring a state of emergency in the national energy sector until December 31, 2024. Among other provisions, this decree: (i) extends the validity of Decree 1020, (ii) initiates the RTI process, (iii) intervenes in ENARGAS from January 1, 2024, and (iv) instructs the Ministry of Energy to issue the necessary rules and procedures for the establishment of market prices for the public service of natural gas transportation.

On March 27, 2024, ENARGAS issued Resolution No. 112/2024 (the “Resolution 112”) which came into effect on April 3 after it was published in the Official Gazette. For additional information see “Item 4. Our Information—B. Business Overview—Natural Gas Transportation—Regulatory Framework—Tariff situation.”

In the past, we have suffered from our inability to receive tariff increases, which meant the deterioration of our financial and economic condition. Also, we have received insufficient tariff increases to compensate for the increases in our operating costs due to inflation. For additional information about the prior RTI processes and failure by ENARGAS to increase tariffs, and the status of the ongoing RTI see “Item 4. Our Information—B. Business Overview—Natural Gas Transportation—Regulatory Framework—Tariff situation.”

Moreover, as of the date of this Annual Report, we are unable to predict which permanent measures will be taken by the Government in connection with the tariff system, or if such system will be amended, adversely affecting our financial situation and our results of operations.

Further, we cannot assure you that the current negotiations with the Government under the framework of the Solidarity Law will provide us with a tariff schedule that permits us to compensate the increases in our operating costs. Failure by the Government to timely comply with agreements resulting from the RTI process could negatively affect our results of operations and financial condition.

In addition, we cannot predict whether additional operating restrictions or mandatory investments could be imposed on us in the future nor the outcome from the renegotiation process of the current RTI stated by the Solidarity Law. If such outcome is adverse to us, our results of operations and financial condition could be negatively affected.

Our operations are subject to extensive regulation.

The Argentine oil and gas industry is subject to extensive government regulation and control. As a result, our business is to a large extent dependent upon regulatory and political conditions prevailing in Argentina and our business, results of operations and financial condition, the value of our securities, and our ability to meet our financial obligations may be adversely affected by regulatory and political changes in Argentina. Therefore, we face risks and challenges relating to government regulation and control of the energy sector, including those set forth below and elsewhere in these risk factors:

- limitations on our ability to increase prices or to reflect the effects of higher domestic taxes, increases in operating costs or increases in international prices of natural gas and other hydrocarbon fuels and exchange rate fluctuations on our domestic prices;
- risks in connection with the former and current incentive programs established by the Government for the oil and gas industry, such as the natural gas additional injection stimulus program and cash collection of balances with the Government;
- legislation and regulatory initiatives relating to hydraulic stimulation and other drilling activities for non-conventional oil and gas hydrocarbons, which could increase our cost of doing business or cause delays and adversely affect our operations; and
- the implementation or imposition of stricter quality requirements for hydrocarbon products in Argentina.

In recent years, the Government has made certain changes in regulations and policies governing the energy sector to give absolute priority to domestic supply at stable prices in order to sustain economic recovery. As a result of the above-mentioned changes, for example, on days during which a gas shortage occurs, exports of natural gas (which are also affected by other government curtailment orders) and the provision of gas supplies to industries, electricity generation plants and service stations selling compressed natural gas are interrupted to prioritize residential consumers at lower prices. The Expropriation Law of Argentina has declared the achievement of self-sufficiency in the supply of hydrocarbons, as well as in the exploitation, industrialization, transportation and sale of hydrocarbons, is in the national public interest and a priority for Argentina. In addition, its stated goal is to guarantee socially equitable economic development, the creation of jobs, the increase of the competitiveness of various economic sectors and the equitable and sustainable growth of the Argentine provinces and regions. We cannot assure you that these and other changes in applicable laws and regulations, or adverse judicial or administrative interpretations of such laws and regulations, will not adversely affect our business, results of operations, financial condition, the value of our securities and our ability to meet our financial obligations.

Failure to maintain our relationships with labor unions may have an adverse effect on our business, financial condition, results of operations and prospects.

A significant portion of our workforce is represented by labor unions, and most of our non-unionized employees have the same employment benefits as unionized employees. While we believe we have enjoyed satisfactory relationships with all the labor organizations that represent our associates, and we believe our relationships with labor organizations will continue to be satisfactory, labor-related disputes may still arise. Labor lawsuits are common in the energy sector in Argentina, and industry-wide organized actions by unionized employees in the industry, such as blockages in the access to facilities and route cuts have occurred in the past. We have suffered interruptions as a result of our employees joining such organized activities. We cannot assure you that future business interruptions resulting from strikes and other organized activities by our employees would not have a significant adverse effect on our business, financial condition, results of operations and prospects.

The collective bargaining agreements with our unions are valid for one year. Currently, we have a collective bargaining agreement in effect for the period from April 2024 to April 2025.

However, we cannot assure you that we will not suffer business interruptions or strikes in the future as a result of collective actions by our employees. We have insurance that covers terrorism and organized actions against our assets, among other items, for a total insured amount of U.S.\$50,000,000 with a deductible per event of U.S.\$500,000, but we cannot assure you that our insurance coverage will be sufficient to cover damages and losses caused by the organized actions of our employees.

In addition, in the past, the Government has enacted laws and regulations forcing private companies to maintain certain wage levels and to provide additional benefits to their employees. We cannot assure you that in the future the Government will not increase wages or require additional benefits for workers or employees or that unions will not pressure the Government to demand such measures. All wage increases, as well as any additional benefits, could result in increased costs and adversely affect our results of operations.

Our regulated business is dependent on our ability to maintain our License, which is subject to expiration under some circumstances.

We conduct our Natural Gas Transportation business pursuant to the License, which authorizes us to provide natural gas transportation services through the exclusive use of the southern natural gas transportation system in Argentina. Our License may be revoked in certain circumstances based on the recommendation of ENARGAS. Expiration of our license would require an administrative proceeding, which would be subject to judicial review. Main reasons for which our License may be revoked include:

- repeated failure to comply with the obligations of our License and failure to remedy a significant breach of an obligation in accordance with specified procedures;
- total or partial interruption of service for reasons attributable to us that affects transportation capacity during the periods stipulated in our License;
- sale, assignment or transfer of our essential assets or the placing of encumbrances thereon without ENARGAS's prior authorization, unless such encumbrances serve to finance extensions and improvements to the gas pipeline system;
- our bankruptcy, dissolution or liquidation;
- cessation and abandonment of the provision of the licensed service, an attempt to assign or unilaterally transfer our License in full or in part without the prior authorization of ENARGAS, or relinquishing our License, other than in the cases permitted therein; and
- delegation of the functions granted in such License without the prior authorization of ENARGAS, or the termination of such License without regulatory approval of a license.

On September 8, 2023, we filed with ENARGAS the request for the initiation of the procedure contemplated in Law No. 24,076. As of the date of issuance of this Annual Report, the proceeding is still in progress without having received a formal response from ENARGAS. For additional information see Item 4. Our Information. Business Overview. Natural Gas Transportation.”

If our License were revoked, we would be required to cease providing natural gas transportation services. The impact of a loss of our License on our business, financial condition and results of operations would be material and adverse. Additionally, certain changes to the License could result in a default under our outstanding debt instruments.

Our creditors may not be able to enforce their claims against us in Argentina.

We are a stock corporation with limited liability (*sociedad anónima*), incorporated and organized under the laws of Argentina. Substantially all of our assets are located in Argentina.

Under Argentine law, foreign judgments may be enforced by Argentine courts, provided that the requirements of Articles 517 through 519 of the Federal Code of Civil and Commercial Procedure are met. Foreign judgments cannot violate principles of public policy (*orden público*) of Argentine law, as determined by Argentine courts. It is possible that an Argentine court would deem the enforcement of foreign judgments ordering us to make a payment in a foreign currency outside of Argentina to be contrary to Argentine public policy if at that time there are legal restrictions prohibiting Argentine debtors from transferring foreign currency outside of Argentina. Although currently there are no legal restrictions prohibiting Argentine debtors from transferring foreign currency outside of Argentina to satisfy principal or interest payments on outstanding debt that has been previously reported to the BCRA, we cannot assure you that the Government or an Argentine court will not impose such restrictions in the future.

In addition, under Argentine law, attachment prior to execution and attachment in aid of execution will not be ordered by an Argentine court with respect to property located in Argentina and determined by such courts to be utilized for the provision of essential public services. A significant portion of our assets may be considered by Argentine courts to be dedicated to the provision of an essential public service. If an Argentine court were to make such a determination with respect to any of our assets, unless the Government ordered the release of such assets, such assets would not be subject to attachment, execution, or other legal process if such determination stands, and the ability of any of our creditors to realize a judgment against such assets may be adversely affected.

The Government's strategies, measures, and programs with respect to the natural gas transportation industry could materially adversely affect our business, results of operations, financial condition, the value of our securities and our ability to meet our financial obligations.

Since 1992 and after the privatization of several state companies, until the economic crisis in 2002, the Government reduced its control over the natural gas transportation industry. After the economic crisis in 2002 the Government increased its role in the energy sector implementing strict regulations and increasing its intervention. Intervention primarily included the expansion of our pipeline through the creation of trust funds and the interruption and redirection of natural gas firm transportation services (including the diversification of natural gas supply from our liquids processing plant located at General Cerri Complex, in the Province of Buenos Aires ("**Cerri Complex**").

In the past, natural gas distribution companies, including us, were prohibited from passing through price increases to consumers. Producers of natural gas, therefore, had difficulty implementing wellhead natural gas price adjustments that would increase the costs of distribution companies, which caused such producers to suffer a sharp decline in their rate of return-on-investment activities. As a result, natural gas production was not sufficient to meet the increasing demand. Likewise, the lack or insufficient tariff adjustments for natural gas transportation companies caused a decrease in the profitability of such companies.

Considering these events, the Government implemented several strategies, measures and programs aimed at mitigating the energy crisis and supporting the recovery of the Argentine economy generally. These strategies, measures and programs included, among others, the expansion of our pipeline through the creation of financial trust funds used as vehicles to facilitate financing of those investments ("**Gas Trusts**"). Although the expansion projects described above have not adversely affected our results of operations or financial condition, we cannot assure you that future, or even present, expansion projects will not have such adverse effects.

On December 20, 2019, the Argentine congress enacted Law No. 27,541 (the “**Solidarity Law**”). The Solidarity Law established the restructuring of the energy tariff scheme and froze the natural gas and electricity tariffs. In addition, the Solidarity Law entitled the Argentine Executive Branch to intervene the ENARGAS. From March 17, 2020, to December 31, 2023, ENARGAS underwent intervention.

By Decree of Necessity and Urgency No. 55/2023 (“**Decree 55**”) of December 18, 2023, the President declared the National Emergency of the Energy Sector. The emergency period runs until December 31, 2024. The Secretary of Energy is instructed to prepare and implement a program of actions that will allow the sanctioning of prices in competition and free access, maintain income levels, cover investment needs and guarantee the continuous provision of public services, in adequate technical and economic conditions, both for providers and users.

It determines the start of the utility rates review and the deadline of December 31, 2024, for the implementation of the new tariffs. Additionally, the intervention of the ENARGAS is ordered until the appointment of the members of the Board of Directors.

In the past, within the framework of the measures adopted as a result of the restrictions imposed to face the sanitary emergency arising from the COVID 19 virus (“COVID”) pandemic, the Government took a series of measures to mitigate its impact on certain socioeconomic sectors. For instance, during 2020 service cuts to non-paying residential users were suspended, the “Plan Gas.Ar” was created with the purpose of promoting natural gas production and certain limitations to tariff increases were imposed to keep pace with the evolution of inflation and cost increases.

We cannot predict if measures or strategies adopted or those that will be adopted by the Government in the natural gas or hydrocarbons industry, nor the effect that such measures may have on our business, results of operations and financial condition, the value of our securities, and our ability to meet our financial obligations.

A significant portion of our revenues is generated under natural gas transportation contracts that must be renegotiated and/or extended periodically.

In 2023, 74% of our average daily natural gas deliveries were made under long-term firm transportation contracts. As of December 31, 2023, our long-term firm natural gas transportation contracts had a remaining weighted average life of approximately 11 years; our long-term firm natural gas transportation contracts with our top five costumers had a remaining weighted average life of approximately eight years. We cannot assure you that we will be able to extend or replace these contracts when they expire or that the terms of any renegotiated contracts will be as favorable as the existing contracts. In particular, our ability to extend and/or replace contracts could be adversely affected by factors we cannot control, including:

- Argentine natural gas transportation regulations;
- international oil and gas prices;
- timing, volume and location of new market demand;
- competition from alternative energy sources;

- supply and price of natural gas, mainly in the Austral basin and San Jorge Gulf basin that show sustained declines, in Argentina;
- demand for natural gas in the markets we serve; and
- availability and competitiveness of alternative gas transportation infrastructure in the markets we serve.

Additionally, most of our transportation contracts include a clause allowing for the termination of the relevant contract before the expiration of its term by any of the parties, in case of (i) breach of the other party, or (ii) an extended event of force majeure.

Our business may require substantial capital expenditures for ongoing maintenance requirements and the expansion of our installed transportation capacity; we could be unable to make such expenditures due to the lack of financing.

Resolution 4362 stated that we should have executed the Five-Year Plan. Because of the beginning of the new RTI process the Five-Year Plan was suspended. Additionally, as part of the measures adopted to reduce the impact of COVID and to adapt our business plan to the economic expectations of Argentina, we have implemented a reduction in the current investment plans, without compromising safety, which allows us to guarantee continuity in the development of our activities.

Resolution 112 includes the implementation of an investment plan of Ps. 27,690 million, which will be adjusted according to the guidelines of this resolution. These investments should be oriented to gas infrastructure works, prioritizing the security of the transport systems, their reliability and quality of service.

The natural gas transportation service is an activity involving significant amounts of capital expenditures to improve the operation and maintenance of the pipeline system. Incremental capital expenditures may be required to fund maintenance of our pipeline system. Furthermore, capital expenditures will be required to finance current and future expansions of our transportation capacity. If we are unable to finance any such capital expenditures in terms satisfactory to us or at all, our business, results of operations and financial condition, the value of our securities, and our ability to meet our financial obligations may be adversely affected. In addition, our financing ability may be limited by market restrictions on financing availability for Argentine companies. See “—*Risks Relating to Argentina—Argentina’s past default and litigation with holdout bondholders may limit our ability to access international markets.*”

In the past, expansion projects by the Government have not had adverse effects over our results of operations and financial condition. However, we cannot assure you that future expansion projects will not adversely affect our business.

Our Liquids production depends on the natural gas that arrives at the Cerri Complex through three main pipelines from the Neuquina, Austral and San Jorge natural gas basins. The flow and heating value of this natural gas are subject to risks that could materially adversely affect our Liquids and midstream business segment.

More than 50% of the energy matrix in Argentina relies on natural gas. However, and until the surge of the Vaca Muerta area, its natural gas reserves have been declining. Indeed, the exploitation of the Vaca Muerta unconventional area represents a key factor for Argentina’s hydrocarbon development. In the event that it is not successful, it is possible that natural gas production may decline again in the future, which would adversely affect our Liquids business segment by reducing the amount of natural gas flowing to the Cerri Complex and, therefore, the amount of Liquids we produce. In addition, the reduction in the production of natural gas could affect the flow of natural gas provided for our midstream services.

The possibility that Argentina's natural gas reserves will increase depends on the results of exploration by natural gas producers and the construction of a pipeline system that allows natural gas to escape from the Neuquén basin.

In this regard, in November 2020, the Government established the Plan Gas.Ar and extended it through Decree No. 730/2022 until 2028. This plan establishes the need to guarantee the supply of natural gas demand while establishing incentives to make immediate investments for the maintenance and/or growth of production in the productive basins, where natural gas producers must commit to achieve a production curve that guarantees the maintenance and/or increase of current levels.

Additionally, through Resolution No. 67/22 of February 7, 2022, the SE created the program *Transport.Ar Producción Nacional*, declaring of national public interest the construction of the President Néstor Kirchner pipeline ("NK Pipeline") and its complementary works as a strategic project. Also, by means of PEN Decree No. 76/22 of February 11, 2022, the concession of this gas pipeline was granted to ENARSA for a term of 35 years and the trust FONDESGAS (*Fondo de Desarrollo Gasífero Argentino*) was created, being Energía Argentina S.A. ("ENARSA") trustee and beneficiary, and BICE as trustee.

This gas pipeline, connects the town of Tratayén, Province of Neuquén, with the city of Salliqueló, Province of Buenos Aires (Stage I), and from there to the city of San Jerónimo, Province of Santa Fe (Stage II).

We cannot assure you, however, that this new natural gas resource at the Neuquina basin, or the Plan Gas.Ar, or any other measures taken by the Government to increase natural gas production and supply, will be successful in increasing Argentine natural gas reserves or production and, if unsuccessful, our midstream or Liquids Production and Commercialization businesses could be adversely affected.

Measures taken by the Government may have an adverse effect on the supply of natural gas to the Cerri Complex and the margins we are able to obtain from our Liquids business, which may adversely affect the results in our Liquids Production and Commercialization segment and, as a result, our overall business and results of operations.

Due to regulatory, economic and government policy factors, domestic gasoline, diesel, natural gas, propane and butane, and other fuel prices and related services have differed substantially from prevailing international and regional market prices for such products and services. Our ability to increase prices in connection with international price or domestic cost increases, including those resulting from the peso devaluation, has been limited from time to time. The prices that we are able to obtain for our products and services affect the viability of investments in expansion capacity and processing facilities and, as a result, the timing and amount of our capital expenditures for such purposes. We may face risks and challenges relating to government regulation and control of the energy sector, including laws, regulations and rules enacted by federal, provincial and local governments.

Although our Liquids production and commercialization activities are not subject to regulation by ENARGAS, with the aim to give priority to domestic supply, the Argentine government has made changes in regulations and policies governing the energy sector in recent years to prioritize domestic demand at stable prices in order to sustain economic recovery. For example, in April 2005, the Government enacted Law No. 26,020, which set the framework by which the SHR may establish regulations to cause LPG suppliers to guarantee sufficient supply of LPG in the domestic market at low prices. Law No. 26,020 creates a price regime pursuant to which the SHR periodically publishes reference prices for LPG sold in the local market. It also sets forth LPG volumes to be sold in the local market.

We participate in two programs created by the Government under this framework, which provide for the payment of compensation based on the difference between the price set by the Government and the export parity price. Over recent years, this compensation has been paid to us with significant delays. For further information, see “*Item 4—Our Information—B. Business Overview—Liquids Production and Commercialization.*”

Also, we cannot assure you that we will be able to maintain or increase the domestic prices of our products, and limitations on our ability to do so would adversely affect our business, results of operations and financial condition, the value of our securities, and our ability to meet our financial obligations. Similarly, we cannot assure you that LPG prices in Argentina will track increases or decreases in the international or regional markets.

Our Liquids business is highly dependent on the supply of natural gas to the Cerri Complex at reasonable prices that allow for reasonable profit margins. In recent years, the price of natural gas paid by industrial users has increased and the price at which we purchase natural gas processed at the Cerri Complex has risen. If we are unable to purchase natural gas at prices that are convenient for us, costs could increase or our capacity to operate the Liquids business profitably could be affected.

It is uncertain whether in the future measures taken by the Government or other measures that could adversely affect our business, results of operations and ability to meet our financial obligations will be implemented. It is also uncertain the impact of the Solidarity Law, regulations to be issued under its framework or whether our regulatory obligations may be increased, which could result in higher taxes, amendments to the tariff structure, or any other obligations that could increase our costs and adversely affect our financial situation.

Fluctuations in market prices and the enactment of new taxes or regulations limiting the sales price of LPG and natural gasoline may affect our Liquids business.

We extract LPG and natural gasoline from natural gas delivered to the Cerri Complex and sell LPG and natural gasoline. As a result of the deterioration of our Natural Gas Transportation segment, operations relating to our Liquids production and commercialization have represented more than 50% of our total revenues between 2004 and 2017 and since fiscal year 2021.

Over the last few years, the price of Liquids has experienced high levels of volatility. Factors affecting prices include weak demand levels from emerging markets, significant variations in production and storage levels, and climate and geopolitical issues such as the Russia-Ukraine and Middle East conflicts, the ability of the OPEC and other crude oil producing nations to set and maintain crude oil production levels and prices; macroeconomic conditions, including inflation and increase in interest rates. It is expected that volatility and fluctuations maintained in the future.

We cannot predict how these factors will influence LPG and natural gasoline prices and we have no control over them. Price volatility curtails the ability of industry participants to adopt long-term investment decisions given that returns on investments become unpredictable. A substantial or extended downturn in the international prices of Liquids could have a material adverse effect on our business, operating results, and financial condition, as well as the market value of our shares or ADSs.

In the past, the Argentine government has imposed duties on exports, including exports of natural gasoline and LPG products that we export. Currently, in accordance with the Solidarity Law and Decree 488/2020 export duties on the Liquids products that we exported are about 8%. For further information, see “*Item 4. Our Information—B. Business Overview—Liquids Production and Commercialization.*”

In addition, after the issuance of Resolutions Nos. 1,982/11 and 1,991/11 (the “**Gas Charge Resolutions**”), the natural gas processing charge created by Decree No. 2,067/08 (the “**Natural Gas Processing Charge**”) increased from Ps.0.049 to Ps.0.405 per cubic meter of natural gas effective from December 1, 2011, representing a significant increase in our variable costs of natural gas processing.

In order to avoid an adverse effect on our Liquids business, we initiated legal proceedings against Decree No. 2,067/08 and the Gas Charge Resolutions, including the Government, ENARGAS and the former *Ministerio de Producción y de Planificación Federal, Inversión Pública y Servicios* (the “**MPFPyS**”) as defendants. For additional information, see “*Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Legal and Regulatory Proceedings—Tax Claims.*”

Any new regulations regarding the cost and availability of the natural gas used in the production of Liquids and the effect of the continuing decline or volatility in international prices of LPG or natural gasoline could cause our operating margins to drop significantly and materially adversely affect our business, results of operations, financial condition, the value of our securities, and our ability to meet our financial obligations. In addition, the Government could modify the current taxes and export/import regulations in a manner that could adversely affect our financial condition and results of operations.

Our ethane sales depend on the capacity of PBB, as the sole purchaser of our ethane production.

Between 2005 and 2015, we sold all our ethane to PBB under a long-term agreement that expired on December 31, 2015, which was subsequently renewed on an annual basis until May 1, 2018, and then on a monthly basis until September 6, 2018, the date on which we entered into a new agreement with PBB. The agreement is retroactive as of May 1, 2018 and will expire on December 27, 2027.

Pursuant to this agreement, the ethane price is calculated in U.S. dollars and is subject to adjustments, the natural gas price, the quality of the ethane shipped by us and transportation tariffs and charges, among others. This agreement also includes take or pay (“**TOP**”) and deliver or pay (“**DOP**”) commitments for minimum annual quantities. Under these terms, if one party does not comply with the applicable TOP or DOP condition, that party will be required to compensate the other party.

In the past, PBB suffered several adverse operational conditions that affected its capacity to purchase our ethane production. We cannot assure you that these adverse conditions affecting PBB will not recur in the future or that PBB will be able to satisfy its obligations under the new purchase agreement. Likewise, if we are not able to renegotiate such agreement at maturity on terms similar to those in effect, our financial condition and results of operations could be adversely affected.

Measures taken by the Government may have an adverse effect on the flow of natural gas through our midstream (gathering and treatment) facilities, which may adversely affect the results in our midstream business.

To stimulate the natural gas production in Argentina, former Argentina administration implemented the Plan Gas.Ar under which certain market quotas (a portion of total gas needs for power generation and for distribution companies) were assigned to natural gas producers on different tender processes following a price basis criterion. As there is not a full price through of natural gas prices to final consumers, the Plan Gas.Ar provides state funding to close the gap between the prices quoted by the natural gas producers and the prices resulting from the pass through to final consumers. The agreements resulting from the Plan Gas.Ar are valid until year 2028.

Plan Gas.Ar has been successful in providing the natural gas producers with price signals that allow them to invest in their upstream operations and, consequently, increase the local natural gas production.

Any change to this plan unilaterally imposed by the Argentina government to the natural gas producers or default in payments by the Government, may affect negatively in the flow of natural gas through our Midstream infrastructure, impacting adversely in our results of operations and the development of future investment plans that we may have in our Vaca Muerta facilities.

The affirmative and restrictive covenants in outstanding indebtedness could adversely restrict our financial and operating flexibility and subject us to other risks.

The terms of our outstanding indebtedness provide for numerous affirmative and restrictive covenants that limit our ability to, among other things:

- incur or permit to exist certain liens;
- incur additional indebtedness;
- pay dividends or make other restricted payments;
- make capital investments and other investments;
- enter into sale and lease-back transactions;
- enter into transactions with affiliates;
- sell, transfer or otherwise dispose of assets; and
- consolidate, amalgamate, merge or sell all or substantially all of our assets.

These restrictions may limit our ability to operate our businesses and may prohibit or limit our ability to enhance our operations or take advantage of potential business opportunities as they arise. The breach of any of these covenants by us or the failure by us to meet any of these conditions could result in a default under any or all of such indebtedness. Our ability to comply with these covenants may be affected by events beyond our control, including prevailing economic, financial and industry conditions and the renegotiation of the public works and licenses process. In addition, if we are unable to generate sufficient cash flow from operations, we may be required to refinance outstanding debt or to obtain additional financing. We cannot assure you that a refinancing would be possible or that any additional financing would be available or obtained on acceptable terms.

Our insurance policies may not fully cover damage or we may not be able to obtain insurance against certain risks.

We maintain insurance policies intended to mitigate our losses due to customary risks. These policies cover our assets against loss for physical damage and loss of revenue, and also third-party liability. However, we cannot assure you that the scope of damages suffered in the event of a natural disaster or catastrophic event would not exceed the policy limits of our insurance coverage. We maintain all-risk physical damage coverage for losses resulting from, but not limited to, earthquakes, fire, explosions, floods, windstorms, strikes, riots, mechanical breakdowns and business interruption. Our level of insurance may not be sufficient to fully cover all losses that may arise in the course of our business or insurance covering our various risks may not continue to be available in the future. In addition, we may not be able to obtain insurance on comparable terms in the future. We may be materially and adversely affected if we incur losses that are not fully covered by our insurance policies or if we are required to disburse significant amounts from our own funds to cover such losses.

Changes in the interpretation by the courts of labor laws that tend to favor employees could adversely affect our business, results of operations and financial condition, the value of our securities, and our ability to meet our financial obligations.

In addition to our employees, we rely on several third-party service providers to outsource certain services. We follow very strict policies to control the compliance by such third-party service providers with their labor and social security obligations. However, due to changes in the interpretation by the courts of labor laws that tend to favor employees in Argentina, companies' labor and social security obligations toward their own employees and employees of third-party service providers have significantly increased. As a result of the foregoing, potential severance payment liabilities have significantly increased, and in the event any third-party service provider fails to duly comply with its labor and social security obligations towards its employees, we may be faced with litigation by employees of such third-party service provider to hold us liable for the payment of any labor and social security obligations defaulted on by any such third-party service provider. Therefore, our labor costs may increase as our indemnification responsibilities and costs expand, adversely affecting the results of our operations.

We may be exposed to risks related to litigation and administrative proceedings that could materially and adversely affect our business, results of operations and financial condition, the value of our securities, and our ability to meet our financial obligations in the event of an unfavorable ruling.

We are part of administrative proceedings and judicial claims, some of which have been pending resolution for several years. Our business may expose us to litigation relating to labor, environmental, health and safety matters, regulatory, tax and administrative proceedings, governmental investigations, tort claims and contract disputes and criminal prosecution, among other matters. In the context of these proceedings, we may be required to pay fines or money damages and we also may be subject to complementary sanctions or injunctions affecting our ability to continue our operations. While we may contest these matters vigorously and make insurance claims when appropriate, litigation and other proceedings are inherently costly and unpredictable, making it difficult to estimate accurately the outcome of actual or potential litigation or proceedings. Although we may establish provisions, as we deem necessary, the amounts that we reserve could vary significantly from any amounts we pay due to the inherent uncertainties in the estimation process.

For additional information on the material proceedings in which we are involved, see "Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Legal and Regulatory Proceedings."

Our operations are subject to environmental, occupational health and safety regulations.

We operate an extensive network of natural gas pipelines, including numerous compressor plants, the Cerri Complex and the logistic and storage facilities of Puerto Galván. All these facilities are located throughout the territory of Argentina and are subject to federal and provincial laws, as well as to the supervision of governmental agencies and regulatory authorities in charge of enforcing environmental laws and policies. We operate in compliance with applicable laws and in accordance with directives issued by ENARGAS. For this reason, it is possible that we could be subject to controls, which could result in penalties imposed on us.

We utilize a certified safety, occupational health, environment and quality management system in accordance with international standards ISO 14001, ISO 9001 and OHSAS 18001. It includes operational controls that are documented and monitored regularly. However, we cannot assure you that these controls will be effective or that our time of response to incidents will be adequate.

In addition, future regulation may require us to comply with additional safety, occupational health, environmental and quality controls or standards. We cannot assure you that, in the future, additional regulation could be issued requiring us to make new investments in order to comply with such safety, health and environmental laws and regulations.

Our operations could cause environmental risks and any change in environmental laws could increase our operating costs.

Some of our operations are subject to environmental risks that could arise unexpectedly and cause material adverse effects on our operational results and financial condition. In addition, the occurrence of any of these risks could lead to personal injury, loss of life, environmental damage, repair and expenses, equipment damage and liability in civil, criminal and administrative proceedings. We cannot assure you that we will not incur additional costs related to environmental issues in the future, which could adversely affect our operational results and financial condition. In addition, we cannot ensure that our insurance coverage is sufficient to cover the losses that could potentially arise from these environmental risks.

Moreover, we are subject to a broad range of environmental legislation, both in Argentina and in other countries where companies we have interests in are located.

Local, provincial and national authorities in Argentina and other countries where companies we have interests in are located may implement new environmental laws and regulations and may require us to incur higher costs to comply with new standards. The imposition of more stringent regulatory and permit requirements in relation to our operations in Argentina could significantly increase the costs of our activity. We cannot predict the effects of the implementation of any new environmental laws and regulations on our financial condition and operational results.

We may face competition.

Historically, the construction and operation of natural gas processing plants located in the Province of Neuquén has increased competition in our Liquids sector as our customers could satisfy their product demand with alternative suppliers. In the past, we have been able to mitigate this competition by entering into agreements with natural gas producers that limited their ability to make investments in natural gas processing plants.

Although the construction of gas processing plants upstream of the Cerri Complex requires significant investments, additional gas processing facilities may be constructed could result in lower volumes or inferior natural gas quality of the natural gas arriving at the Cerri Complex in the future. Therefore, there is a risk that additional gas processing at the MEGA plant could result in lower volumes or lesser quality gas arriving at the Cerri Complex in the future, or that other projects that may be developed upstream of the Cerri Complex could adversely affect our revenues from Liquids production and commercialization services.

Regarding our Midstream business segment, we operate in a market with strong participants, many of which may have extensive and diversified know-how or operating experience and financial resources like or significantly greater than ours. While it is still unclear the future measures to be taken by the Government regarding its energetic policy, the development of the natural gas industry in Argentina is essential for the country's economic growth. All future business that our competitors or we can develop will depend on the production of natural gas. The Government (or any other entity on its behalf) might not issue the necessary regulations to encourage natural gas producers to develop new projects involving natural gas output.

Our competitors may be able to invest more for productive natural gas properties than our financial or personnel resources permit. Our competitors may also be able to offer better compensation packages to attract and retain qualified personnel than we are able to offer.

As a result of the above, an increased number of competitors could reduce the quality of the natural gas available for its processing, our ability to attract and retain quality personnel or raising additional capital. In addition, an increase in competition could affect our business, results of operations and financial condition, the value of our securities, and our ability to meet our financial obligations. This would adversely affect our business, results of operations and financial condition.

Additionally, our principal competitor in the gas transportation business is Transportadora de Gas del Norte S.A. ("**TGN**"). We compete with TGN on a day-to-day basis for natural gas interruptible transportation services and from time to time for new natural gas firm transportation services and, in case that opportunities for new firm natural gas transportation services that arise from the expansion of the system. We compete directly with TGN for the transportation of natural gas from the Neuquina basin to the greater Buenos Aires area. In addition, in the future other participants may successfully penetrate our market and connect with our main customers which could affect our business, results of operations and financial condition, the value of our securities, and our ability to meet our financial obligations.

Currently the development of Vaca Muerta depends on the availability of transport infrastructure. Most of natural gas production from the Neuquina basin is transported through Neuba I and Neuba II and Central Oeste pipelines these pipelines are currently working close to full capacity. If Vaca Muerta production grows at a greater pace than its capacity expands, a potential lack of transportation capacity may limit the development of new businesses and increase competition affecting our financial condition and results of operations.

On February 7, 2022, the Secretary of Energy issued Resolution No. 67/2022 whereby the Natural Gas Pipeline System Program was created and the construction of the President Néstor Kirchner Natural Gas Pipeline (the "**NK Pipeline**") was declared of public interest. Also, by means of Decree No. 76/2022 of February 11, 2022, the concession of such natural gas pipeline was granted to ENARSA for a term of 35 years.

In a first stage, the construction of the NK Pipeline connects the town of Tratayén in the Province of Neuquén with the town of Salliqueló in the Province of Buenos Aires, where it connects to the natural gas pipeline system operated by us. The second stage will consist of the construction of the gas pipeline section to San Jerónimo in the south of the Province of Santa Fé. The first stage of this pipeline lengths 356 miles, while the total length it is plan in 648 miles.

The construction of a new pipeline by a third party could affect our results of operations as the interruptible natural gas transport volumes and the availability of natural gas that arrives at the Cerri Complex for processing could be diminished.

Downgrades in our credit ratings could have negative effects on our funding costs and business operations.

Credit ratings are assigned to the Company and its subsidiaries. The credit ratings are based on information furnished by us or obtained by the credit rating agencies from independent sources and are also influenced by the credit ratings of Argentine Government bonds and general views regarding the Argentine financial system as a whole. The credit ratings are subject to revision, suspension or withdrawal by the credit rating agencies at any time. A downgrade, suspension or withdrawal in our credit ratings could result in, among others, the following: (i) increased funding costs and other difficulties in raising funds; (ii) the need to provide additional collateral in connection with financial market transactions; and (iii) the termination or cancellation of existing agreements. As a result, our business, financial condition and operational results could be materially and adversely affected.

Our business has become dependent on digital technologies to conduct day-to-day operations and we may be subject to cyberattacks or other risks related to new technologies.

We depend on a variety of internet-based data processing, communication, and information exchange platforms and networks. Although we have extended our security policy to cover industrial systems, reinforcing our defenses in case of denial of service and increasing the monitoring of suspicious activities, our technologies, systems and networks and those of our business associates may be exposed to cyberattacks and other cybersecurity incidents in the normal course of business, which could lead to disruptions in critical systems (such as our electronic flow measurement system and distributed control systems), the unauthorized release of confidential or protected information, corruption of data or other disruptions of our business operations.

Information security risks have generally increased in recent years as a result of the proliferation of new technologies and the increased sophistication and activities of cyber-attacks. More recently we extended remote work environments which may be less secure and more susceptible to hacking attacks, including phishing and social engineering attempts.

Our information technology infrastructure is critical to the efficient operation of our business and is essential to our ability to perform day-to-day operations. Breaches in our information technology infrastructure or physical facilities, or unauthorized access or other loss of information or other disruptions, could result in damage to our assets, safety incidents, legal claims, potential liability or the loss of contracts, damage our reputation, and could have a material adverse effect on our operations, financial position and results of operations.

Our natural gas transportation systems and processing facilities are subject to the risk of mechanical or electrical failures and any resulting unavailability may affect our ability to fulfill our contractual and other commitments and thus adversely affect our business, results of operations and financial condition, the value of our securities, and our ability to meet our financial obligations.

Our natural gas transportation systems and processing facilities are at risk of mechanical or electrical failures and may experience periods of unavailability affecting our ability to comply with our contracts with customers. Any unplanned unavailability of our natural gas transportation systems and processing facilities may adversely affect our business, results of operations and financial condition, the value of our securities, and our ability to meet our financial obligations, as we may be subject to fines or penalties under our contracts with customers.

Our business is subject to risks arising from natural disasters, catastrophic accidents and terrorist attacks.

Our facilities or the third-party infrastructure that we rely on may be damaged by flooding, fires and other catastrophic disasters arising from natural or accidental or intentional human causes. We could experience severe business disruptions, significant decreases in revenues based on lower demand as a result of catastrophic events, or significant additional costs to us not otherwise covered by business interruption insurance clauses. There may be a significant time lag between a major accident, catastrophic event or terrorist attack and our definitive recovery from our insurance policies, which typically carry nonrecoverable deductible amounts, and in any event are subject to caps per event. In addition, any of these events could adversely affect the demand of natural gas by some of our customers and of consumers generally in the affected market. Some of these considerations, among others, could materially and adversely affect our business, results of operations and financial condition, the value of our securities, and our ability to meet our financial obligations.

We are subject to anti-trust, sanctions, anti-bribery and anti-money laundering laws. Failure to comply with these laws could result in penalties, which could harm our reputation and have an adverse effect on our business.

We are subject to anti-trust, sanctions, anti-bribery and anti-money laundering laws. Although we maintain policies and processes intended to comply with these laws, including a review of our internal control over financial reporting, we cannot ensure that these compliance policies and processes will prevent intentional, reckless or negligent acts committed by our officers or employees. If our officers or employees fail to comply with any applicable anti-trust, anti-corruption, anti-bribery or anti-money laundering laws, they may be subject to criminal, administrative or civil penalties and other remedial measures, which could have material adverse effects on our business, financial condition, results of operations and prospects.

On March 1st, 2018, Law No. 27401 entered into force (the “Law 27401”). This Law modifies the Argentine Criminal Code (“ACC”) and imposes criminal liability to private legal persons, whose corporate capital is either national or foreign, with or without state ownership. The Law 27401 imposes criminal liability to legal persons for the following crimes: (i) Local or international bribery and influence peddling (section 258 and 258bis of the ACC); (ii) Negotiations incompatible with public office (section 265 of the ACC); (iii) Extortion by public officers (section 268 of the ACC); (iv) Unjust enrichment by public officers and employees (section 268 (1) and (2) of the ACC); (v) Falsification of balance sheets and reports (section 300 bis of the ACC). Legal persons are liable for the abovementioned crimes when, either direct or indirectly, the entity intervened in the commission of the crime or when someone acted in his name, interest or benefit for said purpose; even when this individual had no powers to do so, provided that the legal person ratified the act. The legal person will not be criminally liable when the entity reported a crime set forth by the Law 27401 as a consequence of the entity’s internal detection and investigation; the corporate implementation of a proper system of control and supervision in accordance with the Law 27401 and prior to the facts under investigation; and after returning the benefit obtained. In relation to this, the Law 27401 highlights the importance of “Integrity Programs” or “Internal Rules of Compliance” adopted by the legal person before the commission of the crime, and hence it is important to implement this type of rules into the legal person.

In the framework of Law 27401 on Criminal Responsibility of Legal Entities, we have implemented an Integrity Program. It should be noted that prior to the enactment of Law 27401, we already had a Code of Conduct and a Whistleblowing Hotline. It is also important to note that, as we are a publicly traded company, we are subject to the provisions issued by the CNV, as well as the provisions of the General Companies Law and other regulations issued by the competent authorities in the matter. (see “Item 16B. Code of Ethics”).

In addition, we are subject to economic sanctions regulations that restrict our dealings with certain sanctioned countries, individuals and entities. In the ordinary course of business, we deal with different suppliers, contractors, vendors and counterparties that may become subject to sanctions. It is possible that existing sanctions regimes may be widened or that new sanctions may be imposed on our counterparties, by the United States, the European Union, the United Kingdom or other jurisdictions. Although we take steps to comply with applicable laws and regulations, should these suppliers, contractors or vendors become sanctioned or the sanctions regime with respect to these entities be widened and we no longer can rely on such suppliers, contractors or vendors, or should we fail to successfully comply with applicable sanctions, we may face negative legal and business consequences.

There can be no assurance that our internal policies and procedures will be sufficient to prevent or detect all inappropriate practices, fraud or violations of law by our affiliates, employees, directors, officers, partners, agents and service providers or that any such persons will not take actions in violation of our policies and procedures. Any violations by us of anti-bribery and anti-corruption laws or sanctions regulations could have a material adverse effect on our reputation, business, financial condition, results of operations and prospects.

Our ability to operate our business may suffer if we are unable to retain our employees or attract other skilled employees or contractors.

Our current and future performance and the operation of our business are dependent upon the contributions of our senior management and our skilled team of engineers and other employees. We depend on our ability to attract, train, motivate and retain key management and specialized personnel with the necessary skills and experience.

There is no guarantee that we will be successful in retaining and attracting key personnel and the replacement of any key personnel could be difficult and time-consuming. The loss of the experience and services of key personnel or the inability to recruit suitable replacements and additional staff could have a material adverse effect on our business, financial condition and results of operations.

Climate change could impact our operating results, access to capital and strategy.

There is an increased attention on greenhouse gas (“GHG”) emissions and climate change from different sectors of society. Argentina agreed the consensus reached in 2015 United Nations Climate Change Conference adopted by consensus the Paris Agreement. The Paris agreement sets a goal to GHG emission reduction and defined targets to limit global temperature increases. International treaties together with increased public awareness related to climate change may result in increased regulation to reduce or mitigate GHG emissions. In addition, if we are unable to follow the pace in which society is moving toward energy transition would adversely impact demand for our services, affecting our results of operations and financial condition.

In addition, environmental laws that may be implemented in the future could increase litigation risks and have a material adverse effect on us. For example, in 2019, the Argentine Congress enacted Law No. 27,520 on Minimal Standards on Global Climate Change Adaptation and Mitigation, which focused on implementing policies, strategies, actions, programs and projects that can prevent, mitigate or minimize the damages or impacts associated with climate change.

Compliance with national and local legal and regulatory changes relating to climate change may in the future increase our costs to operate and maintain our facilities, capital expenditures to install new emission and manage any GHG emissions program may increase our operational expenses. In addition, the effects upon natural gas industry relating to climate change and the resulting regulations and regimes promoting alternative energy resources may also lead to declining demand for natural gas, or Liquids in the long-term.

The physical effects of climate change such as, but not limited to, increases in temperature and sea levels and fluctuations in water levels could also adversely affect our operations and supply chains.

Stakeholder groups are also putting pressure on commercial and investment banks to stop financing fossil fuel companies. According to press reports, some financial institutions have started to limit their exposure to fossil fuel projects. Accordingly, our ability to use financing for these types of future projects may be adversely affected. These factors could have a negative impact on the demand for our products and services and may jeopardize or even impair the implementation and operation of our business, adversely impacting our operating and financial results and limiting our growth opportunities.

Our activities are subject to social and reputational risks, including the potential for protests by members of the local communities.

Although we are committed to maintain good relationships with local communities and to operate our business in a socially responsible manner, we may face opposition from local communities. For example, several of our operations are carried out in the province of Neuquén, Argentina. Local communities, including indigenous communities, often demonstrate in various forms of protest. Such as blocking roads or blocking access, which could indirectly lead to negative impact on commercial activities. Although we consider our relationship with local communities, including indigenous communities to be good, we cannot assure you that any blockade or demands will not impact our operations. These actions could have an adverse effect on our reputation, financial condition and results of operations. Additionally, if any operational incident occurs that affects those communities we will need to incur in additional costs and expenses in order to restore affected areas and compensate for any damages we may cause. These additional costs may have a negative impact on the profitability of the projects we may decide to undertake.

The failure of any bank in which we deposit our funds could have an adverse effect on our financial condition.

We currently have cash and cash equivalents deposited in several financial institutions significantly in excess of insured levels, including, at times, a significant proportion of our cash balance. For example, with regards to our accounts in the United States, while the U.S. Federal Deposit Insurance Corporation provides deposit insurance of U.S.\$250,000 per depositor, per insured bank, the amounts that we have in deposits in U.S. banks far exceed that insurance amount. Therefore, if the U.S. government does not impose measures to protect depositors in the event a bank in which our funds are held fails, we may lose all or a substantial portion of our deposits. We also maintain cash deposits in banks in Argentina and in other countries, some of which are not insured or partially insured by other similar agencies. If any of the financial institutions in which we have deposited funds ultimately fails, we may lose our uninsured deposits at such financial institutions, and/or we may be required to move our accounts to another financial institution, which could cause operational difficulties, such as delays in making payments to our partners and employees, which could have an adverse effect on our business, financial condition, results of operations and cash flows.

Risks Relating to Argentina

We are a stock corporation with limited liability (*sociedad anónima*) incorporated and organized under the laws of Argentina. Our financial condition and results of operations depend to a significant extent on economic, regulatory and political conditions prevailing in Argentina, the exchange rate between the peso and the U.S. dollar and the reference international prices of Liquids because a significant portion of our revenues (65.2% of our total consolidated revenues from sales for the year ended December 31, 2023), most of our capital expenditures, almost all of our debt obligations and the cost of natural gas used in our Liquids business are denominated in U.S. dollars, but substantially all of our assets are located in Argentina, and our functional currency is the peso.

Argentina's ability to obtain financing from international markets could be limited, which may impair its ability to implement reforms and foster economic growth and, consequently, affect our business, results of our operations and growth prospects.

Argentina's history of defaults on its external debt and the protracted litigation with holdout creditors may reoccur in the future and prevent Argentine companies such as us from accessing the international capital markets readily or may result in higher costs and more onerous terms for such financing, and may therefore negatively affect our business, operational results, financial condition, the value of our securities, and our ability to meet our financial obligations.

Following the default on its external debt in 2001, Argentina sought to restructure its outstanding debt in exchange offers in 2005 and again in 2010. Holders of approximately 93% of Argentina's defaulted debt participated in the exchanges, but a number of bondholders held out from the exchange offers and pursued legal actions against Argentina. The Argentine Government settled several agreements with the defaulted bondholders, ending more than 15 years of litigation.

On June 20, 2018, the IMF's Executive Board approved the largest stand-by arrangement in the Fund's history, in support of Argentina's 2018-21 economic program. After an augmentation in October 2018, access under the arrangement amounted to U.S.\$57 billion (1,227% of Argentina's IMF quota). The program considered only four of the planned twelve reviews and did not fulfill the objectives of restoring confidence in fiscal and external viability while fostering economic growth. The arrangement was canceled on July 24, 2020.

After the primary elections results of August 2019, the international markets casted doubt on Argentina's debt sustainability. In view of this, the country risk indicator raised to 2,200 basis points, topping-off a depreciation of bond prices. Also, on August 29, 2019 by Decree No. 596/2019 the Government announced a debt profiling consisting of (i) an extension on the payment term for short-term local bonds, only for institutional investors that will receive the full payment over terms of three and six months (15% on the original maturity date, 25% and 60% at 3rd and 6th month of the original maturity date, respectively), but not for natural persons who acquired the bonds before July 31, 2019, who will receive full payment on the maturity date; (ii) a proposal to the Argentine Congress of a bill to extend maturity dates of other local bonds, without reduction on the capital or interest; (iii) a proposal to extend the maturity dates of foreign bonds; and (iv) after achieving fiscal goals, the start of talks with the International Monetary Fund (the "IMF") in order to reprofile the deadlines to reduce the default risk.

The economic plan presented by the former administration to access such IMF program sought to strengthen the country's economy by restoring market confidence through a coherent macroeconomic program that would reduce financing needs, place Argentina's public debt on a firm downward trajectory and strengthen the plan of inflation reduction through more realistic inflation targets and the strengthening of the BCRA's independence. The main parts of the economic plan were: (i) the restoration of market confidence, (ii) protection of the most vulnerable segments of society by adjusting the national budget for social protection, (iii) strengthening the credibility of the BCRA inflation targeting framework, and (iv) a progressive reduction of the impossibility of payment.

The government's decision to extend payments on its short-term notes constitutes the second such delay of payments in five months. In February 2020, the IMF has also publicly stated its concerns about the sustainability of Argentina's public debt and suggested that a definitive debt operation—yielding a meaningful contribution from private creditors—is required to help restore debt sustainability with high probability. As of the date of this Annual Report, Argentina's public debt load stands at U.S.\$403 billion, including loans from the IMF. Outstanding debt with private bondholders is approximately U.S.\$134 billion.

On April 21, 2020, the Argentine government launched an exchange offer with the aim to refinance its external debt in a way that does not compromise development and Argentina's growth potential in the coming years. On August 17, 2020, the Argentine government presented its amended bond restructuring offer to the SEC. On August 31, 2020, the Argentine government announced the results of its restructuring bond offer, announcing that the holders owned 93.5% of the principal of the outstanding bonds and that such participation percentage was subsequently increased to 99% by virtue of the application of the collective action clauses of the restructured bonds. After the consummation of its restructuring bond offer, in September 2020, Moody's and S&P raised Argentina's credit rating to CCC, Ca and CCC+, respectively.

On August 8, 2020, Law No. 27,556 on restructuring debt instrumented in public securities denominated in Dollars and issued under Argentine law through a swap operation (*Ley N° 27.556 sobre la reestructuración de la deuda pública instrumentada en títulos públicos denominados en Dólares Estadounidenses y emitidos bajo ley argentina mediante una operación de canje*). On August 18, 2020 and through Resolution N° 381/2020, the Ministry of Economy began the period of acceptance for the offer of the restructuring, which procedure was detailed in Law No. 27,556 (such Law was in force until September 15, 2020). The "net present value" paid for the securities exchanged was about Ps.53.5 per Ps.100 of face value, discounted at a 10% exit rate, for securities issued during 2015-2019 and about Ps.59.5 for those previously issued in 2005 and 2010. Subsequently, after the end of the early accession period, on September 4, 2020 the Argentine government communicated that the invitation to exchange securities denominated in foreign currency issued under Argentine law had an acceptance equivalent to 98.80% of the total amount of outstanding capital of all eligible securities.

In addition, the Government has also carried out a debt restructuring which resulted in an exchange premium of 130% and a loss of international reserves of U.S.\$1.3 billion to smooth the depreciation of the official exchange rate. Initially, currency controls were partially relaxed and the market responded positively, the premium of the exchange rate was reduced to 85% and the loss of international reserves was drastically reduced.

In addition, on June 22, 2021, the Minister of Economy requested the members of the Paris Club to postpone for one year the payment of U.S.\$2,400 million maturing on May 30, 2021. Pursuant to the terms of such agreement, the Argentine Government will make a partial payment of U.S.\$430 million in order to avoid the declaration of default, instead of canceling the entirety of the debt. On March 22, 2022 Argentine and the Paris Club agree an extension of this agreement, afterwards, the Argentine Government shall negotiate a complete debt restructuring.

The IMF has held several rounds of meetings with the Government to discuss the recent macroeconomic developments and learn more about the economic plans and policies of the Fernandez Administration. The Argentine authorities are moving to address the difficult economic and social situation facing the country and have implemented a set of policies to address the poverty, while also taking steps to stabilize the economy and secure a sustainable and orderly resolution of Argentina's debt situation.

In March 2022, the IMF's executive board approved a 30-month extended fund facility to extend maturities for approximately U.S.\$44.1 billion disbursed in 2018 and 2019. The loan aims to provide Argentina with balance of payments and budget support backed by measures designed to strengthen debt sustainability, tackle inflation, boost reserves, address the country's social and infrastructure gaps and promote inclusive growth, the fund added. Risks to the program are exceptionally high and spillovers from the war in Ukraine may materialize in the short term. This transaction provides funds that will strengthen reserves and allow Argentina to push out payments owed from the 2018 IMF program that failed to stabilize the economy. As part of transaction, the Government has committed to reducing its primary fiscal deficit, weaning off money printing from the central bank and rebuilding reserves, among several objectives.

On January 28, 2022, Argentina signed an agreement with the IMF to refinance more than U.S.\$40 billion in debt, contracted in 2018 with this institution. The main measures agreed are related to the reduction of public spending and subsidy rates, focused on the energy sector. The agreement was approved by the Argentinean Congress and by the Board of the IMF. Among other points, an economic and monetary policy was established, where the IMF will be the co-director, carrying out quarterly audits on Argentina's finances and economic development.

During 2022 and the first months of 2023, the second, third and fourth revisions of the agreement were carried out. Finally, on July 28, 2023, in a difficult macroeconomic context and days before the PASO elections, the parties reached an agreement on the fifth and sixth revisions. On August 23, 2023, the IMF Board of Directors approved the fifth and sixth reviews of the agreement, allowing Argentina access to disbursements of U.S.\$ 7,500 million.

According to the IMF's statement, Argentina's economic situation has become very challenging, mainly due to the impact of the drought and the political context, which the impact of the drought and the political context, which meant that the targets set have not been met.

On January 10, 2023, the IMF reached a staff-level agreement with Argentina as part of the seventh review of the country's \$44 billion 30-month extended fund facility. This allows Argentina access to \$4.7 billion in funds, subject to approval from the IMF's executive board. The agreement focuses on improving Argentina's domestic debt maturity profile and rebuilding relationships with international capital markets. Other key understandings include supporting monetary demand and disinflation, establishing a 2% GDP surplus goal by 2024, strengthening social programs, modifying foreign exchange policy, and supporting policy changes for Argentina's energy and mining sectors.

Moreover, difficulties by Argentina and Argentine issuers in accessing international capital markets continue. Without access to the international financial markets the Government may not have the financial resources to implement reforms and boost growth, which could have a significant adverse effect on the country's economy and, consequently, on our activities. Failure of Argentina to restructure its debt could cause Argentina to default in the payment of its public debt, which could materially and adversely affect our business, financial condition and results of operation, and our ability to meet our financial obligations, as it could have a direct impact on our customers' ability to pay for our products and services, the demand for energy and our ability to access local and international markets to finance our operations and our growth. In addition, we cannot predict the outcome of any future restructuring of Argentine sovereign debt.

As of the date of this Annual Report, it is not possible to predict the impact that the measures relating to Argentina's debt restructuring nor any future economic plan that the Government may implement will have on the Argentine economy. Furthermore, the long-term impact of these measures and any measures future of the current administration in the Argentine economy remains uncertain.

Argentina's fiscal situation could limit the country's access to the capital market and adversely affect the Argentine economy.

In recent years, the government has substantially increased public spending. In this sense, the Argentine Government adopted several measures to finance this public expenditure and finance the fiscal deficit that they generated, including, among others, the use of the resources of the BCRA and ANSES, and has used the issuance of money as a tool to raise funds. Argentina has a high level of indebtedness, which has been growing in recent years as a result of the increase in the fiscal deficit and the lack of capacity of Argentina to obtain international financing.

In Argentina, total expenditure has exceeded tax revenues in 28 of the last 35 years. In 2022, the primary fiscal deficit amounts to 2.4% of GDP. In 2023, the primary fiscal deficit will be 2.9% of GDP.

A further deterioration in the fiscal accounts could adversely affect the government's ability to access long-term financial markets. This could be due, for example, to social security payments, economic aid to financially distressed provinces and increased spending on public works and subsidies, including subsidies to the energy and transport sectors.

In relation to the agreement signed with the IMF in 2018, the Macri government committed to address fiscal solvency and therefore took steps to curb the fiscal deficit through the reduction of gas and transportation subsidies and other expenses. Similar measures to reduce Argentina's fiscal deficit were agreed in the most recent IMF agreement. In the past, these policies have caused a rise in prices and thus have had a negative impact on the power purchasing power of consumers. After taking office in 2019, the Fernández administration, within the framework of the Solidarity Law, serving the most vulnerable sectors, took a series of measures that have slowed the reduction of public spending.

In addition, Mr Javier Milei was inaugurated as Argentina's new president in December. One of President Milei's key campaign proposals was to achieve a balanced budget by 2024. The impact of these measures on the future economic and political scenario is uncertain. We cannot predict what effect they will have on our business, financial position or results of operations.

The application of new measures in the future could also have negative effects. In addition, the federal government's primary fiscal balance could be adversely affected if public spending increases faster than income in the future. On the other hand, weaker fiscal results than expected in Argentina could have a material adverse effect on the economy of this country.

The Government's ability to access the long-term financial markets to finance such deficit is limited given the high levels of public sector indebtedness. The inability to access the capital markets to fund its deficit or the use of other sources of financing may have a negative impact on the economy and could limit the access to such capital markets for Argentine companies, which could adversely affect our business, financial condition and results of operations.

Certain risks are inherent in any investment in a company operating in an emerging market such as Argentina.

Argentina is an emerging market economy and investing in emerging markets generally carries risks. According to a statement from MSCI Inc., Argentina was considered an emerging market until June 2021, when it was reclassified as stand-alone market. According to MSCI index countries classified as stand-alone markets are those that are currently partially or fully closed to foreign investors, where stock lending and short selling are activities that are either not developed or completely prohibited, with small capital markets and political tensions.

Risks include political, social and economic instability that may affect Argentina's economic results, which can stem from many factors. In general, Argentine economic conditions are dependent on a variety of factors, including, but not limited to, the following: (i) domestic production, international demand and prices for Argentina's principal export commodities, (ii) the competitiveness and efficiency of domestic industries and services, (iii) the stability and competitiveness of the peso against foreign currencies and exchange controls, (iv) high interest and inflation rates, (v) Argentina's fiscal and trade deficits, (vi) Argentina's public debt level, (vii) foreign and domestic investment and financing, (viii) governmental policies and the legal and regulatory environment, including import and export contracts and tax provisions, (ix) consumption levels, (x) wage and price controls and (xi) political uncertainty and social unrest.

Government policies and regulation— which at times have been implemented through informal measures and have been subject to radical shifts— that have had a significant impact on the Argentine economy in the past have included, among others: (i) monetary policy, including exchange controls, capital controls, high interest rates and a variety of measures to curb inflation; (ii) restrictions on exports and imports; (iii) price controls; (iv) mandatory wage increases and prohibition of dismissals; (v) taxation; and (vi) government intervention in the private sector.

Any of these factors, as well as volatility in the capital markets, may adversely affect our business, results of operations, financial condition, the value of our securities and our ability to meet our financial obligations.

Economic volatility in Argentina has adversely affected and may continue to adversely affect our business, results of operations, financial condition, the value of our securities and our ability to meet our financial obligations.

Our business, results of operations, financial condition, the value of our securities and our ability to meet our financial obligations depend to a significant degree on macroeconomic, political, regulatory, and social conditions in Argentina. The Argentine economy has experienced significant volatility in recent decades, characterized by periods of low or negative growth, high and variable levels of inflation and interest rates and currency devaluation. As a consequence, our business and operations have been, and could in the future be, affected from time to time, to varying degrees, by the high volatility in Argentina, which primarily results from economic and political developments and other material events affecting the Argentine economy, such as: inflation, price controls, fluctuations in foreign currency exchange rates and interest rates; currency devaluation; governmental policies regarding tariffs, spending and investment, and other regulatory initiatives increasing government involvement with economic activity; and international conflicts, social unrest and insecurity concerns.

In 2018, 2019, and 2020, the peso rapidly devalued against major foreign currencies, especially the U.S. dollar. Following the preliminary presidential elections ((primary, open, simultaneous and mandatory elections) in 2019, the peso experienced a significant devaluation. Based on the exchange rate information published by Banco Nación, the peso depreciated by 22.1% against the US dollar in 2021, compared to 40.5%, 58.9%, and 102.2% in 2020, 2019, and 2018, respectively. In 2022, the peso has already depreciated by 72.5% against the US dollar. Although the peso's exchange rate with respect to the dollar was lagging for most of 2023, the new administration ordered a sharp correction of the exchange rate and implemented a monthly crawling peg of 2% after taking office on December 10, 2023. As a result, the Argentine peso's variation against the dollar as of December 31, 2023 was 356.3%, reaching Ps. 805.45.

Immediately after the peso devaluation, it had a significant impact on the economy, leading to high inflation, reduced real wages, and increased difficulties for companies with domestic market revenues and foreign currency obligations. This situation could deteriorate in the future if the government chooses to devalue the currency abruptly again or implements a system of multiple exchange rates, thereby dividing the exchange market for different types of transactions.

As a result of the peso's increased volatility, in 2019 the Government announced several measures to control and restrict the ability of companies and individuals to exchange pesos for foreign currencies. Those measures include the requirement to obtain prior approval from the BCRA, which could eventually restrict the ability to exchange pesos for other currencies. Moreover, restrictions also apply to the acquisition of any foreign currency for holding as cash within Argentina and to transfer dividends abroad, among others. Additionally, the Government implemented a new tax at a rate of 30% on certain transactions involving the acquisition of foreign currency. For additional information see "*Item 10. Additional Information—D. Exchange Controls.*"

The ability of the Government to stabilize the foreign exchange market and restore economic growth is subject to uncertainty. The continued depreciation of the peso could have a material adverse effect on Argentina's economy and, consequently, our business, results of operations and financial condition.

In addition, this rapid devaluation has confronted inflationary pressures, evidenced by significantly higher fuel and food prices, among other indicators. Inflation in Argentina has contributed to a material increase in our operating costs, in particular labor costs, and negatively affected our business, results of operations and financial condition, the value of our securities, and our ability to meet our financial obligations. There can be no assurance that inflation rates will not escalate in the future, and the effects of measures adopted or that may be adopted in the future by the Government to control inflation are uncertain. See "*—Government intervention in the Argentine economy could adversely affect our business, results of operations and financial condition, the value of our securities, and our ability to meet our financial obligations*" and "*—High levels of inflation could negatively affect our business, results of operations and financial condition, the value of our securities, and our ability to meet our financial obligations.*"

The Argentine economy remains vulnerable, as reflected by the following economic conditions:

- inflation, which remains high, and may continue to be high in the future;
- volatility in real GDP, which according to the restated information released by INDEC grew by 2.7% in 2015, decreased by 2.1% in 2016, grew by 2.7% in 2017, decreased by 2.5% in 2018, decreased by 2.2%, 9.9% in 2019 and 2020, respectively. In 2021 the GDP increase 10.4% and in 2022 5.2%, decreasing 1.6% in 2023;
- Argentina's public debt as a percentage of GDP, which remains high, and as of December 31, 2023, represented approximately 88% of the GDP;
- the discretionary increase in public expenditures that has resulted (and continues to result) in a fiscal deficit;
- high unemployment and informal employment rates;

- high exchange rate volatility;
- high fiscal and trade deficits;
- an inability to pay public debt and the reperfilation of debt maturities;
- limited access to funding in the local and international capital markets;
- agricultural exports, which fueled the economic recovery, have been affected by drought and lower prices than in prior years;
- fluctuations in international oil prices;
- unavailability of long-term credit to the private sector;
- the effects of a restrictive U.S. monetary policy, which could generate an increase in financial costs for Argentina;
- reduction in the BCRA's foreign currency reserves;
- uncertainty with respect to the imposition of exchange and capital controls;
- the abrupt fall in the value of sovereign bonds and a decline in consumer confidence or foreign direct investment; and
- other political, social and economic events outside of Argentina that adversely affect the current growth of the Argentine economy.

A decline in international demand for Argentine products, a lack of stability and competitiveness of the peso against other currencies, a decline in confidence among consumers and foreign and domestic investors, a high rate of inflation and future political uncertainties, among other factors, may affect the development of the Argentine economy which could lead to reduced aggregate demand and adversely affect our business, financial condition and results of operations.

As of the date of this Annual Report, the impact of the policies and measures adopted by the Government on the Argentine economy as a whole cannot be predicted. Also, we cannot predict the full future impact that changes in the application of the tax indexation procedure and related adjustments will have on our financial statements, or the effects on our effective tax rate or on our business, results of operations and financial condition. The factors described above, among other factors, may materially and adversely affect the development of the Argentine economy, which could adversely affect our business, financial condition and results of operations.

The ongoing political instability in Argentina may adversely affect the Argentine economy.

Argentina's political and social environment has historically influenced, and continues to influence, the performance of the country's economy. Political and social crises have affected and continue to affect the confidence of investors and the public, which has historically resulted in economic deceleration and heightened volatility in securities with underlying Argentine risk. The recent political instability in Argentina has contributed to a decline in market expectations and forecasts for the Argentine economy. The Market Expectations Survey ("REM") issued by the BCRA still shows high levels of inflation and exchange rate evolution and activity indicators that have not yet managed to achieve economic recovery. This suggests that the weak macroeconomic conditions in Argentina may continue in the upcoming years.

After the presidential elections held in 2019, Alberto Fernández from the *Frente de Todos* emerged as the winner and assumed office in December 2019. Alberto Fernández's administration implemented a series of measures that had significant impact on the Argentine economy, including:

- *The Solidarity Law* granted the Executive Branch broad legislative powers to ensure the sustainability of the public debt, regulated the tariff restructuring of the energy system through a renegotiation of the RTI and reordered the regulators of the energy system, among others. Likewise, the rates of public utilities for natural gas remain unchanged for a maximum period of 180 days (since December 23, 2019), which period has been extended until the RTI process concludes, or the transitional tariff increase is put into effect. This law also modified certain tax aspects previously modified by the administration of Mauricio Macri's administration.
- *Pension mobility law*. Additionally, and in order to meet the fiscal deficit, the pension adjustment system has been suspended by the Solidarity Law and finally modified by Law No. 27,609.
- Rent Law by means of which the relationship between tenants and landlords was regulated. This law amended the Civil and Commercial Code and established new rules for lease agreements.
- Decree No. 690/2020 established the public service nature of information technology and telecommunications services. This decree also empowers the National Communications Entity ("ENACOM") to set fair and reasonable prices for these services.

The Argentine economy is also particularly sensitive to local political developments. Presidential elections take place in Argentina every four years and legislative elections every two years, resulting in the partial renewal of both chambers of Congress.

The result of presidential, as well as legislative, mid-term and full-term elections may lead to changes in government policies that impact upon the Company.

As of the date of this Annual Report, Mr. Javier Milei has taken office as Argentina's new President. As part of his campaign platform, President Milei presented a plan to dollarize the Argentine economy and potentially close the Central Bank.

The effect of these measure on the future economic and political scenario is uncertain. We cannot provide any assurance that future economic, social and political developments in Argentina, over which we have no control, will not impair our business, results of operations, financial condition, the value of our securities and our ability to meet our financial obligations. For additional information see "*The impact of the measures adopted or to be adopted after the presidential elections in 2023 is uncertain*" below.

The impact of the measures adopted or to be adopted after the presidential elections in 2023 is uncertain.

On October 22, 2023, general elections were held in Argentina. The result resulted in a new conformation of the Congress as from December 10, 2023 (in minority for the president-elect). On November 19, 2023, a run-off election was held, in which the opposition candidate for La Libertad Avanza, Javier Milei, was elected president. After taking office, the current administration launched a package of emergency measures aimed at relaxing controls and deregulating the economy, with the main objective of reducing the fiscal deficit. The impact of the outcome of such elections on the national government's economic policies, the foreign exchange market and the national economy is uncertain, and we cannot assure you how the economy, the regulatory framework, the social situation and the political environment will respond and the impact this will have on our financial condition and results of operations.

On December 12, 2023, Luis Caputo, the Minister of Economy, announced a series of economic measures with a focus on the revision of fiscal, exchange and monetary policy in which, among other issues: (i) a strong cut in public spending is shown together with an increase in certain taxes, (ii) the price of the US dollar was raised with respect to the Argentine peso from \$/U.S\$ 350 to \$/U.S\$ 800 and a monthly crawling peg of 2%, (iii) reduction of subsidies to energy and transportation and (iv) limitation of monetary issuance and modification of the Treasury financing program in order to clean up the BCRA's liabilities.

Subsequently, on December 21, 2023, Decree of Necessity and Urgency No. 70/2023 Bases for the Reconstruction of the Argentine Economy" ("**Decree 70/2023**") was published in the Official Gazette. Decree 70/2023 declares a public emergency in economic, financial, fiscal, administrative, social security, tariff, health and social matters until December 31, 2025. This decree promotes economic deregulation and the integration of Argentina into the world trade by adopting international standards for the trade of goods and services. Moreover, it empowers the Ministry of Energy to reassess the existing subsidy structure to ensure that end users have access to basic and essential consumption of electric energy and natural gas. Finally, it repeals Law No. 27,437 on Argentine procurement ("*Compre Argentino*") and supplier development.

To this effect, Decree 70/23 repeals numerous laws on state intervention in the economy, such as the Food Shelf Law No. 27.545 (as amended and supplemented), the Supply Law No. 20.680 (as amended and supplemented), Law No. 26.992 on the Creation of the Price Observatory (as amended and supplemented), the Rent Law No. 27. 551 (as amended and supplemented), Law No. 27,437 on Buy Argentine (as amended and supplemented), Law No. 18,875 on Buy National and Law No. 20,075 on State-Owned Companies (as amended and supplemented), among others, with the purpose of liberalizing trade, services, and industry, and eliminating restrictions on the supply of goods and services that distort market prices.

Likewise, Decree 70/23 amends several regulatory bodies, including the National Civil and Commercial Code, the Customs Code, liberalizing foreign trade; the Labor Contract Law, making individual and collective labor relations more flexible; the health care system, making social security and prepaid health care contracts more flexible; and the Credit Card system, eliminating commission and interest ceilings. It also modifies special regulations related to multiple industries (such as energy, mining, telecommunications, agribusiness and tourism, among others).

Although this decree became effective as from December 29, 2023, Law No. 26,122 provides that it must be approved or not by the Permanent Bicameral Commission of the National Congress. Likewise, the National Congress has the power to reject or accept Decree 70/2023, for which it requires the approval of both chambers. In addition, it should be clarified that the Congress cannot introduce amendments or modifications to the decree. Additionally, since its issuance by the National Executive Power, Decree 70/23 has been subject to numerous questions regarding its constitutionality, which gave rise to the filing of several actions for injunctive relief before the national labor courts and the federal administrative court, among others. The National Court of Appeals for Labor issued a precautionary measure suspending the applicability of the labor reforms and declared the unconstitutionality of the labor reforms.

It is not possible to predict whether Executive Order 70/2023 will remain in effect after its revision in Congress, its evolution at the judicial level or the impact that its enforcement could have on our results of operations and financial condition.

On December 27, 2023, the National Executive Power submitted for consideration of the Congress of the Nation the Bill of Bases and Starting Points for the Freedom of the Argentines (the “Omnibus Law”). This law proposes a strong deregulation of the economy by proposing amendments and repeals of regulations in the following fields: (i) organization of the public administration; (ii) administrative procedure and regulatory quality; (iii) resolution of disputes with the State; (iv) insurance regime; (v) regime applicable to commercial companies; (vi) regime of financial administration of the State; (vii) comprehensive tax reform and establishment of a regime of exceptional regularization of tax, customs and social security obligations; (viii) agricultural, energy and tourism sectors, among other activities and industries; (ix) regime of obligations and contracts aimed at strengthening the autonomy of the will of the parties; (x) defense of competition; (xi) intellectual property; and (xii) promotion and incentives for large investments.

Although initially, on February 3, 2024, this law obtained a half sanction by the Chamber of Deputies, in the particular discussion several articles were rejected, so that on February 6, 2024, the government was forced to return the Omnibus Law to commissions in the middle of the article-by-article voting of the law, when seven of the first thirteen points put to consideration did not meet the number of votes necessary for its approval. Thus, the bill will return to commissions with its original wording and will have to be debated again from the beginning.

As of the date of this Annual Report, there is uncertainty as to the ability of the new administration to implement the measures contemplated by the Omnibus Law, and if so, the impact that these measures and any other measures to be adopted by the new government will have on the Argentine economy in general and on the Company’s sector. As of the date of this Annual Report, the Omnibus Law has not been approved by the National Congress.

In addition, the new administration will face macroeconomic challenges such as reducing the inflation rate, achieving fiscal and trade surpluses, increasing the level of BCRA reserves, the evolution of the exchange rate, the payment of public debt, among other issues. It is difficult to predict the impact that the measures adopted or to be adopted in the future may have on the Argentine economy, the political and social situation and their impact on our financial condition and results of operations.

Public health threats could have an adverse effect on the Argentine economy and on our business, financial condition or results of operations.

On March 11, 2020, the World Health Organization declared COVID a pandemic. In response, countries have adopted extraordinary measures to contain the spread of the virus, including imposing travel restrictions and closing borders, requiring closures of non-essential businesses, instructing residents to practice social distancing, issuing stay-at-home orders, implementing quarantines and similar actions. The ongoing pandemic and these extraordinary government measures are disrupting global economic activity and resulting in significant volatility in global financial markets. According to the IMF, the global economy has recently entered into a recession.

In response to the COVID pandemic, the Government implemented several measures, including mandatory nationwide lockdowns. Additionally, non-essential businesses have been required to shut down periodically (with oil and gas activities being among those considered essential and exempt from lockdown measures).

We cannot guarantee that any health crisis, such as the COVID-19 pandemic, will not have a significant adverse impact on our equity position and operational results, as well as causing a decline in the market value of our shares and negotiable obligations.

High levels of inflation could negatively affect our business, results of operations and financial condition, the value of our securities, and our ability to meet our financial obligations.

Pursuant to Argentine law, the INDEC is the only institution in Argentina entitled to publish official nationwide statistics. In addition, inflation has undermined the Argentine economy and the Government's ability to stimulate economic growth. In the past, there have been concerns regarding the accuracy of the INDEC statistics. In 2007, the INDEC changed the way it calculated inflation statistics such as CPI and WPI.

In the past, due to the lack of accuracy of the INDEC statistics, the IMF executive board issued a declaration of censure against Argentina in connection with Argentina's breach of its obligations to provide information to the IMF under the Articles of Agreement and called on Argentina to adopt remedial measures to address the inaccuracy of inflation and GDP data without further delay. The uncertainty relating to the inaccuracy of the economic indexes and rates may lead to a lack of confidence in the Argentine economy and may, in turn, limit our ability to access credit and capital markets, which could adversely affect our business, results of operations, financial condition, the value of our securities and our ability to meet our financial obligations.

High inflation rates affect Argentina's foreign competitiveness and social and economic inequality, negatively impact employment, consumption and the level of economic activity, and undermine confidence in Argentina's banking system, which could further limit the availability of and access by local companies to domestic and international credit. Inflation rates could escalate in the future, and there is uncertainty regarding the effects that the Government's measures to control inflation may have. Increased inflation could adversely affect the Argentine economy, which in turn may have an adverse effect on our business, financial condition and results of operations.

In the past, inflation has significantly undermined the Argentine economy and the government's ability to foster conditions for stable growth. Currently, Argentina is facing inflationary pressures, as evidenced by higher fuel, energy, and food prices. There is uncertainty about the potential acceleration of inflation rates in the future and the impact of measures adopted or that may be adopted by Argentina to control inflation.

The CPI variation for the year ended on December 31, 2023, was 211.4%.

As discussed elsewhere in this Annual Report, given that the Argentine economy has been considered as hyperinflationary, since July 1, 2018, we have applied IAS 29 in our Financial Statements, which requires that the financial statements of an entity whose functional currency is that of a hyperinflationary economy, regardless of whether they are based on the historical cost method or the current cost method, be expressed in terms of the current unit of measurement at the reporting date of the reporting period. See "*Presentation of Financial and Other Information—Financial Statements and Basis of Preparation.*"

In recent years, the Government has taken certain measures to curb inflation, such as implementing price controls and limiting wage increases. We cannot assure you that inflation rates will not continue to increase in the future or that any measures taken or that may be taken by the Fernández administration to control inflation will be effective or successful. High inflation rates continue to be a challenge for Argentina. Significant increases in inflation rates could have a material adverse effect on Argentina's economy and, in turn, could increase our operating costs, in particular labor costs, and could adversely affect our business, financial condition and results of operations.

Because Natural Gas Transportation business segment sales represented 22% of our total revenues during the year ended December 31, 2023, and are denominated in pesos, any further increase in the rate of inflation not accompanied by a parallel increase in our tariffs would decrease our revenues in real terms and adversely affect our results of operations. Further, as a consequence of the application of IAS 29, maintaining monetary assets generates loss of purchasing power; *provided* that such items are not subject to an adjustment mechanism that compensates to some extent such loss. This loss is booked in the statement of comprehensive income.

Restrictions on transfers of foreign currency and the repatriation of capital from Argentina may impair our ability to pay dividends or imports and investors may face restrictions on their ability collect capital and interest payments in connection with corporate bonds issued by Argentine companies.

The Argentine government and the BCRA have implemented certain measures that control and restrict the ability of companies and individuals to access to the foreign exchange market. Those measures include, among others: (i) payment of imports and other purchases of goods abroad, (ii) purchase of foreign currency by residents with specific application, (iii) payment of profits and dividends, (iv) payment of capital and interest on financial indebtedness, among others, the entity shall have the prior consent of the BCRA unless it has an affidavit from the client stating that at the time of access to the exchange market: (i) all of its foreign currency holdings in the country are deposited in accounts in financial institutions and that it does not have liquid external assets available; and (ii) undertakes to liquidate on the exchange market, within five working days of its making available, those funds that it receives abroad arising from the collection of loans granted to third parties, the collection of a term deposit or the sale of any type of asset, where those funds have been acquired after May 28, 2020.

As a result of the tightening of exchange controls, the difference between the official exchange rate, which is currently used for commercial and financial transactions, and other secondary exchange rates that implicitly arose as a result of certain transactions commonly carried out in the capital market (“MEP” or “contado con liquidación” dollar) widened considerably, creating a gap above 100% during 2023, reducing after the increase of the exchange rate after December 13, 2023 to 30%. The Government could maintain a single official exchange rate or create multiple exchange rates for different types of transactions, substantially changing the exchange rate at which we purchase foreign currency to repay its foreign currency denominated indebtedness. In addition, the imposition by the government of additional exchange controls and restrictions and/or other measures in response to capital outflows or devaluation of the Peso could weaken public finances. Such a weakening of public finances could have an adverse effect on our results of operations and financial condition.

For additional information see “*Item 10. A. Exchange Controls.*”

As of the date of this Annual Report, the restrictions outlined above remain in place. Such measures may negatively affect Argentina’s international competitiveness, discouraging foreign investments and lending by foreign investors or increasing foreign capital outflow which could have an adverse effect on economic activity in Argentina, and which in turn could adversely affect our business and results of operations. Any restrictions on transferring funds abroad imposed by the government could undermine our ability to pay dividends on our ADSs in U.S. dollars. Furthermore, these measures may cause delays or impose restrictions on the ability to collect payments of capital and interest on bonds issued by us. The challenge will be to achieve acceptance by creditors, in accordance with the BCRA regulations mentioned above, especially when it has highly diversified and retail creditors.

Fluctuations in the value of the peso may also adversely affect the Argentine economy, our financial condition and results of operations.

Since January 2002, the peso has fluctuated significantly in value and generally depreciated against the U.S. dollar, with adverse consequences to our business. A substantial increase in the value of the peso against the U.S. dollar could also present risks for the Argentine economy, since it may lead to a deterioration of the country's current account balance and the balance of payments. Between 2011 and December 2015, the Government strengthened exchange controls in response to an increase of capital outflows as compared to inflows and to a drop in the commercial surplus. However, these controls were not able to prevent the decrease of the international reserves of the BCRA between 2012 and 2015. In the past, a decrease in the BCRA's reserves resulted in Argentina being vulnerable to inflation and external shocks, affecting the country's capacity to overcome the effects of an external crisis.

After several years of moderate fluctuations in the exchange rate, on December 17, 2015, Macri's administration implemented certain measures, including the lifting of most of the foreign exchange controls. After these measures were taken, the value of the peso could freely fluctuate against the U.S. dollar.

Subsequently, in May 2018, the peso experienced a rapid devaluation against the main foreign currencies, particularly the U.S. dollar. As a result of the greater volatility of the peso, the Government announced several measures to restore market confidence and stabilize the value of the peso. In this regard, on December 31, 2018, the exchange rate of the U.S. dollar increased by 102.1%, from Ps.18.649 to Ps.37.7.

In 2023, the Argentine peso continued to depreciate against the U.S. dollar and other major foreign currencies. According to the Banco Nacion's selling exchange rate, the Argentine peso reached Ps. 808.45 to December 31, 2023, presenting a variation of 356.3% with respect to 2022. As a consequence of the imposition of exchange controls, the spread between the official exchange rate and other secondary exchange rates implicitly resulting from certain common capital market transactions has widened significantly.

As of December 31, 2023, the total amount of principal and accrued but unpaid interest under our consolidated U.S. dollar-denominated indebtedness was U.S.\$583 million.

We cannot predict the future exchange rate between peso and the U.S. dollar, or how any fluctuation may affect our operational costs denominated in U.S. dollars.

Further depreciation of the peso against the U.S. dollar would likely result in a material adverse effect on our business because of our exposure to financial debt in U.S. dollars. In addition, future devaluations could result in higher inflation, reduce real wages and adversely affect the Government's ability to honor its foreign debt obligations. The depreciation of the Peso can also negatively impact businesses whose success is dependent on domestic market demand, and adversely affect the Government's ability to honor its foreign debt obligations.

A substantial increase in the exchange rate of the Peso against foreign currencies of the Peso against the U.S. dollar also represents risks for the Argentine economy since it may lead to a deterioration of the country's current account balance and the balance of payments which may have a negative effect on GDP growth and employment, and reduce the revenue of the Argentine public sector by reducing tax revenue in real terms, due to its current heavy dependence on export taxes.

The impossibility of addressing the actual and potential risks of institutional deterioration and corruption, the economy and the financial situation of Argentina has been affected negatively and could continue to be.

Argentina is ranked 98 out of 180 in Transparency International's 2023 Corruption Perceptions Index and 126 of 190 in the World Bank's Doing Business 2020 report. The lack of a solid and transparent institutional framework for contracts with the Argentine government and its agencies and accusations of corruption have affected and could affect negatively to Argentina.

Likewise, at the date hereof, other ongoing investigations into complaints of money laundering and corruption are underway.

Recognizing that the failure to address these issues could increase the risk of political instability, distort decision making processes and adversely affect Argentina's international reputation and ability to attract foreign investment, on November 8, 2017, Congress passed Law 27,401 which establishes the criminal liability of legal persons and regulates integrity programs for a precise number of cases of corruption. The law holds legal persons responsible for the crimes of bribery and influence peddling, national and transnational, negotiations incompatible with the exercise of public functions, concussion, illicit enrichment of officials and employees and aggravated false reports and balances, in order to hide bribery and influence peddling, national and transnational.

Law 27,401 assigns a decisive importance to integrity programs as an element of weighting the liability of legal persons in acts of corruption. Thus, an appropriate Integrity Program can: i) exempt from criminal liability, if a spontaneous self-complaint is made jointly and the benefit obtained is returned, ii) mitigate the eventual sanction, iii) be a condition for an effective collaboration agreement, and iv) be an enabling requirement for the offeror in certain contracts with the Government.

In this context, the Anti-Corruption Office, through Resolution No. 27/2018, established the integrity guidelines for the best compliance with the Integrity Program established in Law 27,401.

We have an Integrity Program that has not been questioned by the implementing authorities and that follows the guidelines described in Resolution No. 27/2018; as well as the provisions of Law 27,401.

There can be no assurance that the implementation of these measures by Argentina will be successful or even sufficient in strengthening Argentina's institutions, enhancing the integrity of public officials, stopping institutional deterioration and preventing corruption. We cannot control or predict whether such investigations or allegations will lead to further political or economic instability or whether new allegations against government officials, members of the Argentine Congress, judges or owners or officers of other companies will arise, nor can we predict the outcome of any such allegations and their effect on the Argentine economy, which may be adverse.

Government intervention in the Argentine economy could adversely affect our business, results of operations and financial condition, the value of our securities, and our ability to meet our financial obligations.

Although Javier Milei's government has taken a series of measures aimed at economic deregulation and trade liberalization in Argentina, (for additional information see *"The impact of the measures adopted or to be adopted after the presidential elections in 2023 is uncertain"* above), the Argentine government has historically exercised significant influence over the economy, and public services companies in particular have operated in a highly regulated environment. Our business and operations have been, are and could in the future be affected by actions taken by the Government through the implementation of new or amended laws and regulations, such as nationalizations, expropriations, forced divestiture of assets, amendments to or renegotiation or revocation of a license, restrictions on production, imports and exports, exchange and/or transfer restrictions, including those relating to dividend payments, direct and indirect price controls, tax increases, changes in the interpretation or application of tax laws and other retroactive tax claims or challenges, cancellation of contractual rights and delays or denials of governmental approvals.

There have been examples of government intervention in the economy, including through the implementation of expropriation and nationalization measures, price controls and exchange controls.

In 2008, the Government absorbed and replaced the former private pension system with a public "pay as you go" pension system. As a result, all resources administered by the private pension funds, including significant equity interests in a wide range of listed companies, were transferred to a separate fund (*Fondo de Garantía de Sustentabilidad* or "FGS") to be managed by the Administración Nacional de la Seguridad Social ("ANSES"). ANSES is entitled to designate government representatives to the boards of directors of these companies. The nationalization of Argentina's pension and retirement system was a change significant in the Argentine government's approach to the main public companies. FGS currently holds 24.0% of our outstanding capital stock and has two representatives on our Board of Directors. On November 19, 2020, Law 27,574 regulates the role of the representatives of the FGS in those companies in which it has a stake, providing that the FGS will dictate the rules that are necessary in order to regulate their appointment, function, responsibility, performance and remuneration, which has been regulated by Decree No. 1041/2020 and ANSES Resolution No. 57/2021.

For additional information regarding rules and regulations that govern our relationship with FGS, see *"Item 7. Major Shareholders and Related Party Transactions."*

In 2012 and again in 2013, the Argentine Congress established new regulations providing for increased intervention in the capital markets by the Government. On May 9, 2018, the Macri administration approved an amendment to the Law of Productive Financing, including amendments to the Capital Markets Law of Argentina No. 26,831 (the **"Capital Markets Law"**), which, among other things, limited the scope of intervention by the CNV in public companies.

The Government has also adopted numerous measures to directly or indirectly control the access by private companies and individuals to foreign trade and foreign exchange markets, such as restricting free access to these markets and imposing the obligation to repatriate and sell within the local foreign exchange market all foreign currency revenues obtained from exports. These regulations have been recently reinstated, preventing or limiting us from offsetting the risk derived from our exposure to the U.S. dollar and the access to foreign exchange market.

Historically, actions of the Government concerning the economy, including decisions regarding interest rates, taxes, price controls, wage increases, increased benefits for workers, exchange controls and potential changes in the market of foreign currency, have had a substantial adverse effect on Argentina's economic growth. A low-growth and high-inflation rates scenario continues and is likely going forward, as a result of the accumulation of macroeconomic imbalances over recent years, the actions of the Government in regulatory matters and challenging conditions in the international economy. We can offer no assurance that policies implemented by the Government will not adversely affect our business, results of operations and financial condition, the value of our securities, and our ability to meet our financial obligations.

As of the date of this Annual Report, we cannot predict the results or impact of these measures on the hydrocarbons development in Argentina. We are also unable to predict whether the Government will take any additional measures that may negatively affect Argentina's hydrocarbons market.

Argentina is an emerging market economy that is highly sensitive to local political developments that have had an adverse impact on the level of investment in Argentina and the access of Argentine companies to the international capital markets. Future developments may adversely affect Argentina's economy and, in turn, our business, results of operations, financial condition, the value of our securities and our ability to meet our financial obligations.

We cannot provide any assurance that we will be able to access foreign exchange markets or that these measures will not cause fluctuations in the value of the peso. The setting of certain exchange controls and other future economic, social and political developments in Argentina, over which we have no control, may adversely affect our business, results of operations, financial condition, the value of our securities and our ability to meet our financial obligations. For additional information on developments relating to exchange controls, see "Item 10. Additional Information—D. Exchange Controls."

The Argentine economy may be adversely affected by economic developments in other markets and by more general effects, which could have a material adverse effect on Argentina's economic growth.

Argentina's economy is vulnerable to external shocks that could be caused by adverse developments affecting its principal trading partners and emerging markets. A significant decline in the economic growth of any of Argentina's major trading partners (including Brazil, the European Union, China and the United States) could have a material adverse impact on Argentina's trade balance and, therefore, adversely affect Argentina's economic growth. Economic slowdowns have led to declines in Argentine exports in the last few years. Specifically, fluctuations in the price of the commodities sold by Argentina and a significant revaluation of the peso against the U.S. dollar could harm Argentina's competitiveness and affect its exports.

The economy in Brazil, one of the main import and export markets for Argentina, has experienced rising negative pressure because of political uncertainty, putting pressure on the products that Argentina exports to that country and its competitiveness. Argentine foreign trade is highly dependent on the Brazilian economy; thus, a poor performance of Brazil's economy could lead to the deterioration of Argentina's trade balance. Additional Brazilian political and economic crises could negatively affect the Argentine economy.

Financial and securities markets in Argentina are also influenced by economic and market conditions in other markets worldwide. U.S. monetary policy has significant effects on capital inflows and asset price movements in emerging market economies. Increases in U.S. interest rates result in the appreciation of the U.S. dollar and decreases in prices for raw materials, which can adversely affect commodity-dependent emerging economies.

Additionally, a slowing of China's GDP growth has led to a reduction in exports to this Asian country, which in turn has caused oversupply and price declines in certain commodities. Decreases in exports have a material adverse effect on Argentina's public finances due to the loss of taxes on exports, causing an imbalance in the country's exchange market.

In 2023 the world faced a range of macro challenges including the war in Ukraine, military conflicts in the middle east, inflationary pressures and risk of global recession. During the year, U.S. Federal Reserve increased its target reference rate to relieve inflationary pressure which had a negative impact in the cost of credit for emerging markets.

During 2023, it is observed that important banking entities suffered liquidity problems, giving rise to uncertainty in the global economy. This initially materialized in the United States with the collapse of Silicon Valley Bank, which the US government decided not to rescue. This instability had its contagion in Europe when the shares of Credit Suisse plummeted by up to 30% and the Swiss National Bank was affected. Deutsche Bank then suffered a massive sell-off of its shares, which led to further concern at the European Central Bank.

Although economic conditions vary from country to country, investors' perceptions of events occurring in other countries have in the past substantially affected, and may continue to substantially affect, capital flows into and investments in securities from issuers in other countries, including Argentina. International investors' reactions to events occurring in one market sometimes demonstrate a "contagion" effect, in which an entire region or class of investment is disfavored by international investors. Argentina could be adversely affected by negative economic or financial developments in other countries, which in turn may have an adverse effect on our financial condition and results of operations.

Certain economic policies of the former government administration in Argentina, including foreign exchange restrictions, led in the past to a reduction in exports and foreign direct investments, to a decline in national tax revenues and to an inability to access international capital markets. There can be no assurance that the Argentine financial system and securities markets will not be adversely affected by policies that may be adopted by the government in the future or by events in the economies of developed countries or in other emerging markets. A slowdown in economic activity in Argentina would adversely affect our business, results of operations, financial condition, the value of our securities and our ability to meet our financial obligations.

Argentina's past default and litigation with holdout bondholders may limit our ability to access international markets.

Argentina's history of defaults on its external debt and the protracted litigation with holdout creditors, summarized below, may reoccur in the future and prevent Argentine companies such as us from accessing the international capital markets readily or may result in higher costs and more onerous terms for such financing, and may therefore negatively affect our business, results of operations, financial condition, the value of our securities and our ability to meet our financial obligations.

Following the default on its external debt in 2001, Argentina sought to restructure its outstanding debt by offering holders of the defaulted bonds two opportunities to exchange them for newly issued debt securities, in 2005 and again in 2010. Holders of approximately 93% of Argentina's defaulted debt participated in the exchanges. Nonetheless, a number of bondholders held out from the exchange offers and pursued legal actions against Argentina in the courts of the United States and several other countries.

However, even though Argentina has successfully accessed the international capital markets since the settlement, there continues to be a risk that the country will not attract the foreign direct investment and financing needed to restart the investment cycle and achieve sustainable rates of economic growth. If that occurs, Argentina's fiscal condition could be adversely affected, which could lead to more inflation and undermine the government's ability to implement economic policies designed to promote growth. The difficulty of sustaining economic growth over time with reasonable price stability could result in a renewed episode of economic instability.

In addition, the foreign shareholders of several Argentine companies (including us), together with public utilities and certain bondholders that did not participate in the exchange offers described above, filed claims with the International Center for Settlement of Investment Disputes (“**ICSID**”), alleging that the emergency measures adopted by the Government in 2002 did not meet the just and equal treatment requirements of several bilateral investment treaties to which Argentina is a party. Several of these claims have been resolved against Argentina. Claimants have also filed claims before arbitral tribunals under the rules of the United Nations Commission on International Trade Law (UNCITRAL) and under the rules of the International Chamber of Commerce. Several awards have been issued against Argentina and several cases are still ongoing.

Moreover, difficulties in accessing Argentina’s international credit may have an impact on our company as the Argentine government postponed the maturity dates of its bonds and cut interest rates.

Also, ongoing situations, such as the claims before the ICSID, and the economic policy measures adopted by the Government, or any future default of Argentina regarding its financial obligations may harm Argentine companies’ ability to obtain financing. Financial conditions of such access could be disadvantageous to Argentine companies and, therefore, may adversely affect our business, results of operations, financial condition, the value of our securities and our ability to meet our financial obligations.

A sustained deterioration in the terms of trade given a decline in the global prices for Argentina’s main commodity exports or an increase in the global prices for Argentina’s main commodity imports, as well as adverse weather conditions affecting the production of Argentina’s main commodity exports, could have an adverse effect on Argentina’s economic growth.

High commodity prices have contributed significantly to an increase in Argentine exports, which has in turn led to an increase in government revenues received from export taxes. However, the reliance on the export of certain commodities, such as soybeans, has made the Argentine economy vulnerable to fluctuations in commodity prices, and, consequently, the Argentine economy could be adversely affected if trading conditions decline.

In addition, adverse weather conditions, such as floods or droughts, could affect the production of the main agricultural commodities produced by Argentina, which account for a significant portion of its export revenues. Moreover, higher oil prices could lead to an increase in government expenditures. The drought experienced during the summer months of 2018 dramatically reduced the yield from Argentina’s soybean crop. Also, during 2023 the country experienced another severe drought, which is estimated to represent losses in the net income of the producer sector of U.S.\$ 10,425 million, the equivalent of 2.2% of the GDP that the IMF estimates for Argentina in 2023. If agricultural commodity prices decline or their production is affected by weather or other variables, the Argentine economy could be adversely affected. These circumstances could also have a negative impact on tax revenues, the BCRA’s reserves, the availability of foreign currency and ultimately negatively affect our economic and financial performance.

Besides, in March 2020, after a failure to reach an agreement between the members of the Organization of the Petroleum Exporting Countries (“**OPEC**”) and Russia to stabilize the oil market, Saudi Arabia decided to increase its oil production. This decision, at a time when oil demand is falling due to the impact of COVID in the global trading and economy, has triggered the most important decline in the oil price since 1991, of around 30%. This fall in the international prices of oil and its derivatives added to the fragile macroeconomic situation in Argentina, generating uncertainty regarding the production and development of natural gas in the country, especially in the Vaca Muerta area. In December 2020, OPEC and its oil-producing allies agreed to increase production by 500,000 barrels per day beginning in January. The group exerts considerable influence over world energy markets. In recent years, OPEC has sought to navigate its way through a historically tumultuous period, including an unparalleled collapse in oil prices, a massive fuel demand shock amid the COVID crisis, a Saudi-Russia price war and Qatar’s departure from OPEC. The downward trend in oil prices significantly reversed as a result of the invasion of Ukraine by Russia. Uncertainty about oil prices and other commodities remain and there can be no assurances about any measures that the Government may take in response to key macroeconomic variables, particularly on the energy sector.

Decisions relating to international oil prices could have a negative impact on Argentina's economy as, to achieve a fiscal surplus, the country should develop new production projects, such as Vaca Muerta formation, increase its revenues and maintain its ability to service its sovereign debt. Either of these results would adversely impact Argentina's economic growth and, therefore, our financial condition and results of operations.

Further downgrades in the credit rating or rating outlook of Argentina could impact the rating of our securities or adversely affect the market price of our securities.

In August 2018, Moody's revised its outlook of Argentina's long-term and short-term sovereign credit rating to Caa2, primarily as a result of the sharply weaker economic activity and uncertain prospects for multiyear fiscal consolidation and market financing availability as IMF funds are used up, posing risks to sovereign debt sustainability. In addition, on August 29, 2019, S&P downgraded Argentina's long-term and short-term sovereign credit ratings from "B" to "SD," primarily as a result of an erosion of the Argentine debt profile, the economic growth trajectory and the dynamics of inflation, against the backdrop of the implementation of a challenging economic adjustment program. Fitch, Moody's and S&P increased Argentina's credit rating in September 2020 following the successful refinancing of Argentina's external bonds. While the debt restructuring in 2020 improved Argentina's credit rating, there are still concerns about debt sustainability and the country's ability to meet its payment obligations in the future. In September 2021, Argentina's credit rating according to Fitch Ratings was "RD" (restricted default) for foreign currency debt and "CC" for local currency debt. In March 2023, Fitch downgraded the credit rating to C, the lowest level above default.

Argentina's long-term debt denominated in foreign currency, as of the date of this Report, is rated "CA (stable)" by Moody's, "CCC- (stable)" by S&P, and "CCC-" by Fitch.

However, there can be no assurance that Argentina's credit rating or rating outlook will not be downgraded in the future, which could have an adverse effect on the rating of our securities or adversely affect the market price of our securities.

The Argentine government may mandate salary increases for private sector employees, which would increase our operating costs.

In the past, the Government has passed laws, regulations and decrees requiring companies in the private sector to maintain minimum wage levels and provide specified benefits to employees. Argentine employers, both in the public and private sectors, have experienced significant pressure from their employees and labor organizations to increase wages and to provide additional employee benefits. Due to high levels of inflation, employees and labor organizations regularly demand significant wage increases.

Through Resolution No. 10/2023 of the Ministry of Labor, Employment and Social Security, a minimum living and mobile wage of Ps.105,500 was established as of July 1, 2023, from 112,500 as of August 1, 2023 and Ps.118,000 as of September 1, 2023.

It is possible that the Argentine government could adopt measures mandating further salary increases or the provision of additional employee benefits in the future. Any such measures could have a material and adverse effect on our business, results of operations and financial condition.

Argentine corporations may be restricted from making payments in foreign currencies or from importing certain products

There are certain restrictions in Argentina that affect corporations' ability to access the MLC to acquire foreign currency to transfer funds to other countries, service debt, make payments outside Argentina and other operations, requiring, in some cases, prior approval by the Central Bank. These restrictions may affect our operations and our expansions projects, as they require the import of services and goods for which payment may be restricted. The Argentine Government may impose or create further restrictions on the access to the MLC. In such case, the ability of Argentine corporations to make payments outside Argentina and to comply with their obligations and duties may be affected.

In addition, as a result of the deepening of exchange controls, the difference between the official exchange rate, which is currently utilized for both commercial and financial operations, and other informal exchange rates that arose implicitly as a result of certain operations commonly carried out in the capital market. The Argentine Government could maintain a single official exchange rate or create multiple exchange rates for different types of transactions, substantially modifying the applicable exchange rate at which we acquire currency to service our outstanding foreign currency denominated liabilities. We cannot predict how such current restrictions may evolve after this annual report, mainly regarding limitations to transfer funds outside the country.

The Argentine Government may impose further exchange controls or restrictions to capital transfers and modify and adopt other policies that may limit or restrict our ability to access international capital markets, to make payments of principal and interest and other additional amounts outside the country (including payments relating to our notes), to import certain products or goods that we use as inputs, or affect in other ways our business and our operational results, or cause the market value of our ADSs and our common shares to decline. Exchange controls in an economic environment in which the access to local capital markets is restricted may cause an adverse effect in our activities, mainly in our ability to make payments of principal and/or interest of our notes in foreign currency.

The conflict between Russia and Ukraine and between Israel and Iran could adversely affect the global economy, the Argentine economy and our operational results and financial condition.

On February 24, 2022, the President of Russia, Vladimir Putin, announced a military operation in the eastern Donbas region of Ukraine and began a full-scale invasion of the country.

The invasion received widespread international condemnation, with worldwide protests against the Russian invasion of Ukraine. The United States, the United Kingdom and other countries of the European Union imposed economic sanctions on Russia-such as the exclusion of certain Russian banks from the SWIFT financial system, airspace restrictions, export restrictions of Russian oil and gas, among others-which could eventually affect the supply of oil and gas from this country and trigger higher inflation and market shocks.

Actual and threatened responses to Russia's invasion, as well as a rapid peaceful resolution to the conflict, may also impact the markets for certain commodities, such as electricity, oil and natural gas, and may have collateral impacts, including increased volatility, and cause disruptions to the availability of certain commodities, commodity and futures prices and the supply chain globally. Rising wheat prices raised tensions in countries like Egypt, which rely heavily on wheat exports from Russia and Ukraine, and sparked fears of social unrest. On the other hand, Russia is the second largest oil exporter in the world and the largest producer of natural gas, causing the world oil prices jumped over U.S.\$110 per barrel in 2022, and the cost of natural gas reached a new record high in Europe. In this sense, in Argentina, the natural gas supply for this next winter may be affected, with negative effects on the energy generation, especially for industries. The shortage on natural gas may adversely affect our pipeline system and operations.

On April 13, 2024, Iran launched a large-scale attack with drones and missiles against Israel in retaliation for an alleged Israeli attack on an Iranian diplomatic complex in Syria on April 1, 2024. The Argentinean Government condemned the attack of Iran against the State of Israel and reaffirmed its support for Israel's legitimate right to defend its sovereignty. As of the date of this Annual Report we cannot predict the final outcome or consequences that may arise from this conflict, and the direct or indirect effects that this conflict may have on Argentina and particularly on our business.

We continue operating in a period of economic uncertainty and capital markets disruption, which has been significantly impacted by geopolitical instability since the ongoing military conflict between Russia and Ukraine, escalation of conflict between Israel and Iran, poor global economic performance, a potential recession looming in the U.S. and Europe and China showing weak growth.

The open conflict in Europe is a trigger for many the geopolitical risks over the short- and medium-term. As Western sanctions on Russia bite and Russia weaponizes energy, the siege-like standoff between the West and Russia may escalate, and ripple effects from Ukraine war or the unknown effects of the arising conflict between Israel and Iran will continue to amplify challenges as emerging markets face a slow rebound from COVID, including high food and energy costs, higher U.S. interest rates, a strong U.S. dollar and slow Chinese growth.

Any of the above-mentioned factors could affect our business, prospects, financial condition, and operating results. The extent and duration of the military action, sanctions, and resulting market disruptions are impossible to predict, but could be substantial. Any such disruptions may also magnify the impact of other risks described in this Annual Report.

Risks Relating to Our Shares and ADSs

Shareholders outside Argentina may face additional investment risk from currency exchange rate fluctuations in connection with their holding of our shares or ADSs represented by ADRs. Exchange controls imposed by the Government may limit our ability to make payments to the Depositary in U.S. dollars, and thereby limit ADR holders' ability to receive cash dividends in U.S. dollars.

We are an Argentine company and any future payments of dividends on our shares will be denominated in pesos. The peso has historically fluctuated significantly against many major world currencies, including the U.S. dollar. A depreciation of the peso would likely adversely affect the U.S. dollar or other currency equivalent amount of any dividends paid on our shares and could result in a decline in the value of our shares and ADRs as measured in U.S. dollars.

From 2011 to December 2015, Argentine companies were required to obtain prior approval from BCRA and Argentine tax authorities in order to engage in certain foreign exchange transactions. In September 2019 the Government reinstated the above previous measures and since then has implemented additional exchange control restrictions. Thus, our shareholders' ability to receive cash dividends in U.S. dollars was limited by the ability of the Depositary for our ADR program to convert cash dividends paid in pesos into U.S. dollars. Under the terms of our Deposit Agreement for the ADRs, to the extent that the Depositary can in its judgment, and in accordance with local exchange regulations, convert pesos (or any other foreign currency) into U.S. dollars on a reasonable basis and transfer the resulting U.S. dollars outside of Argentina, the Depositary will as promptly as practicable convert or cause to be converted all cash dividends received by it in pesos on the deposited securities into U.S. dollars. If in the judgment of the Depositary this conversion is not possible on a reasonable basis (or is not permitted by applicable Argentine laws, regulations and approval requirements), the Depositary may distribute the pesos received or in its discretion hold such currency uninvested without liability for interest thereon for the respective accounts of the owners entitled to receive the same. As a result, if the exchange rate fluctuates significantly during a time when the depositary cannot convert the foreign currency, you may lose some of the value of the dividend distribution.

In the event that the BCRA does not grant the applicable authorization, we reserve the right to agree with the Depositary the reasonable legal measures for the effective payment of dividends to ADR holders who reside outside of Argentina. As a result, such ADR holder may not timely receive the full dividend distribution or receive at all any such distribution.

Our principal shareholders exercise significant control over matters affecting us, and may have interests that differ from those of our other shareholders.

As of the date of this Annual Report, our controlling shareholder is **CIESA**, which holds 51% of our common stock. FGS holds 24.0% of our common stock. Local and foreign investors hold the remaining ownership of our common stock. CIESA is under co-control of Pampa Energía S.A. ("**Pampa Energía**"), which holds 50% of CIESA's common stock, and Grupo Inversor Petroquímica S.L. (member of GIP Group, controlled by the Sielecki family; "**GIP**"), and PCT L.L.C. ("**PCT**"), which directly and indirectly through PEPCA S.A. ("**PEPCA**") holds a 50% of the common stock of CIESA.

We cannot assure you that the interests of our principal shareholders will not diverge from the interests of our other investors. See "*Item 7. Major Shareholders and Related Party Transactions.*"

Sales of a substantial number of shares could decrease the market prices of our shares and the ADRs.

CIESA holds 51% of our Class "A" shares. Pursuant to the *Pliego de Bases y Condiciones para la Privatización de Gas del Estado S.E.* (the "**Pliego**"), CIESA may not reduce its shareholding below 51% of our share capital without the competent authorities' approval. The market prices of our common shares and ADRs could decline as a result of sales by our existing shareholders, such as the ANSES, or of any other significant shareholder of common shares or ADRs in the market, or the perception that these sales could occur.

Under Argentine law, shareholder rights may be fewer or less well defined than in other jurisdictions.

Our corporate affairs are governed by our Bylaws, the General Companies Act and Law No. 26,831, which differ from the legal principles that would apply if we were incorporated in a jurisdiction in the United States or in other jurisdictions outside Argentina. In addition, rules governing the Argentine securities markets are different and may be subject to different enforcement in Argentina than in other jurisdictions.

As a foreign private issuer we are exempt from certain rules that apply to domestic U.S. issuers.

We are subject to the informational requirements of the Exchange Act applicable to foreign private issuers. Under U.S. securities laws, as a foreign private issuer we are exempt from certain rules that apply to domestic U.S. issuers with equity securities registered under the Exchange Act.

For example, as a foreign private issuer, in the United States, we are not subject to the same disclosure requirements as a domestic U.S. registrant under the Exchange Act, including the requirements to prepare and issue quarterly reports on Form 10-Q or to file current reports on Form 8-K upon the occurrence of specified significant events, the proxy rules applicable to domestic U.S. registrants under Section 14 of the Exchange Act or the insider reporting and short-swing profit rules applicable to domestic U.S. registrants under Section 16 of the Exchange Act. In addition, we have relied, and intend to keep relying, on exemptions from certain U.S. rules which permit us to follow Argentinian legal requirements rather than certain of the requirements that are applicable to U.S. domestic registrants. As a result of the above, even though we are required to file reports on Form 6-K disclosing the information which we have made or are required to make public pursuant to Argentinian law, or are required to distribute to shareholders generally, and that is material to us, you may not receive information of the same type or amount that is required to be disclosed to shareholders of a U.S. company.

We are also exempt from many of the corporate governance requirements of the New York Stock Exchange.

Changes in Argentine tax laws may adversely affect the tax treatment of our Class B Shares or ADSs.

Pursuant to Law No. 26,893, the sale, exchange or other transfer of shares and other securities is subject to capital gains tax at a rate of 15% when the purchaser and the seller are not Argentine residents. When both the purchaser and the seller of our Class B Shares or ADRs are non-residents, the purchaser is required to pay the capital gains tax in addition to the purchase price of the Class B Shares or ADSs. In addition, if the purchaser is legally liable for capital gains taxes in Argentina, then the purchaser will likely not be entitled to receive any tax credit in the United States in respect of the payment of any such taxes.

On December 29, 2017, the Macri Administration enacted, through Decree No. 1112/2017, a tax reform (the “**Tax Reform**”). The Tax Reform provides that only the results from sales, transfers or dispositions of shares, securities representing shares and certificates of deposit of shares that are carried out through stock exchanges or stock markets authorized by the CNV under conditions that guarantee the principle of price/time priority of the offers obtained by individuals and undivided estates resident in Argentina shall be exempted.

The foregoing exemption shall also be applicable to foreign beneficiaries to the extent that said beneficiaries do not reside in and the funds do not come from non-cooperative jurisdictions. Decree No. 279/2018 provides that until the decree of the Income Tax Law of Argentina regulates the definition of non-cooperative jurisdiction, the white-list established in Decree No. 589/2013 (dated 05/27/2013) will be applicable to determine if a jurisdiction is non-cooperative jurisdiction.

The Tax Reform also establishes an exemption for such foreign beneficiaries on the sale of share certificates issued outside of Argentina that represent shares issued by Argentine companies which have been granted with a public offering authorization by the CNV (i.e., ADRs). The exemptions will only apply if the foreign beneficiaries do not reside in and the funds do not arise from “non-cooperating” jurisdictions.

Pursuant to Decree No. 279/2018, if the foreign beneficiary resides in a non-cooperative jurisdiction or the funds come from a non-cooperative jurisdiction, the capital gains tax rate is 35%.

Whereas, previously, if the sale was carried out between non-Argentine residents the non-Argentine resident purchaser was responsible for paying the tax when the seller was a non-resident, currently it is the seller, through their legal representative domiciled in Argentina, who is responsible for paying the tax, except when the purchaser is a resident individual or legal entity. If the seller does not have a legal representative, the tax should be paid by the seller according to Decree No. 279/2018.

Further rulemaking or interpretation of the amended income tax law by the Argentine tax authority may adversely affect the tax treatment of our Class B Shares or ADSs.

Holders of ADRs may be unable to exercise voting rights with respect to our Class B Shares underlying the ADRs at our shareholders' meetings.

We will treat the Depositary for all purposes as the shareholder with respect to the shares underlying the ADRs. As a holder of ADRs representing the ADRs being held by the Depositary in your name, you will not have direct shareholder rights and may exercise voting rights with respect to our Class B Shares represented by the ADRs only in accordance with the Deposit Agreement. There are no provisions under Argentine law or under our Bylaws that limit the exercise by ADR holders of their voting rights through the Depositary with respect to the underlying Class B Shares. However, there are practical limitations on the ability of ADR holders to exercise their voting rights due to the additional procedural steps involved in communicating with these holders. ADR holders may be unable to exercise voting rights with respect to our Class B Shares underlying the ADRs as a result of these practical limitations.

Holders of ADRs may be unable to exercise preemptive, accretion or other rights with respect to the Class B shares underlying the ADSs.

Holders of ADSs may not be able to exercise the preemptive or accretion rights relating to the shares underlying the ADSs unless a registration statement under the Securities Act is effective with respect to those rights or an exemption from the registration requirements of the Securities Act is available. We are not obligated to file a registration statement with respect to the shares relating to these preemptive rights, and we cannot assure you that we will file any such registration statement. Unless we file a registration statement or an exemption from registration is available, holders may receive only the net proceeds from the sale of their preemptive rights by the depositary or, if the preemptive rights cannot be sold, they will be allowed to lapse. As a result, U.S. holders of Class B Shares or ADSs may suffer dilution of their interest in our company upon future capital increases.

In addition, under the General Companies Act, foreign companies that own shares in an Argentine corporation are required to register with the Superintendency of Corporations (*Inspección General de Justicia* or the "IGJ") in order to exercise certain shareholder rights. Voting rights in a Shareholder meeting can be exercised through duly instituted agents, as is regulated by Law No. 26,831. If you own our Class B Shares directly (rather than in the form of ADSs) and you are a non-Argentine company and you fail to register with the IGJ, your ability to exercise your rights as a holder of our Class B Shares may be limited.

The NYSE and/or BYMA may suspend trading and/or delist our ADSs and common shares, respectively, upon occurrence of certain events relating to our financial situation.

The NYSE and/or the BYMA may suspend and/or cancel the listing of our ADSs and common shares, respectively, in certain circumstances, including upon the occurrence of certain events relating to our financial situation.

The NYSE may in its sole discretion determine on an individual basis the suitability for continued listing of an issue in the light of all pertinent facts. Some of the factors mentioned in the NYSE Listed Company Manual, which may subject a company to suspension and delisting procedures, include: “unsatisfactory financial conditions and/or operating results,” “inability to meet current debt obligations or to adequately finance operations,” and “any other event or condition which may exist or occur that makes further dealings or listing of the securities on the NYSE inadvisable or unwarranted in the opinion of NYSE.”

We cannot assure you that the NYSE and/or BYMA will not commence any suspension or delisting procedures. A delisting or suspension of trading of our ADSs or common shares by the NYSE and/or BYMA, respectively, could adversely affect our results of operations and financial conditions and cause the market value of our ADSs and common shares to decline.

The price of our Class B Shares and the ADSs may fluctuate substantially, and your investment may decline in value.

The trading price of our Class B Shares is likely to be highly volatile and may be subject to wide fluctuations in response to factors, many of which are beyond our control. Such factors include:

- fluctuations in our periodic operating results;
- changes in financial estimates, recommendations or projections by securities analysts;
- changes in conditions or trends in our industry;
- events affecting equities markets in Argentina;
- legal or regulatory measures affecting our financial conditions;
- departures of management and key personnel; or
- potential litigation or the adverse resolution of pending litigation against us or our subsidiaries.

The stock markets in general have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the companies involved. We cannot assure you that trading prices and valuations will be sustained. These broad market and industry factors may materially adversely affect the market price of our Class B Shares and the ADSs, regardless of our operating performance. Market fluctuations, as well as general political and economic conditions in Argentina, such as recession or currency exchange rate fluctuations, may also adversely affect the market price of our Class B Shares and the ADSs. In particular, currency fluctuations could impact the value of an investment in Argentina. Although our ADSs listed on the NYSE are U.S. dollar-denominated securities, they do not eliminate the currency risk associated with an investment in an Argentine company.

For example, due to various factors (including, but not limited to, the abrupt variation in the exchange rate in Argentina) prices of equity securities in Argentina have decreased substantially since 2018, which prompted investors to dispose of their investments in Argentina resulting in further downward pressure on the price of equity securities. Future sales of substantial amounts of our Class B Shares and ADSs, or the perception that such future sales may occur, may result in additional pressure on the price of our Class B Shares and ADSs. Also, future sales of treasury shares, may also have a negative impact on the price of our Class B Shares and ADSs.

Following periods of volatility in the market price of a company's securities, that company may often be subject to securities class-action litigation. This kind of litigation may result in substantial costs and a diversion of management's attention and resources, which would have a material adverse effect on our business, results of operations and financial condition.

The relative volatility and illiquidity of the Argentine securities markets may substantially limit the ability to sell the Class B Shares underlying the ADSs on the BYMA at the price and time desired by the shareholder.

Investing in securities that trade in emerging markets, such as Argentina, often involves greater risk than investing in securities of issuers in the United States, and such investments are generally considered to be more speculative in nature. The Argentine securities market is substantially smaller, less liquid and more concentrated and can be more volatile than major securities markets in the United States and is not as highly regulated or supervised as some of these other markets. There is also significantly greater concentration in the Argentine securities market than in major securities markets in the United States. Accordingly, although shareholders are entitled to withdraw the Class B Shares underlying the ADSs from the depository at any time, the ability to sell such shares on the BYMA at a price and time shareholders might want may be substantially limited.

Item 4. Our Information

A. Our History and Development

General

Operations

We commenced commercial operations on December 28, 1992, as the largest company created in connection with the privatization of Gas del Estado S.E. ("GdE"), the Argentine state-owned natural gas company, the integrated operations of which included natural gas transportation and distribution. GdE was divided into ten companies: two transportation companies and eight distribution companies.

Our legal name is Transportadora de Gas del Sur S.A. We are a limited liability company (*sociedad anónima*), incorporated under the laws of Argentina on December 1, 1992. Our registered offices are located at Cecilia Grierson 355, 26th Floor, Buenos Aires (C1107CPG), Argentina, our telephone number is (54 11) 4371-5100 and our web address is www.tgs.com.ar. According with our public records, our length of life is set to expire on November 30, 2091 (which could be renewed, in accordance with the applicable law).

We are currently the largest transporter of natural gas in Argentina and operate the most extensive pipeline system in Latin America in terms of length, delivering approximately, as of December 31, 2023, more than 60% of the total natural gas transported in Argentina, through 5,746 miles of pipeline, of which we operate 4,768 miles on an exclusive basis pursuant to the License (the “**Natural Gas Transportation**”). Our transportation system connects the Neuquén, San Jorge and Austral basins, the major natural gas fields located in the south and west of Argentina, to the greater Buenos Aires area and the major consumption centers of southern Argentina. During the Fiscal Year 2023, approximately 82% of our revenues of this business segment corresponds to firm natural gas transportation services under firm long-term natural gas transportation contracts. Natural gas transportation customers with firm contracts pay for the contracted pipeline capacity regardless of actual usage. Our Natural Gas Transportation business is regulated by ENARGAS, and revenues from this business represented 22%, 25% and 27% of our total revenues for the years ended December 31, 2023, 2022 and 2021, respectively.

We conduct our Natural Gas Transportation business pursuant to the License, which is currently scheduled to expire in 2027 and which is extendable for an additional ten-year period at our option if certain technical conditions described in the License are met. ENARGAS is required at that time to evaluate our performance and make a recommendation to the Executive Branch for the extension of our License. If ENARGAS determines that we are in substantial compliance with all our obligations arising under the Natural Gas Law No. 24,076 (the “**Natural Gas Law**”), related regulations and our License, the extension should be granted by the Executive Branch. ENARGAS would bear the burden of proving that we had not met the technical conditions referred to above and, therefore, that the extension of the License should not be granted. To the extent that we were found not to have satisfied the conditions described above or chose not to seek the extension of our License, we would be entitled to certain specified compensation. In September 2023, we submitted a request to ENARGAS for a 10-year extension of the natural gas transportation License, which is set to expire in December 2027. This request will need to be reviewed and addressed by the government authorities. See “—B. Business Overview—Natural Gas Transportation—Regulatory Framework—Certain Restrictions with Respect to Essential Assets” below.

The License gives us the exclusive right to operate the existing southern Argentine natural gas transportation pipeline system. Our natural gas transportation system connects major natural gas fields in southern and western Argentina with both distributors and large consumers of natural gas in those regions as well as in the greater Buenos Aires area, the principal population center of Argentina.

The map below illustrates the natural gas pipeline system in Argentina as of December 31, 2023:

The Vaca Muerta system has two gathering pipes: the first has a length of 71 miles, a 36" diameter and a 35 MMm³/d transportation capacity (the "**Northern Section**") and the second has a 22 miles extension, a 30" diameter and 25 MMm³/d transportation capacity (the "**Southern Section**"). The natural gas transported through this pipeline system is treated at a new conditioning plant that we built at Tratayén, Province of Neuquén with an initial capacity of 7.8 MMm³/d. This project consolidates our position as the first midstream services provider in the Vaca Muerta field and required an investment of approximately U.S.\$260 million in the aggregate. On April 29, 2019, the assembly and pressurization work on the connection of the Vaca Muerta pipeline to Neuba II Gas Pipeline were completed, which led to revenues from the month of May 2019. On August 22, 2019, the SHR issued Resolution No. 491/2019, which declared this project as "critical" pursuant to Law No. 26,360. This allows us to obtain certain tax benefits from the investments in this project.

On March 2022, we executed an agreed minute with the Undersecretary of Energy, Mining and Hydrocarbons of the Province of Neuquén (*Subsecretaría de Energía, Minería e Hidrocarburos de la Provincia del Neuquén*) (the "Complementary Agreed Minute") whereby the parties commit to granting us an extension of the transportation concession to build and operate the pipeline expanded North Tranche II, which will gather the off-spec natural gas production from several hydrocarbons fields located mainly in the Vaca Muerta formation (the "**Expanded North Tranche II**"). In August 2022, we began this work with an investment of approximately U.S.\$ 48 million, this 20 miles long work will extend from the Los Toldos I Sur area to El Trapial (Vaca Muerta Norte). The pipeline has been operational since the end of July 2023.

We are currently executing additional investments that will allow us to expand our natural gas conditioning capacity and increase our role in the Vaca Muerta development.

For more information regarding our investments in Vaca Muerta area see "*Item 4. Our Information—B. Business Overview—Midstream—Midstream Services.*"

Controlling shareholders

As of the date of this Annual Report, our controlling shareholder is CIESA, which holds 51% of our common stock. Other local and foreign investors hold the remaining shares of our common stock, including FGS, which holds 24% of our common stock. CIESA is under co-control of Pampa Energía which holds 50% of the common stock of CIESA, and GIP and PCT, which directly and indirectly through PEPCA hold 50% of the common stock of CIESA.

For additional information regarding CIESA's current organizational structure, see "*Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders.*"

Capital expenditures

From January 1, 2021, through December 31, 2023, our aggregate capital expenditures, in Current Currency, amounted to Ps. 269,290 million. Such capital expenditures include Ps. 96,539 million related to natural gas transportation system, Ps. 21,868 million related to liquids production and commercialization activities and Ps. 150,883 million related to Midstream segment.

For the years 2023, 2022 and 2021, capital expenditures mostly include improvement to our gas transportation system and works performed for the construction and ramping-up of the Northern Section and Southern Section of the Vaca Muerta pipeline and the enhancement of Tratayén Plant and maintenance works of our natural gas pipeline system. Information relating to the size and financing of future investments is included in "*Item 5. Operating and Financial Review and Prospects.*"

Available documentation

The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC and state the address of that site (<http://www.sec.gov>). Our internet address is www.tgs.com.ar. This URL is intended to be an inactive textual reference only. It is not intended to be an active hyperlink to our website. The information included in our website or which may be accessed through our website is not part of this Annual Report, is not incorporated by reference herein or otherwise and should not be relied upon in determining whether to make an investment in any securities issued by us.

B. Business Overview

NATURAL GAS TRANSPORTATION

As a transporter of natural gas, we receive natural gas owned by a shipper, usually a natural gas distributor, at one or more intake points on our pipeline system for transportation and delivery to the shipper at specified delivery points along the pipeline system. Under applicable law and our License, we are not permitted to buy or sell natural gas except for our own consumption and to operate the pipeline system. See “*Regulatory Framework*” below for more information.

Our pipeline system connects major natural gas fields in southern and western Argentina with distributors and other users of gas in those areas and the greater Buenos Aires area. TGN, the only other natural gas transportation operating company that supplies the Argentine market, holds a similar license with respect to the northern pipeline system, which also provides natural gas transportation services to the greater Buenos Aires area.

Natural gas transportation services accounted for 22%, 25% and 27% of our total revenues in the years ended December 31, 2023, 2022 and 2021, respectively. In 2023, 74% of our average daily natural gas deliveries were made under long-term firm transportation contracts. See “*Customers and Marketing*” below. Natural gas firm transportation contracts are those under which capacity is reserved and paid for regardless of actual usage by the customer. Almost all of our natural gas firm contracted capacity is currently subscribed for at the maximum tariffs allowed by ENARGAS. During 2023, the amount of net revenues derived from natural gas firm transportation contracts was Ps. 80.983 million, representing 82% of the total revenues for the Natural Gas Transportation segment for such year. Substantially all of our remaining natural gas deliveries were made under natural gas interruptible transportation contracts entered into predominantly with four natural gas distribution companies, power plants and industrial customers. Interruptible contracts provide for the transportation of natural gas subject to available pipeline capacity. The Government has at times directed us to interrupt supply to certain customers and make deliveries to others without regard as to whether they have natural gas firm or interruptible contracts. See “*Regulatory Framework—Industry Structure*” below for more information.

Expansions of the system. In February 2017, the Ministry of Mines and Energy called for a national public tender for the purchase of pipelines to extend the natural gas network in some areas of the Province of Santa Fé, the Patagonian Andes and the coast of the Province of Buenos Aires.

Within this framework, we entered into a Transitional Union Agreement (“**UT**”) with SACDE Sociedad Argentina de Construcción y Desarrollo Estratégico S.A. (“**SACDE**”), a related company, for the purpose of participating jointly in the National Public Bid No. 452-0004-LPU17: Assembly of Pipes for the Construction of the Project “*Expansion of the Natural Gas Transportation and Distribution System.*” In this regard, the Ministry of Mines and Energy awarded to the aforementioned UT the construction of the Regional II-Recreo/Rafaela/Sunchales Regional Gas Pipeline.

As a result of the economic context and COVID, the UT sent a letter to ENARSA (in that moment Integración Energética Argentina S.A.), a company that is currently part of the Ministry of Productive Development, requesting, among other issues, the reestablishment of the economic-financial equation, readjustment of the work schedule, approval of cost redeterminations and price adjustments under the legal regime in force.

On July 9, 2021, the UT and ENARSA signed a restarting order and a restarting act of the works related to the Sunchales pipeline (the “**Sunchales Work**”), by means of which the work schedule was readjusted and ENARSA also assumed the commitment to manage and join efforts to guarantee the cash flow in order to avoid new impacts to the economic-financial structure of the contract of the Work, which would give rise to new requests - on the part of the UT - for the recomposition of the economic-financial equation of the contract and of the execution schedule of the Sunchales Work.

On February 7, 2022, the Secretary of Energy issued Resolution No. 67/2022 creating the “Transport.Ar Producción Nacional” Gas Pipeline System Program (the “**Transport.Ar Program**”) and declaring the construction of the NK Pipeline and complementary works as of public interest. The total investment will be roughly U.S.\$3.4 billion, of which 75% are expected to be allocated to the construction of the pipeline.

It will save on imports of natural gas, LNG and liquid fuels, at least U.S.\$1b/year. Moreover, the country will be able to export more, especially to the bordering countries.

Also, by means of Decree No. 76/2022 dated February 11, 2022, the concession of this gas pipeline was granted to ENARSA for a term of 35 years and the trust FONDESGAS (Fondo de Desarrollo Gasífero Argentino) was created, with Integración Energética Argentina S.A.(“IEASA”) as trustee and beneficiary, and BICE (Banco de Inversión y Comercio Exterior, a public bank) as trustee. ENARSA can designate a third-party to build, operate and maintain the facility.

The construction of the NK Pipeline is vital importance for the Argentine energy development. The construction of the NK Pipeline is set to occur in two different stages:

- By the end of August 2023, the first stage of the NK Pipeline, specifically the Tratayén-Salliqueló section, was authorized for operation. The complementary works, namely the Gasoducto Mercedes-Cardales, were authorized in the last week of November 2023, and the 29 km expansion on the final sections in our system was already enabled by late August 2023.

Currently, the installation of compressor plants is underway to increase the transportation capacity from its initial capacity of 11 MMm³/d to 21 MMm³/d, and it is expected to be completed in the first half of 2024.

We are the technical operator of the first stage of the NK Pipeline, including its two compressor plants, after ENARSA awarded us the operation and maintenance through a private tender on June 5, 2023, for a period of 5 years, extendable for up to an additional 12 months. We also serve as the technical operator of the Gasoducto Mercedes Cardales tranche, based on an agreement with a term of 5 years.

- The second stage of the NK Pipeline will connect the San Jerónimo area in the Province of Buenos Aires and the south of the Province of Santa Fé. The total capacity will be 39 MMm³/d with a length of 746 miles. The bidding process is still pending.

Customers and Marketing

Our principal service area is the greater Buenos Aires region in central-eastern Argentina. We also serve the more rural provinces of western and southern Argentina. As of December 31, 2023, our service area contains 6.3 million end users, including 4.1 million customers in the greater Buenos Aires area. Direct service to residential, commercial, industrial and electric power generation end users is mostly provided by four gas distribution companies in the area, all of which are connected to our pipeline system: Metrogas S.A., Naturgy Argentina S.A., Camuzzi Gas Pampeana S.A. and Camuzzi Gas del Sur S.A. These natural gas distribution companies serve, in the aggregate, 67% of the natural gas distribution market in Argentina. The other five Argentine distribution companies are located in and serve northern Argentina and are not connected directly to our pipeline system.

The table below contains certain information for the year ended December 31, 2023, as it relates to the distribution companies that are connected to our pipeline system:

Company	Annual deliveries (MMm3)	Volume of market served (in %)	No. of end users (in millions)	Deliveries received from us (in %)
Metrogas ⁽¹⁾	5.6	19	2.4	88
Camuzzi Pampeana ⁽¹⁾	5.8	20	1.4	96
Camuzzi Sur	4.7	16	0.8	100
Naturgy Argentina ⁽¹⁾	3.6	12	1.7	70
		67	6.3	

(1) Also connected to the TGN system.

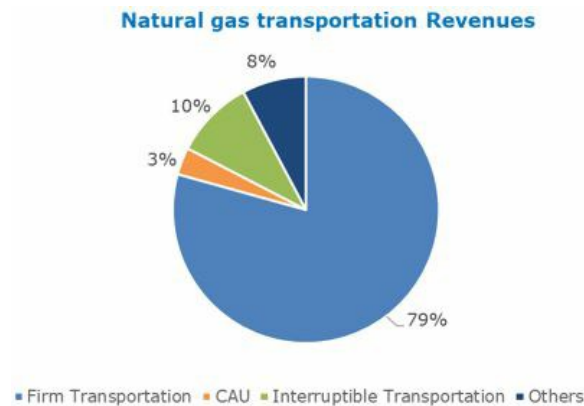
Source: ENARGAS

The firm average contracted capacity for our four largest distribution customers, Pampa Energía and for all other customers, as a group, as of December 31, 2023, 2022 and 2021, together with the corresponding net revenues derived from natural gas firm transportation services during such years and the net revenues derived from interruptible services during such years are set forth below:

	For the years ended December 31,					
	2023		2022		2021	
	Average firm contracted capacity (MM3/d)	Net revenues (millions of pesos)	Average firm contracted capacity (MM3/d)	Net revenues (millions of pesos)	Average firm contracted capacity (MM3/d)	Net revenues (millions of pesos)
Metrogas	16.7	24,318	16.7	32,249	16.7	36,814
Camuzzi Pampeana	15.5	18,070	15.8	23,880	15.8	27,120
Naturgy Argenti	11.8	14,713	11.8	19,575	11.8	21,959
Camuzzi Sur	10.8	4,487	11.0	5,658	11.2	6,269
Pampa Energía	3.2	3,461	3.2	4,582	3.2	5,190
Others	25.1	34,003	24.5	40,623	23.9	51,283
Total	83.1	99,052	83.0	126,567	82.6	148,635

We play a leading role in the natural gas industry in Argentina and satisfy 70 direct customers and 6.3 million indirect customers for the year ended December 31, 2023.

As of December 31, 2023, the total contracted firm or “ship or pay” capacity was 83.1 MMm3/d with a weighted average life of approximately 10 years.



Pipeline Operations

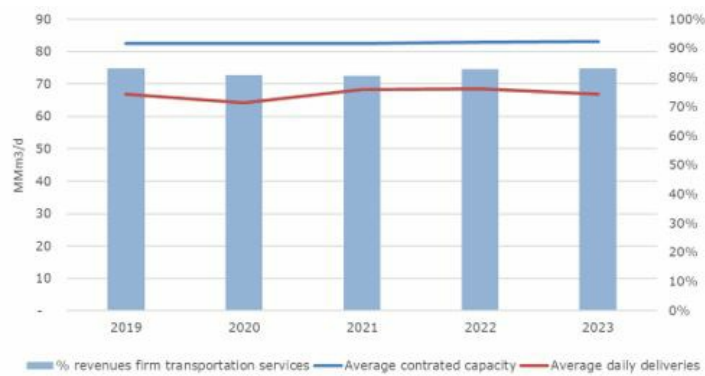
Pipeline Deliveries. The following table sets forth our average daily natural gas firm and interruptible transportation deliveries for 2023, 2022 and 2021:

	For the year ended December 31,		
	2023	2022	2021
	Average daily deliveries (MMm3/d)	Average daily deliveries (MMm3/d)	Average daily deliveries (MMm3/d)
<i>Firm:</i>			
Metrogas	10.9	12.9	11.7
Camuzzi Pampeana	10.5	10.8	10.4
Camuzzi Sur	7.4	7.1	7.3
Naturgy Argentina	6.5	6.7	6.4
Others	14.5	15.6	15.8
Subtotal firm	49.8	53.1	51.6
Subtotal interruptible	17.0	15.5	16.7
Total	66.8	68.6	68.3
Average annual load factor ⁽¹⁾	80%	83%	83%
Average winter heating season load factor ⁽¹⁾	90%	85%	95%

(1) Average daily deliveries for the period divided by average daily firm contracted capacity for the period, expressed as a percentage.

Natural gas daily average injection to the pipeline system operated by us amounted to 73.4 MMm3/d in 2023, 2% higher than 2022. It should be noted that the contribution of the Neuquén basin increased with respect to last year, while the southern basin decreased its injection.

The chart below shows the main operating data for the natural gas transportation segment.



Natural Gas Transportation System Improvements. In 2023, 2022 and 2021, we made capital expenditures aimed at the enhancement of our natural gas transportation system’s safety and reliability in the aggregate amount of Ps. 27.261 million. We operate our pipeline system and the pipeline constructed pursuant to the Gas Trust in accordance with Argentine natural gas transmission safety regulations, which are substantially similar to U.S. federal regulations. Based on the pipeline inspection reports we have received to date and the current operation of the pipeline system, we do not foresee any significant safety risks. In order to identify changes in the safety regulations that our pipeline system has to comply with, we conduct inspections for the purpose of detecting increases in the population density in the areas through which our pipeline system extends. Changes in population densities may require us to increase safety measures in certain sections of the system.

The “greater” Buenos Aires area comprises the City of Buenos Aires and its surrounding area. One end of our natural gas transportation system (the “**Buenos Aires Ring**”) is located in the greater Buenos Aires area, where we transfer natural gas for further delivery to major natural gas distribution companies.

System Improvements. In 2023, 2022 and 2021, our pipeline system satisfactorily met the demands generated by the winter season and the requirements of ENARGAS. To that effect, we carried out several maintenances, prevention and inspection works.

Throughout the 2023, we conducted integrity assessment tasks, such as in-line inspections along 2,559 km of pipelines and pipelines evaluations through direct assessment techniques, namely CIS surveys over 233 km and DCVG surveys over 255 km (on sections with no Scraper Traps). The purpose of these tasks is to identify, assess and control threats to pipelines integrity - such as external corrosion, geometrical defects, manufacture and/or construction anomalies, recoating failures, among others.

As part of our 2023 recoating program, we executed recoating replacements over 13 km of the pipeline system. This pipeline rehabilitation program has been the most significant of this kind ever undertaken by tgs, not only because of its economic scope but also due to the technical deployment it has entailed. We are also carrying out recoating works at three valve facilities along the San Martin Pipeline in the province of Buenos Aires.

We also conducted non-destructive tests by means of the use of magnetic particles, ultrasound and hardness measurements for the identification of anomalies in longitudinal weld seams, stress corrosion cracking (“SCC”), by means of which we were able to detect anomalies that could be mitigated through pipe replacements. These recoating works aim at mitigating the risk of external corrosion and/or SCC as well as to survey and correct any pipe anomaly that in the future may deteriorate the ducts and interrupt the service. This is how we extend the useful life of our facilities.

Also in this regard, in order to mitigate corrosive activity, we carried out filling works in reinforcement sleeves to ensure integrity in high population density areas.

Within the SCC assessment and mitigation plan, we implemented an inline inspection plan with “EMAT” technology to detect cracking, having completed the inspection of 567 km in 2023.

Departing from an analysis and planning carried out by the pipeline integrity team, we conducted an assessment campaign of 157 external corrosion and geometrical defects, anomalies in longitudinal and circumferential seams, which required immediate repairs that were executed by means of the installation of 30 pipe replacements and 21 welding reinforcements.

In addition, we assessed the integrity of 10 derivations located in the Las Heras – Pacheco pipeline section.

On the topic of cathodic protection, to mitigate the advance of corrosion and improve reliability, we kept strengthening the system with the installation of 2 new units and 10 current reinforcement lenses as well as the renewal of 4 facilities that were obsolete.

All the works mentioned above— which enable us to verify the overall condition of the facility and conduct the required adjustments for their service continuity— underline our commitment to safety and to the care of our people and the environment, all main cornerstones in our pledge to render a reliable natural gas transportation service. Being the Buenos Aires ring a high population density area and driven by our goal to minimize inherent risks in such pipeline segment, we continued with the implementation of works that mitigate third parties’ damage. Thus, we continue with the expansion of the optical fiber intruder detection system by 8 further km of pipeline, in the cities of Las Heras and Cañuelas. This work complements the one completed last year, totaling an aggregate coverage of 116 km of pipeline monitored via intruder detection systems. Likewise, in order to raise awareness among the community, we increased our facilities’ signaling and—in the areas neighboring the most sensitive sections of the system— we conducted virtual and remote damage prevention activities, such as communications via radio, media and networks for the public in general, meetings with municipalities and ground-breaking & services companies in Buenos Aires, Neuquén and Rio Negro. Also, we conducted door-to-door communication campaigns in Neuquén, Rio Negro and Bahía Blanca in the communities near the pipeline, with the aim of raising awareness regarding gas pipelines’ related risks and how to prevent them. Concerned with the safety of our people, we concluded works to adapt the grounding of 22 Cathodic Protection units, thus reducing the risk of electric shock at our facilities. In 2023, we successfully finalized the winter maintenance plan, which allows us to ensure the safe and reliable operation of pipelines.

One of the relevant matters we dealt with this year was the entrance of the NK Pipeline into **tgs**’ transportation system at the Saturno plant. This added around 11 MMm3/d to the final sections systems, which implied a reorganizing of the volumes distributed through the Neuba II pipeline and its own loop. Additionally, the connection of the new pipeline Mercedes – Cardales generated new dynamics in the management of incremental gases in deliveries both to the Buenos Aires distribution ring and to TGN.

Regarding technological changes, we are proceeding with the definition, development and implementation of the remote operation of compressor plants. We have made progress in the technological updating of the elements with the aim of including Saturno Plant to this new transportation system control philosophy. This is the first step towards what we refer to as our “Compressor Plants Operation Updating.” At the Piedrabuena and Olavarría compressor plants, we completed the installation of new control systems in turbine compressors to replace the original Hispano Suiza systems. This will derive in greater operative reliability and improvements in units’ maintenance. At the Belisle plant we are moving forward with the replacement of the Foxboro control system with a new control system based on PLC. We are currently working on detail engineering and purchase of supplies for their integration.

At the Fiat and Bosque Petrificado plants we are making progress in the replacement of gas indirect heaters which will have their control systems updated. With respect to the Indirect Heater of the Fiat plant, its technology is being changed to an electric heating system.

As part of our environmental care activities, we are still working on the installation of venting systems at the Fortín Uno, Gaviotas and La Adela plants. At the Cervantes, Belisle and Chelforó plants, we are installing biodigesters as an improvement to the current sewage effluent systems.

Works at Liquids Facilities

We conducted works aimed at extending the useful life of pressure containers and ducts, to boost their reliability, reduce risks at facilities and meet government requirements. The scope of these tasks included several unit inspections and preventive maintenance at our facilities, including the Galvan Plant dock polyducts. A further remarkable maintenance task we concluded was the replacement of the whole insulation material of the B heater, to which a new safety system was added as well.

We conducted works to improve the reliability of a steam turbine at the eco-energy plant within the execution of major maintenance works. We carried out inspections in the steam heater in line with government requirements, repaired the facilities and also executed anti-corrosive protection works in ducts and critical equipment.

Committed to the continuous and safe management of our facilities, we certified and adjusted the relief systems of 7 spheres of Planta Galván, 2 Langmar tanks and the absorbing tank in accordance with current regulations. Pursuing our path towards client satisfaction and environmental care, we installed a new CO2 analyzer in the ethane product and we assembled an air compressor for quality certification chromatographs. On the other hand, we started investments to mitigate technological obsolescence risks and increase our processes’ operative safety. We can highlight the following developments at the Galván Plant: civil work conditioning of the electric distribution rooms in Galvan Plant for the new transformer, acquisition of cryogenic material for the replacement of ducts in the Cooling Plant with critical indications, adaptation of Tank V1 and the new level measurement systems for spheres 1, 2 and 3. At the Cryogenic Plant, we can point out at the following projects that required a full Cerri Complex stoppage: the removal of the original dashboard of the Cryogenic Plant control room, the finalization of the Safety Instrument System, new medium-voltage cells at the Cryogenic Plant and the revamping of the 110VCC electric distribution system.

Addressing the need to update operative technologies, we conducted works to enhance cybersecurity at the Galván Plant and the Cerri Complex. Besides, in the field of safety we conducted works on the firefighting systems, of which it is worth mentioning the new firefighting central for the Cerri Complex storage, the new firefighting devices for the Langmar plant and the technological upgrading of the CO2 tank at the Cryogenic Plant.

Works at Vaca Muerta facilities

Making headway with the expansion of the Tratayén plant —process developed through projects required to increase our Midstream services offer—, this year we installed two conditioning units with Joule Thompson technology that increase the plant’s conditioning capacity by 7 MMm³/day. We are also executing the installation of two other Propak conditioning turbine expanders modules that in the future may be converted to natural gas processing, each of which will increase conditioning capacity by 6.6 MMm³/day. On the other hand, focused on the growth of the Vaca Muerta system, in 2023 we launched the works required to include auxiliary services such as a new gasoline stabilization plant (the third for this facility), the expansion facilities for natural gas inflows and outflows as well as the purchase of new land. As mentioned above, we completed the expansion of the Northern Vaca Muerta pipeline from Los Toldos to the Trapial field with a duct of a 20 miles length and a nominal diameter of 30 inches.

Lastly, we also participated in works for third parties, putting into service several facilities such as the Vista and Tecpetrol links to the Vaca Muerta Pipeline System.

Technical Assistance Services Agreement. As part of its bid to purchase a 70% interest in us from the Government, CIESA was required to have an investor-company with experience in natural gas transmission that would serve as our technical operator. In late 1992, we entered into a Technical Assistance Agreement with PEPCA (the “**Technical Assistance Agreement**”), an indirect, majority-owned subsidiary of Enron Corp. (“**Enron**”). The term of the Technical Assistance Agreement was for eight years from December 28, 1992, renewable automatically upon expiration for an additional eight-year term and was assigned to Petrobras Argentina S.A. (“**Petrobras Argentina**”) as part of a master settlement agreement. Since July 2004, Petrobras Argentina was our technical operator and was in charge of providing assistance related to, among others, the operation and maintenance of the natural gas transportation system and related facilities and equipment in order to ensure that the performance of the system is in conformity with international natural gas transportation industry standards and in compliance with certain Argentine environmental standards.

On July 27, 2016, Petrobras Argentina was acquired by Pampa Energía. For further information, see “*Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders.*”

With the prior approval of ENARGAS and our Board of Directors, in December 2017, we and Pampa Energía agreed to a technical, financial and operational assistance service agreement (the “**SATFO**”) for a three-year term. The SATFO substantially contains the same terms as the Technical Assistance Agreement, as amended. However, the scope of the contract was extended to include a greater number of services that Pampa Energía must render us. Any amendment, assignment or even termination of the SATFO has to be authorized by ENARGAS. Pursuant to the SATFO, the currency for the technical assistance fee paid to Pampa Energía is U.S. dollars. Our Audit Committee analyzed the SATFO and concluded that its price is on market terms.

The SATFO sets out the services to be provided by Pampa Energía to us, at the request of our Chief Executive Officer. Between December 2017 and October 2019, we received from Pampa Energía technical, financial and operational assistance and we paid a monthly fee for such services in amounts equal to the greater of (i) U.S.\$3 million and (ii) an amount equal to 7% of the difference between our net income before interests and income taxes of the most recently ended twelve-month period and U.S.\$3 million.

The services provided by Pampa Energía to us under the SATFO include assisting us in the following matters to the extent that they arise in the ordinary course of business: (i) replacement, repair and renovation of facilities and equipment to ensure that the performance of the system is in accordance with international gas transportation industry standards; (ii) preparation of performance evaluations, operating cost analysis, construction assessments and advice related to budget control; (iii) advice regarding safety, reliability and efficiency of system operation and gas industry services; (iv) advice regarding compliance with applicable laws and regulations relating to safety and industrial hygiene, pollution and environmental protection of the system; (v) routine and preventive maintenance of the system; (vi) staff training; (vii) design and implementation of the necessary procedures to provide with the aforementioned services; (viii) financial and insurance advice; (ix) advice on operational improvements such as risk analysis, generation and commercialization of electric energy, operative management of the “midstream,” human resources management, and legal and supply management; (x) advice on non-regulated businesses such as midstream, electric, petrochemical, processing, and construction, among others; and (xi) design and implementation of all major aspects of natural gas transportation and liquids production, as well as administrative information and control system to adequately inform our management group.

Our Board of Directors, at its meeting held on September 17, 2019, approved a proposal for Pampa Energía, as technical operator of the SATFO, for a significant reduction in the compensation it receives under the SATFO. The general and special shareholders meeting held on October 17, 2019, ratified such proposal. The Audit Committee also expressed its favorable opinion to such proposal, as required by the Capital Markets Law, because Pampa Energía is our related party.

According to such amendment, we extended the term of the SATFO until December 27, 2024 (automatically renewable for three more years) and replaced the provisions relating to the calculation of the fee payable to Pampa Energía. Pursuant to the amended SATFO, the monthly fee payable to Pampa Energía shall be equal to the greater of: (i) U.S.\$0.5 million and (ii) an amount equal to the percentage specified below for the corresponding period applied to the difference between our net income before interests and income taxes of the most recently ended twelve-month period:

- From 12/28/2019 to 12/27/2020: 6.5%
- From 12/28/2020 to 12/27/2021: 6%
- From 12/28/2021 to 12/27/2022: 5.5%
- From 12/28/2022 to 12/27/2023: 5%
- From 12/28/2023 to 12/27/2024 and onwards: 4.5%.

For the year ended December 31, 2023, we recorded a charge of Ps.6,078 million for services rendered by Pampa Energía pursuant to the amended SATFO.

The Argentine Natural Gas Industry

Historical Background. Prior to the privatization of GdE, the Argentine natural gas industry was effectively controlled by the Government.

In 1992, the Natural Gas Law was passed providing for the privatization of GdE. The Natural Gas Law and the related decrees provided for, among other things, the transfer of substantially all of the assets of GdE to two natural gas transportation companies and eight distribution companies. Currently there are nine authorized companies to distribute natural gas in Argentina. The ninth concession was added in 1998 and covers the Mesopotamian provinces, Formosa, Chaco, Entre Rios and Misiones which previously had no network for natural gas service. The license for the Mesopotamian region was awarded to GasNea S.A. The transportation assets were divided into two systems on a broadly geographical basis, the northern and southern trunk pipeline systems, designed to give both systems access to natural gas sources and to main centers of demand, including the greater Buenos Aires area. As a result of the division, our natural gas transportation system is connected to the two natural gas distribution systems serving the greater Buenos Aires area, one serving Buenos Aires Province (excluding the greater Buenos Aires area and the northeast of this province) and one serving southern Argentina. TGN is connected to five distribution systems serving northern Argentina. TGN is also connected to the natural gas distribution systems serving the greater Buenos Aires area and, to a limited extent, the natural gas distribution system serving Buenos Aires Province (excluding the greater Buenos Aires area). In the two instances where we are directly connected to a natural gas distribution system with TGN, we are the principal supplier of natural gas transportation services.

The Natural Gas Law and the related decrees granted each privatized natural gas transportation company a license to operate the transferred assets, established a regulatory framework for the privatized industry based on open, non-discriminatory access, and created ENARGAS to regulate the transportation, distribution, marketing and storage of natural gas. The Natural Gas Law also provided for the regulation of wellhead gas prices in Argentina for an interim period. Prior to deregulation, the regulated price was set at U.S.\$0.97 per million British thermal units (“**MMBtu**”) at the wellhead, which had been the regulated price since 1991. Pursuant to Presidential Decree No. 2,731/93, gas prices at the wellhead were deregulated as of January 1, 1994 and, from that date until the year 2002, the average price of gas increased.

In spite of the devaluation of the peso in 2002, increases in wellhead natural gas prices were limited until 2004. From May 2004 until August 2005, wellhead gas prices increased in a range from 105% to 180% (depending on the gas basins) for power plants, industries and large businesses. These adjustments were complemented by lower increases in the price of natural gas for CNG vehicles.

In October 2008, the former Federal Energy Bureau through Resolution No. 1,070/2008 increased natural gas at the wellhead for residential, CNG and power station users. According to this resolution, natural gas producers agreed to transfer all of the increase in prices actually received less certain deductible amounts to a trust fund established by Law No. 26,020, to allow low-income consumers with no access to natural gas to buy LPG at a subsidized price (the “**Stabilization Agreement**”). With Resolution No. 73/2015, the Federal Energy Bureau, under Decree No. 470/2015, ordered the termination of the trust approved by Resolution No. 1,080/2008 with effect from April 1, 2015. Through the Stabilization Agreement, we agreed to supply LPG fractionation companies at a reference price, which is substantially below market prices, certain volumes of LPG, which are determined by the SHR. As compensation, we received a fixed fee determined by the SHR.

Before the development of Vaca Muerta area in 2013, the Argentine natural gas industry has experienced rising demand, decreased supply, and lower investment in exploration, production, transportation, and distribution of natural gas as a result of economic factors, including the economic recovery of many industries and GDP growth, and government restrictions on increases in the wellhead price of natural gas and in the transportation and distribution tariffs.

As a result of this environment, the Government implemented a set of measures designed to address the combination of rising demand and lower investment in exploration, production, transportation and distribution of natural gas, including, among others:

- creation of ENARSA in 2004 for the purposes of restoring levels of reserves, production and supply of natural gas and meeting the infrastructure needs of the natural gas transportation and electricity industries;
- hiring of two re-gasifying liquified natural gas (“LGN”) tankers through IEASA, in Bahía Blanca (2008) and Escobar (2011), to inject natural gas into the pipeline. The tanker located at Bahía Blanca, which was retired in November 2018, was connected to our pipeline, and the tanker at Escobar is connected to TGN’s pipeline;
- establishment of a framework for the constitution of Gas Trusts to finance natural gas pipeline expansions works in transportation and distribution of natural gas;
- the passage of Law No. 26,741, which declares that hydrocarbons self-sufficiency, as well as their production, industrialization, transport and marketing, are activities of public interest and primary goals of Argentina, empowering the Government to take the necessary measures to achieve such goals;
- importation of natural gas from Bolivia and Chile, which has increased significantly over the past two years;
- creation of tariff charges to be paid by all consumers other than residential consumers in order to finance natural gas and electricity expansions and the import of natural gas;
- In order to foster the production of natural gas, the Argentine government adopted different programs, including the “Natural Gas Additional Injection Stimulus Program”, Gas Plan II (implemented by means of Resolution No. 60/2013), and the “Stimulus Program for New Natural Gas Projects” (*Programa de Estimulo a los Nuevos Proyectos de Gas Natural*);

In January 2017, the Government announced the implementation of certain benefits in order to increase oil and natural gas production. This announcement was aimed at attracting local and foreign investments with an emphasis in the Vaca Muerta formation of the Neuquina basin. The announcements included:

- an agreement with unions to amend current existing collective bargaining agreements for the sector;
- the elimination of the obligation of repatriation of funds due to oil and gas exports currently regulated by Decree No. 1,722/11; and
- the creation of a program (regulated by Resolution No. 46-E/2017), the Investment in Natural Gas Production from Non-Conventional Reservoirs Stimulus Program, which establishes a support price for the volume of non-conventional natural gas production from concessions located in the Neuquina basin included in the program. This program, originally scheduled to be effective until December 31, 2021, included a sliding-scale schedule for the minimum price to be paid per MMBtu: U.S.\$7.50 for 2018, U.S.\$7.00 for 2019, U.S.\$6.50 for 2020 and U.S.\$6.00 for 2021. In 2019, such program was modified by the Energy Secretary, and such decision of the Government resulted in conflicts between the Government and natural gas producers which led to a sharp decline in the number of investments made by natural gas producers since the second half of 2019.

On December 23, 2019, the Government enacted Solidarity Law, declaring a public emergency in economic, financial, fiscal, administrative, pension, tariff, energy, health and social matters. The Solidarity Law establishes that (i) natural gas tariffs under federal jurisdiction will remain unaltered for a term of one hundred eighty (180) days as from December 23, 2019, and (ii) the executive branch is empowered to renegotiate tariffs under federal jurisdiction, either within the framework of the current general tariff reviews or through an extraordinary review, in accordance with Law No. 24,076 (Gas Law).

On December 20, 2019, the Argentine congress enacted Law No. 27541 (the “**Solidarity Law**”). The Solidarity Law establishes the restructuring of the energy tariff scheme and froze the natural gas and electricity tariffs. In addition, the Solidarity Law entitles the Argentine Executive Branch to intervene the ENARGAS. From March 17, 2020, to December 31, 2023, ENARGAS underwent intervention.

Since March 2020 and during the rest of such year, the oil and NGL prices fell sharply and were very volatile primarily due to the COVID pandemic and geopolitical tensions among OPEC members and Russia. In addition, the quarantine measures taken by the Government to slow down COVID spread have caused a significant decrease in the consumption of natural gas and gasoline. The demand for natural gas in the industrial sector was affected by a reduction of small industries that were paralyzed especially in the Great Buenos Aires, and some large industries that have reduced their activity.

Additionally, the domestic demand for fuels decreased considerably due to the contraction in consumption. Likewise, important restrictions were verified by the main exporting companies as a consequence of the restrictions imposed by the different countries for the unloading of products.

By means of Decree No. 892/2020, dated November 13, 2020, the Government implemented the Plan Gas.Ar and extended it through Decree No. 730/2022 until 2028. The purpose of such plan is to encourage investments in natural gas exploration and production through the implementation of prices and incentives. The plan also implements a direct contracting mechanism between (i) natural gas producers and distributors and sub-distributors (to satisfy priority demand) and (ii) Compañía Administradora del Mercado Mayorista Eléctrico S.A. (“CAMMESA”). Such contracting will be made taking the Point of Entry to the transportation system (“PIST” after its acronym in Spanish) as a reference, a tender procedure carried out by the SE.

According to the Plan Gas.Ar, the Argentine government may assume on a monthly basis payment of a portion of the price of natural gas in the PIST, in order to mitigate the impact of the cost of natural gas to be transferred to end users. The BCRA established mechanisms to guarantee the repatriation of direct investments and their respective returns and/or the payment of principal and interest of foreign financings, provided that such funds have been entered into to Argentina through the Argentine Foreign Exchange Market as from the entry into force of the decree and are used to finance projects under the Plan Gas.Ar.

The Secretary of Energy is tasked with implementing the plan. The Secretary is assigned the power to implement a plan with maximum volume, terms and price references for natural gas, applicable to supply agreements between suppliers and demanding agents to be executed within the framework of the plan, and that ensure the free formation and transparency of prices in accordance with Law No. 24,076.

On December 3, 2020 the first auction was held within the framework of the Plan Gas.Ar by means of which the government promoted to have a base of 70 MMm3/d, corresponding to the Neuquina basin 47.2 MMm3/d, to the Austral Basin 20 MMm3/d and to the Northeast Basin 2.8 MMm3/d, plus additional volumes in winter. Producers in the Neuquén Basin offered 49.35 MMm3/d. From the Austral Basin, bids totaled 18.5 MMm3/d. In other words, in total, the initiative achieved a commitment of 67.85 MMm3/d, just below the target.

On February 22, 2021, pursuant to Resolution No. 129/2021, the Secretary of Energy called for a new bidding within the framework of the Plan Gas.Ar to supply with domestic natural gas production the highest demands of the winter period. Companies submitted their bids for a volume of up to 4.5 MMm3. The weighted price of round two for the winter of 2021 was 4.731 U.S./MMbtu. For the winters of 2022, 2023 and 2024 the volume bid was 3.36 MMm3/day at a weighted average price of 4.73 U.S./MMbtu.

In mid-October 2021 the third round of the Plan Gas.Ar was called through Res. 984/21. In it, the purchase of 3 million m3/day of gas from the Neuquina basin, 1.5 million m3/day from the South of the country and 1 million m3/day from the Northwest was tendered for the years 2022 to 2024 inclusive, with injection starting next winter 2022.

There were only offers from the Neuquina basin. The natural gas production of the Neuquina basin represented approximately 60% of the total production of natural gas in Argentina during 2021.

Through Res. No. 770/2022, on November 11, 2022, the Secretary of Energy called for an auction for the extension of the commitments assumed by the awardees in the Neuquina Basin in Rounds 1 and 3, as well as the award of the following incremental volumes in the Neuquina Basin. At the same time, through the above mentioned resolution the Secretary of Energy also called for an auction for:

- 1) The extension of the commitments assumed by those awarded in the provinces of Chubut and Santa Cruz within the framework of the procedures carried out in Round I (Round 5.1).
- 2) The presentation of Incremental Gas projects in the Austral and Northwest basins, under the figure of Incremental Activity Plan according to the definition of Decree No. 892/2020, replaced by Decree No. 730/2022, with the purpose of obtaining additional volumes of natural gas to reinforce the injections of the transportation system in those points where there is available capacity (Round 5.2).

Under this round, an incremental gas project was received from CGC to increase production in the Austral basin, in its Santa Cruz and Santa Cruz Norte areas (San Jorge Gulf) with a net contribution to the system of more than 2 MMm3/d for next winter and of approximately 2.60 MMm3/d for 2024 at an average price of U.S.\$ 7.40 per MMBTU.

The companies that were awarded in Rounds 4 and 5 of the Plan Gas Ar were: YPF, Shell, Pampa Energía, PAE, CGC, Pluspetrol, Tecpetrol, Total, Exxon Mobil, Petrobras, Vista and Wintershall Dea. It is important to highlight that bid were received for more than 45 MMm3/d for the filling of the President Néstor Kirchner Gas Pipeline, more than double the capacity expected to be available in early 2024. In addition, offers were obtained to cover the winter peak at a price close to U.S.\$ 5/MMBTU.

As the economic activity recovered in 2021, the oil and NGL prices have also started to increase. In addition, the invasion of Ukraine by Russia significantly increased oil prices which continue to be very volatile.

On October 29, 2021, the Secretary of Energy issued Resolution No. 1,036/2021 establishing the guidelines for an energy transition plan 2030. This plan contemplates a series of measures aimed at reducing CO2 emissions, efficient energy consumption and a plan for the promotion of gasification actions in the country, which contemplates making the necessary investments to bring gas to the points of consumption.

On February 9, 2022, through Resolution 67 the Government created the Transport.Ar Program which intends to solve the infrastructure deficit. Resolution 67:

- Declares the construction of the NK Pipeline to be of National Public Interest as a strategic project for the development of natural gas in the Argentine Republic (which will transport natural gas starting from the Province of Neuquén, crossing the Provinces of Río Negro, La Pampa, Buenos Aires, up to the Province of Santa Fe), as well as its complementary works, and the construction of the works for the expansion and strengthening of the National Natural Gas Transportation System.
- Creates the Transport.Ar Producción Nacional with the purpose of promote de development and growth of natural gas production and supply, optimizing the transportation system, increasing natural gas exports, promoting regional integration, among others.
- The Secretary of Energy shall conduct this program, in order to guarantee the development of natural gas in the market, in accordance with the objectives set forth in Resolution 67/2022 and with the provisions of Decree No. 892/2020 (Plan Gas.Ar) and Resolution No. 1. 036/2021 of the Secretary of Energy.

Also, through Decree No. 76/2022 of February 11, 2022, the concession of this gas pipeline was granted to IEASA for a term of 35 years and the trust FONDESGAS (Fondo de Desarrollo Gasífero Argentino) was created, with IEASA as trustee and beneficiary, and Banco de Inversión y Comercio Exterior (“BICE”) as trustee.

This gas pipeline, executed by ENARSA, connects the town of Tratatayén, Province of Neuquén, with the city of Salliqueló, Province of Buenos Aires (Stage I), and from there to the city of San Jerónimo, Province of Santa Fe (Stage II).

By the end of August 2023, the Stage I of the NK Pipeline, specifically the Tratatayén-Salliqueló section, was authorized for operation, executed by ENARSA. The complementary works, namely the Gasoducto Mercedes-Cardales, were authorized in the last week of November 2023, and the 29 km expansion on the final sections of tgs was already enabled by late August 2023.

Currently, the installation of compressor stations is underway to increase the transport capacity of this initial section to 21 MMm3/d, and it is expected to be completed in the first half of 2024.

Meanwhile, the bidding process is pending for the Stage II, which involves constructing the pipeline section from Salliqueló to San Jerónimo in the southern Province of Santa Fe, connected to TGN) system. This phase also includes the installation of three additional compressor stations in the Tratatayén-Salliqueló section, achieving a total transport capacity of 39 MMm3/d of natural gas.



We are the technical operator of the first stage of the NK Pipeline, including its two compressor plants, after ENARSA awarded it the operation and maintenance through a private tender on June 5, 2023, for a period of 5 years, extendable for up to an additional 12 months. We also serve as the technical operator of the Mercedes Cardales pipeline, based on an agreement with a term of 5 years.

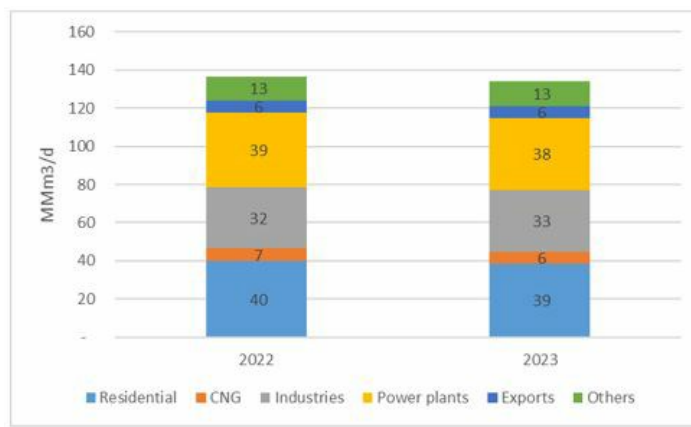
The construction of the NK Pipeline and its complementary works is of vital importance for the Argentine energy development and will imply both fiscal benefits and foreign currency savings for Argentina.

The rapid decline of the Bolivian gas fields requires a quick response from Argentina to move forward with the reversion of the northern gas pipeline. This work of vital importance for the energy development of Argentina and Vaca Muerta consists of the reversion of the natural gas flow which will take gas from Vaca Muerta to the industries of Córdoba, Tucumán, La Rioja, Catamarca, Santiago del Estero, Salta and Jujuy. It will also allow the connection of homes to natural gas networks and the development at scale of new industrial activities, especially lithium mining. In addition, the reversion will have a complementary impact on the cost of electricity generation and natural gas for the region's industries. It will also make exports to northern Chile, central Brazil and Bolivia viable and will result in an increase in the supply of natural gas in Argentina.

The commissioning of this project was scheduled for the winter of 2024, but as a result of the bids received, the national authorities decided to re-bid the project in December 2023, which will mean a delay in its start-up.

On December 16, 2023, Decree No. 55/2023 was issued, declaring a state of emergency in the national energy sector until December 31, 2024. Among other provisions, this decree intervenes in ENARGAS from January 1, 2024, and instructs the Ministry of Energy to issue the necessary rules and procedures for the establishment of market prices for the public service of natural gas transportation.

Natural Gas Demand. Natural gas consumption in Argentina has played a significant role in the energy industry in recent years, reaching more than 50% of total national energy consumption, which is greater than the comparable percentage for worldwide energy consumption. The graphic below illustrates the breakdown of natural gas consumption in Argentina in 2022 and 2023 by type of consumer:



Source: ENARGAS

Beginning in 2003, a sharp increase in natural gas demand occurred as a consequence of: (i) the recovery of certain industries in the Argentine economy in 2003, (ii) the 2002 devaluation of the peso as well as the transportation and distribution tariffs and the elimination of both tariff and wellhead gas price adjustments, making this fuel relatively inexpensive for consumers as compared to other types of fuel, the prices of which are affected by inflation, (iii) the growth of GDP between 2003 and 2013 and (iv) the energy policy that seeks to be one of the main producers of natural gas that allows not only to replace the import of natural gas but also to generate the necessary resources for its export. As a result, natural gas became, by far, the cheapest fuel in Argentina and high rates of substitution of natural gas for other fuels in industry, power plants and vehicles have been observed. Likewise, the rising demand for gas has also been based on the recovery of many industrial segments of the Argentine economy, and the lack of availability of natural gas to meet current demand represents a challenge for continued industrial growth at the rates achieved in recent years.

The demand for natural gas in Argentina is highly seasonal, with natural gas consumption peaks in winter. The source of seasonal changes in demand is primarily residential consumers. In order to bridge the gap between supply and demand, especially with respect to peak-day winter demand, the Government has entered into several natural gas import agreements.

The most important agreement was signed with the Bolivian government in June 2006 and amended in May 2010 and July 2012. The agreement provides for the import of natural gas from Bolivia to Argentina to be managed by IEASA to deal with the decrease in domestic natural gas production and in an effort to maintain supplies at similar levels to the previous years. During 2022, the sixth addendum to the Bolivian import contract came into force, which modifies the price formula and, due to the decline in Bolivian fields, reduces supply volumes. The seventh addendum to the gas import contract between ENARSA and YPFB (Yacimientos Petrolíferos Fiscales Bolivianos) was signed on December 30, 2022 and includes a reduction in the volume of natural gas that will be received. In October 2023, this contract was modified and as of July 31, 2024, Bolivia will no longer supply Argentina with firm natural gas.

Natural gas consumption during 2023 was 136 MMm³/d, registering a 1.8% decrease in natural gas consumption compared to the previous year (-1 MMm³/d), mainly driven by lower consumption of priority demand as a result of higher temperatures.

During the first semester of 2023, average temperatures were warmer (21.1°C) than those recorded in the same period of 2022 (18.5°C), which explains the decrease in priority demand (residential + SMEs) with respect to the previous year, registering an average decrease of 1.5 MMm³/d.

Despite a 3.9% increase in electricity demand, total electricity generation increased by 2.8% (+3.2 TWh), the difference being covered by imports mainly from Brazil. The increase in local generation is mainly explained by a recovery of hydroelectric contributions (+7.8 TWh). The higher hydroelectric contribution allowed reducing thermal generation requirements (-4.8 TWh) due to the economic need to minimize fuel imports (liquids and LNG). At the same time, there was a lower nuclear generation (-0.03 TWh) mainly due to a lower availability in Atucha 2, operational as of September, compensated by the higher contribution of the Embalse nuclear power plant. At the same time, renewable energies continue to grow, although to a lesser extent than in previous years (+1.7% vs. 2022), contributing 13.8% of total generation (117.5 TWh) to the system.

The following graph shows the monthly consumption in 2023 in MMm³/d for each of the demand sectors, compared to the total demand in 2022 (in red line).

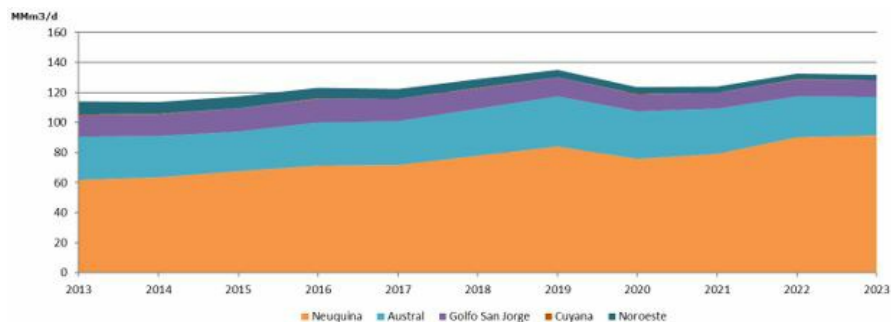


The demand for natural gas during 2023 remained at the levels recorded in the previous year. The differences in the composition of this consumption are mainly due to the higher temperatures recorded in the winter months (May and June), where the lower consumption of the priority demand was offset by higher consumption by power plants, replacing the consumption of liquid fuels. The months with lower consumption compared to the previous year were July and October. In both cases, the lower consumption is mainly due to a lower consumption of thermal power plants due to the higher hydro and nuclear contribution compared to the previous year.

Gas Supply. There are 24 known sedimentary basins in the country, 12 of which are located entirely onshore, six of which are combined onshore/offshore and eight of which are entirely offshore. Production is concentrated in five basins: Norwest in northern Argentina, Neuquén and Cuyo in central Argentina, and San Jorge Gulf and Austral in southern Argentina. In 2023, 69% of the natural gas transported by our system originated in the Neuquina basin with the remainder coming primarily from the Austral basin and the re-gasifying LGN tanker located in Bahía Blanca.

Our pipeline system is connected to the Neuquina, Austral and San Jorge Gulf basin. We are not connected to the Cuyo or Northwest basin.

The graph below shows the evolution of gross natural gas production by basin from 2013 to 2023 in MMm³/d:



Source: Secretary of Energy

Set forth in the table below is the location of the principal natural gas producing basins by province, their proved natural gas reserves, reserve life and production as of the most recent years for which information is available:

Basin	Location by province	Proved Gas Reserves (MMm ³)(1)(2)		Production (MMm ³)		Reserve Life (years)(3)
		2022	2021	2023	2022	2022
Neuquina	Neuquén, Río Negro, La Pampa, Mendoza (South)	317.7	268.5	33.0	33.3	10
Austral	Tierra del Fuego, Santa Cruz (South), and offshore	78.9	78.8	9.3	9.9	8
San Jorge Gulf	Chubut, Santa Cruz (North)	33.4	36.3	4.1	4.1	8
Cuyo	Mendoza (North)	0.1	0.2	0.1	0.1	1
Northwest	Salta, Jujuy, Formosa	7.3	8.1	1.3	1.4	5
Total		437.4	391.9	48.1	48.2	8

(1) Estimated as of December 31, 2022 and 2021, respectively. There are numerous uncertainties inherent in estimating quantities of proved natural gas reserves. The accuracy of any reserve estimate is a function of the quality of available data, and engineering and geological interpretation and judgment. Results of drilling, testing and production after the date of the estimate may require substantial upward or downward revisions. Accordingly, the reserve estimates could be materially different from the quantity of natural gas that ultimately will be recovered.

(2) Reserve figures do not include significant reserves located in certain Bolivian basins to which TGN is connected.

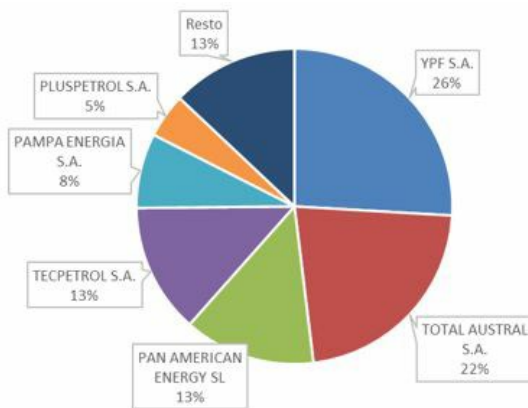
(3) Weighted average reserve life for all basins, at the 2022 production levels, respectively.

Source: Secretary of Energy.

Given the marked seasonality of natural gas demand in Argentina, with consumption peaks in the winter months, where the residential sector is mainly the source of such fluctuations in demand, Argentina's domestic natural gas production together with the natural gas import contract from Bolivia satisfies consumption during the warmer months (October through April), but production is insufficient to meet demand needs during the colder months (May to September), requiring Argentina to import additional volumes of natural gas from pipelines interconnecting it with neighboring countries (mainly Bolivia and occasionally Chile) and imports through LNG regasification vessels. However, during the first part of 2021 and despite the higher import volumes from Bolivia, liquid fuel consumption was needed to meet the natural gas demand of power plants given the drop in natural gas production and the lack of water availability in hydroelectric power plants.

In 2023, total natural gas production decreased 0.6% over the previous year, from 132.6 MMm3/d to 131.8 MMm3/d.

In 2023, YPF continued to be the main producer in Argentina with a 26% market share, followed by Total Austral S.A. with a 22% market share. The graph below shows the market share of the main natural gas operators in Argentina in terms of production for 2023.



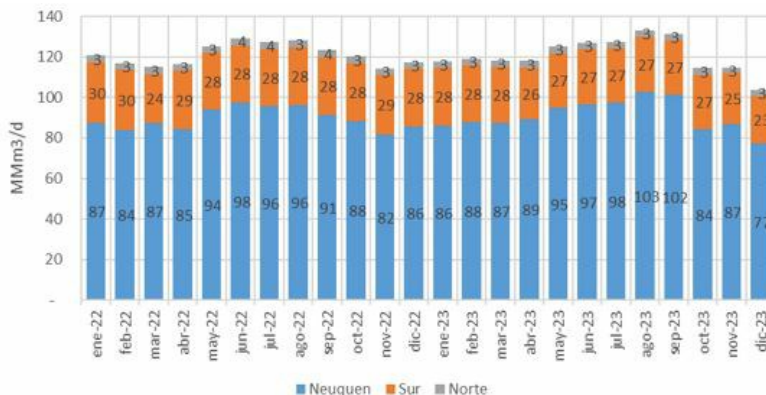
Source: Secretary of Energy

The supply from Bolivia -under the agreement signed between both governments- resulted in an average of 5.5 MMm3/d, 4.9 MMm3/d less than the volume recorded in 2022. On the other hand, the import of LNG by sea, re-gasified and injected into the national natural gas transportation system at the port of Escobar and Bahía Blanca located in the Province of Buenos Aires, recorded an average contribution of 6.8 MMm3/d in 2023, 0.6 MMm3/d above the LNG contribution recorded in 2022.

The Neuquina basin has the largest total natural gas injection, while the remaining basins continue with their natural decline (even Bolivia is also in the process of decline), which made the construction of a third trunk pipeline imperative to evacuate the incremental gas associated with the development of reserves in the Neuquina basin.

In recent years, there have been no requests from potential parties interested in contracting additional capacity, mainly due to the lack of gas and the gradual declines of conventional fields, especially from the reception areas of Tierra del Fuego, Santa Cruz and Chubut. This situation was not the same with respect to the Neuquina basin where the natural gas from the unconventional fields of Vaca Muerta, as from the Plan Gas.Ar, has boosted production in that region, completing the transportation capacity from that basin, making necessary and essential the expansion of the gas pipeline system that allows exploiting the energy potential available in Vaca Muerta.

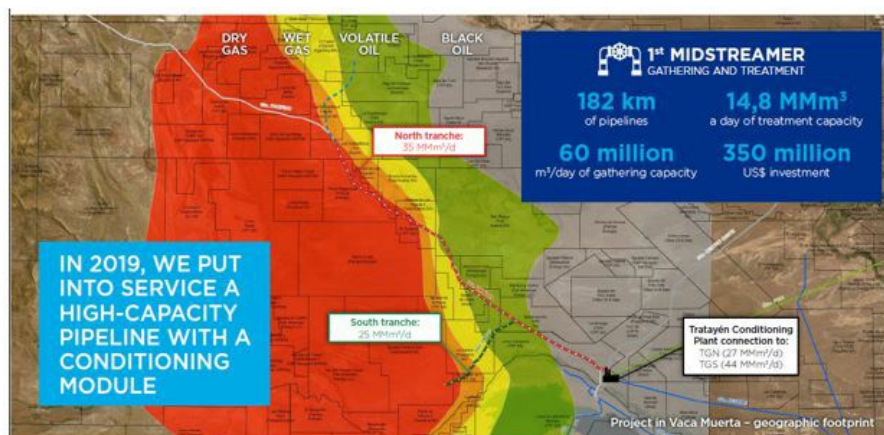
Thus, by the end of August 2023 the first stage of the NK Pipeline (Tratayén- Salliqueló section), which was executed by ENARSA, was enabled. Its complementary works, namely, the Mercedes - Cardales gas pipeline was enabled in the last week of November 2023 and the extension of 29 km over the final sections of our pipeline was already enabled by the end of August 2023.



The Vaca Muerta formation, located in the Neuquina Basin, is considered one of the most prominent shale plays globally, and has already become the largest commercial shale development outside of North America. The development of the Vaca Muerta formation plays an important role in the Argentine economy, and therefore the national and provincial governments have introduced changes to the regulatory framework for exploration and production of unconventional hydrocarbons, in order to attract investments.

Our strategy aims at being a protagonist in Argentina’s energy development. In fact, in 2018, with a vision of the future, **tgs** anticipated what the country required: it took a risk and built the Vaca Muerta System, consisting of 93 miles of gas pipelines and a gas treatment plant in Tratayén to allow entry into the regulated transportation systems.

Distribution of the Vaca Muerta Formation in the Basin and our infrastructure



Source: Internal information

Vaca Muerta is in a relatively early stage of its development compared to shale plays in the United States and Canada. The Permian Basin is a good analogue for Vaca Muerta, with similar geological characteristics and a long history of unconventional hydrocarbon development.

According to the Argentina gas and power market outlook of June 2022, prepared by the consulting firm Wood Mackenzie, the Neuquina Basin, hand in hand with Vaca Muerta, has a really significant development potential. The development scenarios depend on the assumptions considered in relation to the production stimulus programs such as the Plan Gas.Ar, as well as the existence of demand and projected transportation infrastructure. Based on these scenarios, the natural gas production projection for the Neuquina Basin by 2040 could reach levels in the order of 150 million cubic meters per day for the base case or in the order of 200 million cubic meters per day for the higher development case, which assumes a faster development of transportation infrastructure (pipelines) and access to export markets.

Neuquina Basin. The largest natural gas basin and the major source of natural gas supply for our system is the Neuquina basin, located in west central Argentina. Since the discovery of Vaca Muerta formation, this basin is the most prolific basins of the country accounting 68% of natural gas production in the country.

Since then, the development of non-conventional gas in the Province of Neuquén has played a leading role in the increase in production of natural gas.

During 2023, natural gas production in the Neuquén Basin increased by 1.1% with respect to 2022, while natural gas production in the remaining Basins declined.

In December 2023, natural gas production in Vaca Muerta decreased 13% with respect November 2023 and increased 3.3% with respect to December 2022. In turn, it was 16.7% year-to-year higher during the last twelve months. Vaca Muerta represents 44.2% of the total gas produced in Argentina in 2023. In this case, the four most important operators are YPF, Tecpetrol, Total Austral and PAE.

The TGN system also accesses the Neuquina basin. Of the transported natural gas coming from the Neuquina basin, approximately 62% was transported by us and approximately 39% by TGN for the year ended December 31, 2023.

Undoubtedly, the biggest challenge in this Basin, given the potential of Vaca Muerta, is to develop the appropriate infrastructure for the transportation of natural gas. In this sense, in 2018 we have carried forward the construction of the Vaca Muerta Norte and Sur gas pipeline and the Tratayén conditioning plant with its subsequent expansions. In this sense, the beginning of the NK pipeline works is particularly important. For additional information see, “The Argentine Natural Gas Industry” above.

Austral and San Jorge Basins. Natural gas provided by these basins, located in the southern region of Argentina, was transported mainly by us (Camuzzi Gas del Sur S.A. also transports natural gas through regional pipelines). In the Austral basin, exploration has centered in and around the basin’s existing natural gas fields and on other fields located offshore. The San Jorge basin is primarily an oil-producing basin.

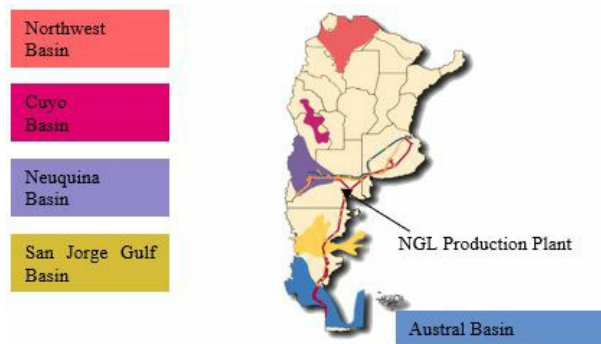
Under the framework enacted by the Government to promote investments after the issuance of Decree No. 929/2013, in 2014, a joint operation was formed by Wintershall Energía S.A., Total Austral S.A. and Pan American Energy LLC Sucursal Argentina for the investment of U.S.\$1,000 million in off-shore gas fields (Vega Pleyade) located in the Tierra del Fuego region.

The governments of the provinces on which these basins are located, together with the Government, have taken several measures to develop nonconventional gas and off-shore sites. During May 2019, the Government granted exploration rights to 13 companies over three off-shore basins.

In addition, ENAP Siptrol Argentina S.A., YPF and IEASA signed an agreement to explore and develop offshore fields in the continental shelf of Argentina, and on September 5, 2019, SHR issued Resolutions No. 524 and 525, which granted an eight-year exploration permit on off-shore areas to Shell Argentina S.A. and QP Oil and Gas S.A.U.

In 2022, Total Austral announced the investment of U.S.\$ 700 million in Tierra del Fuego for offshore development (Fenix Project). The project involves the installation of an offshore platform and the construction of 22 miles of subsea pipelines to connect to Vega Pléyade, whose production is in decline. Expected production from the field is approximately 10 MMm³/d. This volume would represent about 8% of the country’s production. The project is expected to be operational in 2025.

The map below illustrates the distribution of the gas basins in Argentina:



Regulatory Framework

Industry Structure. The legal framework for the transportation and distribution of natural gas in Argentina is comprised by the Natural Gas Law, Decree No. 1,738/92, other regulatory decrees (primarily Decree No. 2255/92, which includes the Basic Rules for Transportation Licenses and Regulations of the Transportation Services), the Pliego, the transfer agreements and the licenses of the newly privatized companies. The Hydrocarbons Law of Argentina regulates the midstream natural gas industry, under a competitive and partially deregulated system. The Public Emergency Law and related laws and regulations, which are no longer in effect, significantly altered the regulatory regime under which we operated since 2002. Notwithstanding this, in December 2019 the national congress passed the Solidarity Law that introduced certain modifications to the RTI concluded in March 2018 with the issuance of Decree No. 250/2018 by the Executive Branch. See “*Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business.*”

Natural gas transportation and distribution companies operate in an “open access,” non-discriminatory environment under which producers and certain third parties, including distributors, are entitled to equal and open access to the transportation pipelines and distribution system in accordance with the Natural Gas Law, applicable regulations and the licenses of the privatized companies. In addition, a regime of concessions under the Hydrocarbons Law of Argentina is available to holders of exploitation concessions to transport their own natural gas production.

The Natural Gas Law prohibits natural gas transportation companies (TGN and us) from also being merchants in natural gas. In addition, (i) natural gas producers, storage companies, distributors, and consumers who contract directly with producers may not own a controlling interest (as defined in the Natural Gas Law) in a transportation company; (ii) natural gas producers, storage companies and transporters may not own a controlling interest in a distribution company; and (iii) merchants in natural gas may not own a controlling interest in a transportation or distribution company.

Contracts between affiliated companies engaged in different stages in the natural gas industry must be approved by ENARGAS, which may reject these contracts if it determines that they were not entered into on an arm’s-length basis.

ENARGAS, which was established by the Natural Gas Law, is an autonomous entity responsible for enforcing the provisions of the Natural Gas Law, the applicable regulations and the licenses of the privatized companies. Under the provisions of the Natural Gas Law, ENARGAS is required to be governed by a board of directors composed of five full-time directors appointed by the Executive Branch subject to confirmation by the Argentine Congress. However, from 2004 to 2007, ENARGAS was governed by three directors who were not confirmed by the Argentine Congress, and, since 2007 until January 2018, ENARGAS has been administered by an intervention inspector appointed by the Executive Branch. On January 31, 2018, the Executive Branch appointed a President for ENARGAS for a five-year term, thereby concluding the intervention period. However, the Solidarity Law established a new intervention of ENARGAS. Thus, from March 17, 2020, to December 31, 2023, ENARGAS underwent intervention. On December 16, 2023, Decree No. 55/2023 was issued, declaring a state of emergency in the national energy sector until December 31, 2024. Among other provisions, this decree intervenes in ENARGAS from January 1, 2024, and instructs the Ministry of Energy to issue the necessary rules and procedures for the establishment of market prices for the public service of natural gas transportation.

ENARGAS has broad authority to regulate the operations of the transportation and distribution companies and has its own budget, which must be included in the Argentine national budget and submitted to the Argentine Congress for approval. ENARGAS is funded primarily by annual control and inspection fees that are levied on regulated entities in an amount equal to the approved budget allocated proportionately to each regulated entity based on its respective gross regulated revenues, excluding natural gas purchase and transportation costs in the case of distribution companies.

Since 2004, the Government adopted a series of measures to redistribute the effects of the crisis in the energy sector caused by the natural gas shortage. Most of the electrical power stations do not have firm gas supply agreements and have increasingly used imported natural gas or alternative fuels that are more expensive than natural gas produced in Argentina. For this reason, ENARGAS and the Federal Energy Bureau (currently, the SHR) have issued a series of regulations aimed at averting a crisis in the internal system of natural gas supply.

The Executive Branch issued Decree No. 181/04, directing the Federal Energy Bureau to establish a system of priority pursuant to which power stations and natural gas distribution companies (for their residential clients) could receive natural gas in priority to other users, even those with firm transportation and firm gas supply contracts. On April 21, 2004, MPFIPyS issued Resolution No. 208/04 that ratified an agreement between the Federal Energy Bureau and natural gas producers to give effect to this new system.

Under certain circumstances and pursuant to the terms of our License, when ENARGAS asks us to restrict the provision of natural gas to clients who hold firm transportation contracts, we are exposed to potential claims from, among others, our customers. Therefore, we have requested that in connection with these new procedures, ENARGAS submit to us written instructions for any such natural gas firm transportation service interruption request. However, in case ENARGAS does not submit such instruction in the way required by our petition and we do not comply with ENARGAS's instructions, if any, in order to avoid future claims from our customers, Resolution No. 208/04 will require us to pay the price difference between natural gas and the alternative fuel used by power stations in order to offset the loss resulting from our failure to comply with the instructions.

On June 26, 2018, ENARGAS issued Resolution No. 124/2018 which sets modifications to the Dispatch Centers Internal Regulations that establishes the procedures for natural gas dispatch management, modifying the guidelines for the Dispatch Administration attached to the Transport and Distribution Service Regulations and allow full operability of free access with no discrimination and competitive environment, and alternatives which guarantee the quality and continuity of gas transport and distribution public service, avoiding the cyclical crisis which may affect the transport and distribution systems, seeking to maintain clients supply, by preventing service interruptions with an efficient management methodology.

Although the natural gas supply shortage did not create a bottleneck in the transportation capacity that prevented the system from meeting increasing demand since 2008, the Government continues to impose restrictions from time to time on the consumption of natural gas by certain customers that hold firm transportation contracts with us, in an effort to redirect and target the supply to the demand regarded as top priority, mainly residential users, CNG stations and industries connected to the distribution network. Such restrictions have affected direct shippers who have firm transportation contracts with us, as well as industries in different distribution areas of the country.

As of the date of this Annual Report, our compliance has not resulted in legal action initiated by any of our firm transportation clients which could have a significant adverse economic and financial effect on us. However, any legal action, if brought, could have a significant adverse economic and financial effect on us. See “*Item 3. Key Information—D. Risk Factors.*”

Our License. Our License authorizes us to provide the public service of natural gas transportation through the exclusive utilization of the southern natural gas transportation system. Our License does not grant us an exclusive right to transport natural gas in a specified geographical area, and licenses may be granted to others for the provision of gas transportation services in the same geographical area. TGN’s natural gas transportation system is operated under a license containing substantially similar terms to those described below and elsewhere herein.

Our License has been granted by the Executive Branch by Decree No. 2451/92 for an original period of 35 years, beginning on December 28, 1992. However, the Natural Gas Law provides that we may request ENARGAS to renew its License for an additional period of ten years. ENARGAS must then evaluate the performance of **tgs** and raise a recommendation to the Executive Branch. At the end of the period of validity of the License, 35 or 45 years, as the case may be, the Natural Gas Law requires that a new tender be called for the granting of the license. As long as we have substantially complied with our obligations under the License, we have the option to match any offer made by a third party to the Executive Branch.

In September 2023, we submitted a request to ENARGAS for a 10-year extension of the natural gas transportation License, which is set to expire in December 2027. This request will need to be reviewed and addressed by the government authorities.

Our License also places certain other rights and obligations on us relating to the services we provide, including:

- operating and safety standards;
- terms of service, including general service conditions, such as specifications regarding the quality of gas transported, major equipment requirements, invoicing and payment procedures, imbalances and penalties, and guidelines for dispatch management;
- contract requirements, including the basis for the provision of service, e.g., “firm” or “interruptible”;
- mandatory capital investments to be made over the first five years of the license term; and
- applicable rates based on the type of transportation service and the area serviced.

Our License establishes a system of penalties in the event of a breach of our obligations thereunder, including warnings, fines and revocation of our License. These penalties may be assessed by ENARGAS based, among other considerations, upon the severity of the breach or its effect on the public interest. Through Resolution No. 22/2018, ENARGAS adjusted the amounts of fines applicable in the event of a breach of obligations, which amount shall be updated on April of every year. On May 7, 2019, through Resolution No. 251/2019, ENARGAS updated the amounts of the fines up to Ps.21.1 million.

Revocation of our License may only be declared by the Executive Branch upon the recommendation of ENARGAS. Our License specifies several grounds for revocation, including the following:

- repeated failure to comply with the obligations of our License and failure to remedy a significant breach of an obligation in accordance with specified procedures;
- total or partial interruption of the service for reasons attributable to us, affecting completely or partially transportation capacity during the periods stipulated in our License;
- sale, assignment or transfer of our essential assets or otherwise encumbering such assets without ENARGAS's prior authorization, unless such encumbrances serve to finance expansions and improvements to the gas pipeline system;
- bankruptcy, dissolution or liquidation; and
- ceasing and abandoning the provision of the licensed service, attempting to assign or unilaterally transfer our License in full or in part without the prior authorization of ENARGAS, or giving up our License, other than in the cases permitted therein.

Our License also prohibits us from assuming debt of, or granting credit to, CIESA, and creating security interests in favor of, or granting any other benefit to, creditors of CIESA.

Generally, our License may not be amended without our consent. As part of the renegotiation of our License under the Public Emergency Law, however, the terms of our License may be changed or our License may be revoked. In addition, ENARGAS may alter the terms of service annexed to our License. If any such alteration were to have an economic effect on us, ENARGAS should modify our rates to compensate for such effect or we could request a change in the applicable rates.

Regulation of Transportation Rates—Actual Rates. The natural gas transportation rates established for each transportation company must be calculated in U.S. dollars and converted into pesos at the time of billing. However, the Public Emergency Law eliminated tariff indexing covenants based on U.S. dollar exchange rate fluctuations and established a conversion rate of one peso equal to one U.S. dollar for tariffs.

The rate for natural gas firm transportation services consists of a capacity reservation charge and is expressed as a maximum monthly charge based on the cubic meters per day of reserved transportation capacity. The rate for natural gas interruptible transportation service, which is expressed as a minimum (from which no discounts are permitted) and a maximum rate per cubic meter of natural gas transported, is equivalent to the unit rate of the reservation charge for the firm service based on a load factor of 100%. For both firm and interruptible transportation services, customers are obligated to provide a natural gas in-kind allowance, expressed as a maximum percentage of gas received, equivalent to the natural gas consumed or lost in rendering the transportation service. The rates for all services reflect the rate zone(s) traversed from the point of receipt to the point of delivery.

No tariff increases have been received between May 1, 2019 and February 28, 2022. On February 1, 2022, ENARGAS provided us with a proposal for a Transitional Renegotiation Agreement (the “2022 Transition Agreement”), which was approved by our Board of Directors on February 2, 2022 and by the different governmental agencies on February 18, 2022. Such agreement was ratified by the PEN through Decree No. 91/2022, effective as of February 23, 2022, which provides a transitional tariff increase of 60% as of March 1, 2022 (the “RTT 2022”).

On February 25, 2022, Resolution No. 60/2022 of ENARGAS put into effect as from March 1, 2022 the new tariff charts that contemplate the RTT 2022.

On March 16, 2023, our Board of Directors approved the proposed addendum to the renegotiation transitory agreement (the “2023 Transition Agreement”) sent by ENARGAS. The 2023 Transition Agreement was ratified by the Executive Branch through Decree No. 250/2023 on April 29, 2023. Previously, on April 27, 2023, ENARGAS issued Resolution No. 186/2023, through which the new applicable tariff schedules were published.

The following table shows the transport firm and interruptible applicable rates of tgs effective as of April 29, 2023 after the issuance of Resolution 186:

		Since April 29, 2023		
Rate Zones		Firm	Interruptible	Compression
Receipt	Delivery	Reservation Charge ⁽¹⁾ (Ps. m3/d)	Minimum Charge ⁽²⁾ (Ps.1,000 m3)	Fuel and Losses ⁽³⁾ (%)
From Tierra del Fuego to:	Tierra del Fuego	8.315249	277.171887	0.49
	Santa Cruz Sur	16.768003	558.939252	0.98
	Chubut Sur	42.772745	1425.759389	3.38
	Buenos Aires Sur	50.392208	1679.739807	5.60
	Bahía Blanca	77.188931	2572.964004	8.40
	La Pampa Norte	76.915238	2563.839383	8.60
	Buenos Aires	90.311863	3010.395065	10.35
	Greater Buenos Aires	101.329878	3377.663546	11.27
From Santa Cruz Sur to:	Santa Cruz Sur	8.427381	280.910395	0.49
	Chubut Sur	34.394621	1146.486906	2.89
	Buenos Aires Sur	42.030372	1401.011171	5.11
	Bahía Blanca	68.966075	2298.868244	7.91
	La Pampa Norte	68.953695	2298.454371	8.11
	Buenos Aires	82.131962	2737.730366	9.86
	Greater Buenos Aires	93.183864	3106.131684	10.78
From Chubut to:	Chubut Sur	8.358063	278.600613	0.49
	Buenos Aires Sur	15.671532	522.375996	2.71
	Bahía Blanca	41.790315	1393.002733	5.51
	La Pampa Norte	43.879830	1462.652751	5.71
	Buenos Aires	54.327300	1810.903380	7.46
	Greater Buenos Aires	64.774769	2159.154009	8.38
From Neuquén to:	Neuquén	7.426712	254.629040	0.49
	Bahía Blanca	36.072432	1202.060580	2.80
	La Pampa Norte	38.853974	1294.785279	3.15
	Buenos Aires	48.852535	1628.064988	3.91
	Greater Buenos Aires	59.837376	1998.143398	4.86
From Bahía Blanca to:	Bahía Blanca	8.358028	278.600655	0.49
	La Pampa Norte	2.089507	69.650001	0.20
	Buenos Aires	12.536930	417.900659	1.95
	Greater Buenos Aires	22.984463	766.151315	2.87

(1) Monthly charge for every cubic meter per day of reserved transportation capacity.

(2) Minimum charge equal to the unit rate of the firm reservation charge at a 100% load factor.

(3) Maximum percentage of total transported gas that customers are required to replace in-kind to make up for gas used by us for compressor fuel or losses in rendering transportation services.

Note: The gross receipts tax is not included in such transportation rates.

Source: ENARGAS Resolution 60.

In addition to the tariffs above, we are entitled to a CAU (Access and Use Charge). Since its inception in 2005, the CAU was increased, by 73.2% on May 1, 2015, and by 200.1% on April 1, 2016, by ENARGAS. We received an additional 50% and 19.7% increase in the CAU on April 1, 2018, and October 1, 2018, respectively. In 2023, we recognized revenues of Ps. 3,245 million as a result of the CAU. The first installment of the tariff increase granted by Resolution 4362 did not include any adjustment of the CAU. The 2023 Transition Agreement increase 95% on the Access and Use Charge. Given the permanent increase of operational and maintenance costs throughout the years, which might exceed the amount of the CAU, we filed a claim against the Government to obtain the adjustment of the values and ensure a fair compensation for the service it renders. Resolution 112 increased the CAU by 675% as of April 3, 2024. See “*Item 4. Our Information—B. Business Overview—Natural Gas Transportation—Pipeline Operations—Pipeline Expansions.*”

Tariff situation.

Background and Renegotiation Process

On January 6, 2002, the Argentine Congress enacted the Public Emergency Law, which introduced dramatic changes to Argentina’s economic model, empowering the Government to implement, among other things, additional monetary, financial and foreign exchange measures to overcome the economic crisis in the short-term and bringing to an end the regime established pursuant to the Argentine Convertibility Act, including the fixed parity of the U.S. dollar and the peso. Among others, the Public Emergency Law granted the Executive Branch the power to conduct a renegotiation of public utility contracts and the tariffs set therein. The Public Emergency Law expired on December 31, 2017.

In July 2003, UNIREN was created in order to reach total or partial agreements with the licensees and/or concessionaires of public services and submit proposals regulating the transitory adjustment of tariffs and prices, among other things. Under this framework, we signed with UNIREN (i) the agreement dated October 9, 2008, between **tgs** and former UNIREN (the “**2008 Transitional Agreement**”) that contemplated a tariff increase of 20%, which was not finally implemented as the Government did not issue the corresponding regulatory rules, and (ii) the agreement dated October 2015 between us and the former UNIREN, which incorporated ENARGAS Resolution No. 3347, including, as of May 1, 2015, a transitional increase of 44.3% in the price of the natural gas transportation service and a 73.2% increase in the CAU. Following UNIREN’s failure to comply with certain of its obligations under different renegotiation agreements, we took legal actions against UNIREN.

On February 16, 2016, the Executive Branch issued Decree No. 367/2016, establishing the dissolution of UNIREN and transferring to each ministry the responsibility to renegotiate public service contracts. Decree No. 367/2016 also conditioned the finalization of the new tariff scheme provided in the respective integral renegotiation agreement approved by the Executive Branch to completion of the RTI and provided that transitional adjustment of prices and tariffs are necessary to ensure the continuity of the normal provision of services.

Under the framework of the agreement signed in February 2016 (the “**2016 Transitional Agreement**”), on March 31, 2016, ENARGAS issued Resolution 3724, which approved revised tariffs as of April 1, 2016, including the CAU, for the Natural Gas Transportation business segment, providing for a 200.1% increase. Additionally, among other things, Resolution 3724 required us to not distribute dividends without the prior authorization of ENARGAS after reviewing our compliance with the transitional mandatory investment plan included in the 2016 Transitional Agreement (the “**2016 Investment Plan**”). As of the date of this Annual Report, the 2016 Investment Plan is fully executed and has been approved by ENARGAS.

As several legal proceedings were initiated against Resolution 3724 in order to obtain the annulment of the increase of the PIST and the tariff increases for the natural gas transportation and distribution licensees approved by ENARGAS, we were not able to bill the 200.1% increase in full. On August 18, 2016, the Supreme Court order issued its final decision mandating the Government to (i) implement mandatory public hearings prior to the establishment of natural gas transportation and distribution tariffs, (ii) implement mandatory public hearings prior to the establishment of the point-of-injection gas price and (iii) declare the invalidity of Resolutions 28 and 31 with respect to residential users, for whom tariffs had to be returned to tariff rates effective as of March 31, 2016.

On August 19, 2016, ENARGAS issued Resolution No. 3953/2016, which implemented the decisions arising out of a public hearing before the Supreme Court. For additional information regarding the public hearing's agenda, see "*Natural Gas Transportation—The Argentine Natural Gas Industry.*"

As a result of this public hearing, since October 7, 2016, we were able to collect the revised tariffs at the levels provided for in Resolution 3724, allowing us to complete in full our 2016 Investment Plan.

Resolution 74 Tariff Increases

On March 30, 2017, we entered into the Integral Renegotiation Agreement (the "**2017 Integral Agreement**") and the related agreement signed on March 30, 2017 between **tgs** and the Government (the "2017 Transitional Agreement"). On the same day and consistent with the 2017 Transitional Agreement, the Ministry of Energy enacted Resolution 74, which increased the price of the natural gas consumed by power plants starting on April 1, 2017 and ENARGAS issued Resolution 4362 by which a new transitional tariff schedule applicable to us determined a total tariff increase of 214.2% and 37%, on the tariff of the natural gas transportation service and the CAU, respectively. Pursuant to Resolution 4362, we were required to execute the Five-Year Plan. In addition, Resolution 4362 contemplates a non-automatic semiannual adjustment mechanism for the natural gas transportation tariff and the CAU to reflect changes in WPI, which must be approved by ENARGAS evaluating the evolution of the economic circumstances.

However, Resolution 74 provided for a limitation on the full effectiveness of the tariff increase arising from the RTI process until the approvals of the 2017 Integral Agreement were completed. This meant that the tariff increase was granted in three stages on April 1, 2017 (granted 64.2% increase in natural gas transportation and no increase in CAU), December 1, 2017 (granted 80.8% increase on natural gas transportation and 29.7% increase in CAU) and April 1, 2018 (granted 50% increase in natural gas transportation and CAU). This staged increase is structured to provide the same economic benefits to us as if the increases had been fully effective since April 1, 2018.

On March 27, 2018, through Decree 250, the Executive Branch ratified the 2017 Integral Agreement, following the approval of several governmental authorities, including the Argentine Congress. Decree 250 concluded the RTI process and terminated the 2017 Transitional Agreement, representing the final renegotiation of our License with the Government after 17 years of negotiations. As a result of the foregoing, (i) we were entitled to the final tariff increase contemplated in Resolution 4362, and (ii) we and our current and former shareholders withdrew any claim against the Government related to our business resulting from the Public Emergency Law on June 26, 2018.

On June 21, 2019, SHR issued Resolution 336, through which the payment of 22% of the bills issued from July 1, 2019, to October 31, 2019, to residential customers of natural gas was deferred. Such deferral will be recovered through the bills issued from December 1, 2019, in five consecutive monthly installments. It is expected that the Government will compensate licensors for such deferral. On August 22, 2019, SHR issued Resolution No. 488/2019 (“**Resolution 488**”), which established the procedure to calculate the deferral provided by Resolution 336. Furthermore, Resolution 488 instructs the implementation of a procedure to calculate and pay the compensation for licensors.

Semiannual Adjustment of Tariffs. Under our License, we may be permitted to adjust tariffs semiannually to reflect changes in PPI and every five years in accordance with efficiency and investment factors to be determined by ENARGAS and, subject to ENARGAS’s approval, from time to time to reflect cost variations resulting from changes in the tax regulations (other than income tax) applicable to us, and for objective, justifiable and non-recurring circumstances.

The Natural Gas Law requires that in formulating the rules that apply to the setting of future tariffs, ENARGAS must provide the transportation companies with (i) an opportunity to collect revenues sufficient to recover all future proper operating costs reasonably applicable to service, as well as future taxes and depreciation, and (ii) a reasonable rate of return, determined in relation to the rate of return of businesses having comparable risk and taking into account the degree of efficiency achieved and the performance of the company in providing the service. No assurances can be given that the rules to be promulgated by ENARGAS will result in rates that will enable us to achieve specific levels of earnings in the future.

However, since January 1, 2000, adjustments to tariffs to reflect PPI variations were suspended, first through an agreement with the Executive Branch and later by a court decision arising from a lawsuit to determine the legality of tariff adjustments through indexes.

Resolution 4362 provided for a semiannual adjustment mechanism based on changes in the WPI. The increase is not automatic, however, as it requires the prior approval of ENARGAS.

On September 28, 2018, ENARGAS issued Resolution No. 265/2018, which provided an increase of 19.67% over the tariff for the natural gas transport service. This increase came into effect on October 1, 2018.

On March, 29 2019, ENARGAS issued Resolution No. 192/2019, which provided an increase of 26% over the tariff for the natural gas transport service. This increase came into effect on April 1, 2019 and was calculated considering the WPI for the period August 2018–February 2019.

As a consequence of Argentina’s economic condition, and together with other measures taken by the Government, on September 3, 2019, the Secretary of Hydrocarbon Resources (formerly the Federal Energy Bureau) issued Resolution No. 521/2019 – later complemented by Resolution N° 751/2019– which deferred the semiannual adjustment corresponding to October 1, 2019, to January 1, 2020. During 2019 and 2020, according to the RTI, we were entitled to receive two tariff increases, one each year, in order to compensate us for inflation, which affects our operating costs. As of the date of this Annual Report, we have only received a tariff increase in April 2019.

On June 9, 2020, through Resolution No. 80/2020, ENARGAS created the Coordination and Centralization Commission - Law No. 27,541 and Decree No. 278/20, for the purpose of coordinating the comprehensive tariff review process set forth in Article 5 of the Solidarity Law, which provided that natural gas transportation and distribution tariffs were to be maintained without adjustments for a maximum term of 180 days as from December 23, 2019 and empowered the Executive Branch to renegotiate them, either within the framework of the RTI in force or through an extraordinary review pursuant to the provisions of the Natural Gas act.

On June 19, 2020, the Executive Branch issued Decree No. 543/2020 extending the effectiveness of the aforementioned Article 5 for an additional term of 180 calendar days, i.e., until December 16, 2020.

The Solidarity Law and subsequent decrees issued by the Executive Branch determined the freezing of our tariff schedule. In this context, and within the framework of Decree 1020, the Executive Branch started a new RTI process and extended the tariff freeze until transitory tariffs are approved.

Decree 1020 established that the term of the renegotiation may not exceed two years from the effective date of said decree, suspending until then the agreements corresponding to the respective RTI in force with the scope determined in each case by the ENARGAS. The renegotiation process will culminate with the subscription of a final agreement on the RTI.

The Decree 1020 defines ENARGAS to carry out the renegotiation process. Within the renegotiation process, transitory adjustments of tariffs and/or their segmentation may be foreseen, as the case may be. Likewise, it must carry out the relevant and appropriate public hearing, public consultation and citizen participation regimes, as well as give intervention to the Procuración del Tesoro de la Nación and to the Sindicatura General de la Nación. Finally, the resulting agreement must have the corresponding governmental approvals.

On February 17, 2021, by means of Resolution No. 117/2021, the Secretary of Energy called a public hearing for March 15, 2021 in order to discuss the PIST price to be subsidized by the Government of Argentina.

On February 22, 2021, ENARGAS issued Resolution No. 47/2021 by means of which a public hearing was called to be held on March 16, 2021 for the purpose of considering the transition tariff regime in accordance with the provisions of Decree 1020. As foreseen, we have presented at this hearing our proposal for a tariff increase calculated of 58.6%, beginning on April 1, 2021. It has been calculated based on our financial needs to satisfy operating and financial costs, capital expenditures and taxes, which were calculated considering the evolution of the inflation rate for a 12-month period since its inception. This required tariff adjustment does not contemplate any profitability but only the funds necessary to meet these obligations.

Likewise, in said public hearing, we denied and rejected the arguments put forward in the hearing by which it is considered that the current natural gas transportation rate is not fair, reasonable or transparent, and even mentioned in Decree PEN No. 1020/20, related to the alleged existence of serious defects in the administrative acts resulting from the procedure of the last RTI carried out for us and, in particular, that these defects are based on (i) the manipulation of the updating factor of the capital rate base used for the approval of our rate review; (ii) the lack of motivation and arbitrariness in the choice of the updating factor of the components of the aforementioned rate base structure; (iii) the application of the same factor for all licensees without technical, economic or legal justification since the cost structure of each is different; (iv) the incorrect use of the update factor in the index and the splice used; (v) impediments of a temporary nature that affected the normal development of the comprehensive rate review; and (vi) the exclusion of issues whose temporal timing resulted in the completion of the comprehensive rate review (reduction of percentages of gas withheld). We will vigorously defend our position in any event that the regulator was to impose to us.

On April 28, 2021, ENARGAS sent to us a Draft Transitory Agreement 2021 within the framework of the provisions of Decree No. 1020/2020. This project includes:

- The non-granting of a transitory tariff increase, remaining without variations in the rate charts approved by ENARGAS in April 2019.
- Establishes that from May 2021 and until the Agreement is in force of Definitive Renegotiation, ENARGAS will proceed to recalculate the rates of transport at that time in force with effect from April 1, 2022.
- Does not establish a mandatory investment plan.
- Provides for the prohibition of: (i) distributing dividends and b) paying in advance financial and commercial debts contracted with shareholders, acquire other companies or give credits.

On April 30, 2021, through a note sent to that body, we stated that, given the context in which it develops its activities and the proposed terms and conditions, it is not feasible for the Company to sign the Draft Temporary Agreement 2021 where it is not recognized any rate increase for the company.

Subsequently, on June 2, 2021, ENARGAS issued Resolution No. 149/2021 that approves a Transition Tariff Regime (the “Transition Regime”) for us with effect from of that date. Said Transitional Regime: (i) does not grant a transitory tariff increase in favor of the Company, but the current rate charts in force since April 1, 2019; (ii) provides that from the entry into force of the Transitional Regime - and until the Definitive Renegotiation Agreement is not in force- the possibility is contemplated that ENARGAS adjusts our rates as of April 1, 2022; (iii) does not establish a new mandatory plan of investments and (iv) establishes the prohibition of distributing dividends and canceling advance financial and commercial debts contracted with shareholders, acquire other companies or grant credits.

In addition, Decree No. 311/2020 (the “Decree 311”, as amended by Decree No. 756/2020), provided for the suspension of the cuts of public utilities for non-payment for a term of 180 days, subsequently extended until December 31, 2020, and the implementation of several measures aimed at sustaining the income of those sectors of the economy that suffer the most from the impact of the crisis. Both the aforementioned and the lockdown measures have implied certain delays in the receipt of collections related to this business segment which, although it has improved recently, it cannot be guaranteed that such situation will be maintained in time.

Subsequently, on February 1, 2022, we received from ENARGAS a proposal for a 2022 Transitional Agreement, which was approved by our Board of Directors on February 2, 2022 and by the different governmental agencies on February 18, 2022. Such agreement was ratified by the Executive Branch through Decree No. 91/2022, effective as of February 23, 2022, which established a 60% tariff increase as of March 1, 2022.

In accordance with the provisions of the 2022 Transitional Agreement, we committed not to initiate new claims, appeals, actions, lawsuits, or demands of any kind; and/or to suspend, maintain suspended or extend the suspension of all appeals and claims filed that are in any way related to the Renegotiation of the Comprehensive Tariff Review in force, Law No. 27,541, Decrees No. 278/20 and No. 1020/20.

On December 6, 2022, by means of Decree No. 815/2022, the term for the completion of the RTI established in Decree 1020 was extended for a period of 1 year as from its expiration, i.e. until December 18, 2023. It also extends, as from January 1, 2023, the intervention of ENARGAS, which is instructed, while the renegotiation continues, to carry out the necessary measures to achieve a transitional tariff adjustment in accordance with Decree 1020.

Within this framework, on December 7, 2022, ENARGAS issued Resolution 523 by which it called for a public hearing held on January 4, 2023, in order to consider a transitional tariff adjustment of the public natural gas transportation service. In said hearing, in which it was informed that the increase pending application, considering the lack of semiannual adjustments by WPI since April 2019 and the transitory increase granted of 60% as from March 2022, amounted to an estimated 270% as of December 2022, we requested a transitory tariff increase for the year 2023 of 135%, taking into account the current context the country is going through, aiming at the continuity, accessibility and normal provision of the public service of natural gas transportation, in safe conditions, trying to mitigate the economic and financial effects of the higher costs and current expenses associated to the service.

On March 15, 2023, ENARGAS submitted a proposal to us for an addendum to the RTI.

On March 16, 2023, our Board of Directors approved the 2023 Transition Agreement sent by ENARGAS. This addendum was subsequently ratified by PEN through Decree No. 250/2023 of April 29, 2023. Previously, on April 27, 2023, ENARGAS issued Resolution No. 186/2023 which published the new tariff tables in force.

The 2023 Transition Agreement has conditions similar to the 2022 Transition Agreement. The 2023 Transition Agreement includes:

- As of April 29, 2023 a transitional tariff increase of 95% on the natural gas transportation tariff and the Access and Use Charge.
- During its term, we may in no case distribute dividends or cancel in advance directly or indirectly financial and commercial debts contracted with shareholders, acquire other companies or grant credits (unless the credits benefit users or are granted to contractors who do not qualify as users). If we understand it is appropriate to distribute dividends, it must require authorization from the Ministry of Economy. For its part, in the event that we understand it is appropriate to cancel in advance directly or indirectly financial and commercial debts contracted with shareholders, acquire other companies or grant credits, it shall require authorization from ENARGAS.

On December 14, 2023, through Resolution No. 704/2023, ENARGAS convened a public hearing scheduled for January 8, 2024. On February 9, 2024, ENARGAS issued Resolution No. 52/2024 which declared that the public hearing was declared valid.

As a result of this hearing, on March 26, 2024, we entered the 2024's Transitional Agreement with the ENARGAS, which provides for a transitional adjustment of 675% in natural gas transportation tariffs. This tariff increase came into effect on April 3, 2024, after Resolution No. 112/2024 (the "**Resolution 112**") issued by the ENARGAS was published in the Official Gazette. According to Resolution 112, as from May 2024 and until the RTI process is completed, tariffs are adjusted monthly by a composite index (the "**Transitional Adjustment Index**") as follows:

- 47% by the Wage Index - Registered Private Sector published by INDEC,
- 27.2% IPIM, and
- 25.8% Construction Cost Index in Greater Buenos Aires - Materials chapter published by INDEC.

To this end, ENARGAS will issue the corresponding monthly resolution adjusting the tariff charts to be applied.

In addition, Resolution 112 provides that during 2024 we must execute an investment plan in the amount of Ps. 27,690 million (adjustable by the Transitional Adjustment Index). As of the date of this Annual Report, we have submitted such investment plan, which is in the process of execution.

On December 16, 2023, Decree No. 55/2023 was issued, declaring a state of emergency in the national energy sector until December 31, 2024. Among other provisions, this decree: (i) extends the validity of Decree 1020, (ii) initiates the RTI process, (iii) intervenes in ENARGAS from January 1, 2024, and (iv) instructs the Ministry of Energy to issue the necessary rules and procedures for the establishment of market prices for the public service of natural gas transportation.

Certain Restrictions with Respect to Essential Assets. A substantial portion of the assets transferred by GdE were defined in our License as essential to the performance of the licensed natural gas transportation service. Pursuant to our License, we are required to segregate and maintain the essential assets, together with any future improvements thereon, in accordance with certain standards defined in our License.

We may not for any reason dispose of, encumber, lease, sublease or lend essential assets for purposes other than the provision of the licensed service without ENARGAS's prior authorization. Any extensions or improvements that we make to the natural gas pipeline system may only be encumbered to secure loans that have a term of more than one year to finance such extensions or improvements.

Upon expiration of our License, we will be required to transfer to the Government or its designee the essential assets specified in our License as of the expiration date, free of any debt, encumbrance or attachment. If we decide not to participate in a new bidding for a new License term, we will receive compensation equal to the lower of the following two amounts:

- the net book value of the essential assets determined on the basis of the price paid by CIESA for shares of our common stock plus the original cost of subsequent investments carried in U.S. dollars in each case adjusted by the PPI, net of accumulated depreciation in accordance with the calculation rules to be determined by ENARGAS (since the enactment of the Public Emergency Law, this provision may no longer be valid); or
- the net proceeds of a new competitive bidding (the "**New Bidding**").

Once the period of the extension of the License expires, we will be entitled to participate in the New Bidding, and, thus, we shall be entitled to:

- submit a bid computed at an equal and not lower price than the appraisal value determined by an investment bank selected by ENARGAS, which represents the value of the business providing the licensed service at the valuation date, as a going concern and without regard to the debts;
- match the best bid submitted by third parties in the New Bidding, if it would be higher than our bid mentioned above, paying the difference between both values to obtain a new license; and
- if we have participated in the New Bidding but are unwilling to match the best bid made by a third party, receive the appraisal value as compensation for the transfer of the essential assets to the new licensee, with any excess paid by the third-party remaining for the grantor.

Under Argentine law, an Argentine court will not permit the enforcement of a judgment on any of our property located in Argentina which is determined by the courts to provide essential public services. This may adversely affect the ability of a creditor to realize a judgment against our assets.

Under a transfer agreement we entered into in connection with the privatization of GdE in the 1990s (the “**Transfer Agreement**”), liabilities for damages caused by or arising from the GdE assets are allocated to either GdE or us depending on whether any such damage arose or arises from the operation of the assets prior to or following the commencement of our operations. Also, pursuant to the Transfer Agreement, we are responsible for any defects in title to such assets, although any such defects are not expected to be material. The Transfer Agreement further provided that GdE was responsible for five years until December 1997 for the registration of easements related to the system, which were not properly recorded, and for the payment to property owners of any royalties or fees in respect thereof. Since 1998, we have been responsible for properly recording any remaining easement agreements and for making payments of royalties or fees related to such easements.

Environment

Environmental matters of the natural gas transportation business are governed by Argentine natural gas rule 153 issued by ENARGAS, which sets the guidelines for the implementation of an environmental management system and for the obligation to evaluate the environmental impact of projects.

Our business activities primarily have an impact on the atmosphere (as a result of methane release and combustion gases), the soil and watercourses due to the pipelines (including maintenance, third parties’ actions or failures). Our activities also generate hazardous waste and environmental noise. Further, we may be required to handle universal archeological or paleontological findings during works. All these aspects are monitored and measured under our comprehensive environmental program. We also conduct an annual emergency drill program to test our response capacity under safety and environmental emergencies, the 2021 drill was completed with satisfactory results. Our policy also extends to our contractors, who are required to comply with the same standards and implement environmental protection measures for the execution of each work.

See “*Item 4. Our Information—D. Property, Plant and Equipment—Environmental, Social and Governance.*”

Competition

Our Natural Gas Transportation business provides an essential public service in Argentina in accordance with Article No. 1 of the Natural Gas Law. Although there are no regulatory limitations on entry into the business of providing natural gas transportation services in Argentina, the construction of a competing pipeline system would require substantial capital investment and the approval of ENARGAS. Moreover, as a practical matter, a direct competitor would have to enter into agreements with natural gas distribution companies or end-users to transport a sufficient quantity of natural gas to justify the capital investment. The building and operation of a natural gas pipeline requires important technical know-how and high investment levels.

Also, the ability of new entrants to successfully penetrate our market would depend on a favorable regulatory environment, an increasing and unsatisfied demand for natural gas by end-users, sufficient investment in downstream facilities to accommodate increased delivery capacity from the natural gas transportation systems and the finding of significant natural gas reserves. Given the potential of Vaca Muerta's non-conventional gas formation, other competitors, new market participants or even us in association with third parties may become interested in participating in the construction of new similar projects that could have an impact on our competitive position and on our financial situation and future results.

To a limited extent, we compete with TGN on a day-to-day basis for natural gas interruptible transportation services and, from time to time for new natural gas firm transportation services made available as a result of expansion projects to the natural gas distribution companies to whom both we and TGN are either directly or indirectly connected (Camuzzi Gas Pampeana S.A., Metrogas S.A. and Naturgy Argentina S.A.). We compete directly with TGN for the transportation of natural gas from the Neuquina basin to the greater Buenos Aires area.

The cost of natural gas relative to competing fuels may also affect the demand for transportation services in the long-term. The delivered cost of gas to end-users in Argentina, based on energy content, is currently significantly lower than other alternative fuels, except for hydroelectric power.

In 2008 and 2010, the Government, through ENARSA, completed the construction of two natural gas regasification ports in Bahía Blanca and Escobar, province of Buenos Aires, which are intended to supplement the natural gas supply deficit. In order to supply the peak demand in winter, YPF and ENARSA launched a process tender for the acquisition of a LGN regasification vessel in Bahía Blanca as has been carried out in the past. Finally, the Ministry of Energy announced Accelerate as the winner of the aforementioned tender.

In addition, the Argentine Government has launched a series of projects to promote the exploration and development of new natural gas reserves.

Through Resolution No. 1036/2021, published in the Official Gazette on November 1, 2021, the Secretary of Energy approved the "Guidelines for an Energy Transition Plan to 2030" where the objectives and characteristics of the Argentine energy matrix and the main action guidelines to comply with them are formulated.

The abovementioned Resolution incorporates the Energy Transition Program, which establishes a series of general objectives and strategic guidelines for 2030 in energy matters. Regarding the guidelines, the program includes energy efficiency; clean energy in greenhouse gas (GHG) emissions; gasification; development of national technological capacities; resilience of the energy system; federalization of energy development; national strategy for the development of hydrogen.

Within this framework, on February 11, 2022, Resolution 67 was published, which created the Transport.Ar Program whose main purpose is to promote the development and growth of natural gas production and supply.

The program is aimed at the development of different economic and industrial aspects. In particular, within the framework of such development, it aims at: (i) the growth of natural gas production and supply; (ii) the substitution of LNG and Gas Oil - Fuel Oil imports; (iii) ensuring energy supply and guaranteeing domestic supply; (iv) increasing the reliability of the energy system; (v) optimizing the national transportation system; (vi) increasing natural gas exports from neighboring countries; and (vii) tending to regional gas integration.

Among the works included in the program are:

- NK pipeline.
- Construction of the gas pipeline between the cities of Mercedes and Cardales in the Province of Buenos Aires.
- Expansion of NEUBA II Gas Pipeline: loops and compressor plants.
- Reversion of the North Gas Pipeline Stages I and II.
- Expansion of the Central West Gas Pipeline: different sections between the Neuquén and Litoral areas in the Province of Santa Fé.
- Expansion of the final sections of gas pipelines in AMBA.

Also, the following additional works to be executed in subsequent stages are included:

- Expansion of the transportation capacity of the Gasoducto del Noreste Argentino (GNEA) by compression increase.
- GNEA - San Jerónimo connection from the cities of Barrancas to Desvío Arijón in the Province of Santa Fé.
- Construction of loops and compression in Aldea Brasileira (Entrerriano Gas Pipeline).
- Expansion of the transportation capacity of the General San Martín Gas Pipeline.
- Execution of Stage III “Mesopotamia” of the Gas Pipeline of Northeastern Argentina (GNEA) in the Provinces of Corrientes and Misiones.

Also, by means of Decree No. 76/2022 of February 11, 2022, the concession of the NK Pipeline was granted to IEASA for a term of 35 years and the trust FONDESGAS (Fondo de Desarrollo Gasífero Argentino) was created, with IEASA as trustee and beneficiary, and BICE as trustee.

The construction of the NK Pipeline, and its complementary works, is of vital importance for the Argentine energy development and in a first stage it will connect the town of Tratayén in the Province of Neuquén with the town of Salliqueló in the Province of Buenos Aires, where it will be connected to the gas pipeline system operated by us. The second stage will consist of the construction of the gas pipeline section to San Jerónimo in the south of the Province of Santa Fé.

The works will be carried out by ENARSA, which will be able to do it by itself or through third parties, with priority to YPF. In the event that for the execution of the works the ES opens a call for bids, we will evaluate the convenience of participating in the provision of the operation and maintenance service.

If this or an alternative project continues and is awarded to another company, then we will compete on a day-to-day basis for natural gas, interruptible transportation services and, from time to time, for new natural gas firm transportation services made available as a result of future expansion projects to transport nonconventional natural gas from the Vaca Muerta area.

In addition, the Government has implemented a number of projects to encourage the exploration and development of new natural gas reserves, or secure alternative supplies of natural gas, in recent years. See “*Item 4. Our Information—B. Business Overview—Natural Gas Transportation—The Argentine Natural Gas Industry.*” For example, the Northeast pipeline is a project, led by the Government, which will connect the Bolivian natural gas basins with the northeastern region of Argentina and the greater Buenos Aires region. In recent years, the Government has carried out, albeit with some delays, the development of the expansion works.

LIQUIDS PRODUCTION AND COMMERCIALIZATION

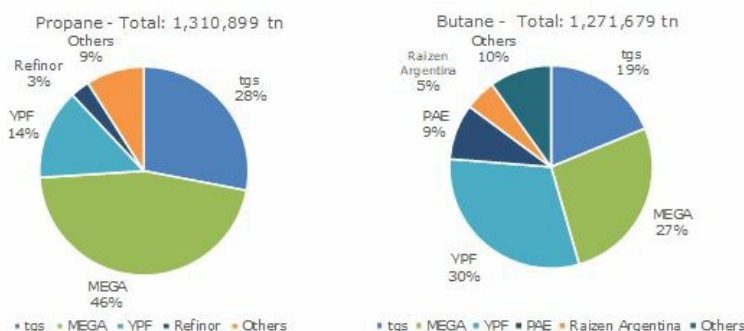
Our Liquids production and commercialization activities are conducted at our Cerri Complex, which is located near the city of Bahía Blanca in the Province of Buenos Aires. In the Cerri Complex, ethane, LPG and natural gasoline are extracted from natural gas, which arrives through our three main pipelines from the Neuquina, San Jorge Gulf and Austral natural gas basins.

We own the Liquids obtained at our Cerri Complex. We purchase natural gas in order to replace thermal units consumed in the Liquids production process. These natural gas purchases are negotiated with certain natural gas distributors, traders and producers. The results of our Liquids Production and Commercialization segment are subject to risks associated with commodity price changes.

During 2023, 2022 and 2021, all of our Liquid sales were on our own account. Our sales of Liquids in the domestic market are regulated through the Households with Bottles Program (as defined below) of the Ministry of Energy in order to guarantee the supply at reasonable prices. For more information, see “*—Regulation—Domestic market*” below.

Liquids production in 2023 reached 1,134,297 tons, an increase of 11,658 tons or 1%, with respect to Liquids production in 2022. During 2023, there were no production restrictions during the winter period. With respect to gas arriving at the Cerri Complex for processing, there was a slight increase with respect to 2022, mainly as a result of the increase in arrivals from the Neuquina basin, partially offset by the decrease in gas arrivals from the Austral account.

In 2023, we were the second ethane producer behind MEGA, and our market share increased to more than 40% of the total ethane produced in Argentina in that year. The graphs below show our share in total propane and butane production in Argentina during 2023:



During 2023, propane and butane deliveries to the export market were operated on a spot basis, capturing opportunities associated with different market niches, which allowed for a considerable increase in the individual fixed premiums of each operation. We also continue to advance its positioning in the Brazilian market by maintaining direct maritime exports (without intermediaries) to Brazilian LPG distributors, which began in 2021.

With respect to the export of natural gasoline, during 2023 and until February 2024, such gasoline was commercialized through a contract entered with Trafigura Pte Ltd. at the international price less a discount. As of the date of issuance of this Report, a new contract with Trafigura Pte Ltd. was entered into for a term until February 2026. This contract improves the conditions of the contract in force during 2023.

For additional information regarding Liquids price evolution during the years 2023 and 2022 see *“Item 5. Operating and Financial Review and Prospects—A. Operating Results.”*

Truck exports to neighboring countries have also grown. The countries with which we operate under this scheme are Chile, Paraguay and Brazil. Although volumes exported using this modality are much lower than exports by sea, they allow us to obtain a larger profit margin.

During 2023, we continued to market LPG through the land mode, dispatching approximately 15,518 trucks (379,544 tons) of own product, compared to approximately 16,156 trucks (390,914 tons) of own product dispatched during 2022.

Our entire ethane production is sold to PBB through a long-term agreement signed on September 6, 2018. This agreement will expire on December 27, 2027, and includes, among other conditions, TOP and DOP commitments for minimum annual per year, which is lower than the TOP quantities included in the 2015 ethane agreement with PBB. If either of the parties does not comply with the TOP or DOP conditions, as applicable, that party is required to compensate the other party for the breach of the minimum annual quantities’ commitment. Pursuant to the current contract with PBB, in case of a default by PBB with respect to its TOP commitments, PBB will be required to compensate us.

Our Liquids Production and Commercialization segment also comprises storage and dispatch by truck and subsequent shipment of the liquids extracted at the Cerri Complex to facilities located in Puerto Galván. LPG and natural gasoline are transported via two eight-inch pipelines to the loading terminal at Puerto Galván. Ethane is piped via an eight-inch pipeline to the PBB olefins plant, which is the sole outlet for ethane from the Cerri Complex. Any ethane extracted at the Cerri Complex that cannot be sold to PBB is reinjected into the pipeline.

Our Liquids Production and Commercialization segment has increased as a percentage of our total revenues from 19.0% in 2001 to 59% in 2023, as a consequence of the adverse change in the regulated Natural Gas Transportation segment, and the increases in the international prices of LPG and natural gasoline, which generated higher revenues primarily from exports.

In 2023, our export revenues from the Liquids Production and Commercialization segment were Ps. 95,390 million and represented 21% of our total revenues and 36% of our liquids production and commercialization revenues. Additionally, the total volume of sales from Liquids was 1,129,186 tons, and the volume of sales from Liquids exports was 360,381 tons, representing 32% of our total liquids sales volumes.

The annual sales of our Cerri Complex for 2023, 2022 and 2021 in tons were as follows:

	2023	2022	2021
Ethane	394,370	329,232	353,078
Propane	369,683	410,563	383,085
Butane	235,861	263,932	267,579
Natural Gasoline	129,272	125,277	115,677
Total	1,129,186	1,129,004	1,119,419

We anticipate that new oil and natural gas developments in Argentina will provide new opportunities in the Liquids Production and Commercialization business and lead to related increases in revenues from our Natural Gas Transportation and Liquids Production and Commercialization businesses.

Regulation

Liquids production and commercialization activities are not subject to regulation by ENARGAS. However, in recent years, the Government has enacted regulations that significantly affect our Liquids production activities.

Domestic market

We are not able to freely select the markets to which we will allocate LPG production. As we are effectively required to meet the minimum domestic demand before exporting significant amounts of LPG, we forego sales to foreign markets, where the prices for some products are higher than those established for local consumers in Argentina.

On March 9, 2005, the Government enacted Law No. 26,020, which set forth the regulatory framework for LPG industry and commercialization. After its issuance, the Ministry of Energy established, through several subsequent resolutions, reference prices applicable to sales of LPG bottles.

On March 30, 2015, the Executive Branch issued Decree No. 470/2015, regulated by Resolution No. 49/2015 issued by the former Federal Energy Bureau, both creating the framework for selling LPG bottles (the “**Households with Bottles Program**”) which replaced the programs in force until that time.

The provisions of Law No. 26,020 set the sales prices of LPG for the local market and the SHR is the body that periodically determines the minimum volume of product that each producer must allocate for commercialization in order to ensure domestic supply. The former Federal Energy Bureau established, through several resolutions, reference prices applicable to sales of LPG containers of less than 45 kilograms and to wholesale LPG sales exclusively to LPG retailers (*fraccionadores*).

Under the Households with Bottles Program the Ministry of Energy regulates the price and the quantity of LPG sold in the domestic market by each LPG producer. The compensation received from the Ministry of Energy was Ps.550 per ton of butane from April 2015 through March 2018. Afterwards, on March 27, 2018, the SHR issued Resolution No. 5/2018 increasing the price paid under the Households with Bottles Program to Ps.5,416 per ton of butane and Ps.5,502 per ton of propane, effective as of April 1, 2018.

During 2019, the Government introduced several amendments to the prices of the products commercialized under the Households with Bottles Program.

In 2022 the price of the products contributed to this program were increased by Resolutions No. 270/2022, 809/2022 and 861/2022. Back in December 2022, the price per ton of butane and for propane was Ps. 26,800.8. During 2023 the price has increased. For more information see *“Item 5. Operating and Financial Review and Prospects—A. Operating Results—Liquids Production and Commercialization Segment—.”*

Currently, according to Note 2024-02975754 APN-DGL#MEC, dated January 9th, 2024, the Price per ton of butane and propane that we receive under such Program was set at Ps 137,838.

The Households with Bottles Program requires us to produce, under certain circumstances, and market the LPG volumes required by the Ministry of Energy at prices significantly below the market. This requirement might prevent us from covering production costs, even after giving effect to the subsidy payments that we receive in the past under the agreement, creating a negative operating margin. We have initiated several actions with the Government in order to enjoin the requirement that we sell products with negative operating margins for an extended period. On June 3, 2015, we filed a motion for reconsideration regarding the volumes of LPG that we were required to provide in 2015 under the Households with Bottles Program. In addition, on August 18, 2015, we filed a lawsuit to overturn Resolutions No. 49/15 and 70/15 which implemented the Households with Bottles Program and required us to sell products below their international reference prices.

On March 16, 2015, through Resolution No. 36/2015, which modified Resolution No. 792/05, the Ministry of Energy set the method to calculate the LPG export parity that would be updated monthly by this agency. These modifications generated an increase in the prices at which the LPG is sold in the local market to those customers who do not fall under the Households with Bottles Program and the Propane for Networks Agreement.

Since the Propane for Networks Agreement was signed between the Government and producers of LPG, including us, in 2003, we have complied with our commitments under that agreement. Pursuant to the Propane for Networks Agreement, which has been extended several times, the Ministry of Energy fixed prices and procedures by which it compensates participating companies. The compensation received is calculated as the difference between the sales price established for the domestic market and the LPG export parity price published monthly by the Ministry of Energy. The compensation is calculated on a monthly basis. According to the Propane for Networks Agreements in effect during the year 2023, the Secretary of Energy committed to pay the compensation through fiscal credit certificates which could be used to cancel export duties payable from hydrocarbon exports. Not until very recently, on April 10, 2024, the Fiscal Agency (AFIP) issued Resolution N° 5498 establishing the procedure which enables to apply the fiscal credit certificates accrued during the year 2023 under the Networks Agreement to cancel export duties payable from hydrocarbon exports.

The Propane for Networks Agreement, which served as a framework for the marketing of the products stipulated therein, has been extended several times. The latest extension has been in force until December 31, 2023. However, on February 15th, 2024, through Note NO-2024-16352944-APN-SE#MEC from the current Secretary of Energy we were instructed to continue providing to the domestic market undiluted propane until a new Propane for Networks Agreement enter into effect. We are not yet aware of the terms and conditions the Secretary of Energy will propose for the extension or execution of a new Propane for Networks Agreement during the year 2024. On March 27, 2024, the Secretary of Energy updated the price we receive for deliveries of undiluted propane from the distribution companies and fixed it in 25% of the export parity price published by the Secretary of Energy in effect the 20th day of the month prior to the approval of the new tariffs defined by the ENARGAS for each distribution company. On April 3, 2024 such new tariffs were published in the Official Gazette and, therefore, since such date the new price for undilute propane applies.

The Government compensates us for our participation in the Propane for Networks Agreement. During 2023, these collections have suffered significant delays. As of December 31, 2023, we had Ps. 4,676 million in receivables as fiscal against the Government in connection with the Propane for Networks Agreement, which we will commence shortly to use them to compensate the export duties payable for our exports.

International Market

In the international market, we commercialize propane, butane and natural gasoline to international traders and other clients.

On September 4, 2018, by means of Decree No. 793/2018 (later amended by National Executive Branch Decree No. 865/2018, the effectiveness of which was ratified by Law No. 27,467), the National Executive Branch stipulated a 12% withholding on exports for all the goods comprised in the common customs MERCOSUR nomenclature, with a maximum of Ps.4 per Dollar for the products that our Company exports. This price limit was left without effect on December 16, 2019 pursuant to Decree No. 37/2019.

Through Law No. 27,541, the Executive Branch (until December 31, 2021) is empowered to set export duties, the rate of which may in any case not exceed 33% of the taxable value price. Beyond the general limit mentioned above, with respect to hydrocarbons, it is established that withholding tax may not exceed 8% of the taxable value price.

On May 19, 2020, the Government issued Decree No. 488/2020 ("Decree 488") pursuant to which, among others, the price per barrel of crude oil in the local market was fixed at U.S.\$45 until December 31, 2020, subject to review if the "ICE Brent first line" price exceeds U.S.\$45 / bbl during 10 consecutive days, and introduced modifications to the tax regime applicable to domestic consumption of fuel and export withholdings.

During fiscal year ended December 31, 2023, the withholding tax rate reached the maximum amount of 8%.

During 2023 and in order to encourage gas and oil exports, on October 3, 2023, the Energy Secretariat issued Resolution No. 808/2023 by which hydrocarbon exporters are included within the Export Increase Program created by Decree No. 576/22. According to this program, it is allowed to settle a proportion of exports at a different exchange rate than "blue chip swap" (between 20% and 30% depending on the period in which the settlement was made), and the remainder must be paid at the official exchange rate. At the date of issuance of this Annual Report, the proportion that may be settled by "blue chip swap" amounts to 20%.

Environment

In addition to this sector-specific regulation, we must comply with the environmental legislation set by each of the seven provinces where the high-pressure trunk gas pipeline system runs.

Our production and liquid storage facilities are subject to Law No. 11,459 of industrial establishment of Buenos Aires. Additionally, we must comply with all environmental legislation issued by the province, which includes laws and regulations of gas emissions, waste emissions, use of public waters and return of effluents, among others. Both facilities in the Cerri Complex and Puerto Galván have valid environmental certificates.

See “Item 4. Our Information—D. Property, Plant and Equipment—Environmental, Social and Governance.”

Competition

The construction and operation of natural gas processing plants located in the Province of Neuquén have represented important competition for our Liquids sector, since our customers could satisfy their product demand with alternative suppliers. This competition was finally mitigated by entering into agreements with natural gas producers that limited their ability to make investments in natural gas processing plants.

For example, at the end of 2000, MEGA finished building and began operation of a gas processing plant with a capacity of approximately 1.3 Bcf/d, located in the Province of Neuquén. Although the construction of this gas processing plant initially resulted in lower volumes of gas arriving at the Cerri Complex, we have been able to undertake measures to substantially mitigate any negative impact of MEGA’s activity. However, there is a risk that additional gas processing at the MEGA plant could result in lower volumes or lesser quality gas (i.e., gas with lower liquids content) arriving at the Cerri Complex in the future, or that other projects that may be developed upstream of the Cerri Complex could adversely affect our revenues from Liquids production and commercialization services.

Formerly, our sole purchaser of ethane, PBB, decided, for commercial reasons, to give priority to the product provided by MEGA. If PBB continues with its policy of taking increased volumes of ethane from our competitors, this situation could adversely affect our revenues from Liquids production and commercialization services, if we are unable to sell the ethane and must reinject it into the gas stream.

In order to guarantee access to natural gas not yet processed in the Cerri Complex, in the past, we obtained the commitment of natural gas producers to not build natural gas processing plants upstream of the Cerri Complex during the term of such long-term agreements. From time to time, and as these contracts expire, we renew and sign new agreements with them to replace expiring contracts. The agreements reached in more recent years, have had shorter durations and the contracts in effect do not limit the ability of gas producers to build natural gas processing plants upstream of the Cerri Complex during the term of the agreement. All of these recent agreements contain commitments of such natural gas producers not to reduce the quality of the natural gas that they sell to us. Nevertheless, any decision by such natural gas producers to make modifications to the methodology for injecting natural gas into the pipeline system could result in the receipt of lower quality natural gas, thereby reducing the amount of Liquids available for extraction and processing in the Cerri Complex.

MIDSTREAM

Other business activities are not subject to regulation by ENARGAS.

Midstream Services

Through midstream services, we provide integral solutions related to natural gas from the wellhead up to the transportation systems. The services comprise gas gathering, compression and treatment, as well as construction, operation and maintenance of plants and pipelines, which are generally rendered to natural gas and oil producers at the wellhead. Our portfolio of midstream customers also includes distribution companies, big industrial users, power plants and refineries. Our midstream activities also include the separation and removal of impurities such as water, carbon dioxide and sulfur from the natural gas stream, and steam generation for electricity production. Small diameter pipes from the wellheads form a network, or gathering system, carrying the gas stream to larger pipelines where field compression is sometimes needed to inject the gas into our large diameter gas pipelines. The services are tailored to fit the particular needs of each customer in technical, economic and financial matters.

This business segment includes the transportation and all related services provided in Vaca Muerta after the important gas pipe project carried out during 2019 which allow us to comply with the agreements signed with the main natural gas producers in the area.

In addition, we provide operation and maintenance of pipelines services to our affiliate Gas Link S.A. (“**Link**”).

We have entered into an UT with SACDE for the purpose of participating jointly in the National Public Bid No. 452-0004-LPU17: Assembly of Pipes for the Construction of the Project “*Expansion of the Natural Gas Transportation and Distribution System.*” As a result of this bid, the Ministry of Mines and Energy awarded to the aforementioned UT the contract for the construction of the Regional II-Recreo/Rafaela/Sunchales Regional Gas Pipeline. As of the date of issuance of this Annual Report, construction works are in progress.

Furthermore, we aim to have a leading role in the development of Argentina’s energy sector. For this reason, we developed a gas gathering network in the Southern Section and Northern Section in the Vaca Muerta fields. To make these investments viable, we executed agreements with various natural gas producers and contracted natural gas treatment services for a period of 10 years.

The total original investment in both the Northern Section and the Southern Section of the pipeline gathering system and the natural gas conditioning plant located at the ending point of both sections was U.S.\$260 million. The 91 miles gathering pipeline formed by the Northern and Southern Sections gather and transport the natural gas production of several hydrocarbon areas within the Vaca Muerta play. The natural gas pipelines have a total transportation capacity of 60 MMm³/d and the conditioning plant (called Tratayén Plant), originally had a capacity of 6 MMm³/d of natural gas.

This project will continue to improve the profitability of the investment made by us and generate business opportunities by providing security in the evacuation of natural gas volumes, such as the ones committed by producers under the Plan Gas.Ar.

As a consequence of the increase in natural gas production levels registered in the Neuquén basin, we have recorded increasing levels of utilization of our midstream facilities; this is mainly evident in the Vaca Muerta System, which started 2021 gathering and treating flows of around 3.5 MM³/d at the Tratayén Plant and ended year 2023 with flows of around 20 MM³/d. To cope with this flow growth several expansion projects were carried out at the Tratayén Plant:

- In year 2020 the first expansion project was approved, increasing the plant total gas conditioning capacity up to 7.7MM m³/d. These works, completed in September 2021, involved the installation of a new slug catcher and a new stabilizing column.
- In year 2021 the installation of two Joule Thomson gas conditioning plants was approved. These works, finalized in 2023, increased total gas conditioning capacity to 14.5MM m³/d. This project involved an estimated investment of U.S.\$36 million.
- The third expansion stage, currently under construction stage and planned to achieve commercial operation during year 2024, consists of the installation of two gas processing plants (6.6MM m³/d capacity each, cryogenic technology in both cases). These two plants will be operated in gas conditioning mode until conditions make possible to develop a gas processing project in Tratayén Plant. With the addition of these plants the total gas condition capacity will grow up to 28MM m³/d. Total estimated investment for this expansion is U.S.\$320 million.

Additionally, in August 2023 the construction work to extend the gas pipeline gathering network of the Vaca Muerta System was completed. With an investment of approximately U.S.\$ 48 million, this 32 kms long pipeline extends from the Los Toldos I Sur area to El Trapial (Vaca Muerta Northern Section); the commissioning of this pipeline enables the current configuration of our intake system, with a total length of 183 km.

This effort was accompanied by the negotiation and closing of new service contracts (transportation and conditioning) with Tecpetrol, Pluspetrol, Vista, YPF, Pampa Energía and Chevron.

As for the Río Neuquén Plant, year 2023 showed steady levels of incoming natural gas flows which contributed to maintain the solid financial performance of this operation. According to conversations with YPF (main client for this operation) there might be growth opportunities for this plant in the near future; it will depend on **tgs**' ability to provide competitive plant expansion solutions that allow YPF to increase gas inflows, the opportunity to capture and capitalize this opportunity.

Plaza Huincul operations matched our forecasts in terms of incoming gas flows and financial performance. We don't foresee substantial growth opportunities for this plant in the near future.

Finally, during the year 2023, **tgs** INTEGRÁ was launched. This brand groups all the services that **tgs** offers to the market based on the human resources and tools with which it supports the management of its own assets: from the execution of minor works and pipeline repair works to laboratory works such as meter calibration and analysis of hydrocarbon samples, including the operation and maintenance of pipelines and plants, project management, facility inertization services, pipeline integrity studies, etc.

tgs has been providing all these services for a long time and, in view of the growth that the demand for these services has been experiencing, they have been grouped into a business line with its own identity to enhance its development in the market. Thus, in 2023 **tgs** INTEGRÁ was born and launched both internally and externally.

They also reinforce our commitment to Argentina's energy development and our strategy of making the investments made in the installation of the Vaca Muerta gas pipeline system profitable. In this sense, we continue in conversations with the different producers in the basin in order to capture business opportunities that will allow us to increase our portfolio of services and client portfolio.

Telcosur (Telecommunications System)

We own 99.98% of Telcosur, a telecommunications company created in September 1998 to provide value-added and data transportation services using our modern digital land radio telecommunications system with Synchronous Digital Hierarchy ("**SDH**") technology (which was installed for purposes relating to our gas transportation system).

With respect to the telecommunications services provided by Telcosur, during the year 2023, agreements were reached that allowed increasing the capacity sold and consolidating the Company's operations.

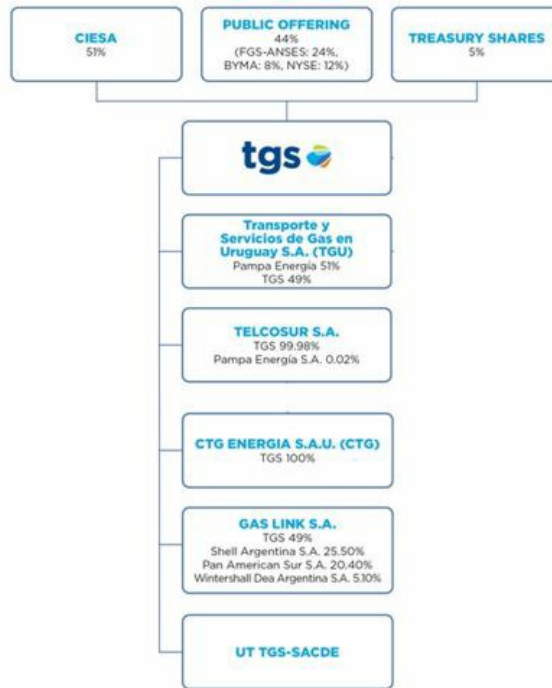
In line with the strategy of consolidating the business in the medium and long-term, Telcosur reached agreements with new customers and was able to expand or renew existing agreements. Telcosur's strategy is focused on being a service provider in Vaca Muerta, taking advantage of its infrastructure and know-how in the industry. It is in this sense that among its main clients are the main oil and gas producers in the area as well as other telecommunications companies that provide services to them.

New technologies

Progress was made with "IoT" radio bases to expand Telcosur's portfolio of services provided to its customers. Augmented reality and drone services were added to Telcosur's service portfolio, making progress with the development of digital twins for antenna support masts and an innovative system for monitoring the verticalization of antenna support structures. A predictive system for monitoring data networks was implemented, which allowed Telcosur to advance in the early detection of network events and to act proactively to benefit customer service.

C. Organizational Structure

The following is a summary diagram of our subsidiaries (Telcosur and CTG) and affiliates as of December 31, 2023, including information about ownership and location:



D. Property, Plant and Equipment**Gas Transportation**

The principal components of the pipeline system we operate are as follows:

Pipelines. We render natural gas transportation service through a pipeline system that is 5,746 miles long, of which 4,768 miles operated under the License on an exclusive basis. We manage the transportation of natural gas over the remainder of the system under management agreements with the Gas Trust, which owns the remaining portions of the pipeline. The system consists primarily of large diameter, high-pressure pipelines intended for the transportation of large volumes of gas at a pressure of approximately 853-996 pound/square inch. Line valves are installed on the pipeline at regular intervals, permitting sections of the pipeline to be isolated for maintenance and repair work. Gas flow regulating and measurement facilities are also located at various points on the system to regulate gas pressures and volumes. In addition, a cathodic protection system has been installed to protect the pipeline from corrosion and significantly reduce metal loss. All of the pipelines are located underground or underwater.

Maintenance bases. Maintenance bases are located adjacent to the natural gas pipeline system in order to maintain the pipeline and related surface facilities and to handle any emergency situations which may arise. Personnel at these bases periodically examine the pipelines to verify their condition and inspect and lubricate pipeline valves. Personnel at the bases also carry out a cathodic protection system to ensure that adequate anti-corrosion systems are in place and functioning properly. Such performance also maintains and verifies the accuracy of our measurement instruments to ensure that these are functioning within appropriate industry standards and in accordance with the specifications contained in our service regulations.

Compressor plants. Compressor plants along the pipelines recompress the natural gas volumes transported in order to restore pressure to optimal operational levels, thereby ensuring maximum use of capacity as well as efficient and safe delivery. Compressor plants are spaced along the pipelines at various points (between 62 and 124 miles) depending upon certain technical characteristics of the pipelines and the required pressure for transport. Compressor plants include mainly turbine-driven compressors and, to a lesser extent, motor-driven compressors which use natural gas as fuel, together with electric power generators to supply the complementary electrical equipment (control and measurement devices, pumping, lighting, communications equipment, etc.).

We transport natural gas through four major pipeline segments: General San Martín, Neuba I Gas Pipeline, Neuba II Gas Pipeline and Loop Sur Gas Pipeline, as well as several smaller natural gas pipelines. Information with respect to certain aspects of our main natural gas pipelines as of December 31, 2023, is set out in the table below:

Major Pipeline	Length (miles)	Diameter (inches)	Maximum Pressure (pound/inch)	Compressor Units	Operative Compressor Plants	HP Output
General San Martín	2,853	24/30	853/995	59	17	520,800
Neuba I/Loop Sur	732	24/30	853	11	6	57,800
Neuba II	1,235	30/36	975/995	21	7	194,000
Other (1)	926	Various	Various	6	3	7,500
Total	5,746			97	33	780,100

(1) Includes 247 miles of transfer pipelines throughout the pipeline system, as well as the Cordillerano pipeline, with a length of 274 miles, and the Chelforó-Conesa pipeline and other minor pipelines.

General San Martín. This pipeline was built in three stages, completed in 1965, 1973 and 1978, and transports natural gas from the extreme southern portion of Argentina to the greater Buenos Aires area in east-central Argentina. It originates in San Sebastián (Tierra del Fuego), passes through the Strait of Magellan and the Provinces of Santa Cruz, Chubut, Río Negro and Buenos Aires (including the Cerri Complex located near the city of Bahía Blanca in central Argentina), and terminates at the high pressure transmission ring around the City of Buenos Aires. The pipeline receives natural gas from the Austral basin at the extreme south in the Province of Tierra del Fuego, from the same basin further north at El Cóndor and Cerro Redondo, in the Province of Santa Cruz and from the San Jorge basin in the northern Santa Cruz and southern Chubut Provinces. The natural gas pipeline primarily serves the districts and cities of Buenos Aires, La Plata, Mar del Plata, Bahía Blanca, Puerto Madryn and Comodoro Rivadavia. This pipeline was expanded in 2005 by the Gas Trust in order to satisfy the growing natural gas demand in the Argentine economy. This expansion resulted in the construction of 458 miles of pipeline and the installation of new compressor units. See “*Item 4. Our Information—B. Business Overview—Natural Gas Transportation—Pipeline Operations—Pipeline Expansions.*”

Neuba I Gas Pipeline (Sierra Barrosa-Bahía Blanca). Neuba I Gas Pipeline was built in 1970 and was expanded by us in 1996. It is one of our two main pipelines serving our principal source of gas supply, the Neuquina basin. The pipeline originates in west-central Argentina at Sierra Barrosa (Province of Neuquén), passes through the Provinces of Río Negro, La Pampa and Buenos Aires, and terminates at the Cerri Complex. This pipeline transports the natural gas received from the Neuquina basin, particularly from the Sierra Barrosa, Charco Bayo, El Medanita, Fernández Oro, Lindero Atravesado, Centenario, Río Neuquén and Loma de la Lata natural gas fields. The gas delivered from Neuba I Gas Pipeline is subsequently compressed and injected into the Loop Sur Gas Pipeline and the General San Martín pipelines for transportation north to the greater Buenos Aires area. As part of the works scheduled to be completed in the Five-Year Plan, we are executing the construction of a compressor plant in the town of Confluencia, Neuquén Province, which will allow the Neuba I Gas Pipeline to be interconnected with the Neuba II Gas Pipeline and thus grant a greater degree of flexibility to the operation of the natural gas transport system.

Loop Sur Gas Pipeline. This gas pipeline was built in 1972 as an extension of Neuba I Gas Pipeline and runs parallel to a portion of the General San Martín gas pipeline. Located in the province of Buenos Aires, it transports natural gas from the Neuba I Gas Pipeline at the Cerri Complex in Bahía Blanca and terminates at the high pressure transmission ring around Buenos Aires, which we also operate. The natural gas delivered by this gas pipeline constitutes a portion of the natural gas supply for the greater Buenos Aires area. Loop Sur Gas Pipeline is also connected to the TGN system and allows us to deliver natural gas to or receive natural gas from TGN. Such transfers occur occasionally during periods of high demand for natural gas.

Neuba II Gas Pipeline. Our newest natural gas pipeline, Neuba II Gas Pipeline, was built in 1988 and is our second pipeline serving the Neuquina basin. Neuba II Gas Pipeline was expanded four times between 1996 and 2000, and again in 2008. Neuba II Gas Pipeline begins at YPF’s Loma de la Lata gas treatment plant in the western portion of the basin and runs through the Provinces of Neuquén, Río Negro, La Pampa and Buenos Aires (through the Cerri Complex), up to its terminal station located at Ezeiza just outside of Buenos Aires. Neuba II Gas Pipeline is a principal source of natural gas for the Federal District and the greater Buenos Aires area. In 2008, this pipeline was expanded as a part of the Second Expansion, resulting in the construction of 153 miles of natural gas pipeline.

Other Pipelines. We also operate the Cordillerano natural gas pipeline, built in 1984, which receives gas from the Neuquina basin and supplies it mainly to three tourist centers in southern Argentina. In addition, we operate other minor pipelines, the high pressure transmission ring around Buenos Aires, the Chelforó-Conesa natural gas pipeline and other natural gas pipelines known as natural gas transfer pipelines.

Additional information regarding the expansion of our gas transportation system is included in “Item 4. Our Information—B. Business Overview—Natural Gas Transportation—Pipeline Operations—Pipeline Expansions.”

Ancillary Facilities

Cathodic Protection System

Currently, we operate cathodic protection devices, which are located along our main pipelines. The objective of this system is to prevent the corrosion process. The corrosion process causes metal loss, which, depending on the severity of the damage, may cause pipeline ruptures. Cathodic protection equipment includes direct current rectifiers, and generators powered by thermic, turbine natural gas engines in locations where no electric lines are available. The system also includes an impressed current anode, which facilitates circulation of electricity through the circuit formed by the generator, the anode itself, the pipe and the land.

Measurement and Control of the Transport System

To guarantee the reliability of the facilities and optimize the operation of the transport system, it is necessary to have real-time information from the various measurement and control devices installed throughout our more than 5,769 miles of gas pipelines and 33 compressor plants.

To that effect, we have fiscal measurement stations associated with gas receptions from producer facilities and gas deliveries to our distributors or customers, in addition to the mediation equipment installed in the compressor plants to determine the volumes of pumped gas, fuel and other variables of operational interest.

All the information generated by the field devices is collected by our SCADA/EFM system, transmitted through our communications infrastructure and centralized at our headquarters. The fiscal mediation information contains volumes and quality of gas, which is collected by the SCADA/EFM system and saved in a database for further processing by other corporate systems.

In addition, the information is shared in real time with producers, distributors and ENARGAS in order to ensure the required auditability and transparency.

Natural Gas Control System

Located at our Buenos Aires headquarters, the gas control system controls scheduled gas injections and deliveries and allows us to follow gas flows in real time. Data is received from compressor stations by phone and automatically from remote terminal units (“RTUs”) installed in the receipt and delivery points equipped with the Electronic Flow Measurement (EFM) system. The information is normally collected by the supervisory control and data acquisition system (which has an ad hoc database that is updated every 30 seconds on average) and is then consolidated into other databases. In order to control gas injection and deliveries, we have developed a software system called *Solicitud, Programación, Asignación y Control*, which, among other things, allows us to control actual volumes and projected future injections to determine producer deviations. As part of this system, we operate meteorological equipment and receive daily weather information from various sources, which is used for the purpose of forecasting natural gas demand.

Natural Gas Measurement

Shipped and delivered natural gas is measured through primary field facilities that are connected with RTUs. Such RTUs transmit the data to the Buenos Aires headquarters. This data is utilized to prepare reports for clients, shippers, producers and ENARGAS. Energy balances are also prepared in order to control our system efficiency.

Liquids Production and Commercialization

Our Liquids production and commercialization activities are conducted at our Cerri Complex. It is located near the city of Bahía Blanca and is connected to each of our main pipelines. The Cerri Complex consists of an ethane extraction cryogenic plant to recover ethane, LPG and natural gasoline, together with a lean oil absorption plant to recover LPG and natural gasoline (“**Liquids Production and Commercialization**”). The facility also includes compression, power generation and storage facilities. The Cerri Complex processing capacity is approximately 47 MMm3/d.

As part of the Cerri Complex, we also maintain at Puerto Galván a storage and loading facility for the natural gas liquids extracted at the Cerri Complex. The Cerri Complex, including the Puerto Galván facility, is currently capable of storing 68,882 short tons of liquids. See this “*Item 4.—Our information—B. Business Overview—Liquids Production and Commercialization*”.

Midstream

As part of this business segment, we provide services related to natural gas including treatment, gathering and gas compression, which are rendered at two treatment plants and three gas compression plants with a total treatment capacity of 10.9 MMm3/d and a total compression capacity of 34,790 HP, respectively.

Throughout the year 2019, we successfully concluded assembly and pressurization works of an important Vaca Muerta gas pipe project that involved an aggregate investment of U.S.\$260 million and will be pivotal in the development of Vaca Muerta natural gas reserves. The execution of these works demanded great commitment from our team and compliance with all the terms agreed with our customers. The Vaca Muerta project was executed in three stages:

- Milestone 1: on April 30, 2019, we finished the construction of the southern section of the Vaca Muerta pipeline, its connection to the northern Vaca Muerta pipeline and the segment that extends from connection to the project’s conditioning plant (the construction of which is still ongoing) located in the city of Tratayén, Province of Neuquén. In addition, both an early conditioning plant (integrated to the definite conditioning plant) and the plant connection to the Neuba I Gas Pipeline began operations.
- Milestone 2: on November 3, 2019, the northern section of the Vaca Muerta pipeline began operations, connecting the Rincón la Ceniza field with the southern section of the Vaca Muerta pipeline.
- Milestone 3: on December 12, 2019, the northern section of the Vaca Muerta pipeline began operations, extending from the Los Toldos I South field to Rincón la Ceniza, connected with the section previously started. The completion of this section represented the completion of the northern section of the Vaca Muerta pipeline.

This pipeline system goes through several hydrocarbon fields, including Bajada de Añelo, La Calera, Bandurria Sur, Fortín de Piedra, El Mangrullo, Aguada Pichana Este, Rincón la Ceniza, Los Toldos I Sur and Pampa de las Yeguas I and II. The following map shows the location of the Vaca Muerta pipeline.



With the commissioning of the conditioning train installed in the Tratayén Treatment Plant and with the completion of the work to connect said plant to the Central West Gas Pipeline, belonging to the TGN transportation system, we concluded the works that comprise the Vaca Muerta system, which has been operating since 2019, totaling an investment of U.S.\$260 million. This system, which includes two gas capture pipelines and the aforementioned plant in Tratayén will be of vital importance for the development of the Vaca Muerta natural gas reserves.

Additionally, the connection of the plant located in Tratayén to the Central West Gas Pipeline, belonging to TGN's regulated transportation system, was completed in 2020. Moreover, in September 2020, we approved a project to expand the plant located in Tratayén. This project was commissioned in September 2021 allowing us to increase the natural gas gathering capacity in the Vaca Muerta area, and thus, increase capacity for our midstream services.

Telecommunication

We own two interconnected networks beginning in the Buenos Aires Province, which consist of (i) a flexible and modern microwave digital network with SDH technology over more than 2,858 miles, which covers the Buenos Aires–Bahía Blanca–Neuquén routes to the West and the Buenos Aires–Bahía Blanca–Comodoro Rivadavia–Río Grande routes to the South, and (ii) a dark fiber optic network of approximately 1,056 miles, which covers the La Plata–Buenos Aires–Rosario–Córdoba–San Luis–Mendoza routes. There is also a network in the Patagonia region, which consists of a “lit” fiber optic network of approximately 373 miles, which covers the Puerto Madryn–Pico Truncado route.

Environmental, Social and Governance

We are committed to managing its business and operating its facilities in compliance with the requirements of applicable legislation and the requirements to which it voluntarily adheres, satisfying the expectations of its customers and prioritizing the quality of its services, the prevention of pollution and the health and safety of its personnel and contractors, through the continuous improvement of the effectiveness of its management system.

In 2023 we continue to work on the ESG Strategic Plan (Environmental, Social and Governance) in which we prioritize these three thematic axes and lines of action that will guide our purpose in this area. Focused on our mission and the role we seek to play in the communities where we do business, the general objectives of our ESG Plan are as follows:

ENVIRONMENT	SOCIAL	GOVERNANCE
<ul style="list-style-type: none">• Mitigation and adaptation to climate change, favoring access to the financial market• Proactive environmental leadership that enables us to anticipate to context needs• Circular economy as production and consumption model for our operations	<ul style="list-style-type: none">• Contribution to people's health and safety and development of the communities where we operate• Generation of career development opportunities.	<ul style="list-style-type: none">• Development of transparency and ethical behavior, protecting our investors and the general public.• Building of dialogue with our stakeholder groups

Environment

In 2023 we are working on the strategic environmental plan (2022 - 2026) in which we integrate the environment in all phases of business processes, from strategic decision making to risk and opportunity management, planning, design and execution of activities. This plan comprises the following strategic axes and action plans and programs:

Climate change mitigation and adaptation

Our strategic environmental plan includes the goal of reducing methane emissions by 50% by 2030 (taking as a base year the emissions generated in 2021). With this in mind, we have implemented a comprehensive emissions action plan that includes the investments, improvements and best practices necessary to achieve this goal. To this end, we implemented the following actions:

To optimize the emissions inventory, we conducted a gap analysis of our inventory with the ISO 14064-1 standard (Carbon Footprint Management System). In addition, progress was made in quantifying leaks. To this end, a database was created with the points detected in 2022 and 2023. Quantification tests were also carried out to determine the measurement method. We are currently evaluating different proposals that will allow leak detection with existing innovative technology.

Progress was also made with the plan to incorporate Scope 3 emissions into our emissions inventory (emissions that come from the value chain and are not under its control). To this end, all possible potential sources of indirect emissions were identified and then weighted according to selected criteria to determine a progressive incorporation strategy.

Incorporation of technology to monitor those contributions not detected so far, in order to add them to the preventive maintenance program.

We carried out tasks of detection and planning for the elimination of currents that contribute gases to flares in normal operating conditions in the Cerri Complex and plants of the Midstream segment.

We disseminated the work programs of good practices that contribute to the reduction of emissions and energy efficiency.

We prepared a 5-year plan aimed at incorporating technology and equipment that can reduce emissions.

We systematize the impact analysis on the emissions inventory of new projects and improvements to ensure that they comply with the Company's emissions reduction strategy from the outset.

We highlight that we are currently in the process of contracting a study to identify the physical risks related to climate change throughout the company, using scenario analysis tools (modeling) with historical climate data, in line with the standards applicable to the subject.

With regard to energy, during 2023, we prepared the energy matrix, which prepares us to establish the energy efficiency goal. In addition, in 2024 we will move forward with the implementation of the Energy Management System according to ISO 50001. In the pillar of mitigation and adaptation to climate change, we also worked on forestation and biodiversity care actions, highlighting our commitment to these issues. To this end, 3 axes were proposed:

- Forestation Policy: with the main objective of mitigating greenhouse gas emissions and promoting ecosystem services. This policy seeks to define the guidelines for the restoration and conservation of trees in the company's facilities.

- Sustainable and conscious afforestation plan: as a result of our afforestation policy, we conducted a diagnosis and inventory of species at each facility, in which we defined and designed our afforestation/reforestation plan.

- Biodiversity: through this analysis we seek to identify protected areas and species with conservation value existing in the provinces reached by our businesses, in order to monitor them and promote the conservation of natural ecosystems in the sites where we operate.

Proactive environmental leadership

We have continued to work with the leaders of the facilities so that they can continue to deepen their role in environmental management. In addition, we conducted training on the strategic plan, to disseminate it and promote actions.

As every year, we have carried out multiple environmental communication actions that are linked to the calendar of environmental anniversaries, which included talks on topics of interest, trivia and a lot of information on the initiatives that are being carried out.

We made environmental training and consultation material available to all personnel through the **tgs** CAMPUS.

We held a series of talks on World Environment Day (June 5), with presentations by renowned specialists on the four selected topics:

- the effects of climate change on business management;
- the ecosystem services of forestry;
- the importance of water management or water footprint;
- energy efficiency, energy transition and renewable energies.

It was an opportunity to learn and deepen our understanding of these topics and also to explain how we have been working in **tgs**. 600 people participated in the cycle and the recordings of the conferences were uploaded to the **tgs** CAMPUS for anyone who wished to see them.

In 2023, we set out to develop the basis and conditions for an Excellence Program for our facilities, with the goal of launching it in 2024. It will be a program that will seek to distinguish **tgs** facilities that carry out environmental management with prominence.

Circularity of processes and consumption

Water resource management

We continued to achieve the goal set in our ESG Plan, whereby we proposed to recover 80% of sewage effluents for irrigation by 2025. This year we made progress with the plan to incorporate biodigesters in the Río Negro facilities, in order to replace the existing absorbent wells.

This year we are moving forward with the quantification of our direct water footprint in order to achieve a more efficient management of this limited natural resource. This indicator is a first step towards generating efficient improvements in water management and raising awareness of our water consumption and water use.

Waste management

The goal we set in our ESG Strategic Plan to achieve a recycling rate of more than 50% by 2026 was the guide for us to carry out multiple actions to minimize the waste generated. In this sense, our management implied carrying out several awareness and training campaigns that allowed us to carry out depapelization actions, reduction of single-use plastics, registration of new waste operators, disposal of unused electrical appliances, among others.

Social

We closed a growth and expansion year that witnessed great achievements and brought us many acknowledgements. Our talent attraction strategy is based on positioning **tgs** brand both in the oil & gas industry and other markets, seeking to attract the best talent. This year we added further and renewed proposals of agreements with universities and participation in exhibitions and employment fairs in our country.

Driven by our purpose of developing a sustainable business, we place a strong focus on our neighboring communities, generating local employment. To that end, we participated in supervised professional practices for high schools, aiming at strengthening the bond between companies and educational institutions. We also conduct employability workshops that target the students of the last years of technical schools in the provinces of Buenos Aires and Neuquén, to provide them with tools to get higher quality jobs.

We develop a healthy and challenging work environment, and we watch over the integral wellbeing of our people. We have been one of the greatest places to work in Argentina for over 10 years, as certified by the global firm Great Place to Work.

Changes in the social context gave rise to the need of addressing diversity, inclusion and free of violence spaces. This year we set up the Committee of Diversity and Inclusion, which raised awareness of the topic throughout the whole organization. We started with the design of an activity under the framework of Women's Month and later a parenting workshop. After that, we conducted two awareness meetings on topics related to diversity, inclusion, violence, discrimination and harassment at the workplace with the participation of our Management Committee, Human Resources and Institutional Relations. These are clear steps towards organizational changes leading to actual inclusion.

This approach to diversity and inclusion started with an overall diagnosis conducted in the year 2022, along with an action plan focused on the development of inclusive spaces, free from violence. As we have outlined in our ESG Strategic Plan, we keep performing actions that turn us into a more diverse company. For instance, we have promoted women to positions commonly held by men as shift supervisors, gas dispatch operators, plant leaders and truck load operators. On the other hand, we are in the process of developing the protocols for dealing with cases of violence and harassment.

For information regarding our employees and its geographical distribution see *"Item 6. D. Employees."*

Governance

In May 2023, we presented our Sustainability Report 2022, which brings together the environmental, social and economic indicators of its management, based on the prioritization of the Sustainable Development Goals (SDGs), in line with the principles established by the United Nations. The 2022 Sustainability Report uses the sustainability guidelines of reference worldwide, such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).

On the other hand, in 2023 risk management was included as a key issue in the ESG Strategic Plan defined by us, aiming to implement the respective action plan during 2023.

Insurance

We maintain insurance, subject to deductibles, against third-party liability for damage to all of our facilities used in the Liquids and Midstream business segments and our pipeline assets that pass under rivers or other bodies of water and the Strait of Magellan and business interruption. We believe this coverage is consistent with standards for international natural gas transportation companies. The terms of the policies related to the regulated assets have been approved by ENARGAS. In addition, we have obtained insurance coverage for our directors and officers pursuant to a standard D&O insurance. For additional information, see *"Item 3. Key Information.—D. Risk Factors.—Risks Relating to Our Business—Our insurance policies may not fully cover damage or we may not be able to obtain insurance against certain risks."*

Item 4A. Unresolved Staff Comments

We do not have any unresolved staff comments.

Item 5. Operating and Financial Review and Prospects

A. Operating Results

The following Operating and Financial Review and Prospects should be read in conjunction with our Financial Statements included elsewhere herein.

This Operating and Financial Review and Prospects discussion contains forward-looking statements that involve certain risks, uncertainties and assumptions. These forward-looking statements can be identified by the use of forward-looking terminology such as “may,” “will,” “will likely result,” “intend,” “projection,” “should,” “believe,” “expect,” “anticipate,” “estimate,” “continue,” “plan” or other similar words. Our actual results may differ materially from those identified in these forward-looking statements. For more information on forward-looking statements, see “*Cautionary Statement Regarding Forward-Looking Statements*.” In addition, for a discussion of important factors, including, but not limited to, the pesification of our tariffs and other factors that could cause actual results to differ materially from the results referred to in the forward-looking statements, see “*Item 3. Key Information—D. Risk Factors*.”

For purposes of the following discussion and analysis, unless otherwise specified, references to fiscal years 2023, 2022 and 2021 relate to the fiscal years ended December 31, 2023, 2022 and 2021, respectively.

We maintain our accounting books and records in pesos. Our Financial Statements as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021 have been prepared in accordance with the accounting policies based on IFRS Accounting Standards.

Our management concluded that Argentina is a hyperinflationary economy in terms of IAS 29, effective as of July 1, 2018. As a result, (i) our audited consolidated statements of financial position as of December 31, 2023, and our audited consolidated statements of comprehensive income, changes in equity and cash flows, and the related explanatory notes for the year ended December 31, 2023, included elsewhere in this Annual Report have been prepared using hyperinflation accounting in accordance with IAS 29, and (ii) our audited consolidated statements of financial position as of December 31, 2022, and our audited consolidated statements of comprehensive income, changes in equity and cash flows, and the related explanatory notes for the years ended December 31, 2022 and 2021, included elsewhere in this Annual Report have been restated to Current Currency in accordance with IAS 29 for comparative purposes. Thus, the Financial Statements and the financial information included in this Annual Report for all the periods reported are presented on the basis of current pesos as of December 31, 2023.

For information relating to the presentation of financial information, see “*Presentation of Financial and Other Information*.”

Critical Accounting Policies

Critical accounting policies are those that are most important to the portrayal of our financial condition, results of operations and cash flows, and require management to make difficult, subjective or complex judgments and estimates about matters that are inherently uncertain. In connection with the preparation of our Financial Statements included in this Annual Report, we have relied on assumptions derived from historical experience and various other factors that we deemed reasonable and relevant. Although we review these assumptions in the ordinary course of our business at the end of each reporting period, the presentation of our financial condition and results of operations often requires management to make judgments regarding the effects of matters that are inherently uncertain. Actual results may differ from those estimated as a result of these different assumptions.

We have described each of the following critical accounting policies in order to provide an understanding about how our management forms judgments and views with respect to such policies and estimates:

- impairment of property, plant and equipment (“PPE”); and

- provisions for legal claims and others;

For additional information regarding our Critical Accounting policies, see Note 5 to our Financial Statements.

Factors Affecting Our Consolidated Results of Operations

Year to year fluctuations in our net income are a result of a combination of factors, including primarily:

- the volume of Liquids;
- changes in international prices of LPG and natural gasoline;
- regulation affecting our liquids business, including Law No. 26,020 (which requires us to meet domestic demand before exporting LPG);
- changes in the input costs related to the liquids production and commercialization segment, including the Gas Charge Resolutions;
- the availability of natural gas and its richness;
- fluctuation in the peso/U.S. dollar exchange rate;
- the tariffs we are permitted to charge in our Natural Gas Transportation business segment;
- local inflation and its impact on costs expressed in pesos; and
- other changes in laws or regulations affecting our operations, including tax matters.

Sources of revenue

Natural gas transportation

Our Natural Gas Transportation operations derive revenues from the sale of transportation capacity to customers. The applicable rates derive from the tariff tables published by ENARGAS by remained unchanged between April 2019 and March 2022. In April 2023 we received a limited tariff increase below the evolution of inflation and the evolution of operating costs.

For additional information see “*Item 4. Our Information—B. Business Overview—Natural Gas Transportation.*”

Production and commercialization of Liquids

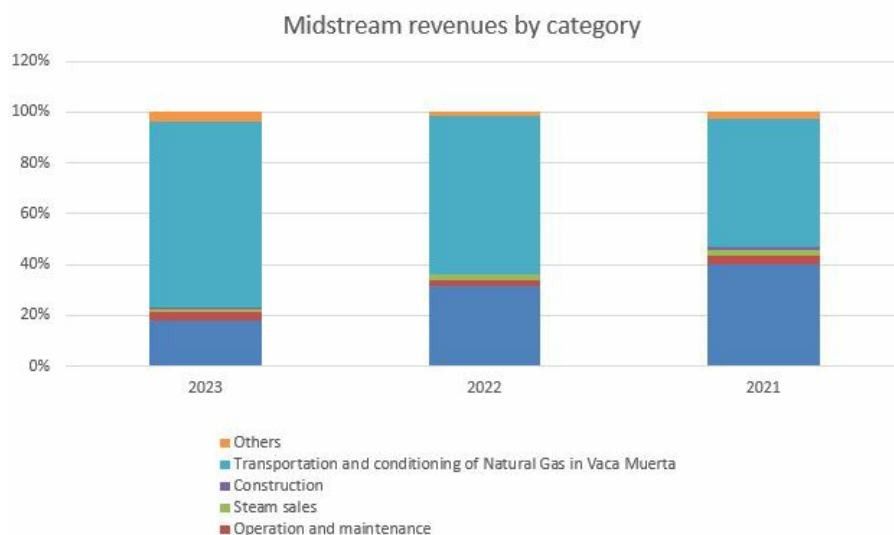
Our production and commercialization of liquids operations generate revenues from the sale of propane, butane, ethane and natural gasoline, in the local and international markets. Regarding propane and butane, sold in the local market we sell our production mainly under the programs stated by the Government.

We also provide certain related services comprising reception, storage and dispatch of the liquids from the facilities located in Puerto Galván.

For additional information see “*Item 4. Our Information—B. Business Overview—Liquids Production and Commercialization.*”

Midstream

The services included in the Midstream segment consist mainly in: (i) natural gas transportation and conditioning services in Vaca Muerta, (ii) treatment, removal of impurities and natural gas compression, including the collection and transport of natural gas, (iii) inspection and maintenance of pipelines and compressor plants, (iv) services of steam generation for electricity production and management services for expansion works and steam generation for the production of electricity.



Telecommunications

Our telecommunications services are derived from the sale of our capacity to customers.

Macroeconomic conditions and inflation

As we are an Argentine corporation (sociedad anónima) and all of our operations and assets are located in Argentina, we are affected by general economic conditions in the country, such as demand for natural gas, inflation and fluctuations in currency exchange rates. Moreover, as a provider of a regulated service and producer of hydrocarbons, the prices of our services and products are subject to significant intervention by the Government. In particular, these factors affect our operating costs and revenues.

For the year ended December 31, 2023, 59% and 21% of our revenues were attributable to our Liquids Production and Commercialization segment and to our Natural Gas Transportation business segment, respectively.

The following table sets forth, for the years indicated, the variation of key macroeconomic indicators in Argentina during the years specified below, as reported by official sources.

	2023	2022	2021
WPI (in %)	276.4	94.8	51.3
CPI (in %)	211.4	94.8	50.9
Devaluation of pesos vs. dollar (in %)	356.3	72.5	22.1
Real GDP (pesos of 2004) (% change)	(1.6)	5.9	10.4
Industrial production (% change)	(1.8)	4.5	10.4
Transportation services tariffs increase	95.0	60.0	—

Source: INDEC, Banco Nación, Statistical Agencies for the Province of San Luis and the City of Buenos Aires.

Argentina has faced and continues to face inflationary pressures. During periods of high inflation, effective wages and salaries tend to fall and consumers adjust their consumption patterns to eliminate unnecessary expenses. The increase in inflationary risk may erode macroeconomic growth and further limit the availability of financing, causing a negative impact on our operations. Inflation increases also have a negative impact on our cost of sales, selling expenses and administrative expenses. We cannot give any assurance that increased costs as a result of inflation will be offset in whole or in part with increases in prices of our products and services.

During the past five years CPI, measured by INDEC, has remained high in Argentina. During 2019, the Argentine government adopted measures intended to control inflation, which contributed to a deep recession. Despite these efforts, inflation in Argentina continued to rise, particularly since 2020 and because of the measures taken by the government to contain the population during the COVID. Considering the CPI, inflation was 211.4%, 94.8%, 50.9%, 36.1% and 53.8% in the years ended December 31, 2023, 2022, 2021, 2020 and 2019, respectively.

In February 2024, the INDEC published the CPI which rose to 13.2%, 276.2% when measured year-on-year.

Unless we can implement measures that allow us to mitigate the impact of inflation on our costs and increasing the efficiency, inflation may materially adversely affect our financial condition and results of operations.

IAS 29 requires that the financial statements of an entity whose functional currency is that of a hyperinflationary economy, regardless of whether they are based on the historical cost method or the current cost method, be expressed in terms of the current unit of measurement at the reporting date of the reporting period. IAS standard lists a series of factors that should be considered in determining whether an economy is hyperinflationary, including whether the cumulative rate of inflation over three years' approaches or exceeds 100%.

In order to evaluate the aforementioned quantitative condition, and also to restate the financial statements, the CNV has established that the series of indexes to be used for the application of IAS 29 is determined by the FACPCE. This series of indexes combines the CPI as of January 2017 (base month: December 2016) with the WPI, both published by the INDEC until that date, computing for the months of November and December 2015, for which there is no information from the INDEC on the evolution of the WPI, the variation in the CPI of the Autonomous City of Buenos Aires.

Since June 2018, the International Practices Task Force of the Center for Quality, which monitors "highly inflationary countries", categorized Argentina as a hyperinflationary country.

The restatement method of IAS 29 provides that monetary assets and liabilities (those with a fixed nominal value in local currency) must not be restated since they are already expressed in the current unit of measurement at the end of the reporting period. In an inflationary period, maintaining monetary assets generates loss of purchasing power and maintaining monetary liabilities generates a gain in purchasing power; provided that such items are not subject to an adjustment mechanism that compensates to some extent for these effects. The monetary loss or gain is included in the result of the period reported, revealing this information in a separate line item.

Assets and liabilities subject to adjustments based on specific inflation agreements must be adjusted in accordance with such agreements. The non-monetary items measured at their current values at the end of the reporting period, such as the net realization value or others, do not need to be restated. The remaining non-monetary assets and liabilities must be (i) restated by applying a general price index and (ii) expressed in the measuring unit (the hyperinflationary currency) current at the end of the reporting period. Any restated non-monetary asset amount does not exceed its recoverable amount.

As of the IAS 29 transition date (January 1, 2016), we applied the following rules to express the shareholders' equity accounts in the currency unit as of December 31, 2023:

- The components of the capital stock were restated from the dates they were contributed;
- Reserved earnings were maintained at the date of transition at their nominal value (legal amount without restatement);
- The restated unallocated results were determined by the difference between the net assets restated at the transition date and the rest of the initial equity components expressed as indicated in the preceding paragraphs; and
- After the restatement at the transition date, all the components of the equity were restated by applying the general price index from the beginning of the period, and each variation of those components was restated from the date of contribution or from the moment in which the variation is added by any other means.

Revenues and expenses (including interest and foreign exchange differences) are restated from the date of their booking, except for those income statement items that reflect or include in their determination the consumption of assets measured in purchasing power of a date before the consumption booked, which are restated based on the date of origin of the asset to which the item is related (for example, depreciation and other consumption of assets valued at historical cost); and also those results that arise from comparing two measurements expressed in purchasing power currency of different dates, for which it is necessary to identify the amounts compared, restate them separately, and make the comparison, but with the amounts already restated.

Because Natural Gas Transportation business segment sales represented 21% of our total revenues during the year 2023, and are denominated in pesos, any further increase in the rate of inflation not accompanied by a parallel increase in our tariffs would decrease our revenues in real terms and adversely affect our results of operations.

For additional information regarding the impact of the application of IAS 29, see Note 4.d to our Financial Statements included elsewhere in this Annual Report.

In addition, inflation may negatively affect income tax payable. For example, under hyperinflationary contexts, the existence of higher monetary liabilities over monetary assets will mean an increase in income tax payable. Act 27,468 substituted the WPI for the CPI for the calculation of the indexation adjustments for tax purposes, and it modified the standards for triggering the tax indexation procedure.

Since December 31, 2019, the accumulated variation of the CPI exceeds the threshold set for the application of the income tax inflation adjustment. For the year 2023, we recorded a loss of Ps. 6,990 million in our Income Tax line item of our Statement of Comprehensive Income regarding the application of the above-mentioned tax inflation adjustment.

Economic situation and outlook

The Company operates in a complex economic context whose main variables have recently had strong volatility as a result of political and economic events at the national level.

2023 was a year in which the Argentine economy went through high levels of volatility and uncertainty. On the one hand, at the beginning of the year there was a record drought that implied a drop of approximately U.S.\$ 20,000 million in the liquidation of foreign currency by the agro-export sector, negatively impacting not only the accounts of the BCRA but also in tax collection. Additionally, as in any election year, political uncertainty has also generated deep macroeconomic imbalances.

This situation led the administration of former President Alberto Fernández to adopt various measures including, among others: (i) the issuance of new exchange restrictions, (ii) the establishment of the Tax for an Inclusive and Solidarity Argentina (“PAIS” according to its initials in Spanish), applicable to the acquisitions by Argentine residents of foreign currency intended for the purchase of certain goods and services from abroad, and other taxes in order to reduce the fiscal deficit and (iii) the freezing of certain internal prices. The low level of reserves in the BCRA has led the national government to restrict access to the MULC in order to contain the demand for dollars and the flight of foreign currency, which means for companies a restriction when operating their businesses. These restrictions involved the implementation of an import payment control system subject to a series of limits determined by the Ministry of Commerce and the AFIP. On October 22, 2023, the general elections were held in Argentina. The result yielded a new conformation of Congress as of December 10, 2023 (in a minority for the president-elect). On November 19, 2023, the runoff election was held, in which the opposition candidate for La Libertad Avanza, Javier Milei, was elected president.

After taking office, the current administration launched a package of emergency measures aimed at relaxing controls and deregulating the economy, with the main objective of reducing the fiscal deficit. Among the main measures adopted we can mention: Announcement of an economic plan centered on the review of fiscal, exchange and monetary policy in which, among other issues: (i) a sharp cut in public spending is shown along with an increase in certain taxes, (ii) the price of the US dollar was raised against the Argentine peso from \$/U.S.\$ 350 to \$/U.S.\$ 800 and a monthly crawling peg of 2%, (iii) reduction of energy and transportation subsidies and (iv) limits the monetary issue and modifies the Treasury financing program in order to clean up the BCRA’s liabilities. Issuance of the Decree of Necessity and Urgency (DNU) No. 70/2023 - “Bases for the Reconstruction of the Argentine Economy” that declares the public emergency in economic, financial, fiscal, administrative, pension, tariff, health and social matters until on December 31, 2025. This decree promotes economic deregulation and the insertion of Argentina in world trade through the adoption of international standards for the trade of goods and services.

- On December 27, 2023, the National Executive Branch sent the Draft Law of Bases and Starting Points for the Freedom of Argentines (the “Omnibus Law”) for consideration by the National Congress. On February 6, 2024, the government was forced to return the Omnibus Law to committees, since they did not gather the number of votes necessary for its approval. As of the date of issuance of these Consolidated Financial Statements, it is not possible to predict the impact that the Omnibus Law may have on our financial situation, equity and results of operations:

- GDP drop by 1.4% in the year 2023%.
- accumulated increase of 211.4% in the CPI.
- increase to 40.2% in the poverty rate.

increase in the official exchange rate (BNA selling rate) to \$808.45 per US dollar (with the gap with the “blue chip swap” dollar during much of the year being approximately 125% and as of December 31, 2023, 20%).

- A fiscal deficit equivalent to 3% of GDP.

Restrictions on the MULC

BCRA regulations

The low level of reserves in the BCRA has led the national government to maintain very restrictive exchange controls for the purchase of foreign currency in the MULC for much of the year.

In order to regulate access to the MULC in order to contain the demand for dollars, the BCRA established a series of requirements that require the request for prior authorization from the BCRA for certain transactions, among them are the following:

- Payment of dividends to non-residents;
- Payment of imports of certain goods from abroad or cancellation of debts arising from their importation, except for some exceptions expressly provided for in the applicable regulations;
- The formation of external assets; and
- The payment of financial loans to non-residents.

All of these measures have been intensifying since April 2020, including measures linked to the trading of stock assets by companies.

Effective as of December 13, 2023, the BCRA issued Communication “A” 7917 in which a series of modifications are established for the purposes of access to the MULC. Between them:

- The payment systems for imports of goods and services (known as “SIRA” and “SIRASE” declarations) and the need to validate transactions in the “Single Foreign Trade Current Account” computer system are eliminated.
- For new debts for imports, access to the MULC may be granted, without the need for prior approval from the BCRA, to make deferred payments for new imports of goods with customs entry registration according to the schedule established by type of goods.
- Regarding the importer’s debt prior to December 12, 2023, the AFIP and the BCRA regulated the use of BOPREAL, which also had its first issue (of small volume) at the end of 2023. These bonds may be applied to the payment of debts tax with certain limitations (never before April 30, 2025). The subscription will be covered by the country tax, but a window of time opens where its issuance will be exempt (until January 31, 2024).

For more information about Argentina's exchange rate see "Item 10. Exchange Controls."

Tax regulations

Law No. 27,541 on Social Solidarity and Productive Reactivation in the Framework of the Public Emergency (B.O. 12/23/2019) and its modifications created the so-called PAIS Tax, which established a tax applicable to acquisitions by Argentine residents of currency foreign currency intended for the purchase of certain goods and services from abroad.

On July 24, 2023, Decree No. 377/23 was issued, later modified by Decree No. 29/2023 (effective as of December 13, 2023), by which it extends the PAIS Tax to the following operation: The acquisition abroad of personal, cultural and recreational services (does not include educational teaching). Rate of 30%.

- Importation of luxury goods. Rate of 30%.
- The acquisition abroad of services included in the decree (technical, legal, accounting, managerial services, business services in general, charges for the use of intellectual property, advertising, engineering, audiovisual services, among others). Rate of 25%.
- The acquisition abroad of freight services and other transportation services for import or export operations of goods. Rate of 17.5% (previously 7.5%).
- The import of merchandise, with the exception of goods linked to energy generation whose scope has not yet been regulated. Rate of 17.5% (previously 7.5%).

Said decree was regulated on July 25, 2023 by General Resolution No. 5,393/23 of the AFIP in which, among other issues, the entry of a payment on account of the PAIS Tax is provided for in the case of acquisition of goods from the 95% of the total final tax to be paid. Said payment on account must be entered by the importer at the time of officialization of the import destination. The balance for the remaining 5% PAIS tax must be paid at the time of accessing the MULC at the time of payment abroad, with the intervening bank acting as collection and settlement agent.

Export settlement

On October 3, 2023, the Ministry of Energy issued Resolution No. 808/2023, through which exports of commercialized products are included within the Export Increase Program created by Decree No. 576/22. by the Company.

According to said program, the Company must enter 75% of the value of its exports in foreign currency into the country. The remaining 25% may be settled in pesos through the purchase of negotiable securities. To qualify for the scheme, exports must be settled between October 2 and October 20, 2023, and the effective export date must not be later than November 30, 2023. Subsequently, through Decree No. 28/2023, the proportion mentioned above was modified, and currently 80% of the value of its exports must be imported into the country in foreign currency. The remaining 20% may be settled in pesos through the purchase of negotiable securities, the validity of the rule not being specified. The context of volatility and uncertainty continues as of the date of issuance of these consolidated financial statements. Government measures already implemented, or those that may be implemented in the future, could eventually affect the results of operations, financial and equity situation of the Company.

Likewise, the Company's management permanently monitors the evolution of the variables that affect its business, to define its course of action and identify the potential impacts on its equity and financial situation. The reforms proposed by the new government began their legislative discussion process. It is not possible to predict at this time its evolution or new measures that could be announced. Likewise, the Company cannot guarantee that the aforementioned macroeconomic difficulties or the adoption of new measures by the Argentine Government to control inflation may affect its operations and financial situation. The Company's financial statements must be read in light of these circumstances.

While our business continued growing in 2023, our operating results, financial condition and cash flows remain vulnerable to fluctuations in the Argentine economy. See “*Item 3. Key Information—D. Risk Factors—Risks Relating to Argentina.*”

Management review of 2023 and outlook

Review

During 2023, our financial position has remained stable and, as discussed in “*B. Liquidity and capital resources*”, cash flow from operations has been sufficient to finance our capital expenditures for 2023. The devaluation of the Argentine peso against the U.S. dollar on December 13, 2023, from Ps. 366.65 to Ps. 799.95 (118.3%) had a negative impact on our foreign currency liability position.

Given the economic context and the foreign exchange restrictions, during 2023, we have increased our debt in foreign currency after taking from financial institutions short term loans to cancelled to settle trade payables abroad. During 2023 we incurred new indebtedness with well-known financial institutions of Ps. 35,744 million (US\$ 74.0 million) and repaid Ps. 10,891 million (US\$ 24.1 million). For additional information regarding the new indebtedness incurred during 2023 see “*B. Liquidity and capital resources. Description of indebtedness*” below.

We have allocated our short-term investment in financial instruments to protect our financial position from inflation and devaluation by increasing our position in financial assets at amortized cost and measured at fair value through profit or loss.

Notwithstanding the above, we cannot assure that the evolution of inflation and other macroeconomic variables will not have an adverse effect on our financial position and results of operations. For further information, see “*Item 3. Key Information—D. Risk Factors*”.

In addition to the above-mentioned respect of the impact of the devaluation of the Argentine peso on our foreign currency liability position, as of December 31, 2023, there have not been material changes to our Statement of Financial Position compared to December 31, 2022.

Our revenues were negatively impacted by the evolution of inflation and the lack of tariff adjustment of the natural gas transportation segment, among others. For further information, see “*Discussion of results of operations for the years ended December 31, 2023 and 2022*” below.

Outlook and other material events that may impact in our financial condition

Since April 3, 2024 we received a transitional tariff increase of 675% and a monthly increase calculated in accordance with the Transitional Adjustment Index. In 2024, we expect to continue negotiating with ENARGAS the tariffs adjustments under the RTI process that will allow us to obtain a fair and reasonable tariff. See “*Item 4. Our Information—B. Business Overview—Natural Gas Transportation—Tariff Situation*” for more information.

Regarding the Liquids segment, the global inflationary context and increase in NGL costs, are expected to increase the volatility in international reference prices. Additionally, as a result of the increase in sea freight costs, the prices at which our products are exported are foreseen to be subject to reduced margins, which could negatively impact the operating margins of the Liquids business segment.

We are expecting inflationary cost to continue at an elevated level throughout 2024 across our business.

To prepare for our long-term growth, we expect to continue focusing on Vaca Muerta and exploring alternatives that will allow us to profit from our investments and to increase our portfolio of services. In this regard, the expansion work we are carrying out in the area is expected to be completed during the winter of 2024, which will allow us to increase our sales revenues from the Midstream business segment.

New accounting pronouncements adopted after January 1, 2023, and pronouncements not yet effective as of December 31, 2023

For more information, see Note 4.a Critical accounting policies to our Financial Statements.

Discussion of Results of Operations for the Years Ended December 31, 2023 and 2022

The following table presents a summary of our consolidated results of operations for the years ended December 31, 2023 and 2022, stated in millions of pesos, and the increase or decrease and percentage of change between the periods presented:

	Year ended December 31,			Percentage of change
	2023	2022	Variation	
	(in millions of pesos)			
Revenues	452,809	512,343	(59,534)	(11.6)
Net costs of sales	(284,746)	(299,081)	14,335	(4.8)
Gross profit	168,063	213,262	(45,199)	(21.2)
Administrative and selling expenses	(50,867)	(49,695)	(1,172)	2.4
Other operating results	(759)	(238)	(521)	218.9
Operating profit	116,437	163,329	(46,892)	(28.7)
Net financial results	(72,781)	(9,840)	(62,941)	639.6
Share of profit / (loss) from associates	(30)	281	(311)	(110.7)
Income tax expense	(20,108)	(53,130)	33,022	(62.2)
Total comprehensive income for the year	23,518	100,640	(77,122)	(76.6)

Year 2023 Compared to Year 2022

Total comprehensive income

For the year ended December 31, 2023, we reported a total net income and a total comprehensive income of Ps. 23,518 million, which represents a Ps. 77,122 million decrease compared to the total comprehensive income of Ps. 100,640 million reported in 2022.

The material factors affecting total comprehensive income were as follows:

- Net revenues to third-parties reached Ps. 452,809 million in 2023, which represents a Ps. 59,534 million decrease compared to the 2022 fiscal year. This decrease was mainly due to the reduction in the Liquids Production and Commercialization and Natural Gas Transportation business segments revenues of Ps. 59,120 million and Ps. 27,514 million, respectively. *For more information see Item 5. Operating and Financial Review and Prospects —A. Operating Results—Regulated Natural Gas Transportation Segment and Liquids Production and Commercialization.*”

- Cost of sales, including depreciation of PPE, reached Ps. 284,746 million in 2023, which represents a Ps. 14,335 million decrease compared to the 2022 fiscal year. This decrease was mainly due to: (i) 19,246 the reduction in the cost of natural gas processed in the Cerri Complex (mainly due a decrease in price, measured in current pesos) and (ii) technical operator assistance fee by Ps. 3,473 million. These effects were partially offset by an increase in the labor cost by Ps. 3,264 million and third parties services by Ps.1,927 million.
- Administrative and selling expenses were Ps. 50,867 million in 2023, which represents a Ps. 1,172 million increase compared to the 2022 fiscal year. This increase was mainly due to higher: (i) labor costs by Ps. 1,937 million, and (ii) professional services fees by Ps. 3,081 million These effects were partially offset, principally, by a decrease in taxes and contributions by Ps. 3,160 million (reduction in tax on exports and turnover tax).

During 2023, subsidies decreased by Ps.7,090 million, this mainly driven by the decrease in international prices, the lack of updating and the measures issued by the government to reduce them during 2023. For more information see “*Item 4. Our Information—B. Business Overview—Liquids Production and Commercialization.*”

Net cost of sales for the years ended on December 31, 2023 and 2022, represented 62.9% and 58.4%, respectively, of net revenues reported in the corresponding year.

Administrative and selling expenses for the years ended on December 31, 2023 and 2022, represented 11.2% and 9.7%, respectively, of net revenues reported in the corresponding year.

See. “—*Analysis of Operating Profit by Business Segment for the Years Ended December 31, 2023 and 2022.*”

Share of (loss) / profit from associates

For the year ended December 31, 2023, we recorded a loss from our investment in associates of Ps. 30 million, compared to the profit of Ps. 281 million recorded in 2022.

Net Financial Results

In accordance with IAS 29 we presented the financial results in gross terms considering the effects of the change in the currency purchasing power in a single separate line (“Gain on monetary position”). Gains and losses from monetary positions represent the effects of inflation on our monetary liabilities and assets, respectively.

Net financial results for the years ended December 31, 2023 and 2022, are as follows:

	Year ended December 31,	
	2023	2022
	(in millions of pesos)	
Financial income		
Interest income	24,190	5,712
Foreign exchange gain	270,216	87,014
Subtotal	294,405	92,727
Financial expenses		
Interest expense	(24,628)	(21,171)
Foreign exchange loss	(479,075)	(162,262)
Subtotal	(503,703)	(183,433)
Other financial results		
Notes repurchase results	-	(3,208)
Fair value gain on financial instruments through profit and loss	195,809	75,136
Derivative financial instruments results	-	(397)
Other financial charges	(2,771)	(2,400)
Subtotal	193,037	69,131
(Loss) / gain on monetary position	(56,521)	11,735
Total	(72,781)	(9,840)

In accordance with the provisions of IAS 29, we opted to present the gain on the monetary position in a single line included in the financial results. This presentation implies that the nominal values of the financial results have been adjusted for inflation. The real values of financial results are different from the components of financial results presented above.

For fiscal year 2023, the net financial loss increased by Ps. 62,941 million compared to the prior year. This negative variation is mainly due to higher negative net foreign exchange difference of Ps.133,612 caused by the devaluation that occurred in mid-December 2023.

The peso/US dollar exchange rate ended at a value of Ps. 808.45 per US dollar as of December 31, 2023, representing an increase of 356% (or Ps. 631.29 per US dollar) compared to the exchange observed as of December 31, 2022. As of December 31, 2022, such rate increased by 72% (or \$74.44 for each US dollar) respect to the exchange rate as of December 31, 2021. Our net liability position in US dollars decrease in 2023.

Likewise, we recorded a loss on net monetary position of Ps. 56,521 million as opposed with the gain of Ps. 11,735 million represented a negative variation of Ps. 68,255 as a consequence of the acceleration of inflation and the net asset monetary position.

The effects mentioned above were partially offset by the positive variation in results generated by financial assets of Ps. 120,673.

Income tax expense

Income tax for fiscal year 2023 was an expense of Ps. 20,108 million, compared to the expense of Ps. 53,130 million in fiscal year 2022. The lower income tax charge was primarily due to the decrease in taxable income in fiscal year 2023.

The following table sets forth revenues and operating income for each of our business segments for the years ended December 31, 2023 and 2022:

	Year ended December 31,		Year ended December 31, 2023 compared to year ended December 31, 2022	
	2023	2022	Variation	Percentage Change
	(in millions of pesos)			
Natural Gas Transportation⁽¹⁾				
Revenues	101,862	130,194	(28,332)	(21.8)
Net cost of sales	(90,767)	(91,420)	653	(0.7)
Gross profit	11,094	38,774	(27,680)	(71.4)
Administrative and selling expenses	(22,514)	(22,577)	63	(0.3)
Other operating expense	(813)	(562)	(252)	44.9
Operating (loss) /profit	(12,233)	15,635	(27,868)	(178.2)
Liquids Production and Commercialization				
Revenues	265,413	324,533	(59,120)	(18.2)
Net cost of sales	(161,943)	(183,060)	21,118	(11.5)
Gross profit	103,470	141,473	(38,002)	(26.9)
Administrative and selling expenses	(17,629)	(20,451)	2,822	(13.8)
Other operating (expense) / income	(77)	118	(196)	(166.1)
Operating profit	85,764	121,140	(35,376)	(29.2)
Midstream				
Revenues	85,615	58,380	27,235	46.7
Net cost of sales	(32,605)	(26,182)	(6,424)	24.5
Gross profit	53,009	32,198	20,811	64.6
Administrative and selling expenses	(10,155)	(6,116)	(4,039)	66.0
Other operating income	132	205	(73)	(35.6)
Operating profit	42,986	26,287	16,699	63.5
Telecommunications				
Revenues	2,729	2,863	(135)	(4.7)
Net cost of sales	(2,239)	(2,045)	(194)	9.5
Gross profit	489	818	(328)	(40.1)
Administrative and selling expenses	(568)	(550)	(18)	3.3
Other operating expense	-	-	-	-
Operating (loss) / profit	(79)	267	(346)	(129.6)

⁽¹⁾ Includes intersegment revenues of Ps. 2,809 million and Ps. 3,627 million for the fiscal years 2023 and 2022, respectively.

Regulated Natural Gas Transportation Segment

The Natural Gas Transportation business segment represented 22.5% and 25.4% of our total revenues during the years 2023 and 2022, respectively. Natural Gas Transportation revenues are derived mainly from firm contracts, under which pipeline capacity is reserved and paid for regardless of actual usage by the shipper. We also provide interruptible natural gas transportation services subject to availability of the pipeline capacity. In addition, we render operation and maintenance services for the Natural Gas Transportation facilities, which belong to certain gas trusts created by the Government to expand the capacity of the Argentine natural gas transportation pipeline system. This business segment is subject to ENARGAS regulation.

For additional information regarding the history of our discussions with various governmental authorities in relation to the adjustment of our gas transportation tariffs see “*Item 4. Our Information—B. Business Overview—Natural Gas Transportation—Regulatory Framework.*”

- During 2023, the Natural Gas Transportation business segment recorded an operating loss of Ps. 12,233 million, compared to the operating profit of Ps.15,635 million profit recorded in 2022. The main factors that affected the results of operations of this segment compared to 2023 are the following:
- Revenues from the Natural Gas Transportation business segment decreased by Ps.28,332 million for the year 2023 compared to 2022.
- During 2023, we had only received a nominal tariff increase of 95% as of April 29, 2023 while annual inflation was 211,4%.
- Revenues related to natural gas firm transportation contracts for the year ended December 31, 2023, decreased by Ps.24,846 million for the year 2023 compared to 2022, as we had only received a nominal tariff increases of 95 % as of April 29, 2023, while the cumulative inflation rate for the Year 2023 was 211.4%. See “*Item 4. Our Information—B. Business Overview—Natural Gas Transportation—Regulatory Framework—Regulation of Transportation Rates—Actual Rates*” for additional information.
- Revenues related to interruptible natural gas transportation service decreased by Ps. 1,523 million for the year 2023 compared to 2022. The decrease mainly resulted from tariff increase discussed above, partially offset by higher volumes dispatched.
- Revenues relating to the Access and charged (“CAU”) decreased by Ps. 1,145 million for the year 2023 compared to 2022 primarily as a result of the same tariff effect. The value of the CAU is much lower than the transportation tariff we are permitted to charge for our natural gas transportation services, because we were not required to make any investment in the construction and expansion of the assets to which the CAU relates. See “*Item 4. Our Information—B. Business Overview—Natural Gas Transportation—Pipeline Operations—Pipeline Expansions*” for additional information regarding the CAU.
- Costs of sales, administrative and selling expenses for the year ended December 31, 2023 decreased by Ps. 716 million, from Ps. 113,997 million to Ps. 113,282 million, as compared to the year ended December 31, 2022. This decrease was mainly attributable to lower depreciation of Ps. 4,243 million and taxes and contributions of Ps. 1,340 million mainly as a consequence of the reduction in turnover tax. These effects were partially offset by higher labor costs of Ps. 2,547 million, third parties services received by Ps. 1,608 million and easements of Ps. 313 million.
- Other operating expenses decreased by Ps. 252 million for the year 2023 compared to 2022, primarily as a result of lower provision for contingencies.

On March 16, 2023, our Board of Directors approved the 2023 Transition Agreement. This addendum was subsequently ratified by the PEN through Decree No. 250/2023 of April 29, 2023. Previously, on April 27, 2023, ENARGAS issued Resolution No. 186/2023 through which the new tables were published.

Current tariffs

The 2023 Transition Agreement has similar conditions to the 2022 Transition Agreement and includes:

- As of April 29, 2023, a temporary rate increase of 95% on the natural gas transportation rate and the CAU.

- During its term, **tgs** may not under any circumstances: a) Distribute dividends; nor b) Cancel in advance directly or indirectly financial and commercial debts contracted with shareholders, acquire other companies or grant credits, unless the credits benefit the users or are granted to contractors that do not fall within the aforementioned assumptions. In the event that **tgs** deems it appropriate to proceed in a direction contrary to the provisions of paragraph a) above, attaching the corresponding supporting documentation, it will request ENARGAS to submit a status report to the Ministry of Economy, so that the Ministry may authorize or no, and if applicable, determine the manner and form of the request. In the event that **tgs** considers it appropriate to proceed in a direction contrary to the provisions of paragraph b) above, it must also present to ENARGAS documented grounds that support such decision, for authorization. If a covert operation to distribute dividends is noticed, the request will be made to the Ministry of Economy for its substantiation in that sphere. To this end, the Ministry will notify its decision to the applicant and ENARGAS.

On December 14, 2023, ENARGAS Resolution No. 704/2023 called for a public hearing to be held on January 8, 2024. Effective April 1, 2024, we have received a transitional tariff increase of 675%. In addition, the resulting tariffs will be adjusted monthly from May 2024 until the RTI process is completed in 2024 in accordance with the Transitional Adjustment Index. See “*Item 4. Our Information—B. Business Overview—Natural Gas Transportation—Tariff Situation*” for more information.

On December 16, 2023, decree No. 55/2023 was issued declaring the emergency of the national energy sector until December 31, 2024. Among other issues, this decree: (i) establishes the beginning of the process of RTI, (ii) the intervention of ENARGAS as of January 1, 2024 and (iii) instructs the Ministry of Energy to issue the necessary standards and procedures for the sanction of market prices for the public transport service of natural gas.

Liquids Production and Commercialization Segment

Unlike the Natural Gas Transportation segment, revenues of the Liquids Production and Commercialization segment are not subject to full regulation by ENARGAS and the Ministry of Energy. However, in recent years, the Government has enacted a number of laws and regulations that have limited our ability to receive the full international market prices for all of the liquids that the Cerri Complex produces. In addition, ENARGAS has the ability to redirect the volumes of natural gas in the system to cover certain uses and that may result in lower volumes of natural gas to be processed in the Cerri Complex. See “*Item 4. Our Information—B. Business Overview—Liquids Production and Commercialization—Regulation*” for more information.

The Liquids Production and Commercialization segment represented 58.6% and 63.3% of our total revenues during the years ended December 31, 2023, and 2022, respectively. Liquids Production and Commercialization activities are conducted at the Cerri Complex, which is located near Bahía Blanca and is connected to each of our main pipelines. At the Cerri Complex, we recover ethane, LPG and natural gasoline for our own account, on behalf of our customers and on a fee basis, collecting a commission for the extracted Liquids delivered to our customers.

For the fiscal years 2023 and 2022, all of our sales were made for our own account.

All ethane produced by our Liquids segment in the years ended December 31, 2023 and 2022 was sold locally to PBB.

Our ethane sales for the years 2023 and 2022 represented 38.1% and 24.6% of our Liquids Production and Commercialization net revenues.

In 2023, we sold 60.6% of our production of LPG in the local market to LPG marketers, compared to 50.9% in 2022, with the remainder exported to LPG traders. In addition, all natural gasoline produced during 2023 and 2022 was exported. For more information about these contracts, see “*Item 4. Our Information—B. Business Overview—Liquids Production and Commercialization.*”

The total annual sales for the Cerri Complex for 2023 and 2022 in tons were as follows:

	Years ended December 31,		Year ended December 31, 2023 compared to year ended December 31, 2022	
	(volumes in tons)		(volumes in tons)	
	2023	2022	Increase/ (Decrease)	Percentage Change
<i>Local Market</i>				
Ethane	394,370	329,232	65,138	19.8
Propane	209,058	215,753	(6,695)	(3.1)
Butane	165,377	185,472	(20,095)	(10.8)
Subtotal	768,805	730,457	38,348	5.2
<i>Exports</i>				
Propane	160,625	194,810	(34,185)	(17.5)
Butane	70,484	78,460	(7,976)	(10.2)
Natural Gasoline	129,272	125,277	3,995	3.2
Subtotal	360,381	398,547	(38,166)	(9.6)
Total Liquids	1,129,186	1,129,004	182	-

Export revenues from our Liquids Production and Commercialization segment command a price premium, as compared to our domestic market sales, primarily as a result of regulation of domestic prices. See “*Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Exports.*”

For the years ended December 31, 2023 and 2022, the total accrued exports withholding amounted to Ps.8,236 million and Ps.11,396 million, respectively.

In the domestic market, the Secretary of Energy continued issuing a series of measures with the aim of reducing the impact of the subsidies in public accounts in order to reduce the negative impact that the participation in the Households with Bottles Program and Propane for Networks Agreement have in the results of operations of natural gas liquids producers. These measures include an increase in the sales price from selling LPG bottles the above-mentioned agreements.

The sales prices under the program for fiscal years 2023 and 2022 were as follows:

Resolution Nro.	Period	Ps. Per ton (at values determined by each resolution)
15/23	January 2023	Ps. 29,481
62/23	February 2023	Ps. 32,429
168/23	March 2023	Ps. 35,672
326/23	April 2023	Ps. 38,704
391/23	May 2023	Ps. 40,252
391/23	June 2023	Ps. 41,862
391/23	July 2023	Ps. 43,537
391/23	August 2023	Ps. 45,278
762/23	August 2023 to December 2023	Ps. 50,938

Participation in this program forces **tgs** to commercialize LPG volumes required by the controlling entity at prices below to market values and under certain circumstances at prices lower than their processing cost.

Regarding the Propane for Networks Agreement, on August 28, 2023 we signed its twentieth renewal, in effect until December 31, 2023.

This agreement contemplates compensations to be paid by the Argentine Government to the participants, calculated as the difference between the price at which propane is commercialized under this agreement and the export parity issued monthly by the Secretary of Energy. However, there have been significant delays in the collection of the mentioned compensation. Its overdue balance as of December 31, 2023 was of Ps. 4,672 million. The twentieth renewal stipulates those payments shall be conducted through fiscal credit certificates to be used by the producers for the payment of hydrocarbon export withholdings. As of this date, said certificates have not been issued. Beyond the supply programs mentioned above, we sold 158,794 tons of propane and 1,290 tons of butane mainly to the fractionating market and to a lesser extent to the industrial, propellant and automobile segments.

In 2023, we continued commercializing ethane, under a long-term agreement entered with PBB. This agreement contemplates similar terms to the ones agreed in the previous one, but involves improvements in the take or pay clause of annual compliance, which ensures us an increase in our sales volume to be implemented gradually over the first five years of the agreement. In the year 2023, ethane tons sold to PBB slightly went up to 394,370 tons, from the 329,232 tons recorded in 2022.

See “*Item 4. Our Information—B. Business Overview—Competition—Liquids Production and Commercialization—Regulation—International Market.*” for additional information.

During 2023 the Liquids Production and Commercialization business segment recorded operating profit of Ps. 85,764 million, compared to Ps.121,140 million in 2022. The main factors that affected the results of operations for this segment compared to 2022 were the following:

- Segment revenue decreased by Ps.59,120 million for the year 2023 compared to 2022. This negative effect was mainly due to the negative real exchange rate variation by Ps. 14,370 million, lower volumes of propane and butane dispatched by Ps. 12,524 million and international benchmark prices by Ps. 51,337 million. These effects were partially offset by higher ethane price by Ps. 8,758 million and higher volumes of natural gasoline and ethane shipped by Ps. 17,962 million.
- Subsidies decreased by Ps. 7,090 million in the year 2023 compared with 2022.
- In 2023 propane, butane and natural gasoline average export prices recorded decreases of 30%, 24% and 16%, respectively, compared to 2022.
- During 2023, the production of Liquids reached 1,129,186 tons (182 tons more than in 2022).
- It should be noted that there were no production restrictions during the winter period, as a result of a greater supply of local gas due to non-conventional gas developments.
- Notwithstanding the changes made to the Households with Bottles Program to supply butane to the domestic market described above, our obligations under this program continues to have an adverse impact on this segment, resulting, under some circumstances, in a negative operating margin on domestic sales of LPG.
- Costs of sales, administrative and selling expenses for the year ended December 31, 2023, decreased by Ps. 23,939 million, to Ps. 179,572 million from Ps. 203,511 million, as compared to the year ended December 31, 2022. This decrease was mainly due to lower: (i) cost of natural gas purchased as RTP of Ps. 19,246 million (principally as a consequence of the decrease in the price of the natural gas), (ii) taxes and contributions of Ps. 4,129 million (mainly tax on exports and turnover tax) and (iii) third parties services received by Ps. 2,846 million. These effects were partially offset higher: (i) repair and maintenance expenses by Ps. 1,129 million, (ii) labor costs by Ps. 783 million and (iii) depreciations by Ps. 428 million.
- Other operating expenses decreased by Ps. 196 million.

In 2023, export revenues from the Liquids Production and Commercialization segment were Ps.95,390 million and accounted for 21% (28% in 2022) of total net sales and 36% (44% in 2022) of total Liquids Production and Commercialization revenues.

In 2023, we exported propane and butane at spot prices, which allowed us to capture opportunities associated with different market niches, allowing us to considerably increase the individual fixed prices of each operation.

We sold our LPG exports at spot prices and to the date of this Annual Report, we are under negotiations for new agreements.

As in prior years, in the period from May to September 2023, the sales of these products were conducted mainly in the domestic market, due to the restrictions in natural gas consumption for the production of Liquids and governmental requirements to supply the domestic market within the framework of the programs outlined by the Government for the supply of LPG.

Regarding natural gasoline exports, throughout the year 2023 and until February 2024 we traded such product by means of an agreement entered with Trafigura Pte Ltd at an international price, less a discount. As of the date of the present Annual Report, a new agreement has been entered with Trafigura Pte Ltd., with expiration date in February 2026 and better terms than the previous agreement in force in 2023.

Regarding international reference prices of the products, we export —propane, butane and natural gasoline— they recorded some variations in 2023 compared to the previous year, presenting an uneven trend. During the first months of the year, they increased within the context of commodities prices recovery given the world economy recovery and the energy setbacks that Asia and Europe faced. As from the second quarter of the year prices contracted and stabilized similar to the levels of prices at the closing of 2022 and starting the last 2023 quarter they started to rise again.

In 2023, we continued commercializing LPG by land, dispatching roughly 15,518 trucks (379,544 tons) loaded with our own product, compare to the approximately 16,156 trucks (390,914 tons) of our own product dispatched in 2022. Trucks dispatches are basically carried out to meet our domestic demand but also allow us to export our products to neighboring countries. Although their volumes are substantially lower than the exports conducted by sea, they capitalize a higher operative margin and increase our clients' portfolio. Propane and butane deliveries overseas were conducted in a spot modality in 2023, seizing opportunities related to different niche markets, which allowed us to increase considerably the fixed premiums of each transaction. We keep upholding our positioning in the Brazilian market, which constitutes a 2024 goal, maintaining our sea exports in a direct modality (with no go-betweens) to Brazilian LPG distributors.

In 2023, we continued participating in the several supply programs dictated by the National Government. Such is the case of the program for LPG Supply at subsidized prices (“Household Program”)— which had been created by National Executive Decree N° 470/2015. The Household Program establishes a maximum reference price to the different links of the Liquefied Petroleum Gas (“LPG”) commercialization chain to ensure its supply to low- income residential users, forcing producers to provide LPG to fractionating companies at a determined price and with a defined quota for each of them.

Participation in this program forces **tgs** to commercialize LPG volumes required by the controlling entity at prices inferior to market values and under certain circumstances at prices lower than their processing cost.

Regarding the Propane for Networks Agreement, on August 28, 2023 we signed its twentieth renewal, in effect until December 31, 2023.

Midstream

This segment includes midstream services. Midstream services include natural gas treatment, separation and removal of impurities from the natural gas stream and compression services, which are generally rendered to the natural gas producers at the wellhead, transportation and conditioning services in Vaca Muerta, as well as activities, related to construction, operation and maintenance of pipelines and compressor plants.

During 2023, the Midstream business segment recorded an operating profit of Ps.42,986 million, which represents a Ps.16,699 million increase compared to Ps. 26,287 million in 2022.

The main factors that affected the results of operations of this segment during 2023 are the following:

- Revenues increased by Ps. 27,235 million primarily due to: (i) higher natural gas transportation and conditioning services in Vaca Muerta for Ps. 27,905 million and (ii) higher operating and maintenance NK pipeline and Transpor.Ar Program by Ps. 3,393. These effects were partially offset by the decrease in the exchange rate on sales revenues denominated in U.S. dollars for Ps. 2,912 million, compression of natural gas services by Ps.750 million and lower operation and maintenance services rendered by Ps. 223 million.
- Costs of sales, administrative and selling expenses increased by Ps. 10,463 million, mainly due to the increase in: (i) depreciations of Ps. 3,491 million, (ii) turnover tax by Ps. 1,997 million, (iii) salaries, wages, and other compensation by Ps. 1,842 million, (iv) repair and maintenance expenses by Ps. 1,346 million and (v) third party services by Ps. 1,066 million.

Telecommunications

Telecommunication services are rendered by our subsidiary, Telcosur. During 2023, the Telecommunications business segment recorded an operating profit of Ps. (79) million, compared to a profit of Ps. 267 million in 2022. The main factors that affected the results of operations of this segment during 2023 are the following:

- Net revenues decreased by Ps.135 million in the year ended December 31, 2023, when compared to 2022.
- Costs of sales, administrative and selling expenses increased by Ps.212 million in the year ended December 31, 2023, when compared to 2022, mainly due to higher salaries, wages and contributions and third party services.

Year 2022 Compared to Year 2021

	Year ended December 31,			Percentage of change
	2022	2021	Variation	
	(in millions of pesos)			
Revenues	512,343	539,731	(27,388)	(5.1)
Net costs of sales	(299,081)	(289,121)	(9,959)	3.4
Gross profit	213,262	250,610	(37,348)	(14.9)
Administrative and selling expenses	(49,695)	(44,642)	(5,052)	11.3
Other operating results	(238)	781	(1,020)	(130.5)
Operating profit	163,329	206,749	(43,420)	(21.0)
Net financial results	(9,840)	(2,647)	(7,193)	271.7
Share of profit from associates	281	129	152	117.8
Income tax expense	(53,130)	(77,263)	24,133	(31.2)
Total comprehensive income for the year	100,640	126,968	(26,328)	(20.7)

Total comprehensive income

For the year ended December 31, 2022, we reported a total net income and a total comprehensive income of Ps. 100,640 million, which represents a Ps. 26,328 million decrease compared to the total net income and total comprehensive income of Ps. 126,968 million reported in 2021.

The material factors affecting total comprehensive income were as follows:

- Net revenues to third-parties reached Ps. 512,343 million in 2022, which represents a Ps. 27,388 million decrease compared to the 2021 fiscal year. This decrease was mainly due to the reduction in the Natural Gas Transportation and Liquids Production and Commercialization business segments revenues of Ps. 23,902 million and Ps. 13,530 million, respectively.
- Cost of sales, including depreciation of fixed assets, reached Ps. 299,081 million in 2022, which represents a Ps. 9,959 million increase compared to the 2021 fiscal year. This increase was mainly due to: (i) the growth in the cost of natural gas processed in the Cerri Complex (mainly due an increase in price, measured in constant pesos) by Ps. 9,749 million, (ii) labor costs by Ps. 3,920 million and (iii) depreciations by Ps. 2,899 million. These effects were partially offset by a decrease in the repair and maintenance costs by Ps. 4,197 million and third parties services by Ps. 2,105 million.
- Administrative and selling expenses were Ps. 49,695 million in 2022, which represents a Ps. 5,052 million increase compared to the 2021 fiscal year. This increase was mainly due to higher: (i) labor costs by Ps. 1,836 million, (ii) tax on export and taxes by Ps.2,171 million, (iii) services received from third parties by Ps. 903 million and a lower charge for doubtful accounts by Ps. 404 million. These effects were partially offset, principally, by a decrease in turnover tax of Ps. 691 million.

During 2022, subsidies increased by Ps.4,176 million, this mainly driven by the increase in international prices and the lack of updating of the prices paid in the local market. For more information see “Item 4. Our Information—B. Business Overview—Liquids Production and Commercialization.”

Cost of sales for the years ended on December 31, 2022 and 2021, represented 58.4% and 53.6%, respectively, of net revenues reported in the corresponding year.

Administrative and selling expenses for the years ended on December 31, 2022 and 2021, represented 9.7% and 8.3%, respectively, of net revenues reported in the corresponding year.

See. “—Analysis of Operating Profit by Business Segment for the Years Ended December 31, 2022 and 2021.”

Share of profit from associates

For the year ended December 31, 2022, we recorded a profit from our investment in associates of Ps.281 million, compared to the profit of Ps.129 million recorded in 2021.

Net Financial Results

In accordance with IAS 29 we presented the financial results in gross terms considering the effects of the change in the currency purchasing power in a single separate line. Gains and losses from monetary positions represent the effects of inflation on our monetary liabilities and assets, respectively.

Net financial results for the years ended December 31, 2022 and 2021, are as follows:

	Year ended December 31,	
	2022	2021
	(in millions of pesos)	
Financial income		
Interest income	5,712	4,805
Foreign exchange gain	87,014	36,882
Subtotal	92,727	41,687
Financial expenses		
Interest expense	(21,171)	(27,103)
Foreign exchange loss	(162,262)	(75,483)
Subtotal	(183,433)	(102,586)
Other financial results		
Notes repurchase results	(3,208)	(2,513)
Fair value (loss) / gain on financial instruments through profit and loss	75,136	7,224
Derivative financial instruments results	(397)	(490)
Other financial charges	(2,400)	(2,992)
Subtotal	69,131	1,231
Gain on monetary position	11,735	57,022
Total	(9,840)	(2,647)

In accordance with the provisions of IAS 29, we opted to present the gain on the monetary position in a single line included in the financial results. This presentation implies that the nominal magnitudes of the financial results have been adjusted for inflation. The real magnitudes of financial results are different from the components of financial results presented above.

For fiscal year 2022, the net financial loss increased by Ps. 7,193 million compared to the 2021 fiscal year. This negative variation is mainly due to the lower gain on net monetary position (due to the lower net monetary liability position during 2022) and the higher negative net foreign exchange difference. These effects were partially offset by the gain recognized in 2022 for generated by financial assets measured at fair value and higher interest.

The selling peso/U.S. dollar ended exchange rate closed at a value of Ps. 177.96 per U.S. dollar as of December 31, 2022, representing an increase of 72% (or Ps. 74.44 per U.S. dollar) compared to the exchange rate observed at the closing of 2021. As of December 31, 2021, said rate had increased by 22% (or Ps. 18.57 for each U.S. dollar) regarding its quote at the closing of the 2020. For its part, our net liability position in U.S. dollars has been reduced in 2022.

Income tax

Income tax for fiscal year 2022 was an expense of Ps. 53,130 million, compared to the expense of Ps. 77,263 million in fiscal year 2021. The lower income tax charge was primarily due to the decrease in taxable income in fiscal year 2022.

Analysis of Operating Profit by Business Segment for the Years Ended December 31, 2022 and 2021

The following table sets forth revenues and operating income for each of our business segments for the years ended December 31, 2022 and 2021:

	Year ended December 31,		Year ended December 31, 2022 compared to year ended December 31, 2011	
	2022	2021	Variation	Percentage Change
Natural Gas Transportation⁽¹⁾				
Revenues from sales	130,194	154,096	(23,902)	(15.5)
Net cost of sales	(91,420)	(94,663)	3,243	(3.4)
Gross profit	38,774	59,433	(20,659)	(34.8)
Administrative and selling expenses	(22,577)	(22,340)	(237)	1.1
Other operating expense	(562)	(1,236)	674	(54.5)
Operating profit	15,635	35,857	(20,222)	(56.4)
Liquids Production and Commercialization				
Revenues from sales	324,533	338,063	(13,530)	(4.0)
Net cost of sales	(183,060)	(175,262)	(7,798)	4.4
Gross profit	141,473	162,801	(21,328)	(13.1)
Administrative and selling expenses	(20,451)	(17,293)	(3,158)	18.3
Other operating income	118	1,952	(1,834)	(94.0)
Operating profit	121,140	147,460	(26,320)	(17.8)
Midstream				
Revenues from sales	58,380	50,254	8,126	16.2
Net cost of sales	(26,182)	(22,716)	(3,466)	15.3
Gross profit	32,198	27,538	4,660	16.9
Administrative and selling expenses	(6,116)	(4,596)	(1,520)	33.1
Other operating (expense) / income	205	63	142	227.9
Operating profit	26,287	23,004	3,283	14.3
Telecommunications				
Revenues from sales	2,863	2,779	84	3.0
Net cost of sales	(2,045)	(1,942)	(103)	5.3
Gross profit	818	838	(20)	(2.3)
Administrative and selling expenses	(550)	(412)	(138)	33.7
Other operating expense	-	2	(2)	(100.0)
Operating profit	267	428	(161)	(37.5)

(1) Includes intersegment revenues of Ps. 3,627 million and Ps.5,462 million for the fiscal years 2022 and 2021, respectively.

Regulated Natural Gas Transportation Segment

The Natural Gas Transportation business segment represented 25.4% and 28.5% of our total revenues during the years 2022 and 2021, respectively.

For additional information regarding the history of our discussions with various governmental authorities in relation to the adjustment of our gas transportation tariffs see “Item 4. Our Information—B. Business Overview—Natural Gas Transportation—Regulatory Framework.”

- During 2022, the Natural Gas Transportation business segment recorded an operating profit of Ps. 15,635 million, compared to a Ps.35,857 million profit recorded in 2021. The main factors that affected the results of operations of this segment compared to 2022 are the following:
- Revenues from the Natural Gas Transportation business segment decreased by Ps.23,902 million for the year 2022 compared to 2021.
- During 2022, we had only received a nominal tariff increase of 60% as of March 1, 2022 while annual inflation was 94.8%.
- Revenues related to natural gas firm transportation contracts for the year ended December 31, 2022, decreased by Ps.15,016 million for the year 2022 compared to 2021, as we had only received a nominal tariff increases of 60% as of March 1, 2022, while the cumulative inflation rate for the Year 2022 was 94.8%. See “Item 4. Our Information—B. Business Overview—Natural Gas Transportation—Regulatory Framework—Regulation of Transportation Rates—Actual Rates” for additional information.
- Revenues related to interruptible natural gas transportation service decreased by Ps. 6,210 million for the year 2022 compared to 2021. The decrease mainly resulted from tariff increase discussed above, partially offset by higher volumes dispatched.
- Revenues relating to the CAU decreased by Ps. 841 million for the year 2022 compared to 2021 primarily as a result of the same tariff effect. The value of the CAU is much lower than the transportation tariff we are permitted to charge for our natural gas transportation services, because we were not required to make any investment in the construction and expansion of the assets to which the CAU relates. See “Item 4. Our Information—B. Business Overview—Natural Gas Transportation—Pipeline Operations—Pipeline Expansions” for additional information regarding the CAU.
- Costs of sales and administrative and selling expenses for the year ended December 31, 2022 decreased by Ps. 3,006 million, from Ps. 117,004 million to Ps. 113,998 million, as compared to the year ended December 31, 2021. This decrease was mainly attributable to lower PPE maintenance expenses of Ps. 4,631 million, as during 2022 we performed less repairs, technical operator assistance fees of Ps. 1,442 million and lower turnover tax by Ps. 1,520 million. These effects were partially offset, principally, by higher: (i) labor costs of Ps. 1,691 million, (ii) depreciation of Ps. 1,934 million.
- Other operating expenses decreased by Ps. 673 million for the year 2022 compared to 2021, primarily as a result of higher provision for contingencies.

Liquids Production and Commercialization Segment

The Liquids Production and Commercialization segment represented 63.3% and 62.6% of our total revenues during the years ended December 31, 2022 and 2021, respectively

For the fiscal years 2022 and 2021, all of our sales were made for our own account.

All ethane produced by our Liquids segment in the years ended December 31, 2022 and 2021 was sold locally to PBB.

Our ethane sales for the years 2022 and 2021 represented 24.6% of our Liquids Production and Commercialization net revenues.

In 2022, we sold 50.9% of our production of LPG in the local market to LPG marketers, compared to 55.1% in 2021, with the remainder exported to LPG traders. In addition, all natural gasoline produced during 2022 and 2021 was exported. For more information about these contracts, see “Item 4. Our Information—B. Business Overview—Liquids Production and Commercialization.”

The total annual sales for the Cerri Complex for 2022 and 2021 in tons were as follows:

	Years ended December 31,		Year ended December 31, 2022 compared to year ended December 31, 2021	
	(volumes in tons)		(volumes in tons)	
	2022	2021	Increase/ (Decrease)	Percentage Change
<i>Local Market</i>				
Ethane	329,232	353,078	(23,846)	(6.7)
Propane	215,753	238,284	(22,531)	(9.4)
Butane	185,472	181,952	3,520	1.9
Subtotal	730,457	773,314	(42,857)	(5.5)
<i>Exports</i>				
Propane	194,810	144,801	50,009	34.5
Butane	78,460	85,627	(7,167)	(8.4)
Natural Gasoline	125,277	115,677	9,600	8.3
Subtotal	398,547	346,105	52,442	15.5
Total Liquids	1,129,004	1,119,419	9,585	0.9

For the years ended December 31, 2022 and 2021, the total accrued exports withholding amounted to Ps.11,394 million and Ps.9,560 million, respectively.

In the domestic market, the Secretary of Energy continued issuing a series of measures with the aim of reducing the impact of the subsidies in public accounts in order to reduce the negative impact that the participation in the Households with Bottles Program and Propane for Networks Agreement have in the results of operations of natural gas liquids producers. These measures include an increase in the sales price from selling LPG bottles the above-mentioned agreements.

The sales prices under the program for fiscal 2022 and 2021 were as follows:

Resolution Nro.	Period	Ps. Per ton (at values determined by each resolution)
249	April 2021 to April 2022	Ps. 12,627
270	April 2022 to July 2022	Ps. 15,152
609	July 2022 to August 2022	Ps. 17,500
609	September 2022 to October 2022	Ps. 18,375
861	November 2022 to December 2022	Ps. 26,801

See “Item 4. Our Information—B. Business Overview—Competition—Liquids Production and Commercialization—Regulation—International Market.” for additional information.

During 2022 the Liquids Production and Commercialization business segment recorded operating profit of Ps.121,140 million, compared to Ps.147,460 million in 2021. The main factors that affected the results of operations for this segment compared to 2021 were the following:

- Segment revenue decreased by Ps.13,530 million for the year 2022 compared to 2021. This negative effect was mainly due to the negative real exchange rate variation by Ps. 57,810 million and lower volumes of ethane and butane dispatched by Ps. 8,137 million. These effects were partially offset by higher ethane by Ps. 18,974 million and international benchmark prices by Ps. 15,617 million and higher volumes of natural gasoline and propane shipped by Ps. 14,898 million.
- Subsidies increased by Ps. 3,802 million in the year 2022 compared with 2021.
- In 2022 propane, butane and natural gasoline average export prices recorded increases of 5%, 8% and 16%, respectively, compared to 2021.
- During 2022, the production of Liquids reached 1,129,004 tons (9,585 tons or 0.9% more than in 2021).
- It should be noted that there were no production restrictions during the winter period, as a result of a greater supply of local gas due to non-conventional gas developments.
- Notwithstanding the changes made to the Households with Bottles Program to supply butane to the domestic market described above, our obligations under this program continues to have an adverse impact on this segment, resulting, under some circumstances, in a negative operating margin on domestic sales of LPG.
- Costs of sales, administrative and selling expenses for the year ended December 31, 2022, increased by Ps. 10,956 million, to Ps. 203,511 million from Ps. 192,556 million, as compared to the year ended December 31, 2021. This increase was mainly due to higher: (i) cost of natural gas purchased as RTP of Ps. 9,750 million (principally as a consequence of the increase in the price of the natural gas), (ii) taxes of Ps. 2,046 million (especially tax on exports) and (iii) salaries, wages and other compensations by Ps. 626 million. These effects were partially offset by technical operator assistance fees of Ps. 2,332 million.
- Other operating expenses decreased by Ps. 1,834 million.

In 2022, export revenues from the Liquids Production and Commercialization segment were Ps.144,224 million and accounted for 28% (26% in 2021) of total net sales and 44% (41% in 2021) of total Liquids Production and Commercialization revenues.

In 2022, we exported propane and butane at spot prices, which allowed us to capture opportunities associated with different market niches, allowing us to considerably increase the individual fixed prices of each operation.

We sold our LPG exports at spot prices and to the date of this Annual Report, we are under negotiations for new agreements.

As in prior years, in the period ranging from May to September 2022, the sales of these products were conducted mainly in the domestic market, due to the restrictions in natural gas consumption for the production of Liquids and governmental requirements to supply the domestic market within the framework of the programs outlined by the Government for the supply of LPG.

Regarding the export of natural gasoline, after the termination of the term contract with Petrobras Global Trading B.V. traded until January 31, 2021, spot trades with Trafigura Pte Ltd were conducted until May. Starting in June, we traded with Trafigura Pte Ltd under a term agreement, with an extension until March 2023 inclusive.

In March 2023, we signed a new agreement with Trafigura to export natural gasoline. This agreement will expired in February 2024 and includes similar conditions as the previous one.

As mentioned above, overall international prices showed a rising trend, mainly in the first quarter of 2022, slightly contracting during the first half of the year and towards the year end. International prices are expected to increase in the short term, though below the averages of the first half of 2022. Additionally, as a result of the increase in sea freight costs, the prices at which our products are exported are foreseen to be subject to reduced margins, which could negatively impact the operating margins of the Liquids business segment.

We keep expanding our positioning in the Brazilian market and in 2022 continued exports by sea to Brazilian LPG distributors, which started in 2021 in a direct modality, with no go-betweens. Besides, in September 2022 we conducted our first direct sea export to a Brazilian industrial user. Also, in December 2022, we conducted the largest LPG export to private Brazilian companies by sea.

Additionally, we export to Chile, Paraguay and Brazil by trucks.

Regarding the price of natural gas, measured in U.S. dollars, acquired for RTP for processing at the Cerri Complex, it has suffered an increase of approximately 29% with respect to 2021 Said increase is related to the start up of the Plan Gas.Ar, implemented by the National Government, the aim of which is to generate the framework that facilitates the recovery of national gas production, establishing new market price references, added to a drop in the supply of certain productive basins and transportation restrictions from the Neuquén basin.

Although the Plan Gas.Ar could have a positive effect allowing to stop the fall in production levels that has been registered in the last periods, it is important to highlight the impact that it could have on the prices at which we would acquire the natural gas used in the Cerri Complex.

Midstream

During 2022, the Midstream business segment recorded an operating profit of Ps.26,287 million, which represents a Ps.3,283 million increases compared to Ps.23,004 million in 2021. The main factors that affected the results of operations of this segment during 2022 are the following:

- Net revenues increased by Ps. 8,126 million primarily due to: (i) higher natural gas transportation and conditioning services in Vaca Muerta for Ps. 12,927 million, and (ii) compression of natural gas services by Ps. 1,934 million. These effects were partially offset by the decrease in the exchange rate on sales revenues denominated in U.S. dollars for Ps. 7,000 million and lower operation and maintenance services rendered by Ps. 411 million.
- Costs of sales, administrative and selling expenses increased by Ps. 4,986 million, mainly due to the increase in: (i) professional services fees by Ps.1,249 million, (ii) depreciations of Ps. 613 million, (iii) salaries, wages and other compensation by Ps. 551 million, and (iv) turnover tax by Ps. 579 million.

Telecommunications

During 2022, the Telecommunications business segment recorded an operating profit of Ps.267 million, compared to a profit of Ps.428 million in 2021. The main factors that affected the results of operations of this segment during 2021 are the following:

- Net revenues increased by Ps.84 million in the year ended December 31, 2022, when compared to 2021.
- Costs of sales, administrative and selling expenses increased by Ps.242 million in the year ended December 31, 2022, when compared to 2021.

B. Liquidity and Capital Resources

We expect our main sources of liquidity in the near term to be cash flow from operations and, to a lesser extent due to the limited availability of financing for Argentine companies, cash flow from third parties obtained from financial institutions. Because of the aforementioned, we closely monitor our liquidity levels in order to ensure compliance with our financial obligations and to achieve our objectives. Our principal uses of cash flows are expected to be capital expenditures, operating expenses, dividend payments to our shareholders, payments of financial debt and for general corporate purposes. We expect working capital, funds generated from operations and, to a lesser extent, financing from third parties to be sufficient. We assume that we will be able to access the domestic and international capital markets to refinance our 2018 Notes, if necessary.

To preserve cash surpluses, we invest in low-risk and highly liquid financial assets offered by high-quality financial institutions that are located in Argentina and the United States. Our policy is designed to diversify credit risk. Given that our total financial indebtedness is denominated a different currency than the Argentine peso, we prioritize the placement of funds in U.S. dollar-denominated investments.

We currently do not have any off-balance sheet arrangements or significant transactions with unconsolidated entities not reflected in our Financial Statements. All of our interests in and/or relationships with our subsidiaries are recorded in our Financial Statements.

In the short-term, the most significant factors generally affecting our cash flow from operating activities are: (i) fluctuations in international prices for LPG products, (ii) fluctuations in production levels and demand for our products and services, (iii) changes in regulations, such as taxes, taxes on exports, tariffs for our regulated business segment and price controls, (iv) fluctuations in the natural gas price used as RTP, (v) fluctuations in exchange rates and (vi) operating cost increases given inflation.

Our cash flows from operations have been affected in past years due to the lack of adjustment to our natural gas transportation tariffs to cover increases in our operating costs and capital expenditures. Along these lines, and as a guiding principle, financial solvency is our main objective.

During 2023, our cash generation has allowed us to cover all our financial needs, mainly the investments made for the maintenance of the transportation system and other operating assets of the remaining business segments, as well as those made for new projects.

In 2023, we have pursued the diversification of our investment's portfolio. To that end, we acquired public and private bonds linked to the U.S. dollar and to CER (BCRA's index: Stabilization Reference Coefficient) to mitigate the exchange rate risk on our liabilities in United States dollars and the impact of inflation on availabilities denominated in pesos.

The performance of the Natural Gas Transportation segment was marked by the lack of tariff updates, the last of which was received in April 2023 (the previous tariff increase had been received in March 2022), which in the framework of the Solidarity Law and its complementary rules provided for a tariff freeze and the renegotiation of the RTI.

During 2023, we continued participating in the Households with Bottles Program, which generates operating margins by virtue of the fact that the price determined by the SHR is significantly lower than the costs of processing natural gas. For further information, see “*Item 4. Our Information—B. Business Overview—Liquids Production and Commercialization.*”

We believe that we will have to rely only on our operating cash inflow to meet our working capital, debt service and capital expenditure requirements for the foreseeable future. Actual results may differ materially from our expectations described above as a result of various factors affecting the Argentine economy.

In the Liquids Production and Marketing business segment, despite the volatility of prices of commodities, we were able to maintain a positive cash flow.

As a result of a combination of external and local factors in the macroeconomic context, the exchange rate of the U.S. dollar increased by 356.3% during 2023, from Ps.177.16 to Ps.808.45. As of December 31, 2023, 89%, or U.S.\$404 million, of our fund placements were denominated in U.S. dollars, to mitigate such risk. During the period ended on December 31, 2023, sales revenues denominated in U.S. dollars amounted to 65%.

The foregoing allows us to conclude that we managed to limit the impact of the recent turbulence in the exchange rate on the future cancellation of indebtedness.

A further devaluation of the peso or further inflation with no compensating effect in our natural gas transportation tariffs or lower liquids prices could harm our cash-generating ability and materially adversely affect our liquidity, our ability to carry out mandatory capital investments and our ability to service our debt.

Our financial position is and will be significantly dependent on its operating performance, our indebtedness and capital expenditure programs.

Our primary sources and uses of cash during the years ended December 31, 2023, 2022 and 2021 are shown in the table below:

	Years ended December 31,		
	2023	2022	2021
	(in millions of pesos)		
Cash and cash equivalents at the beginning of the year	9,308	26,865	42,607
Cash flows provided by operating activities	189,571	110,282	183,804
Cash flows used in investing activities	(206,428)	(125,235)	(183,701)
Cash flows provided by / (used in) financing activities	24,653	11,292	(5,821)
Net (decrease) / increase in cash and cash equivalents	7,796	(3,660)	(5,718)
Foreign exchange gains on cash and cash equivalents	1,451	911	1,960
Monetary results effect on Cash and cash equivalents	(11,955)	(14,808)	(11,984)
Cash and cash equivalents at the end of the year	6,599	9,308	26,865

In our opinion, the working capital is sufficient for the company's present requirement.

Cash Flows Provided by Operating Activities

The cash flow provided by operating activities for the year ended December 31, 2023, increased by Ps. 79,289 million, mainly due to lower income tax payments by 68,813 million and the increase in cash inflows by Ps. 22,663 million in connection with changes in assets and liabilities. The increase in cash inflows was mainly due to higher contract liabilities and trade payables, partially offset by the increase in trade receivables. These effects were partially offset by lower comprehensive income, adjusted for non-cash income and expense by Ps. 12,187 million.

The cash flow generated by operating activities for the year ended December 31, 2022, decreased by Ps. 73,522 million, mainly due to higher income tax payments by 53,958 million, lower net income adjusted by non-cash items (including depreciation and financial results accrued) by Ps. 43,719 million. These effects were partially offset by higher collections of trade and other receivables by Ps. 14,892 million and lower interest paid by Ps. 4,917 million.

Cash Flows Used in Investing Activities

The cash flow used in investment activities for the year ended December 31, 2023, increased by Ps. 81,194 million, mainly driven by higher acquisitions of capital assets within the framework of Midstream projects by Ps. 56,273 and financial assets not considered cash equivalents according to IFRS Accounting Standards by Ps.24,921 million.

The cash flow used in investment activities for the year ended December 31, 2022, decreased by Ps.58,467 million, mainly driven by lower acquisitions of financial assets not considered cash equivalents by Ps.79,851 million. This effect was offset by higher funds earmarked for the acquisition of capital goods within the framework of projects for other services undertaken by Ps.20,282 million.

Cash Flows Provided by / (Used in) Financing Activities

Cash flow provided by financing activities, amounted to Ps. 24,653 million compared to the cash flow used in financing activities for Ps. 11,292 million for 2022. This effect was due to net proceeds of financial debt during 2023 by Ps 16,546.

Cash flow provided by financing activities, amounted to Ps. 11,292 million compared to the cash flow used in financing activities for Ps. 5,820 million for 2021. This effect was due to net proceeds of financial debt during 2022 as opposed to the repurchase of notes of 2021.

Description of Indebtedness

As of December 31, 2023, 100% of our total indebtedness was entirely denominated in U.S. dollars. The following table shows our total indebtedness as of 2023 and 2022:

	<u>2023</u>	<u>2023</u>	<u>2022</u>
	(in millions of U.S. dollars) ⁽²⁾	(in millions of pesos)	
Current loans:			
2018 Notes Interest	5	4,278	2,919
Bank loans	62	49,995	5,663
Leasing	8	6,295	3,625
Total current loans	<u>75</u>	<u>60,567</u>	<u>12,207</u>
Non-current loans:			
2018 Notes	470	380,226	259,379
Leasing	14	10,921	9,648
Bank loans	25	19,934	13,402
Total non-current loans	<u>508</u>	<u>411,081</u>	<u>282,428</u>
Total loans⁽¹⁾	<u><u>583</u></u>	<u><u>471,648</u></u>	<u><u>294,635</u></u>

(1) Issuance expenses net.

(2) Converted at the exchange rate of Ps.808.45 per U.S.\$1.00, which was the selling exchange rate as of December 31, 2023.

In order to improve the maturity profile of our financial debt, on April 19, 2018, we launched the Tender Offer (as defined below) to purchase for cash any and all of our negotiable instruments class 1 issued in February 2014 (the “**2014 Notes**”), which expired on April 26, 2018, and settled on February 11, 2014. On April 27, 2018, U.S.\$80,083,898.25 in aggregate principal amount of the 2014 Notes (or approximately 41.80% of the 2014 Notes then outstanding), were redeemed pursuant to the Tender Offer and the remaining 2014 Notes were redeemed on May 2, 2018, pursuant to the provisions of the indenture, dated February 11, 2014, among Delaware Trust Company (successor to Law Debenture Trust Company of New York), as trustee, co registrar, principal paying agent and transfer agent, and Banco Santander Rio S.A., as registrar (the “**2014 Indenture**”). The redemption of the 2014 Notes was financed with the proceeds from the offering of the 2018 Notes.

On January 3, 2014, the CNV authorized the public offering through Resolution No. 17,226. Our Board of Directors proposed that the 2017 Shareholders’ Meeting authorize an increase of up to U.S.\$700,000,000 (or its equivalent in other currencies) of the medium-term note program approved by the CNV on January 3, 2014, for the issuance of short- and medium-term bonds not convertible into shares. On October 31, 2018, we obtained approval from the CNV for the extension of the program to January 3, 2024. On 9 October 2019, we obtained approval from the CNV for the extension of the program to U.S.\$1.2 billion.

On October 11, 2023, the CNV approved the expansion of the bonds program to a maximum amount of U.S.\$ 2,000 million and the extension of its maturity up to January 3, 2029.

On May 2, 2018, within the framework of the 2017 short- and medium-term negotiable obligations program approved by the CNV, we issued the 2018 Notes with the following characteristics:

Amount in U.S.\$	500,000,000	
Interest Rate	6,75% annual	
Pricing	99,725%	
		Percentage on the Principal Amount to be Paid
	Date of Payment	
Amortization	May 2, 2025	100%
Frequency of Interest Payment	Semiannual, payable on May 2 and November 2 of each year.	
Guarantor	None.	

The proceeds obtained from the 2018 Notes were used to: (i) repurchase the 2014 Notes for an amount equivalent to U.S.\$86,511,165; (ii) cancel and totally redeem the 2014 Notes for U.S.\$120,786,581; and (iii) make capital investments with the remaining balance.

As of December 31, 2023 the principal amount of outstanding 2018 Notes was U.S.\$ 500 million. During 2022, we repurchased our marketable debt for a nominal value of U.S.\$ 29.7 million for which it paid Ps. 7,637,322. This transaction generated a result of (Ps. 3,208,025), recognized in the financial results of the Statement of Income.

We are subject to several restrictive covenants under our 2018 Notes that limit our ability to obtain additional financing, including limitations on our ability to incur additional indebtedness to create liens on our property, assets or revenues. In addition to the required principal amortization payment obligations, we are also subject to other restrictive covenants that affect our use of cash on hand, such as limitations on our ability to pay dividends to our shareholders and limitations on our ability to sell our assets. See “*Item 10. Additional Information—C. Material Contracts—Debt Obligations*” for a detailed discussion of the terms of our financial debt, including the interest rates and material covenants applicable to such indebtedness.

It should be noted that, given the economic context and the foreign exchange restrictions, which generated some delays to pay our imports, during 2023, we incurred new indebtedness with well-known financial institutions of Ps. 35,744 million (US\$ 74.0 million) and paid Ps. 10,891 million (US\$ 24.1 million).

The following table shows the details of other financial indebtedness as of December 31, 2023:

Currency	Amount (in miles)	Interest rate	Expiration date
USD	60,162	7.76 %	Between January and November 2024
Euros	61	7.00 %	May 2024

All of these loans are guaranteed by time deposits included as “Financial Assets at Current and Non-Current Amortized Cost.”

In March 2023, our subsidiary Telcosur, renew the loan for U.S.\$24 million taken in March 2022. The main terms of such loan are:

Amount in US\$	24,000,000
Interest rate	1.5% annual rate
Amortization	January 25, 2025
Interest payment frequency	Upon maturity
Collateral	Fixed-term deposit in foreign currency ⁽¹⁾

Included as “Other financial assets at amortized cost, non-current.”

We regularly implement actions aimed at minimizing the impact of the exchange rate variation on our financial indebtedness, including entering into currency-forward agreements with major financial institutions for the purchase of U.S. dollars to cover exposure to the exchange rate risk derived from our financial indebtedness. In addition, we are able to invest in financial instruments, which reflect the variation of the exchange rate. During 2023 and 2022, we did not enter into any derivative instruments to hedge the foreign exchange risk.

Future Capital Requirements

As of December 31, 2023, our estimated material short-term and long-term contractual cash obligations consist of our borrowings, purchases of natural gas used in our Liquids Production and Commercialization business segment, and lease commitments and are detailed by maturity in Note 22 to our Financial Statements.

As it was mentioned before, we’re engaged in increasing our conditioning capacity in our Midstream business segment. for the year of 2024, we expect to invest U.S.\$177 million to completed our current expansion project in Vaca Muerta area. For additional information see “*Item 5. Operating and Financial Review and Prospects—A. Operating Results—Midstream.*”]

Operation of our assets imply that we must incur in capital expenditures to comply with the safety and maintenance of our natural gas pipeline system and other facilities of our business segments.

We currently expect to continue to rely on cash flow from operations and short-term borrowings and other additional financing activities to finance capital expenditures in the near term.

As from December 31, 2023, to the date of this Annual report, we have increased net financial indebtedness by Ps. 7,711 million for Vaca Muerta capital expenditures capex.

Currently we have a debt program and given that the 2018 Notes are expiring in May 2025, we will be looking for alternatives for its refinancing, as long as the financing conditions are adequate.

Our level of investments will depend on a variety of factors, many of which are beyond our control. Among them we can mention changes in current regulations, including the status of negotiations with ENARGAS in order to conclude the RTI process, the development of the Vaca Muerta area and the increase in natural gas supply, changes in tax legislation, and the political, economic and social situation prevailing in Argentina.

Currency and Exchange Rates

Due to the fact that our entire financial indebtedness is denominated in U.S. dollars, any significant devaluation of the peso would result in an increase in the cost of paying our debt, and therefore, may have a material adverse effect on our results of operations. Our results of operations and financial condition are also sensitive to changes in the peso-U.S. dollar exchange rate because most of our capital expenditures, and the cost of natural gas used in our Liquids business are denominated in U.S. dollars.

Therefore, our primary market risk exposure is associated with changes in the foreign currency exchange rates because our debt obligations are denominated in U.S. dollars and 35% of our consolidated revenues were peso-denominated for the fiscal year ended December 31, 2023. Contributing to this exposure are the measures taken by the Government since the repeal of the Argentine Convertibility Act and the pesification of our regulated tariffs described elsewhere in this Annual Report. This exposure is mitigated in part by our revenues from our Liquids Production and Commercialization business segment, 87% of which are denominated in U.S. dollars for the year ended December 31, 2023. Likewise, 83% of the operating costs of this business segment for that period were denominated in U.S. dollars. For more information, see “*Presentation of Financial and Other Information—Currency.*”

We place our cash and current investments in high quality financial institutions in Argentina and the United States. Our policy is to limit exposure with any financial institution. Our temporary investments primarily consist of money market mutual funds and Government bonds.

Our strategy will remain focused on mitigating both the exchange rate risk arising from our liabilities in dollars and the effect of inflation on our liquidity. In a hyperinflationary accounting environment, maintaining monetary assets generates loss of purchasing power and maintaining monetary liabilities generates a gain in purchasing power; provided that such items are not subject to an adjustment mechanism that compensates to some extent for these effects. The monetary loss or gain is booked in the statement of comprehensive income. During the 2021 fiscal year, we have maintained a net liability monetary position. As of December 31, 2023 and 2022 we are maintaining a net asset monetary position.

C. Research and Development, Patents and Licenses, etc.

Not applicable.

D. Trend Information

See “—A. Operating Results” and “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Legal and Regulatory Proceedings.”

E. Critical Accounting Estimates

See Note 5 (Critical Accounting Estimates) to our consolidated financial statements for a description of our critical accounting estimates.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

General. Management of our business is vested in the Board of Directors. Our Bylaws provide for a board of directors consisting of a minimum of nine principal directors and nine alternate directors and a maximum of 11 principal directors and 11 alternate directors. In the absence of one or more principal directors, alternate directors will attend meetings of the Board of Directors. Principal directors and alternate directors are elected at an ordinary meeting of shareholders and serve one to three-year renewable terms, as resolved by the shareholders, subject to reelection. Effective and alternate directors shall remain in their positions until substituted by the shareholders. In December 2019, the board approved the rules of its internal operation.

Under our Bylaws and Argentine law, the Board of Directors is required to meet at least once every three months. A majority of the members of the Board of Directors constitutes a quorum, and resolutions must be adopted by a majority of the directors present. In the case of a tie, the Chairman or the person replacing him at a particular meeting is entitled to cast the deciding vote. The Board of Directors may hold meetings either by members in physical attendance thereat or by communication among themselves through other means of simultaneous transmission of sound, images and words.

Current Board of Directors members were designated at the 2024 Shareholders' Meeting. All the member of our Board of Directors were appointed until the shareholders' meeting that considers the financial statements as of December 31, 2024.

The Shareholders' Agreement (as defined in "*Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders—Shareholders' Agreement*") contains provisions governing the voting of our shares held by CIESA, the election of the members of our Board of Directors and certain other matters.

In February 2015, the Executive Branch enacted Decree No. 196/2015, which complements the provisions of Decree No. 1278/2012, mainly extending indemnity and legal assistance coverage to directors and statutory committee members appointed by the Government in companies in which it has stock participation.

Decree No. 894/2016, established that directors appointed by the FGS shall have the functions, duties and powers established by the General Companies Act, the Capital Markets Law and all the rules applicable to the company in which they act as directors, its bylaws and other internal regulations. On November 19, 2020, Law 27,574 was published in the Official Gazette, which regulates the role of the representatives of the FGS in those companies in which it has a stake, providing that the FGS will dictate the rules that are necessary in order to regulate their appointment, function, responsibility, performance and remuneration, which has been regulated by Decree No. 1041/2020 and ANSES Resolution No. 57/2021.

The General Companies Act governs the way directors are appointed. The members of the Board of Directors are appointed by the shareholders at the general annual shareholders' meeting or by the Statutory Committee, as the case may be, when authorized by the Bylaws. It is not mandatory to be a shareholder of the company to be eligible to be appointed as a director. Section 263 of General Companies Act mandates that up to one-third of the members of the board can be appointed by the "cumulative vote system." The vote of each shareholder who chooses to use the "cumulative vote system" shall be multiplied by the number of members to be appointed; the result may be partially or fully allocated to any of the candidates. All of the shareholders are entitled to choose the "cumulative vote system," in other words, not only ANSES has the right to appoint members to the Board of Directors through that system.

Duties and Liabilities of Directors. Under Argentine law, directors have the obligation to perform their duties with the loyalty and diligence of a prudent business person. Directors are jointly and severally liable to us, shareholders and third parties for the improper performance of their duties, for violating the law, our Bylaws or regulations, if any, and for any damage caused by fraud, abuse of authority or gross negligence. Under Argentine law, specific duties may be assigned to a director by our Bylaws, regulations or by a resolution of a shareholders' meeting. In such cases, a director's liability will be determined with reference to the performance of such duties; provided that certain recording requirements are met. Moreover, under Argentine law, directors are prohibited from engaging in activities in competition with us without express shareholder authorization. Certain transactions between us and directors are subject to ratification procedures established by Argentine law.

A director who participates in the adoption of a resolution or who advises on or recognizes such resolution, will be exempted from liability if he leaves written evidence of his objection and notifies the Statutory Committee before his liability is reported to the board of directors, the Statutory Committee, a shareholders' meeting, or competent authority or before judicial action is exercised. Shareholder approval of a director's performance terminates any liability of a director vis-à-vis the Company; *provided* that shareholders representing at least 5% of our capital stock do not object and that such liability does not result from a violation of the law, our Bylaws or regulations.

Causes of action against directors may be initiated by us upon a majority vote of shareholders. If a cause of action has not been initiated within three months of a shareholders' resolution approving its initiation, any shareholder may initiate the action on behalf of and for our account.

At the general annual shareholders' meeting held on March 6, 1996, our shareholders approved the acquisition of civil liability insurance coverage for directors, Syndics and officers. Such coverage is common practice among public companies who seek protection for such persons against shareholders' and other parties' claims.

As of the date of this Annual Report, five of the principal directors of our Board of Directors qualify as independent as defined in the NYSE in Section 303A of its Listed Company Manual (the "**NYSE Standards**"), Rule 10A-3 under the Exchange Act and the CNV Rules. Three of the principal directors of our Board of Directors (all of whom are independent in accordance with the NYSE Standards and two of whom are independent in accordance with the CNV Rules) are also members of our Audit Committee. The remaining members of the Board of Directors are not independent. Under the independence requirements, a director is not independent if any of the following apply:

- Is also a member of the management body of the controlling entity or another company belonging to the same economic group by a relationship existing at the time of its election or that ceased during the three years immediately preceding.
- Is linked to the issuer or its shareholders that hold directly or indirectly "significant shareholding" or with companies in which these also have direct or indirectly "significant shareholding," or was linked to them by a contract of employment during the last three years.
- Provides, or belongs to a professional corporation or association, which renders professional services to or receives any form of remuneration or fees (other than the corresponding remuneration for its position in the administration body) from the issuer, or those shareholders that have any direct or indirect "significant shareholding" in us or from corporations in which shareholders also have any direct or indirect "significant shareholding."
- Directly or indirectly, holds five percent or more of shares entitled to vote of our capital or in a company which holds "significant shareholding" in the latter.
- Directly or indirectly, sells or provides goods or services to the company or its shareholders, who hold direct or indirect "significant shareholding" for an amount substantially higher than the compensation received from the position as members of the administration body. This prohibition covers commercial relations that took place during the last three years prior to the appointment as director.

- Has been a director, manager, administrator or principal executive of non-governmental organizations that have received funds, for amounts exceeding Ps. 800,000 from the company, its controlling entity and other companies of the group of which **tgs** is a part.
- Receives some payment, including participation in stock option plans, from the company or the companies in its same group, other than the fees to be received under his position as director.
- Has served as director at the company, its controlling entity or another company belonging to the same economic group for more than ten years. The condition of independent director will be recovered after at least three years have elapsed since the cessation of his position as director.
- Is a husband or wife, legal partner, close relative up to third degree of consanguinity or second degree of relationship that, in the case of being a member of the administrative body, would not be independent as set forth in the CNV regulations.

In all cases, “significant shareholding” refers to those shareholders holding at least five percent (5%) of our common stock, or less in cases when they are entitled to appoint one or more directors per class of share, or have agreements with other shareholders relating to the management and administration of any such companies, or its controlling entity.

The following table reflects the current members of our Board of Directors, their respective positions on the Board of Directors and the year they were appointed to such position.

Additional information regarding the occupation and employment background of each of our regular directors is set forth below:

Name	Date of Appointment	Term Expires	Position	Position in Other Company
Horacio Jorge Tomás Turri	4/17/2024	2025	Chairman	Executive director oil and gas at Pampa Energía
Luis Alberto Fallo	4/17/2024	2025	Vice Chairman	Director of Sagua Argentina S.A.
Pablo Daniel Viñals Blake	4/17/2024	2025	Director	Partner at Marval O'Farrell Mairal Law Firm
María Carolina Sigwald	4/17/2024	2025	Director	Legal Executive director at Pampa Energía
Luis Rodolfo Secco	4/17/2024	2025	Independent Director	Economist
Carlos Alberto Olivieri	4/17/2024	2025	Independent Director	Independent Consultant
Carlos Alberto Di Brico	4/17/2024	2025	Independent Director	Public Accountant
Carlos Alberto Caffarini	4/17/2024	2025	Independent Director	Partner of the law firm Caffarini & Asociados
Federico Alberto Levy Alen	4/17/2024	2025	Independent Director	Partner at pharmaceutical industry
Jorge Romualdo Sampietro	4/17/2024	2025	Alternate Director	Senior Director at Petroquímica Cuyo
Gerardo Carlos Paz	4/17/2024	2025	Alternate Director	Pampa Energía's legal affairs vice president
Francisco Antonio Macías	4/17/2024	2025	Alternate Director	Partner at Marval O'Farrell Mairal Law Firm
María Agustina Montes	4/17/2024	2025	Alternate Director	Legal affairs and compliance manager at Pampa Energía
Enrique Llerena	4/17/2024	2025	Independent Alternate Director	Partner at Llerena – Amadeo Law Firm
Santiago Alberto Fumo	4/17/2024	2025	Independent Alternate Director	Independent consultant
Martín Irineo Skubic	4/17/2024	2025	Independent Alternate Director	Manager of Alliances and New Business Development Latam South at Elli Lilly Interamerica
Hernán Castrogiovanni	4/17/2024	2025	Independent Alternate Director	Coordinator of the General Directorate of Project Analysis at the FGS-Anses
Gastón Ignacio Marra	4/17/2024	2025	Independent Alternate Director	Advisor at the ANSES

Horacio Jorge Tomás Turri is currently Executive Director of oil and gas at Pampa Energía. From August 1997 to March 2000, Mr. Turri was Chief Executive Officer of Hidroeléctrica Piedra del Águila. From 1994 to 1997, he was Chief Executive Officer of Gener Argentina S.A. Prior to 1994, he was Development Assistant Manager at Central Puerto S.A. From 1990 to 1992, Mr. Turri worked as investment project's analyst for the oil, gas, and electricity sectors at SACEIF Luis Dreyfus. He also worked at Arthur Andersen & Co. and Schlumberger Wireline in 1987-1990 and 1985-1987, respectively. He is CIESA's Chairman, as well. Mr. Turri is an Industrial Engineer and received his degree at Instituto Tecnológico Buenos Aires. He was born on March 19, 1961.

Luis Alberto Fallo holds a degree in Accounting from the Universidad de La Plata and a Master's degree in Business Administration from the Universidad del CEMA (Center of Macroeconomic Studies). He currently serves as Director of Simali S.A., Executive Director of Sagua Argentina S.A., President of Beau Lieu S.A., President of Finca de Los Andes S.A., Vice President of Aguas de Santiago S.A., President of PEPCA S.A. and Vice chairman of CIESA, President of First Class Flights S.A.-and Vice President of Hostería Las Balsas S.A. Since 1992 he has worked with Grupo Sielecki, the main and controlling shareholder of several companies to which he serves as Director. He was born on January 29, 1960.

Pablo Daniel Viñals Blake holds a law degree from the Universidad Católica Argentina and a master law degree from Harvard Law School. Mr. Viñals Blake has been a foreign associate in the New York office of Milbank Tweed Hadley & McCloy LLP and since 1997 is a partner in the Buenos Aires office of Marval, O'Farrell & Mairal. Mr. Viñals Blake is currently the co-head of Marval's Mergers & Acquisitions team and head of the Private Equity and Venture Capital and the Agribusiness groups. He has represented domestic and multinational companies, private equity, hedge funds and financial institutions in most of the largest M&A, Agribusiness and project financing transactions in Argentina in the last two decades and advised multilateral financial institutions such as the IFC, IDB and the United States Eximbank on their Argentine operations. He currently serves as a board member of BlackRock Argentina Asesorias S.A., PEPCA S.A. and CIESA. He was born on October 3, 1962.

María Carolina Sigwald has been a member of the Board of Directors of Pampa Energía since 2018 and serves as Executive Director of Legal Affairs of Pampa Energía. Ms. Sigwald worked at the legal department of Central Puerto S.A., and then served as an associate at the New York office at Chadbourne & Parke and then worked at the Corporation Interamericana de Inversiones (IIC) based in Washington. In 1998, Ms. Sigwald returned to Argentina and founded the firm Diaz Bobillo, Sigwald & Vittoni, in which she served as an external consultant for energy companies. Before joining as a director at Pampa Energía, between 2015 and 2017, Ms. Sigwald was the director of regulatory and legal affairs at Edenor. Ms. Sigwald is also a member of the boards of CITELEC, CT Barragán, Transba, CIESA., Comercializadora e Inversora S.A. y Vientos de Arauco Renovables S.A.U. and alternate director of Transener, Vientos Solutions Argentina S.A.U. y Fiplasto S.A. In addition, Ms. Sigwald acts as Vice-Chairman of Enecor, Autotrol, Pampa Energía Soluciones S.A., Digipa S.A., Pampa Energía Bolivia S.A. y Generación Argentina S.A. Ms. Sigwald is also member of the administration committee of Fundación Pampa Energía Comprometidos con la Educación.. Ms. Sigwald holds a law degree with honors from University of Buenos Aires. She was born on November 15, 1967.

Luis Rodolfo Secco holds a Bachelor's degree in Economics and a Master's degree in Banking Disciplines from the Universidad Nacional de La Plata. In 1990 he obtained a scholarship as a full time researcher at the Università degli Studi di Siena. Between 1992 and 1994, he was a researcher and director of the School of Banking Disciplines of the Universidad Nacional de La Plata. Between 1994 and 1999, he worked as Chief Economist of M.A.M. Broda and Associates. At the beginning of 2000 he was summoned to work in the government of the then president Fernando De la Rúa as economic adviser to the Presidency and General Director of Strategic Analysis of the Secretary of State Intelligence, a position he held until January 2002. In 2002, Mr. Secco founded his economic consulting firm, Economic Perspectives, and is currently director and editor of the Economic Perspectives newsletter. Between 2004 and 2012 he was external director of the Department of Economics of Deloitte Argentina. Since 1988 he has served as a professor at the Faculty of Economic Sciences of the Universidad Nacional de La Plata. He is also a guest columnist for the newspapers La Nación, Perfil and El Economista. He was born on December 14, 1963.

Carlos Alberto Olivieri holds a Public Accountant degree from the Universidad Nacional de Rosario and a postgraduate degree in Corporate Financial Management from the University of Michigan and Stanford University. At present, Mr. Olivieri is professor of Finance at Universidad Torcuato Di Tella. Between 2008 and March 2010, Mr. Olivieri acted as a financial advisor at Raymond James and, between 2002 and 2007, he worked for YPF as Chief Financial Officer (“CFO”) for Argentina, Brazil and Bolivia. Previously he acted as CFO of YPF S.A., Quilmes Industrial S.A. and Eaton S.A. and President of YPF GAS S.A. and Maxus Corporation (USA). He also had executive responsibilities in other industries, such as Aerolíneas Argentinas and Arthur Andersen & Co. and taught at the Universidad de Buenos Aires and University of Michigan. Mr. Olivieri is also member of the board of directors of Metlife Seguros S.A. and acts as financial advisor. He was born on May 14, 1950.

Carlos Alberto Di Brico holds a degree in Administration and Public Accountancy from the Universidad de Buenos Aires. He is a member of the board of NTN SNR Argentina SA, FDV Intive Argentina SA, Aristocrat Argentina PTY Limited, Perform Media Argentina SRL and Perform Content South America SAS. He has held several management positions at Eveready Argentina S.A. between 1975 and 1995. From 1995 to 1998, he was CFO at Stafford Miller Argentina S.A. Between 2001 and 2013, he served as CFO and later as CEO at Emerson Argentina. Between 2010 and 2017, he was a member of the board of directors of Camuzzi Gas Pampeana S.A. He was born on August 1, 1952.

Carlos Alberto Caffarini holds a law degree from the UBA. During his professional career he has held several positions as advisor to various public administration bodies as well as participated in the drafting of various laws and regulations with an impact on the regulatory framework of national transport and logistics. Likewise, in his private practice he provides legal advice to several organisations and is a partner of the law firm Caffarini & Asociados. He was born on October 22, 1952.

Federico Alberto Levy Alen holds a public accountant degree from the Universidad del Salvador and a specialization in capital markets from the Universidad del CEMA. Since September 2013 he acts as partner in a La Franco pharmacy. Previously he acted as financial advisor in Banco Galicia.

Jorge Romualdo Sampietro holds a degree in Chemical Engineering from the Universidad de Buenos Aires and an Executive Program at Darden Business School - University of Virginia. Between 1968 and 1973, he worked as Technical Sales Manager at Dow Química Argentina. From 1973 to 1975, he was Export Manager at Petroquímica Mosconi. Since 1976, he has worked as Commercial and General Manager at several companies. Since 1994, he has been General Manager of Petroquímica Cuyo and currently holds the position of Director of Petroquímica Cuyo S.A.I.C. and of Alternate Director of CIESA and PEPCA. He was born on May 12, 1944.

Gerardo Carlos Paz. Mr. Paz obtained a law degree from Universidad Nacional de Córdoba. He has worked at several places such as ENRE from 1994 to 2000, Camuzzi Gas Pampeana from 2001 to 2007 and Pampa Energía S.A. since 2007. Mr. Paz holds a Master’s degree in business law. Mr. Paz serves as Vice Chairman of PACOSA and Transelec. He is also director of HIDISA, HINISA, TJSM and TMB and alternate director of CPB, CIESA and Transba. Mr. Paz is also a member of the supervisory committee of CAMMESA. He was born on October 24, 1968

Francisco Antonio Macías holds a Law degree from the Universidad Católica Argentina and a Post Graduate degree in International and EC Law from the School of Law of the University of Siena, Italy and a Post Graduate Degree in International Operations from the National Foreign Office Institute of Argentina. Since 2002, Mr. Macías is a partner in Marval, O’Farrell Mairal law firm and is currently the head of Marval’s Oil & Gas practice. Before joining Marval he worked for the firm of Bazán, Cambré & Orts and for BBVA Banco Francés. He was born on January 19, 1967.

María Agustina Montes is an alternate member of Pampa Energía's Board of Directors. Energy. Ms. Montes is a lawyer graduated from the University of Buenos Aires. She currently works as Corporate Legal and M&A Manager of the Company, having joined the company in 2011. She has also worked at Cleary, Gottlieb, Steen & Hamilton in their New York office during 2014. Previously, Ms. Montes worked as an attorney at Bruchou, Fernandez Madero & Lombardi. Currently, Ms. Montes serves as a director of HINISA and Pampa Energía Bolivia S.A., and as an alternate director of Enecor, S.A., and as a member of the board of directors of Enecor, S.A. alternate director of Enecor and, HIDISA, Transba, TGS, CITELEC, CTB, Digipa S.A., CISA, VAR and Autotrol. Ms. Montes serves as president of Trovinver S.A. She was born on September 28, 1981.

Enrique Llerena holds a Law degree from the Universidad Católica Argentina. He also holds a degree in Diplomatie et administration des Organization Internationales from the Universite et Paris XI. Since 1982, he has been a partner of the law firm Llerena Amadeo. He has served as the principal director and member of the audit committee of various companies. He is currently the Managing Director of Tradelog S.A. He is also a partner at Llerena & Arias Uriburu. He was born on April 9, 1955.

Santiago Alberto Fumo graduated as a Public Accountant at the Universidad del Litoral, and he also holds a Master's degree in Law and Economy for the Universidad Torcuato Di Tella. He currently works as an independent consultant in startups and takeovers. Additionally, he acts as syndic at Molinos Río de la Plata S.A., National Oilwell Varco MSW S.A., Tuboscope Vetco de Argentina S.A. and Antares Naviera S.A. He was born on December 10, 1960.

Martin Irineo Skubic serves as manager for alliances and development at Elli Lilly Interamerica. In addition Mr. Skubic has served as senior officer at Jergens Argentina S.A., Stafford Miller Argentina S.A., Eveready Argentina S.A. and Pistrelli, Díaz y Asociados. Mr. Skubic holds a degree in public accounting from Universidad de Buenos Aires and holds a Master in Business Administration from Universidad del CEMA.

Hernán Castrogiovanni holds a degree in organizational management and a master's degree in energy from the University of Buenos Aires. He is currently coordinator of the General Directorate of Project Analysis at the FGS-Anses, where he has been working since 2004.

Gastón Ignacio Marra holds degrees in business administration and organizational information systems, both from the University of Buenos Aires. He currently works as an advisor to the general management at ANSES where he has held various positions since 2014. He was born on August 17, 1970.

Executive Committee. In order to achieve more streamlined management of the Company, the 2017 Shareholders' Meeting approved the amendment of our Bylaws for the purpose of allowing, within the scope of the Board of Directors, the possibility of constituting an executive committee (the "**Executive Committee**"), under the terms established by article 269 of the General Companies Act.

The Board of Directors is the body in charge of appointing the members of the Executive Committee, which will be made up of four members: the directors who have been appointed as our President and Vice President, and any other two directors elected by simple majority, with a mandate to serve for one year.

The Executive Committee will function with a quorum of the majority of its members; the quorum must include our President and Vice President. It will adopt its decisions unanimously and will have the powers determined by the Board of Directors.

The current composition of the Executive Committee was decided by the Board of Directors at its meetings of April 17, 2024. Horacio Jorge Tomás Turri, Luis Alberto Fallo, Pablo Viñals Blake and María Carolina Sigwald are in office for a term of one fiscal year, until the meeting that considers the financial statements as of December 31, 2024.

Executive Officers. The following is a list of our executive officers as of the date of this Annual Report, their respective positions with us and the year they were appointed to such position:

Name	Year of Appointment	Position
Oscar Jose Sardi	2019	CEO
Claudia Trichilo	2019	Operations Director
Carlos Hector Sidero	2013	Human Resources Director
Alejandro Mario Basso	2016	CFO and Services Director
Hernan Diego Flores Gomez	2017	Legal Affairs Director
Juan Ignacio de Urza	2020	Business Director
Rubén De Muria	2018	Institutional and Regulatory Affairs Director

There is no expiration term defined for the executive officers.

Below is a description of the main activities currently carried out by each of our executive officers, together with the biographical information thereof:

Oscar Jose Sardi received a Mechanical Engineering degree from the Universidad Nacional de Rosario and holds a major in Natural Gas from the Universidad de Buenos Aires. He also participated in a General Administration Program at the Universidad Austral. He worked for GdE between 1983 and 1992 and since then, he has held different positions in our operations area. In April 2005, he was designated as our Service Vice President, and subsequently appointed as our Operations Director from October 2016 until April 2019, when he was appointed as our CEO. He also acts as President of Telcosur and of TGU. He was born on September 1, 1955.

Claudia Beatriz Trichilo received a Chemistry degree and a post-graduate degree in Engineering from the Universidad de Buenos Aires. From June 1988 to December 1992, she worked at the Industrial Engineering Department of Gas del Estado. In 1992, Ms. Trichilo joined **tg**s as Chief of Technical Planning and held such position until December 2002, when she was appointed Technical Developments Manager. From 2007 to 2010, Ms. Trichilo acted as Coordinator of Operations until August 2019, when she was appointed as our Operations Vice President. She also acts as Vice President of CTG. She was born on March 21, 1963.

Carlos Hector Sidero graduated from Universidad de Buenos Aires as a Certified Public Accountant in Argentina. He worked with Isaura S.A. from 1981 through 1994. From 1994, he managed different areas within the Human Resources department at Eg3 SA and Petrobras Argentina. He joined us in March 2013 as Vice President of Human Resources. He was born on February 16, 1956.

Alejandro Mario Basso received a Public Accounting degree from the Universidad de Buenos Aires. He worked for Compañía Naviera Pérez Companc from 1987 to 1992, and for Quitral-Co S.A. from 1992 to 1994. From 1994 to 1998, he acted as our Planning and Corporate Control Manager, and between September 1998 and March 2008, he was our Planning and Control Vice President. Between March 2008 and October 2016, he acted as our Management Control and Corporate Governance Vice President. In October 2016, he was designated as our CFO and Services Vice President. He also acts as President of CTG, Vice president of Telcosur S.A. and Gas Link S.A., Alternate Director of TGU and Liquidator at EGS. He was born on October 13, 1961.

Hernán Diego Flores Gómez received a Law degree from the Universidad de Buenos Aires. He is a co-founder and professor of the Hydrocarbons and Energy Industry Law post-graduate course at Universidad Católica Argentina, and he is also a co-founder and professor of the Petroleum and Natural Gas Law post-graduate course at Universidad de Buenos Aires, and professor of the Energy Master's degree at the Energy Regulatory Activity Studies Center ("CEARE"). Additionally, Dr. Flores Gómez has a Master's degree in Business Law from the Escuela Superior de Economía y Administración de Empresas (ESEADE), a Master's degree in Finance from the Universidad del CEMA and a Postgraduate degree in Damage Law from Universidad Católica Argentina. He began his career in the National Judicial Branch. Throughout his career, he held various relevant positions on legal matters, institutional and management relationship at companies such as Capsa / Capex S.A., Pluspetrol S.A. and ENAP Sipetrol Argentina S.A. He was born on June 10, 1966.

Juan Ignacio de Urraza holds a degree in Chemical Engineering from the Universidad Nacional de La Plata. He completed several postgraduate courses in Strategic Management, Business Management, Management Development, Management Development and Advanced Leadership. Between March 1991 and July 1992 he worked at the Instituto de Investigaciones Fisicoquímicas, Teóricas y Aplicadas as a researcher in the Corrosion Department. From September 1992 to January 1993 he worked as a fellow at Petroken Petroquímica Ensenada. From July 1993 to September 1994 he worked first as a Process Engineer and then as a Consultant at A&C Analistas Económicos y Consultores de Empresas. Between November 1994 and February 2005 he held different positions in Metrogas. In March 2005 he joined us as Liquids Commercial Head, until September 2007, when he took over as Natural Gas Liquids Commercial Manager. In November 2020 he was appointed Business Director. He was born on September 27, 1969.

Rubén De Muria received a Public Accountant degree from the Universidad de Buenos Aires. He obtained a Master degree in Regulations of Gas and Electricity Industries from CEARE. He worked for Chase Manhattan Bank Argentina and Perez Companc S.A. between 1985 and December 1992. In December 1992, he joined us as member of the Regulatory Matters and Rates Department. In August 2006, he was promoted to Regulatory Matters and Rates Manager. In December 2015, he was appointed as Institutional and Regulatory Affairs Executive Manager, and, finally in January 2018, as Institutional and Regulatory Affairs Vice President. He was born on January 31, 1964.

For additional information regarding the provisions included in the Shareholders' Agreement for the election of our CEO, see "*Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders—Shareholders' Agreement.*"

Indemnification of Officers and Directors. Under the Shareholders' Agreement, the shareholders of CIESA require us to: (i) limit the liability of each of our officers, syndics and directors for all consequences of their acts or omissions, excluding acts or omissions where there is evidence of fraud or gross negligence and (ii) enter into agreements obligating us to defend, indemnify and hold harmless each of our officers, syndics and directors from and against all liabilities, losses, and other expenses incurred by each such officer, syndic or director in connection with a pending, threatened or completed civil, criminal, administrative or other proceeding, or any investigation that could lead to such a proceeding, by reason of the fact that such officer, syndic or director is or was one of our officers, syndics or directors, including claims alleged to be due to the negligence of such person, but excluding acts or omissions that involve fraud or gross negligence towards us.

B. Compensation

The remuneration paid by us during the year 2023 to the members of our Board of Directors and executive officers amounted to Ps. 342 million and Ps. 1,233 million, respectively. We do not grant pension or retirement plans or other benefits to members of our Board of Directors or to our executive officers.

Executive officers are subject to a goal-directed management system with a variable remuneration program. Consensual objectives are in line with our global objectives, as the variable remuneration program links a portion of its compensation to the performance thereof and our performance. Total compensation of executive officers consists of a fixed portion (normal and usual remuneration) and a variable portion. The variable portion depends on the level of achievement of the “Outcome” objectives, which consist of economic and financial targets, and “Performance Results,” including business objectives that do not have an associated economic result. We measure achievement of these objectives annually, based on performance during the fiscal period.

C. Board Practices

For information on the term of office of our directors and executive officers, see “—A. *Directors and Senior Management*” above. The information in that section is incorporated herein by reference.

None of the members of our Board of Directors are party to any service contract with us or any of our subsidiaries providing for benefits upon termination of employment.

Audit Committee

According to the Capital Markets Law, publicly listed companies must have an Audit Committee "that will function on a collegiate basis with three or more members of the Board of Directors, the majority of whom must be independent under CNV regulations." The Audit Committee operates under its Charter of Procedure, which was approved in its meeting held in 2013 in accordance with the requirements of the Capital Markets Law. The Charter of Procedure require that the majority of the members that form the Audit Committee must be independent according to the CNV's standards. Audit Committee members are designated by a simple majority of the Board of Directors, at the first meeting following designation of the members of the Board of Directors, and they hold office until their successors are designated. The Audit Committee adopts its own regulations and must prepare a working plan for each fiscal year.

The Board of Directors meeting held on April 17, 2024 appointed the current members of the Audit Committee, who as of the date of this Annual Report are Carlos Alberto Di Brico, Carlos Alberto Olivieri and Luis Rodolfo Secco and their respective alternates, Martin Irineo Skubic, Santiago Alberto Fumo and Enrique Llerena. All of Audit Committee members meet the independence criteria set forth under Rule 10 A-3 of the Exchange Act, SEC regulations and NYSE Standards, but according to CNV rules Mr. Carlos Olivieri does not qualify as independent since he has served as director for more of ten years.

The Audit Committee's mandatory duties are to:

- supervise the internal control and accounting systems as well as the reliability of the latter and all the financial information and other significant issues that are to be submitted to the SEC, CNV and BYMA in compliance with the applicable disclosure policies;
- supervise the application of information policies regarding our risk management;
- ensure that the market is informed about those operations where there may be a conflict of interest with one or more members of the Board of Directors, controlling shareholders or other parties as defined by the applicable regulations;

- express its view on the reasonableness of fees and stock option plans for directors submitted by the Board of Directors;
- express its view as to compliance with laws and regulations and the reasonableness of the conditions of an issuance of shares (or convertible securities), in the case of a capital increase, excluding or limiting preferential rights;
- oversee compliance with the Code of Ethics (see “Item 16B. Code of Ethics”); and other relevant rules;
- issue a well-founded opinion on whether the terms and conditions of relevant transactions with related parties are according to market practice, within five business days from the receipt of a petition issued by the Board of Directors, and at any other time at which a conflict of interest exists or might exist;
- prepare an annual working plan for the fiscal year and notify the Board of Directors and the Statutory Committee within 60 days from the beginning of the period;
- fulfill all the obligations stated in our Bylaws and applicable laws and regulations;
- express its view on the Board of Directors’ proposals on whether to appoint the external auditors to be hired and monitor the auditors’ independence; and
- establish procedures for: (i) the receipt, treatment, investigation and administration of the complaints received by us regarding accounting, internal accounting controls or auditing matters; and (ii) the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters.

Also, regarding the internal and external auditors, the Audit Committee must:

- review their plans; and
- evaluate and give an opinion on their plans and performance when issuing the annual Financial Statements.

In evaluating the external auditors’ performance, the Audit Committee must:

- analyze the different services rendered by the external auditors as well as their independence, according to Technical Resolution (“TR”) No. 34 of the FACPCE, and any other related regulations issued by professional councils;
- report separately the fees billed as follows: (i) fees for external audit and other related services meant to provide reliability to third parties (e.g., special reports about internal controls, shareholding prospectuses, certifications and special reports requested by regulators, etc.); and (ii) fees related to other special services different from those mentioned above; and
- review independence policies of the external auditors in order to verify their fulfillment.

Additionally, the Audit Committee must perform the following mandatory duties contained in the regulatory framework:

- Give a prior assessment, that shall be used by the CNV to require us to designate an external auditor as requested by minority shareholders, as long as such shareholders represent at least 5% of our common stock and provide a justified request (in those cases in which the minority shareholders' rights might be affected) and if CNV understands the credibility of the damage invoked by said shareholders in order to carry out one or more specific reviews. The charges of such reviews shall be borne by the petitioning shareholders (Act No. 26,381, article 108.f);
- provide a well-founded assessment about an acquiring tender (Act No. 26,381, article 98); and
- issue a report supporting a Board of Directors' resolution to buy back our shares (Act No. 26,381, article 64).

Once a year, the Audit Committee is required to prepare a plan for the fiscal year to be presented to the Board of Directors and to the Statutory Committee. The directors, members of the Statutory Committee, managers and external auditors must, when requested by the Audit Committee, attend its meetings, provide the Audit Committee with information and otherwise assist the Audit Committee in the performance of its functions. In order to better perform its functions, the Audit Committee may seek the advice of legal counsel and other independent professionals at our expense, pursuant to a budget approved by the shareholders, and we must provide the Audit Committee with access to the information and documents it may deem necessary to perform its duties.

According to CNV Rules, at least once a year and upon the filing of the annual Financial Statements, the Audit Committee shall issue a report to the shareholders, addressing how such committee performed its duties and the results of its work.

The aggregate compensation paid by us for the fiscal year ended December 31, 2023 to the members of the Audit Committee was Ps. 120 million. We do not provide pension, retirement or similar benefits to any member of the Audit Committee.

Statutory Committee

The Statutory Committee is our monitoring body as stipulated in Section No. 284 of the General Companies Act. Our Bylaws provide for a Statutory Committee consisting of three syndics and three alternate members ("**Alternate Syndics**"). In accordance with our Bylaws, two syndics and the corresponding Alternate Syndics are elected by a majority vote of the holders of our Class "A" shares. The remaining syndic and corresponding alternate syndic are elected by the majority vote of the remaining holders of our common stock. Each member of the Statutory Committee is elected at the general annual shareholders' meeting and serves for a one-year renewable term. Members of the Statutory Committee must be lawyers or accountants qualified under Argentine law and, for the accountants, TR No. 45. Our directors, officers and employees may not be members of the Statutory Committee, all members must be independent. Our Bylaws require the Statutory Committee to hold meetings at least once per month.

The primary responsibilities of the Statutory Committee consist of monitoring our management's compliance with the General Companies Act, our Bylaws and the shareholders' resolutions, and without prejudice to the role of external auditors, reporting to the shareholders at the general annual shareholders' meeting regarding the reasonableness of our financial information. Furthermore, the members of the Statutory Committee are entitled to: (i) attend Board of Directors, Executive Committee and shareholders' meetings, (ii) call special shareholders' meetings when deemed necessary and general annual shareholders' meetings when the Board of Directors fails to do so, and (iii) investigate written inquiries initiated by the shareholders. The Statutory Committee does not control our operations or evaluate management's decisions, which are the exclusive responsibility of the Board of Directors.

The aggregate compensation paid by us for the fiscal year ended December 31, 2023 to the members of the Statutory Committee was Ps. 65 million. We do not provide pension, retirement or similar benefits for syndics and alternate syndics.

The following table sets forth the current membership of our Statutory Committee, each of whom was appointed at the 2024 Shareholders' Meeting, the year when each member was initially appointed and the year when their term expires:

Name	Member since	Term Expires	Position
Pablo Fabián Waisberg	8/21/2020	2025	Syndic
José Daniel Abelovich	4/21/2020	2025	Syndic
María Valeria Fortti	4/21/2020	2025	Syndic
Marcelo Héctor Fuxman	4/21/2020	2025	Alternate Syndic
Fernando Pedro Tetamanti	8/21/2020	2025	Alternate Syndic
Héctor Horacio Canaveri	4/19/2023	2025	Alternate Syndic

The present principal occupations and employment history of our syndics are set forth below:

Pablo Fabián Waisberg is a Certified Public Accountant from the University of Buenos Aires. He is currently an accounting and tax advisor. He is also a trustee of Petrosiel S.A., Areic S.A., Grainco S.A., Petroquímica Cuyo S.A., Sagua Argentina S.A., Noragua S.A., CIESA and Aguas de Santiago S.A. He was born on February 3, 1965.

José Daniel Abelovich obtained a degree in Accounting from the Universidad de Buenos Aires. He is a founding member and partner of Abelovich, Polano & Asociados S.R.L., a member firm of Nexia International. Formerly, he was Manager of Harteneck, López y Cia/Coopers & Lybrand and has served as a Senior Advisor in Argentina for the United Nations and the World Bank. He is a member, among others, of the supervisory committees of Cresud, IRSA, Hoteles Argentinos, Inversora Bolívar, Banco Hipotecario S.A. and CIESA He was born on July 20, 1956.

Valeria Fortti obtained a degree in Accounting and a bachelor in Administration from the Universidad de Buenos Aires. She also holds a Master in Business Administration from the same university. Since 1994, she has been a trustee in the Argentine National Auditing Commission. She is also a member of the supervisory committees of Emprendimientos Energéticos Binacionales S.A., Nucleoeléctrica Argentina S.A. and TELAM S.E. She was born on December 20, 1973.

Fernando Pedro Tetamanti obtained a degree in Accounting from the Universidad de Belgrano. He is partner of Tycompany advisors.

Marcelo Héctor Fuxman obtained a degree in Accounting from the Universidad de Buenos Aires. He is a partner of Abelovich, Polano & Asociados S.R.L., a member firm of Nexia International. He is also a member, among others, of the supervisory committees of Cresud, IRSA, Inversora Bolívar and Banco Hipotecario S.A. He was born on November 30, 1955.

Compensation Committee

We do not have a compensation committee. Compensation decisions are made by our senior management.

Corporate Governance Practices; NYSE Requirements

See “Item 16G. Corporate Governance.”

D. Employees

The following table sets out the number of employees per department as of December 31, 2023, 2022 and 2021:

Department	Number of Employees as of December 31,		
	2023	2022	2021
General	2	2	2
Administration, Finance and Services	121	118	118
Human Resources	29	27	27
Legal Affairs	11	11	11
Public and Regulatory Affairs	12	11	11
Safety and Environmental	30	30	31
Business	72	73	76
Internal Audit	5	4	4
Operations	840	814	822
Trainees program	3	5	6
Total	1,125	1,095	1,108

The following table sets out the number of employees according to geographical location as of December 31, 2023, 2022 and 2021:

Location	Number of Employees as of December 31,		
	2023	2022	2021
City of Buenos Aires	301	290	289
Province of Buenos Aires	445	444	455
Province of Chubut	55	54	59
Province of La Pampa	17	14	13
Province of Neuquén	156	141	138
Province of Río Negro	63	65	59
Province of Santa Cruz	85	84	92
Province of Tierra del Fuego	3	3	3
Total	1,125	1,095	1,108

As of December 31, 2023, 2022 and 2021, the number of temporary employees working for us was 55, 51 and 47, respectively.

Under Argentine law, in the event of a dismissal of an employee without cause, the employer is required to pay the terminated employee severance, the amount of which is regulated by the Argentine Labor Law (Section 245). The severance consists of payment of one month’s wages for each year of employment. The Argentine Labor Law stipulates limits to the severance payment; these limits affect only employees who earn high wages. However, the Supreme Court has ruled this severance payment limitation unconstitutional when it results in a loss of more than 33% for a terminated employee as compared to the unlimited amount.

On December 13, 2019, the Executive Branch issued Decree No. 34/2019 which for a 180-days term doubles the amount of compensation mentioned above. The Government went a step further amid the COVID pandemic, extending this measure on several occasions, most recently by Decree no. 39/2021, effective until April 24, 2021.

The Supreme Court held the Law of Occupational Hazard Prevention unconstitutional as applied to contractors whose employees are injured in the course of employment, extending liability to the company that contracted with the contractor for the services.

Some courts have held that a company that contracts with a contractor for services is jointly liable for a contractor's obligations to provide its workers and third-party service providers with social security benefits, wages, insurance, etc., even if the service for which the company contracts is not part of the company's usual business.

Recent years presented an inflationary scenario that required numerous meetings with union representatives. We maintain a positive relationship with each of the employee unions with representation before our company. The fruits of this work were the agreements reached with each such union, which have been submitted to the national labor authority for approval and inclusion in existing collective bargaining agreements. Those agreements effectively prevented trade union conflicts and work stoppages.

Our collective bargaining agreements with our unions were approved by the competent Argentine authority and maintain their ultra-activity as established by current legislation. Regarding the salary corresponding to 2023, we signed agreements for the period of April 1, 2023 to March 31, 2024. This is a consequence of the fact that **tgs** salary period comprises from the month of April of each year to the month of March of the following year. We are currently in negotiations with trade unions to conclude bargaining agreements for the period April 1, 2024 – March 31, 2025, but the status of this negotiation remains uncertain.

As of December 31, 2023, approximately 79% of our workforce is under trade union representation, having the same employment benefits. The unions that represent such employees are Unión del Personal Superior del Gas, Federación Argentina del Gas Natural de la República Argentina (which groups the unions of the capital, Bahía Blanca and Patagonia Sur) and Sindicato de Trabajadores de la Industria del Gas Natural Derivados y Afines of Neuquén and Río Negro.

E. Share Ownership

As of April 17, 2024, the following members of our board of directors and our senior management had an ownership interest in our Class B shares of: Carlos Olivieri (0.001%), Carolina Sigwald (0.005%), Martín Skubic (0.001%) and Oscar Sardi (0.005%).

Class B shares held by directors and trustees do not have different voting rights than the other shareholders holding Class B Shares. The directors, trustees and senior executives of the Company do not have options regarding the Company's shares. There are no agreements that grant participation to employees in the assets of the Company, including the issuance or granting of options, shares or any other negotiable value.

E. Disclosure of a registrant's action to recover erroneously awarded compensation

Not applicable.

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

The following table sets forth certain information with respect to each shareholder known to us to beneficially own five percent or more of our common stock as of March 31, 2024:

Name of Beneficial Owner	Number of Shares ⁽¹⁾	Percent of Total Common Shares	Class
CIESA	405,192,594	51.00%	A
FGS	190,685,633	24.00%	B
Holders through BYMA	79,438,009	10.00%	B
Treasury shares	41,734,225	5.25%	B
ADRs through Citi	77,444,822 ⁽¹⁾	9.75%	B
Total	794,495,283	100.00%	—

(1) Equivalent to 15,488,257 ADRs.

Our controlling shareholder is CIESA, which holds 51% of our common stock and all of our Class A shares and local and foreign investors hold the remaining shares of our common stock, distributed among minority holders with 25% and FGS (managed by ANSES) with 24%. CIESA is under co-control of Pampa Energía, which holds 50% of CIESA's common stock, and GIP and PCT, who in the aggregate hold a combined 50% indirect ownership interest in the outstanding capital stock of CIESA, as follows: GIP holds 27.1% and PCT holds 22.90%.

The current ownership of CIESA is the result of the acquisition of CIESA which encompassed the following steps:

- On July 27, 2016, Pampa Energía acquired from Petrobras Internacional Braspetro B.V. all the stock and voting rights of Petrobras Participaciones S.L., the holder of the 67.1933% of the capital stock and voting rights of Petrobras Argentina and, consequently, the indirect control of Petrobras Hispano Argentina.
- On the same day, (i) Pampa Energía and its subsidiary Pampa Participaciones S.A. sold all of the capital stock and voting rights of PEPCA to GIP by 51%, WST S.A. (“WST”) by 45.8% and PCT L.L.C. by 3.2% and (ii) Pampa Inversiones S.A. transferred its status as beneficiary of the Trust to GIP and PCT, in a proportion of 55% and 45%, respectively. This transaction was authorized by ENARGAS on August 9, 2016, through Resolution No. 1 / 3939.
- On January 17, 2017, CIESA was informed of the exercise of the swap option agreed among Pampa Energía, GIP, WST and PCT LLC. Pursuant to such option, (i) GIP and PCT transferred to PHA (formerly Petrobras Hispano Argentina) their position as beneficiary of a trust formed to that purpose (the “CIESA Trust”) owning of 40% of the stock and voting rights of CIESA; and (ii) Pampa Energía and PHA (formerly Petrobras Hispano Argentina) transferred to GIP and PCT shares representative of 40% of the capital and voting rights of CIESA, while Pampa Energía kept a direct participation in CIESA of 10% of its capital and voting rights.
- On March 24, 2020, CIESA was informed of the transfer of the 40% capital stock owned by the CIESA Trust to PHA.
- On July 13, 2020, PCT acquired WST participation in PEPCA, or 4.58% of CIESA, which resulted in GIP and PCT owning in the aggregate 50% in CIESA.
- On January 5, 2022, Pampa Energía merged with PHA. By virtue of this, PHA transferred to Pampa Energía all of the shares it held in CIESA, and as of that date, Pampa Energía had a 50% direct participation in CIESA.

Pursuant to the Pliego and the terms of the 2018 Notes, CIESA may not reduce its shareholding below 51% of our share capital.

FGS owns 24% of our common stock. On October 5, 2015, the Argentine Congress passed Law No. 27,181, declaring the protection of the Government's shareholdings, including those forming part of the portfolio of the FGS, to be in the public interest, and creating the Argentine Agency of Government Investments in Companies as an enforcement authority. This agency was later replaced by the Secretary of Economic Policy and Development Planning of the Ministry of Finance. This agency is in charge of implementing any policies and actions related to the exercise by the Government of any rights arising out of the shares it holds.

In June 2016, the Argentine Congress passed Law No. 27,260, repealing or modifying earlier laws relating to the FGS. Among other things, Law No. 27,260 established that ANSES' shareholding in public companies may not be sold, in most cases, without the prior authorization of the Argentine Congress if this sale represents a reduction in the FGS's aggregate shareholding in public companies to below 7%.

Decree No 894/2016, which regulates Law No. 27,260, created the Secretary of Economic Policy and Development Planning. This new agency is responsible for executing policies relating to the exercise of rights corresponding to shareholdings of companies where the Government holds a minority interest. Decree No. 897/2016 states that the directors appointed by ANSES shall have the functions, duties and powers established by General Companies Act.

According to applicable regulations, any transfer or other action that limits, alters, cancels or modifies the destination, ownership, possession or nature of the shares held by the FGS which results in a decrease of the FGS's holdings in a manner inconsistent with applicable law, shall not be conducted without prior express authorization of the Argentine Congress, with the following exceptions:

- Public takeover bids addressed to all holders of such shares at a fair price authorized by the CNV, under the terms of Chapters II, III and IV of Title III of the Capital Markets Law.
- Exchange of shares for other shares of the same or another company in the context of a merger, split or corporate reorganization processes.

All outstanding shares are entitled to one vote each and there are no preferred shares or any privilege.

On February 16, 2017, the special shareholders' meetings of Pampa Energía and Petrobras Argentina approved the prior merger commitment, under which Pampa Energía will be the surviving entity and Petrobras Argentina will be dissolved without liquidation. The merger is effective as of November 1, 2016. Subsequently, on April 26, 2018, the CNV notified the Board of Directors of the approval of the merger, which was recorded in the Argentine commercial public registry on May 2, 2018.

Shareholders' Agreement

As a result of changes in the shareholding of our controlling company, CIESA, a shareholders' agreement was signed on August 29, 2005 (the "**Shareholders' Agreement**"). This agreement governs certain matters relating to shareholder participation in CIESA and in us. This agreement grants the shareholders different rights and obligations with respect to us and CIESA, mainly regarding the designation of the members of our Board of Directors and our Statutory Committee.

The following table shows the current CIESA's shareholding:

Shareholder	Number of shares	Class of shares	Ownership (%)
Pampa Energía S.A.	319,409,348	A	50%
PEPCA S.A.	63,881,870	B	10%
PCT L.L.C.	114,987,364	B	18%
Grupo Inversor Petroquímica S.L.	140,540,114	B	22%
Total	638,818,696		

As reported in “*Item 4. Our Information—A. Our History and Development—Controlling shareholders*,” the control of CIESA / **tgs** is divided into two groups, on the one hand Pampa Energía, and, on the other hand, GIP and PCT. Thus, CIESA is under joint control between Pampa Group and GIP/PCT Group.

Transfers of Our Shares. Sales or transfer of our Class A shares must be approved by the affirmative vote of the shareholders representing at least sixty percent (60%) of the ordinary voting shares issued by CIESA.

Acts that require special approval of the Board of Directors. The Shareholders’ Agreement determines which decisions must be approved by an absolute majority of our Directors, including, among others: (i) the approval of the sale of assets outside the ordinary course of business; (ii) the approval of the annual budget and any modification thereof; (iii) approval to borrow or incur operating expenses in an amount that exceeds, in both cases, more than 10% of the amount approved in the annual budget; (iv) the approval to make investments that exceed U.S.\$0.5 million; (v) the approval to establish or modify wage and compensation policies; and (vi) the termination or extension of the SATFO.

Changes in the shareholders’ structure of CIESA

For more information to respect of the changes in the shareholding composition of CIESA see above. On its behalf, the mentioned share changes were duly authorized by ENARGAS and by the National Commission of Defense of Competition of Argentina.

On August 9, 2016, ENARGAS authorized the transaction through Resolution No. I-3939/2016. Later, the exchange option was authorized by ENARGAS on December 29, 2016. Similarly, on January 10, 2018, the National Commission of Defense of Competition of Argentina, and subsequently on February 8, 2018, the Secretary of Commerce, approved the mentioned share changes as described above.

On March 24, 2020, CIESA was informed of the transfer of the 40% holding owned by the CIESA Trust to PHA.

In addition, on March 26, 2020, Pampa Energía informed to CIESA of the beginning of the reorganization process by means of a merger through absorption process between Pampa Energía, as absorbing company, and Pampa Cogeneración S.A. and PHA, as absorbed companies. This reorganization process, effective since April 1, 2020, will result in Pampa Energía holding the 40% stake of CIESA currently owned by PHA.

On January 5, 2022, Pampa Energía merged with PHA. By virtue of this, PHA transferred to Pampa Energía all of the shares it held in CIESA, and as of that date, Pampa Energía had a 50% direct participation in CIESA.

Repurchase of Shares

On May 9, 2018, our Board of Directors approved a first program for the acquisition of our Shares in the open market. Since then, our Board of Directors has approved new share repurchase programs. For additional information of such programs, please see “*Item 16E. Purchases of Registered Equity Securities of the Issuer by the Issuer and Affiliated Purchasers.*” As of December 31, 2021, we had 41,734,225 treasury shares, representing 5.25% of the total share capital. The acquisition cost of the same in the market amounted to Ps. 10,924 million (together with the trading premium on treasury stock of Ps. 3,169 million) which, in accordance with the provisions of Title IV, Chapter III, article 3.11.c) and e) of the CNV’s Rules, restricts the amount of the realized and liquid gains mentioned above that we may distribute to our shareholders.

B. Related Party Transactions

Transactions with related parties are carried out in the ordinary course of business according to common practices and in accordance with applicable laws and regulations.

SATFO

Pampa Energía is our technical operator, according to the approval of ENARGAS in June 2004, and subject to the terms and conditions of the SATFO which provides that Pampa Energía is in charge of providing services related to the operation and maintenance of the natural gas transportation system and related facilities and equipment, to ensure that the performance of the system is in conformity with international standards and in compliance with certain environmental standards. Pursuant to this agreement, Pampa Energía, also provides financial advice to us. For these services, we pay a fixed annual amount or a monthly fee based on a percentage of our operating income, the higher of the before mentioned. At the Shareholders Meeting held on October 17, 2019, certain modifications to the amount and term of this agreement were approved. For additional information see “*Item 4. Our Information—B. Business Overview—Natural Gas Transportation—Pipeline Operations—Technical Assistance Services Agreement.*”

Commercial transactions

In the normal course of business, we carry out transactions with related parties of the following nature:

- agreements for the purchase of natural gas used as RTP;
- natural gas transportation services;
- liquids sales; and
- compression and treatment of natural gas services. On November 1, 2016, Pampa Energía assigned the operation of the Río Neuquén area and its related contracts to YPF. Until that date, our transactions under those contracts were reported as transactions with related parties of our Midstream business segment.
- The board of directors approved the formation of the UT together with SACDE. The corporate purpose of the UT is to assembly of pipes for the construction of the project of “Expansion of the Natural Gas Transportation and Distribution System” in the province of Santa Fé, called through National Public Bid No. 452-0004-LPU17 by the former MINEM (the “Santa Fe Work”).
- On October 27, 2017, tgs - SACDE UT executed the corresponding work contract with the former MINEM. UT will continue to exist until its purpose has been fulfilled, that is, once the work involved in the Santa Fe Work and until the end of the warranty period, set at 18 months from the provisional reception.

In addition, we have entered into a UT operation with SACDE through which work related to the construction of the Regional II - Recreo / Rafaela / Sunchales Gas Pipeline will be carried out. Construction works are still in progress.

Leasing with Pampa Energía

On August 11, 2016, we entered into a financial lease with Pampa Energía. The term of the agreement is for 10 years and it determines that during nine years and 11 months we will pay Pampa Energía a monthly fee of U.S.\$623,457, before taxes. A purchase option is established on the leased property in our favor to be exercised within 30 days prior to the termination of the agreement.

The objective of this financial lease was to finance the acquisition of property, plant and equipment located in the Río Neuquén hydrocarbon area for a net book value of Ps. 3,716 million, which allowed us to expand our midstream services provided in that area.

The details of significant transactions with related parties as of December 31, 2023, are as follows:

Company	Revenues			Costs			Financial results		
	Natural Gas Transportation	Production and commercialization of Liquids	Midstream	Gas purchase and others	Compensation for technical assistance	Revenues for administrative services	Selling expenses	Interest expenses	Interest income / fair value results
(in thousands of pesos)									
Controlling shareholder:									
CIESA	-	-	-	-	-	219	-	-	-
Company which exercises joint control on the controlling shareholder:									
Pampa Energía	3,460,789	8,605,778	17,632,528	16,522,448	6,078,353	-	-	917,514	-
tgs' associates with significant influence:									
Link	-	-	141,201	-	-	-	-	-	-
Other related companies:									
SACDE	-	-	53,269	-	-	-	-	-	-
Comercializadora e inversora S.A.	700,506	-	-	-	-	-	-	-	-
Transener S.A.	-	-	593	-	-	-	-	-	-
Oleoductos del Valle S.A.	89,665	-	-	-	-	-	-	-	-
CT Barragan	-	-	59,891	-	-	-	-	-	6,810,283
Fundación tgs	-	-	-	-	-	-	141,456	-	-
Total	4,250,960	8,605,778	17,887,482	16,522,448	6,078,353	219	141,456	917,514	6,810,283

As of December 31, 2023, we have a balance of Ps. 9,983 million corresponding to dollar linked notes issued by CT Barragán S.A. that amortize the total principal on June 4, 2023, November 2024 and May 2025.

Additionally, during the year ended December 31, 2023, we received from SACDE Sociedad Argentina de Construcción y Desarrollo Estratégico S.A., construction engineering services for Ps. 41,078 million which are activated within the balance of advances to suppliers.

For additional information regarding revenues, costs, and outstanding balances relating to transactions with related parties as of and for the year ended December 31, 2023, see Note 21 to our Financial Statements included in this Annual Report on Form 20-F.

C. Interests of Experts and Counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

Our Financial Statements, which are set forth in the index to Financial Statements in Item 18, are filed as part of this Annual Report.

Exports

For additional information regarding our exports, see “*Item 4. Our Information—B. Business Overview—Liquids Production and Commercialization.*”

Legal and Regulatory Proceedings

In addition to the matters discussed below, we are a party to certain lawsuits and administrative proceedings arising in the ordinary course of business. Although no assurances can be given, we believe we have meritorious defenses, which we will assert vigorously to challenge all claims, and that possible liabilities from these claims will not have a material adverse effect on our consolidated financial position or results of operations.

Tax Claims

Turnover tax calculated on the natural gas price consumed by us as fuel

We have interpretative differences with several provinces regarding the liquidation of the turnover tax calculated on the natural gas used by us as fuel to render our transportation services. Several lawsuits have been initiated against us, which were concluded in a manner adverse to us.

As of December 31, 2023 and 2022, we recorded a provision of Ps. 2,153.4 million and Ps. 5,161.3 million, respectively, in respect of this claim under the line item “Provisions,” which amounts were determined in accordance with the estimations of tax and interests, that would be payable as of such date.

If our position regarding the turnover tax claims mentioned above fails and the turnover tax has to be paid, we are entitled to recover this amount by a transportation tariff increase as set forth in the License. However, there can be no guarantee that such tariff increase would be granted, notwithstanding the terms of the License.

Action for annulment of ENARGAS Resolutions

On April 11, 2012, we filed a judicial action before the National Court of First Instance in the Federal Administrative Litigation Court No. 1 (the “**Court**”) in order to obtain the declaration of invalidity of Decree No. 2,067/08 and the Gas Charge Resolutions as well as the declaration of unconstitutionality of the Natural Gas Processing Charge. As of the date of this Annual Report, the case is pending judgment.

On July 5, 2012, the Court issued in our favor a precautionary measure that suspended the charge on the terms set forth in the Gas Charge Resolutions. This decision was appealed in different opportunities by the Government and as a result the term of the precautionary measure was limited to six months. However, at the end of such term, we were entitled to obtain a new precautionary measure for a similar period.

The National Court of Appeals in Contentious Administrative rejected the extraordinary appeal filed by the Government against the judgment of that court that confirmed the rejection made by the Court at the request of ENARGAS to declare abstract the legal action initiated by us in accordance with the precedent “Alliance” issued by the Supreme Court in December 2014.

On March 26, 2019, we were served notice of the first instance judgment rendered in the proceedings, which upholds the legal action filed by us and declares the unconstitutionality of Executive Decree No. 2,067/08, MPFIPyS Resolution No. 1451/08 and the Gas Charge Resolutions, as well as of any other act aimed at enforcing the Executive Decree No. 2067/08, and therefore declare invalid said regulations. On March 29, 2019, the Secretary of Energy appealed the judgment, which was granted on April 3, 2019. On October 29, 2019, the judge resolved to extend the injunction (“*medida cautelar*”) (which prevents the Government from requiring us to pay the charges for the period between November 2011 and March 2016) until April 29, 2020 or until the award becomes final, whichever occurs first. The injunction has been extended until July 1, 2021.

Our management believes we have sufficient valid arguments to defend our position, and thus, we have not recorded any liability from the charge for natural gas consumptions from the date of obtaining the injunction until April 1, 2016, and of the effective date of Resolution No. 28 issued on March 28, 2016 by the former Ministry of Energy.

On May 14, 2021, we were notified of the judgment handed down by Chamber I of the Chamber in Administrative Litigation that (i) has revoked the decision of the First Instance Judge and (ii) has imposed the costs in both instances in the order caused. **tgs** considers that it possesses reasonable arguments to defend his position on the substantive question raised and, for that reason, he appealed the ruling of the Chamber in Administrative Litigation.

On June 4, 2021, we filed an extraordinary federal appeal against the sentence of the Chamber, which was answered by ENARGAS and the Government and was granted by the Court of Appeals itself on July 14, 2021, on the understanding that “At stake is the interpretation and scope of regulations of an unquestionable federal nature, such as Decree 2067/08 and MINPLAN Resolution No. 1451/2008, ENARGAS Resolutions No. 1982/11 and 1991/11, as well as articles 53 and 54 of Law 26,784”.

On April 8, 2021, we submitted a complaint to the Supreme Court of Justice of the Nation (“CSJN”) regarding the partial denial of the extraordinary federal appeal related to the objection of arbitrariness. The ongoing process is currently being handled by Secretary No. 4 of the CSJN. The primary case file was forwarded to the CSJN on August 20, 2021 and is presently under review.

By virtue of the precautionary measure issued, and its 12 extensions obtained, as well as the favorable ruling obtained in the first instance, the existence of favorable precedents issued by the Supreme Court with respect to other processors of natural gas and the granting of the extraordinary appeal that will result in the Supreme Court ruling on the case, the Management of **tgs** and its legal advisors consider that they have solid arguments to defend their position and that it is probable the obtention of a favorable resolution to their interests on the substantive issue. Therefore, no provision has been made for the eventual liability for the increase in the charge to finance the importation of natural gas applicable to natural gas consumptions related to the processing activity at the Cerri Complex for the period between the date of obtaining the precautionary measure and April 1, 2016, the effective date of Resolution No. 28/2016.

This resolution has annulled the acts that determined the value of the charge established by Decree 2067, for which as from April 1, 2016, ENARGAS and the body in charge of the collection thereof have ceased to collect the increase established by the Resolutions.

Regarding the last extension of the precautionary measure, expired on July 1, 2021, **tgs** has not required a new extension, by virtue of the premature procedural stage in which the appeal against the Court judgment is found.

Given the complex procedural instance, the nature of charge 2067, the background presented in this and other legal cases initiated against charge 2067, as of the date of issuance of this Annual Report, it is not possible to make a definitive quantification of the amount that should be paid by **tgs** in case of not obtaining a favorable ruling from the Supreme Court, while an eventual demand for payment in the current circumstances may be challenged and questioned by us in the framework of the corresponding administrative and judicial instances, where the amount of the charge that **tgs** may eventually be required to pay may be debated.

Other Litigation

Below is a description of certain other litigation in which we are involved. No assurances can be provided as to the outcome of these proceedings.

Environmental matters

We are subject to extensive environmental regulations in Argentina. Our management believes that our current operations are in material compliance with applicable environmental requirements, as currently interpreted and enforced. We have not incurred in material environmental liabilities as a result of our operations to date. As of December 31, 2023 and 2022, the total amount of these provisions amounted to Ps. 81.1 million and Ps. 182.2 million, respectively.

Others

In addition to the matters discussed above, we are a party to certain lawsuits and administrative proceedings which involve taxation, labor claims, social security, administrative and others arising in the ordinary course of business. Our management and our legal advisors estimate that the outcome of these differences will not have significant adverse effects on our financial position or results of operations. As of December 31, 2023 and 2022, the total amount of these provisions amounted to Ps. 168.4 million and Ps. 241.0 million, respectively.

Dividend Distribution Policy

According to Argentina's **General Companies Act**, dividends may be lawfully declared and paid only out of retained earnings reflected in the financial statements that have been approved by shareholders, if losses for prior fiscal years have been absorbed, if the applicable payment has been expressly approved by our shareholders and applicable legal reserves have been created, as described below.

To that effect, every year our Board of Directors must submit our financial statements for the immediately preceding fiscal year, together with reports thereon by our statutory committee ("**Statutory Committee**"), for the consideration and approval of the shareholders at the General Annual Shareholders' Meeting which must approve our annual financial statements and determine the allocation of net income for such year, within four months of the close of the fiscal year, that is, for **tgs** before April 30 of each year. Pursuant to the General Companies Act and the CNV Rules, we are required to allocate a legal reserve ("**Legal Reserve**") equal to at least 5% of each year's net income (as long as there are no losses for prior fiscal years pending to be absorbed) until the aggregate amount of such Legal Reserve equals 20% of the sum of (i) "common stock nominal value" plus (ii) "inflation adjustment to common stock," as shown in our consolidated statement of changes in equity. If there are any losses pending to be absorbed from prior fiscal years, such 5% should be calculated on any excess of the net income over such losses, if any. Dividends may not be paid if the Legal Reserve has been impaired, nor until it has been fully replenished. The Legal Reserve is not available for distribution as a dividend.

Pursuant to our Bylaws, after the allocation to the Legal Reserve has been made, an amount will be allocated to pay dividends on preferred stock, if any, and an amount equal to 0.25% of the net income for the year will be allocated to pay the statutory employee profit-sharing. The balance of the retained earnings for the year may be distributed as dividends on common stock or retained as a voluntary reserve, as determined at the General Annual Shareholders' Meeting. For information on dividend taxation, see "*Item 10. Additional Information—E. Taxation.*"

In addition, under the General Companies Act, our shareholders may establish additional voluntary reserves from time to time and for different purposes. Once established, the terms and conditions of any voluntary reserve cannot be changed without the prior approval of the shareholders.

In our Board of Directors meeting held on December 18, 2019, the Board approved a written dividend policy. This policy provides that in making its evaluation, our Board of Directors should consider our financial results, our liquidity, our future financing needs and other information, including economic and financial projections for both our and the economy as a whole. Each year, our Board evaluates whether to submit a distribution proposal to the shareholders' meeting.

Nevertheless, there are a number of restrictions that limit our ability to distribute dividends, including:

- Per the Tax Reform, for fiscal periods beginning on January 1, 2018, distribution of dividends made to human persons and foreign beneficiaries are subject to a tax withholding which we must withhold and enter to the tax authority as a single and definitive payment when the dividends are paid. This additional tax will be 7% or 13%, depending on whether the dividends distributed correspond to earnings of a fiscal period at the enacted income tax rate of 30% or 25%, respectively. For these purposes it is considered, without admitting proof to the contrary, that the dividends that are made available correspond, firstly, to the oldest accumulated earnings.
- The acquisition of treasury shares and the additional paid-up capital for the distribution of treasury shares in accordance with CNV Rules, restricts the amount of the retained earnings that the Company may distribute. See "*Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders—Repurchase of Shares.*"
- According to the BCRA regulations, under certain conditions, we have to obtain its previous authorization before transferring dividend payments outside of Argentina. For additional information see "*Item 10. Additional Information—D. Exchange Controls.*"

Further, our ability to make dividend payments may be limited by covenants in our existing debt instruments or in debt instruments we enter into in the future, and by our subsidiaries' ability to generate income and cash flows to pay dividends to us. In particular, under the indenture dated May 2, 2018 (the "**2018 Notes Indenture**"), entered into with Delaware Trust Company as trustee, co-registrar, paying agent and transfer agent, and Banco Santander Río S.A., as registrar, Argentine paying agent, Argentine transfer agent and representative of the trustee in Argentina, relating to the issuance of our class 2, 6.750% senior notes due 2025 (the "**2018 Notes**"), we may pay dividends as long as immediately after giving effect to such dividend payment we are able to incur at least U.S.\$1.00 (other than "Permitted Indebtedness" as defined in the 2018 Notes Indenture) under the limitation of debt covenant of the 2018 Notes Indenture. To incur debt (other than Permitted Indebtedness), the 2018 Notes Indenture requires that (i) no default exists under the 2018 Notes Indenture at the time of such incurrence and (ii) (a) the Consolidated Coverage Ratio (as defined in the 2018 Notes Indenture, which is the ratio of our consolidated adjusted EBITDA to our consolidated interest expense) would be greater than or equal to 2.0:1.0; and (b) the Consolidated Debt Ratio (as defined in the 2018 Notes Indenture, which is the ratio of our consolidated total indebtedness to our consolidated adjusted EBITDA) would be less than or equal to 3.50:1.0. See "*Item 10. Additional Information—C. Material Contracts—Debt Obligations.*"

Moreover, per CNV Rules the amounts subject to distribution are restricted up to the acquisition cost of treasury shares and the additional paid-up capital accounts balance as discussed elsewhere herein.

In addition, according to the transitory agreement 2022, and during its term, **tgs** will not be able to distribute dividends.

For additional information regarding dividend payment restrictions see “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Shares and ADSs—Shareholders outside Argentina may face additional investment risk from currency exchange rate fluctuations in connection with their holding of our shares or ADSs represented by ADRs. Exchange controls imposed by the Government may limit our ability to make payments to the Depositary in U.S. dollars, and thereby limit ADR holders’ ability to receive cash dividends in U.S. dollars.”

A summary of the dividends declared and paid during the five most recent fiscal years is set forth below:

Year ended December 31,	Dividends declared and paid				
	(in millions of Ps.)(1)	(in millions of U.S.\$)(2)	(Ps.per share)(1)	(U.S.\$ per share)(2)	(U.S.\$ per ADS)(2)
2019 ⁽³⁾⁽⁴⁾	17,683	222.4	22.78	0.286	1.432
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	-	-	-	-	-

(1) Stated in Ps.at Current Currency.

(2) Stated in U.S. dollars translated from pesos at the exchange rate in effect on the payment date.

(3) At the General Annual Shareholders’ Meeting held on April 11, 2019, our shareholders resolved to create a voluntary reserve for capital expenditures, stock buyback and/or dividends in an amount equal to Ps.12,462 million and a cash dividend payment of Ps.12,506 million. At its meetings held on April 11 and October 31, 2019, our Board of Directors approved the partial distribution of such reserve to our shareholders in an amount equal to Ps.783 million the form of a cash dividend.

(4) Includes the dividend in kind approved by the General and Special Shareholders’ Meeting held on October 17, 2019 and our Board of Directors’ meeting held on October 31, 2019 consisting in 29,444,795 shares (0.052 shares per share or 0.262 per ADS) at a price of Ps.139.20, calculated by reference to the closing price of our shares in BYMA as of November 12, 2019, the day immediately preceding the date of distribution of such shares to our shareholders.

The General Annual Shareholders’ Meeting held on April 17, 2024 approved to allocate Ps.1,783 million to the Legal Reserve and to allocate Ps. 751,449 million to the “Reserve for capital expenditures, acquisition of treasury shares and/or dividends” (the “**2024 Reserve**”) and to delegate to the Board of Directors the decision to use the 2023 Reserve to make investments, distribute dividends or repurchase stock. The amount of the 2023 Reserve will be restated in constant pesos at any given time pursuant to CNV Resolution No. 777/2018. To determine the maximum distributable amount out of the 2023 Reserve, the restated amount of the stock that has actually been repurchased and the additional paid-up capital must be determined in advance, since an amount equal to such stock already repurchased cannot be released to shareholders pursuant to the provisions of the CNV Rules.

B. Significant Changes

No undisclosed significant change has occurred since the date of our Financial Statements.

Item 9. The Offer and Listing

A. Offer and Listing Details

Not Applicable.

B. Plan of Distribution

Not Applicable.

C. Markets

The Argentine Securities Market. In Argentina, the oldest and largest exchange is the Buenos Aires Stock Exchange (“**BASE**”), founded in 1854. The BASE was the exchange on which the majority of equity trades in Argentina were executed. BYMA is the result of an alliance between BASE and Mercado de Valores de Buenos Aires S.A. (“**MERVAL**”), dated 2013. From April 17, 2017 all the shares previously listed in the MERVAL were transferred to BYMA without any further consequence for listed companies.

Securities may also be listed and traded through over-the-counter market brokers who are linked to an electronic reporting system. The activities of such brokers are controlled and regulated by the Mercado Abierto Electrónico S.A. (the “**MAE**”), an electronic over-the-counter market reporting system that functions independently from the BYMA. Under an agreement between the BASE and the MAE, trading in equity and equity-related securities is conducted exclusively on the BASE (now BYMA) and trading in corporate debt securities is conducted on both the MERVAL/BASE (now BYMA) and the MAE. Trading in Government securities, which are not covered by the agreement, may be conducted on either or both of the BYMA and the MAE. The agreement does not extend to other Argentine exchanges.

Changes to the legal framework of securities trading have been introduced, permitting issuance and trading of new, non-bank financial products in the Argentine capital markets, including commercial paper, new types of corporate bonds, futures and options. The Government deregulated brokerage fees and eliminated transfer and stamp taxes on securities transactions in November 1991.

The Capital Markets Law, enacted in December 2012, sets out the rules to govern capital markets, its players, and the securities traded therein subject to the CNV regulation and monitoring. On May 9, 2018, the Argentine Congress approved the Act on Productive Financing No. 27,440, which introduces significant reforms to the Capital Markets Law, the Law on Common Investment Funds No. 24,083, the Argentine Law No. 23,576, as amended by Argentine Law No. 23,962 (the “**Negotiable Obligations Law**”), and other regulations, with the objective of promoting the development of the local capital market. Among other items, the new law seeks to broaden the base of investors and companies that can participate in the capital market, promoting productive financing, especially with respect to micro, small and medium enterprises, creating a regime that promotes and facilitates their access to financing. Likewise, this law provides for the modification of certain tax provisions, tax regulations, regulations related to derivative instruments and a program for the promotion of financial inclusion. The reforms also establish some limitations to the powers granted to the CNV by the Capital Markets Law.

The Capital Markets Law provides rules and provisions guided by the following goals and principles:

- Promoting the participation of small investors, union associations, industry groups and trade associations, professional associations and all public savings entities in the capital market, particularly encouraging mechanisms designed to promote domestic savings and channel such funds towards the development of production;
- Strengthening mechanisms for the protection of and prevention of abuses against small investors and for the protection of consumers' rights;
- Promoting access of small- and medium-sized companies to the capital market;
- Fostering the creation of a federally integrated capital market through mechanisms designed to achieve an interconnection of computer systems from different trading markets, with the use of state-of-the-art technology; and
- Encouraging simpler trading procedures available to users to attain greater liquidity and competitiveness in order to provide the most favorable conditions for the implementation of transactions.

The CNV is a self-administered agency of the Government with jurisdiction covering the territory of Argentina, governed by the provisions contained in the Capital Markets Law and the CNV Rules, among other related statutory regulations. The relationship of the CNV and the Argentine Executive Branch is maintained through the Ministry of Finance, which shall hear any appeals filed against decisions made by the CNV, notwithstanding any other legal actions and remedies contemplated in the Capital Markets Law.

The CNV supervises and regulates the authorized markets in which the securities and the collective investment products are traded, the corporations authorized in the public offer regime, and all the other players authorized to operate in the public offer regime, as the registered agents, the trading agents, the financial advisors, the underwriters and distributors, the brokers, the settlement and clearing agents, the managers of collective investment products, the custodians of collective investment products, the collective depositories, and the risk rating agencies, among others.

The BYMA. Pursuant to the Capital Markets Law, the CNV has authorized nine stock markets since September 2014. BYMA is a private entity whose stock capital is composed of publicly traded shares. On December 29, 2016, BYMA was authorized by CNV as a market, Registry No. 639. BYMA's main functions comprise trading as well as performing as a Clearing House and Central Counterparty (CCP) in the settlement and monitoring of transactions carried out through its trading systems.

BYMA's main functions under the Capital Markets Law are as follows:

- issue regulations that allow stock brokers and brokerage firms authorized by the CNV to perform their duties;
- authorize, suspend and cancel the listing and/or trading of negotiable securities pursuant to the provisions set forth in its bylaws;
- issue regulations that ensure veracity in the record of prices and trades;

- issue the regulations and policies deemed necessary to ensure transparency in the trades conducted by member stock brokers;
- fix the margins that member brokers are to comply with for each type of trade BYMA guarantees; and
- set up arbitration tribunals.

These powers may be exercised by BYMA or delegated, in whole or in part, to other qualified entities. Accordingly, BYMA has entered into an agreement with BASE to enforce items b) and f), due to the fact that BASE has been authorized to operate as a qualified entity, pursuant to Capital Markets Law.

New York Stock Exchange. The ADSs, each representing five Class B Shares, are listed on the NYSE under the trading symbol “TGS.” The ADSs began trading on the NYSE in November 1994, and have been issued by the Depositary.

According to data provided by the Depositary, as of March 31, 2024, there were 15,488,257 ADSs outstanding. Such ADSs represented approximately 9.75% of the total number of issued and outstanding Class B Shares as of such date.

Market Capitalization. Investors in the Argentine securities market are primarily individuals, companies and institutional investors consisting of a limited number of mutual funds.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

Information contained in Item 14 of tgs’s Registration Statement on Form F-1 (Registration No. 33-85178) is hereby incorporated by reference.

Bylaws amendments

The ordinary and special shareholders meeting held on April 30, 2014, approved certain amendments of our bylaws. The purpose of these amendments was to provide our administration with greater flexibility to manage as well as adapt the Bylaws to the requirements of the Capital Markets Law. Below you will find a description of the amendments to our Bylaws:

- Subject to the approval of the annual shareholders meeting, the number of members of the Board of Directors may vary between nine and eleven directors and an equal number of alternate directors.
- The Board of Directors meetings may be held not only with the members present, but also with the members communicating remotely. Under our Bylaws, all members will have the same power to vote on a proposal and will be considered to constitute a quorum.
- The Audit Committee duties, which are in line with those requirements stipulated in the Capital Markets Law, were incorporated to our Bylaws. For additional information regarding Audit Committee duties, see “*Item 6. Directors, Senior Management and Employees—C. Board Practices—Audit Committee.*”

The amended Bylaws approved by the 2014 Shareholders’ Meeting held on April 30, 2014, were filed with our Annual Report on Form 20-F for the fiscal year ended December 31, 2015, and are incorporated by reference in this Annual Report as Exhibit 1.2.

The 2017 Shareholders’ Meeting amended our Bylaws in order to: (i) expand our corporate purpose in order to incorporate the development of complementary, accessory, related and / or derived activities of natural gas transportation, such as the generation and sale of electricity and the provision of other services for the hydrocarbons sector in general, and (ii) allow the creation of an Executive Committee of the Board of Directors under the terms of Article 269 of the General Companies Act. The purpose of these amendments is to provide management with greater flexibility in decision-making. In relation to compliance with the regulatory requirements, this modification has not received comments from ENARGAS, as informed by a note from ENARGAS dated April 25, 2017, nor from the CNV, which has accepted this amendment through a note dated April 18, 2017.

On July 14, 2017, through the issuance of Resolution No. 18,852, the CNV approved the amendment to our Bylaws, which was approved by the General Inspection of Justice on July, 25, 2017. Such amendment to our Bylaws was filed with the SEC pursuant to current report on Form 6-K, dated April 12, 2017 (Commission File No. 1-13.396), and are incorporated by reference in this Annual Report as Exhibit 1.2.

The 2021 Shareholders’ Meeting amended our Bylaws in order to let shareholders meetings may be duly convened remotely. The CNV approved the amendment to our By-laws, which was approved by the General Inspection of Justice on November 19, 2021.

C. Material Contracts

Debt Obligations

2018 Notes

On May 2, 2018, we issued the 2018 Notes in the aggregate principal amount of U.S.\$500 million, the proceeds of which were used to redeem all of our then outstanding 9.625% of the 2014 Notes pursuant to (i) a tender offer to purchase for cash (the “**Tender Offer**”) any and all of our 2014 Notes launched on April 19, 2018, which expired on April 26, 2018, and (ii) the optional redemption provisions of the 2014 Indenture. On April 27, 2018, U.S.\$80,083,898.25 in aggregate principal amount of the 2014 Notes (or approximately 41.80% of the 2014 Notes then outstanding), were redeemed pursuant to the Tender Offer and the remaining 2014 Notes were redeemed on May 2, 2018 pursuant to the provisions of the 2014 Indenture.

The 2018 Notes were issued pursuant to the program, which provides for the issuance of up to a maximum principal amount of U.S.\$2,000 million in notes, and was authorized by resolutions of an extraordinary shareholders' meeting dated April 25, 2013, April 13, 2017 and April 19, 2023, and by resolutions of our Board of Directors adopted on July 23, 2013, December 23, 2013, June 29, 2017 and August 7, 2023. The program was also authorized by the CNV by Resolution No. 17,262 dated January 3, 2014, Resolution No. 18,938 dated September 15, 2017 and Resolution No. DI-2023-52-APN-GE# dated October 11, 2023.

The scheduled maturity date of the 2018 Notes is January 3, 2029. The 2018 Notes accrue interest at an annual fixed rate of 6.750%, payable semiannually.

We are also permitted to redeem the 2018 Notes in whole, but not in part, at a price equal to 100% of the principal amount outstanding if, as a result of any change in, or amendment to, the laws or regulations of Argentina or any governmental authority thereof or therein having power to tax or as a result of any change in the application or official interpretation of such laws or regulations, we become obligated to pay additional amounts with respect to the 2018 Notes and cannot avoid such obligation by taking reasonable measures available to us.

In the event that the Republic of Argentina, directly or indirectly, through any one or more controlled entities, as a result of a condemnation, nationalization, confiscation, seizure, compulsory acquisition, expropriation or otherwise under power of eminent domain becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) of at least 51% of our outstanding shares with voting power, holders of the 2018 Notes are entitled to require us to purchase all or a portion of the 2018 Notes at a price in cash equal to 101% of the principal amount of the 2018 Notes so purchased. The 2018 Notes are general, direct, unsecured and unsubordinated obligations and rank at all times *pari passu* in all respects, without any preference among themselves, with all of our other present and future unsecured and unsubordinated obligations, other than obligations preferred by statute or by operation of law.

Covenants

We are subject to several restrictive covenants under the terms of the 2018 Notes, which include, among others, the following:

- limitations on our ability to terminate our License or take any action that, in our reasonable opinion, would result in the termination of the License. We may not agree to amend or waive any terms of the License unless such amendment or waiver would not, in our reasonable opinion, adversely affect (i) our ability to meet our obligations under the 2018 Notes on a timely basis or (ii) any material rights or interest of the trustee or the holders under the indenture or the 2018 Notes;
- a requirement that we not enter into or consent to any amendment, restatement or modification of the SATFO or any successor agreement thereto, other than an amendment, restatement or modification that is not materially adverse to us and our subsidiaries, taken as a whole;
- a limitation on our and our subsidiaries' ability to create liens on our property, assets or revenues, other than certain permitted liens;
- a limitation on our and our subsidiaries' ability to incur additional indebtedness unless we meet certain financial ratios and no event of default exists, other than certain permitted indebtedness;

- a limitation on our and our subsidiaries' ability to pay dividends and making certain other restricted payments and investments with respect to any fiscal year or fiscal semester unless: (i) no event of default or potential event of default shall have occurred and be continuing and (ii) immediately after giving effect to such restricted payment, we would be able to incur at least U.S.\$1.00 of additional indebtedness pursuant to the limitation on indebtedness covenant;
- limitations on our and our subsidiaries' ability to enter into sale-leaseback transactions;
- limitations on our and our subsidiaries' ability to enter into a transaction with an affiliate, unless such transaction is on terms that are not materially less favorable to us or our subsidiary than we or such subsidiary would obtain in a comparable arm's-length transaction with a non-affiliate;
- a limitation on our and our subsidiaries' ability to sell our assets; and
- a limitation on our and our subsidiaries' ability to enter into a merger, consolidation or similar transaction.

Events of Default

The 2018 Notes include the following events of default, among others:

- default in the payment of principal, interest or any other amount due under the terms of the 2018 Notes after a specified grace period with respect to payments other than principal;
- breach of obligations contained in the 2018 Notes after a specified cure period;
- cross-default and cross-acceleration with respect to other debt obligations with an aggregate principal amount equal to or exceeding U.S.\$50 million;
- the occurrence of certain bankruptcy events or enforcement proceedings;
- enforcement of monetary judgments exceeding U.S.\$50 million; and
- the occurrence of certain material adverse events with respect to our License, such as the revocation, suspension for a period of greater than 180 days or termination of the License.

Lease with Pampa Energía

On August 11, 2016, we entered into a financial lease agreement with Pampa Energía. Starting on such date and for a term of nine years and 11 months (the "**Leasing Payment Term**"), Pampa Energía is leasing to us certain assets for a book value as of December 31, 2023 of Ps. 8,416 million, which we utilize in our Midstream business segment. Monthly lease payments to Pampa Energía amount to U.S.\$0.6 million, before taxes.

Within 30 days of the expiration date of the Leasing Payment Term, we may exercise the option to purchase the assets leased to us under the agreement. The purchase option price will be equivalent to U.S.\$0.6 million before taxes.

For additional information, see Note 13 to our Financial Statements included under "*Item 18. Financial Statements.*"

D. Exchange Controls

The following is a description of the main BCRA regulations concerning inflows and outflows of funds in Argentina. For further information regarding the full scope of current foreign exchange restrictions and control regulations, investors should seek advice from their legal advisors and refer to the applicable rules mentioned in the Annual Report, which are available at the website of the Argentine Ministry of Economy: <https://www.argentina.gob.ar/hacienda> and <https://www.minfinanzas.gob.ar/>, or the website of the BCRA: www.bcr.gov.ar. None of the information contained on either website is deemed to be incorporated by reference into this Annual Report.

On September 1, 2019, the Argentine government issued Decree No. 609/2019, imposing temporary exchange controls until December 31, 2019. On December 27, 2019, the Argentine government enacted Decree No. 91/2019, which permanently extended the exchange controls initially set to expire on December 31, 2019. The Consolidated Text of the Rules on Foreign Exchange and Changes is currently outlined in Communication “A” 7953 (current text; hereinafter referred to as the “Consolidated Text”), issued by the Central Bank of the Argentine Republic (hereinafter, the “BCRA” or the “Central Bank”). Below is a brief summary of the exchange control rules currently in effect.

Exports of goods

Generally, goods exporters must enter and settle in pesos, through the Foreign Exchange Market (hereinafter, “MLC”), the proceeds from exports formalized as of September 2, 2019, with different deadlines depending on certain factors (type of exported products, relationship between exporter and importer, etc.). Regardless of the maximum deadlines established in each case, export collections must be entered and settled in the MLC within 5 (five) business days from the collection date.

In certain cases (for example, those holding a certificate of increased exports or those with projects falling under the Export Promotion Regime established by Decree No. 234/21), exchange regulations allow exporters greater access to the MLC to remit funds abroad (for example, to remit dividends or pay services related to foreign financial indebtedness).

Sale of non-financial non-produced assets

The counterpart received by residents for the sale of non-financial non-produced assets to non-residents must be entered in foreign currency and settled in the MLC within 5 (five) business days from the date of fund receipt in Argentina or abroad, or its accreditation in foreign accounts.

Through Communication “A” 7894 from the BCRA, it was established that, in the case of counterpart values entered between November 24, 2023 and December 10, 2023 inclusive, the obligation to enter and settle foreign currency may be considered fully fulfilled when, before the second date, at least 50% of the received amount has been settled through the MLC, and for the remaining percentage, the client has carried out buying and selling transactions with securities acquired with settlement in foreign currency and sold with settlement in local currency.

Additionally, through this Communication, the option for the client to credit the funds in pesos generated from the aforementioned operations to a special account with remuneration determined based on the evolution of the reference exchange rate established in Communication “A” 3500 or to be applied to the direct subscription of BCRA Internal Bills in US dollars liquidable in pesos at the reference exchange rate of Communication “A” 3500 from the BCRA was eliminated.

Exports of Services

Payments for the provision of services by residents to non-residents must be entered and settled in the MLC within a maximum period of 5 (five) business days from the date of their perception abroad or in the country, or their accreditation in foreign accounts. There are exceptions to the obligation to settle in the MLC the foreign currency entered as a counterpart for certain exports of certain services expressly contemplated in point 2.2.2. of the Consolidated Text, subject to compliance with various requirements provided therein by both individuals and legal entities.

The application of service export payments to the repayment of capital and interest on foreign financial indebtedness or public debt securities in the country denominated in foreign currency and whose services are payable in foreign currency in the country is allowed, provided that the requirements set forth in point 7.9 of the Consolidated Text are met.

Likewise, to the extent that certain requirements set forth in points 3.11.3. and 7.9.5 of the Consolidated Text are met, it is allowed for service export payments to be accumulated in accounts opened in local or foreign financial entities, for the amounts due in debt contracts, in order to guarantee the cancellation of the capital and interest services of foreign financial indebtedness and/or issuances of public debt securities in the country denominated in foreign currency and whose services are payable in foreign currency in the country.

With the assumption of the new President of the Republic of Argentina, on December 13, 2023, Decree of Necessity and Urgency No. 28/2023 was published in the Official Gazette, establishing that the counterpart of the export of services performed in the country, whose effective use or exploitation takes place abroad, must be entered into the country in foreign currency and/or traded, 80% through the MLC, with the exporter having to carry out buying and selling transactions for the remaining 20%, acquiring negotiable securities with settlement in foreign currency and selling with settlement in local currency. It should be noted that, prior to the publication of Decree 28/2023, 50% had to be entered into the country in foreign currency and/or traded through the MLC, and for the remaining 50%, the aforementioned operations had to be carried out.

Increment Export Program

Through Decree No. 576/2022 dated 04.09.2022, the Extraordinary and Transitory Increment Export Program (hereinafter, the "Program") was created, which included measures related to the exports of soybean manufactures and the settlement of foreign currency in the MLC. Notwithstanding the above, on September 18, 2022, the BCRA issued Communication "A" 7609, establishing that legal entities that have sold goods under Decree 576/2022 to those who export them directly or as a result of a production process carried out in the country cannot: (i) access the MLC to make foreign currency purchases for the formation of external assets of residents, remittance of family assistance, and derivatives operations; (ii) enter into various operations with securities contemplated in point 4.3.2 of the Consolidated Text.

The Program was reinstated by Decree No. 787/2022 and later by Decree No. 194/2023, which expanded the Program to include Regional Economies.

On July 23, 2023, Decree No. 378/2023 was issued, establishing that those who, within the framework of joining the Program, settle until 08.31.2023, inclusive, the foreign currency corresponding to the goods whose tariff positions are included in Decree 194/2023, including cases of pre-financing and/or post-financing of exports from abroad or an advance settlement, do so at a transitory exceptional counterpart of ARS 340 per US dollar, including corn and exports of regional economies.

On September 30, 2023, Decree No. 492/2023 was issued, extending the application of the Program until October 25, 2023, as well as the extraordinary and transitory expansion of the Program for those subjects who have exported, at any time during the 18 immediate months prior to October 2, 2023, the goods included in the Common Nomenclature of MERCOSUR as determined by the Ministry of Economy. It also established that the date for settling foreign currency and paying the sums in advance of export duties should be made until October 20, 2023 inclusive.

On the other hand, Decree No. 492/2023 established that 75% of the counterpart of the goods' export should be entered into the country in foreign currency and traded through the MLC, with the exporter, for the remaining 25%, conducting buying and selling operations with negotiable securities acquired with settlement in foreign currency and sold with settlement in local currency.

On October 23, 2023, Decree No. 549/2023, a modification of Decree 492/2023, was issued, establishing until 11.17.2023, that the counterpart of the export of services, whose effective use or exploitation takes place abroad, and the export of goods included in the Common Nomenclature of MERCOSUR, including cases of pre-financing and/or post-financing of exports from abroad or an advance settlement, must be entered into the country in foreign currency and/or traded, 70% through the MLC with the exporter having to conduct buying and selling operations for the remaining 30% with negotiable securities acquired with settlement in foreign currency and sold with settlement in local currency.

On November 21, 2023, Decree No. 597/2023 was issued, which:

(i) extended until December 10, 2023 the differential dollar for exports;

(ii) established that the counterpart of the export of services performed in the country, whose effective use or exploitation takes place abroad, and the export of goods included in the Common Nomenclature of MERCOSUR, including cases of pre-financing and/or post-financing of exports from abroad or an advance settlement, must be entered into the country in foreign currency and/or traded, 50% through the MLC, with the exporter having to conduct buying and selling operations for the remaining 50% with negotiable securities acquired with settlement in foreign currency and sold with settlement in local currency.

With the assumption of the new President of the Republic of Argentina, on December 13, 2023, Decree of Necessity and Urgency No. 28/2023 was published in the Official Gazette, establishing that the counterpart of the export of services performed in the country, whose effective use or exploitation takes place abroad, as well as the export of goods included in the Common Nomenclature of MERCOSUR, including cases of pre-financing and/or post-financing of exports from abroad or an advance settlement, must be entered into the country in foreign currency and/or traded, 80% through the MLC, with the exporter for the remaining 20%, conducting buying and selling operations for negotiable securities acquired with settlement in foreign currency and sold with settlement in local currency. It should be noted that, before the publication of Decree 28/2023, 50% had to be entered into the country in foreign currency and/or traded through the MLC, and for the remaining 50%, the aforementioned operations had to be carried out.

Import of Goods and Services

According to Communication “A” 7490, payments for services to related foreign counterparts cannot be made without the prior approval of the BCRA, except for the following cases: (i) credit card issuers for tourism and travel expenses not requiring prior BCRA approval under point 4.1.4 of the Consolidated Text; (ii) local agents collecting funds in the country for services provided by non-residents to residents; (iii) entities for expenses paid to foreign entities for their usual operations; (iv) reinsurance premiums abroad; (v) transfers made by travel assistance companies for health coverage payments originated from services provided abroad by third parties to their resident clients; (vi) payments for operating leases of ships authorized by the Ministry of Transportation of the Nation for exclusive use by another non-related resident; (vii) payment of debt capital from maturity, when the client has a “Certificate of Increased Export of Goods”; (viii) payment from maturity of an obligation for a service provided at least 180 consecutive days before accessing the MLC or derived from a contract signed similarly when a certificate issued in the 5 (five) business days prior by an entity is held; (ix) payment of debt capital from maturity, when the client has a “Certification for access to foreign exchange regimes for incremental production of oil and/or natural gas”; and (x) payment of debt capital from maturity through a swap and/or arbitrage operation with funds deposited in a “Special Account for the promotion of the knowledge economy” of the client, and the client has a “Certification for direct investment contributions under the knowledge economy promotion regime.”

On December 13, 2023, the BCRA issued Communication “A” 7917, establishing a release of imports and a new access system to the MLC, stating that, starting from December 13, 2023:

For the payment of imports of goods: (i) it will not be necessary to have a declaration made through the Argentine Republic Import System (SIRA) in “exit” status as an MLC access requirement, nor to validate operations in the “Single Foreign Trade Current Account” system; and (ii) entities may grant MLC access without prior BCRA approval for deferred payments of new imports of goods with customs entry registration when, in addition to other requirements, it is verified that the payment respects the schedule according to the type of goods. It also establishes that: (i) entities may grant MLC access without prior BCRA approval for deferred payments of new imports of goods with customs entry registration starting from December 13, 2023 before the deadlines set out in point 1.2 of Communication “A” 7917 when, in addition to other requirements, the payment falls within the situations outlined in said Communication; (ii) MLC access for pending customs entry payment requires prior BCRA approval, except if the payment falls within the situations provided in point 3 of the Communication; (iii) MLC access for payments of imports for goods whose customs entry registration occurred until December 12, 2023 will require prior BCRA approval, except for exceptions.

For the payment of services provided by non-residents: (i) it will not be necessary to have a sworn statement made through the Argentine Republic Import and Payment of Services System (SIRASE) in “approved” status, nor to validate the operation in the “Single Foreign Trade Current Account” system; and (ii) entities may grant MLC access without prior BCRA approval to make payments for services provided by non-residents, payments for new imports of services provided or accrued from December 13, 2023 when, in addition to other applicable regulatory requirements, the payment falls within certain situations. Regarding services provided by non-residents performed and/or accrued until December 12, 2023, prior BCRA approval will be required, except for exceptions.

On January 11, 2024, the BCRA issued Communication “A” 7945, through which it decided to incorporate, as point 3.x of Communication “A” 7917, among the exceptions to what is provided in points 1.3. and 1.4. of said Communication, those payments for imports of goods made by a natural or legal person for the supply of a critical medicine whose customs entry registration is made through a particular request.

On January 25, 2024, the BCRA issued Communication “A” 7952, allowing entities to grant access to the MLC to customers from February 10, 2024, for the payment of debts for imports of goods and services before December 13, 2023, covered by points 1.5. and 2.4. of Communication “A” 7917 and related points, provided that other regulatory requirements are met and it is verified that:

- i. The customer is a natural or legal person classified as a MiPyMe according to the rules for determining the micro, small, and medium-sized enterprise condition.
- ii. The total amount of debt for imports of goods and services before December 13, 2023, pending payment is less than or equal to U.S.\$ 500,000.
- iii. The customer has registered all of its debts for imports of goods and services in the “Commercial Debt Register for Imports with Foreign Suppliers.”
- iv. Payments made do not exceed the equivalent amount declared in the aforementioned register.
- v. The transaction is declared, if applicable, in the last overdue submission of the External Assets and Liabilities Survey.
- vi. The entity has a sworn statement from the customer confirming that all debts for imports of goods and services before December 13, 2023, have been declared in the aforementioned register, the amount owed does not exceed the equivalent of U.S.\$ 500,000, and the amounts paid do not exceed the limits set out in point 1.4 of Communication “A” 7952.

Additionally, Communication “A” 7952 states that importers of goods and services who have acquired Bonds for the Reconstruction of a Free Argentina in a primary subscription may sell securities with settlement against cable to a third-party account abroad, starting from April 1, 2024, under the following conditions:

- i. The market value of the transactions does not exceed the difference between the value obtained by selling with settlement in foreign currency abroad of the Bonds for the Reconstruction of a Free Argentina acquired in the primary subscription and their nominal value, if the former is lower.
- ii. The accounts to be credited are not located in countries or territories where the recommendations of the Financial Action Task Force are not applied or not sufficiently applied.

External Assets

Generally, prior approval from the Central Bank is required for the formation of foreign assets (e.g., foreign currency purchase, among others) and for derivative transactions by legal entities, local governments, mutual funds, trusts, and other Argentine entities. Individuals must request prior approval when the value of such assets exceeds U.S.\$200 or U.S.\$100 (in the case of cash purchases) in any calendar month.

External Financial Indebtedness

Borrowers must enter and settle in MLC (Moneda Libremente Convertible) the financially disbursed debts from September 1, 2019, as a condition, among others, to access MLC to meet their capital and interest service requirements.

Subject to compliance with the established regulations, access to MLC will be granted for the prepayment of capital and interest up to 3 (three) business days before the due date of the capital or interest service payment.

Moreover, and subject to compliance with the stipulated requirements, access to MLC will be granted for the prepayment, up to 45 consecutive days in advance, of the capital and interest of financial debts with foreign entities or debt securities publicly registered in the country denominated in foreign currency when the prepayment is executed within the context of a debt refinancing process. Communication "A" 7030, and its subsequent modifications, establishes the prior approval of the Central Bank until December 31, 2023, for the cancellation of capital services of financial debts with foreign entities, provided that the creditor is a related party, with certain exceptions. In this context, the BCRA will provide access to companies, given that the refinancing plan adheres to the following criteria: (i) the net amount for which access to MLC will be granted under the original terms will not exceed 40% of the capital amount due, except for specific exceptions outlined in the Ordered Text that permit access for a higher percentage; and (ii) the remaining capital has been, at a minimum, refinanced with new external indebtedness having an average life of 2 (two) years. This refinancing plan must be submitted to the BCRA at least 30 consecutive days before the capital is due to be refinanced.

Clients recording settlements of new financial debts with foreign entities and holding an income certification issued by an entity may access MLC for the following purposes: (i) Payments for the importation of goods without the prior approval required by the complementary provisions established in the Ordered Text; (ii) Payments for services to related counterparts without the prior approval of the BCRA, to the extent that it is a payment from the maturity of an obligation for a service provided at least 180 consecutive days before access or derived from a contract signed with a similar lead time; or (iii) Payments of capital in advance of the maturity of commercial debts for the importation of goods and services, provided that the average life of the new indebtedness is at least 2 (two) years longer than the remaining average life of the pre-canceled debt.

Access to MLC before maturity will typically require prior approval from the BCRA unless: (i) there are foreign currency financings by local entities for foreign currency expenses through credit or purchase cards and/or (ii) there are foreign currency financings by local financial entities canceled with the entry of indebtedness from abroad, in accordance with the provisions of Communication "A" 7532.

Debt among residents

Accessing MLC for the settlement of debts and other financial obligations in foreign currency, entered into from September 1, 2019, is generally prohibited, except for specific cases (such as payments related to credit cards).

Profits and Dividends

For remitting foreign currency abroad as profits and/or dividends to non-resident shareholders, obtaining prior approval from the Central Bank is mandatory, subject to certain exceptions.

Non-residents

Non-residents are required to secure prior approval from the Central Bank to access MLC for acquiring foreign currency, with only a few exceptions allowed.

Information System

In all cases, and upon meeting the remaining requirements applicable to each case, access to MLC will be granted for the payment of financial or commercial debts and for paying profits or dividends, provided that such debts are reported through the information system of the Central Bank established by Communication "A" 6401, and its amendments.

Outflows

The Consolidated Text requires prior approval from the Central Bank to transfer funds abroad, unless the interested party submits various sworn statements, notably those related to the absence of (i) holdings in foreign currency not deposited in financial institutions, Argentine deposit certificates representing foreign shares (CEDEARS), and/or available liquid external assets exceeding the equivalent of U.S.\$ 100,000; (ii) own operations and, in certain cases, those of its direct controllers and/or other companies that make up its economic group, conducted with securities (MEP dollar, settlement with liquidation, etc.) within a specified period; (iii) economic benefits granted by the State (soft credits pending cancellation, etc.); and (iv) the delivery of funds in local currency or other local assets (except funds in foreign currency deposited in local financial institutions) to any individual or legal entity, resident or non-resident, linked or not, receiving, as a prior or subsequent consideration, directly or indirectly, by itself or through a linked, controlled, or controlling entity, external assets, crypto assets, or securities deposited abroad.

Indeed, for access to MLC, a sworn statement is required, among other things, in which:

- (i) it is declared that no sales of securities have been made through the settlement of foreign currency;
- (ii) there have been no exchanges of securities issued by residents for external assets;
- (iii) there have been no transfers of securities to deposit institutions abroad;
- (iv) no securities issued by non-residents with settlement in pesos have been acquired in the country;
- (v) no Argentine deposit certificates representing foreign shares have been acquired;
- (vi) no securities representing private debt issued in foreign jurisdictions have been acquired;

(vii) no funds in local currency or other local assets (except funds in foreign currency deposited in local financial institutions) have been delivered to any individual or legal entity, resident or non-resident, linked or not, receiving as a prior or subsequent consideration, directly or indirectly, by itself or through a linked, controlled, or controlling entity, external assets, crypto assets, or securities deposited abroad during the 180 (one hundred and eighty) consecutive days prior to accessing MLC;

(viii) no funds in local currency or other local assets (except funds in foreign currency deposited in local financial institutions) have been delivered to any individual or legal entity, exercising a direct control relationship over it, or to other companies within the same economic group, except those directly associated with routine transactions between residents for the acquisition of goods and/or services, during the following 180 (one hundred and eighty) consecutive days; and

(ix) the applicants also commit not to carry out such operations during the following 180 (one hundred and eighty) consecutive days.

Regarding the aforementioned deadlines, the period to be considered will be 90 (ninety) consecutive days for operations carried out before April 21, 2023, if they involve securities issued under Argentine law, and 180 (one hundred and eighty) consecutive days for operations carried out from April 21, 2023, and always concerning securities issued under foreign law.

For those exercising a direct control relationship, the 180 (one hundred and eighty) consecutive days period will only apply to deliveries made from April 21, 2023, with the 90 (ninety) days rule applying to deliveries made before. In the case of legal entities that are part of the same economic group but did not exercise control over the client until May 11, 2023, the provisions will only apply to deliveries made from May 12, 2023. It is also noteworthy that there is another sworn statement in which those seeking access to MLC commit to liquidate, within 5 (five) business days of their availability, any funds received abroad from the collection of loans granted to third parties, the collection of a time deposit, or the sale of any type of asset when the asset has been acquired, the deposit established, or the loan granted after May 28, 2020.

Moreover, as a result of Communication "A" 7766 from the BCRA dated May 11, 2023, for cases where the client is a legal entity, for the operation not to be subject to the prior approval requirement, the entity must have a sworn statement detailing: (i) individuals or legal entities exercising a direct control relationship over the client; and (ii) other legal entities with which it forms the same economic group.

Companies that share a control relationship as defined in points 1.2.1.1 and 1.2.2.1 of the Consolidated Text, within the "Large Exposures to Credit Risk" regulations, should be considered members of the same economic group. Similarly, to determine the existence of a direct control relationship, the types of relationships specified in point 1.2.2.1 of the aforementioned "Large Exposures to Credit Risk" regulations must be considered.

Additionally, in accordance with the provisions of Communication "A" 7772 from the BCRA dated May 19, 2023, the aforementioned conditions can be considered fulfilled by the entity if the client submits a sworn statement stating that, within the detailed periods, they did not deliver funds in local currency or other liquid local assets to any individual or legal entity in the country, except those directly associated with routine operations in the course of their business activities. For cases where the client does not submit the mentioned sworn statement, they can present a sworn statement declaring that they have not delivered funds in local currency or other liquid local assets to any individual or legal entity in the country (including direct controllers and members of the economic group), stating (i) that within the specified period in the Consolidated Text, they have not concluded or will conclude the envisaged transactions; and (ii) that in the preceding 180 (one hundred and eighty) consecutive days, they have not received funds in local currency or other liquid assets in the country, except for those associated with routine operations originating from the client or from any of the individuals or legal entities, direct controllers, and members of the economic group informed, to whom funds have been received; or alternatively, they can submit the sworn statements of individuals, whether human or legal, direct controllers, or members of the economic group, who received funds.

On September 7, 2023, the BCRA issued Communication "A" 7838, in which it specified that the sworn statements established in points 3.8.4., 3.16.3.1, and 3.16.3.2 of the Consolidated Text refer to the direct or indirect arrangement or on behalf of third parties of transactions with securities included in these points. Despite the brief and vague text of Communication "A" 7838, on the same date, the BCRA issued a Statement that goes beyond what is stipulated in Communication "A" 7838. The Statement urges entities to sign a sworn statement that contains content not derived from Communication "A" 7838, and it clarifies that, to access the MLC, the sworn statement must include a declaration that shareholders and directors have not carried out transactions with securities.

On September 28, 2023, the BCRA issued Communication "A" 7852, in which it established that, in the preparation of sworn statements provided for in points 3.16.3.1 and 3.16.3.2, sales of securities settled in foreign currency in the country or abroad should not be taken into account when the total funds obtained from such settlements have been or will be used within 10 (ten) consecutive days for the following operations:

(i) payments from the maturity of principal or interest on new financial borrowings from abroad disbursed from October 2, 2023, and which include, at a minimum, a 1 (one) year grace period for the payment of principal;

(ii) repatriations of capital and income associated with direct investments by non-residents, received from October 2, 2023, provided that repatriation occurs, at a minimum, 1 (one) year after the capital contribution is made and compliance with the legal mechanisms provided for in such cases;

(iii) payments from the maturity of principal and interest on debt securities issued from October 2, 2023, with public registration in the country, denominated and subscribed in foreign currency, whose services are payable in the country and include a minimum of 2 (two) years of grace period for the payment of principal;

(iv) payments from the maturity of principal or interest on financial borrowings from abroad that do not generate disbursements as they are refinancing of capital and/or interest of operations covered in points (i) and (iii), provided that refinancing does not anticipate the maturity of the original debt; and

(v) payments from the maturity of principal or interest on debt securities issued with public registration in the country, denominated in foreign currency, and whose services are payable in the country, which do not generate disbursements as they are refinancing of capital and/or interest of operations covered in the preceding point (iii), to the extent that refinancing does not anticipate the maturity of the original debt.

In all the aforementioned cases, the client must submit a sworn statement stating that the funds received from operations in points (i) to (iii) were used to make payments in the country related to the realization of investments in Argentina.

Furthermore, Communication "A" 7852 from the BCRA establishes that situations allowing the entity to accept the sworn statement of a client with liquid external assets and/or CEDEARs exceeding the limit set in point 3.16.2.1 of the Consolidated Text (U.S.\$ 100,000) may also include funds deposited in foreign bank accounts resulting from the sale of securities settled in foreign currency.

It should be noted that, as a rule, prior approval from the BCRA is required if the client is a natural or legal person included by the Federal Administration of Public Revenue (AFIP) in the list of invoices or equivalent documents classified as apocryphal. The list of individuals or legal entities included in this registry by the AFIP is available at the following website: <https://servicioscf.afip.gob.ar/Facturacion/facturasApocrifas/default.aspx>.

Securities Transactions

El Consolidated Text establishes that transactions of securities entered into abroad cannot be settled in pesos in the country. Operations settled in foreign currency can only be settled in pesos in the country if they are conducted within the country. It also specifies that purchase and sale transactions of securities settled in foreign currency must be paid through one of the following mechanisms:

(i) By transferring funds to and from accounts in the client's name in local financial institutions.

(ii) Against a cable on bank accounts in the client's name in a foreign entity not incorporated in countries or territories where the Recommendations of the Financial Action Task Force are not applied or not sufficiently applied.

Under no circumstances is the settlement of these operations allowed through payment in foreign currency banknotes or through their deposit in custody accounts or third-party accounts.

In this regard, the CNV, through General Resolution No. 959/2023 dated April 28, 2023, modified the minimum holding periods for negotiable securities settled in foreign currency and in a foreign jurisdiction, establishing: (i) 1 (one) business day for negotiable securities issued under Argentine law and (ii) 3 (three) business days for negotiable securities issued under foreign law. These periods will not apply to purchases of negotiable securities settled in foreign currency and in a foreign jurisdiction.

For sales of negotiable securities settled in foreign currency and in the local jurisdiction, the minimum holding period will be 1 (one) business day, which will not apply to purchases of negotiable securities settled in foreign currency.

Despite this, it is understood that the acquisition of securities settled in pesos in the country with funds from abroad would not be prevented, as long as the transaction is not documented abroad. Similarly, the transfer of securities from abroad to commissary accounts in Argentina for subsequent sale settled in pesos in the country is not restricted, provided that the operation is arranged within the country.

Furthermore, on May 23, 2023, the CNV issued Resolution No. 962/2023, which modifies the provisions applicable to proprietary trading operations of Agents and incorporates provisions related to the arrangement of operations settled in foreign currency.

Regarding proprietary portfolio operations, it modifies the conditions for accounting the limits of agents' own portfolios for buying and selling operations of fixed-income securities denominated and payable in dollars issued by the Republic of Argentina. Regarding transactions with settlement in foreign currency, it establishes that agents can only place orders to enter into transactions with settlement in foreign currency that are not fixed-income securities or in US dollars or to transfer securities to or from depository agents abroad, if: (i) during the previous 15 (fifteen) calendar days, the client has not carried out sales transactions of fixed-income securities denominated and payable in US dollars issued by the Republic of Argentina under local and/or foreign law, with settlement in foreign currency, and (ii) there is a clear manifestation of not doing so in the subsequent 15 (fifteen) calendar days.

On August 2, 2023, the CNV approved General Resolution 969/2023, maintaining the provisions of General Resolution 962/2023 and stipulating that these requirements would come into effect from the date of entry into force of (i) General Resolution 962/2023 for the operations provided for in sections a), b), and c) of Article 6° Bis of Chapter V of Title XVIII of the CNV Regulations, and (ii) General Resolution 969/2023 for the operations provided for in section c) of said regulation.

Also, on August 14, 2023, the CNV approved General Resolution 971/2023, which added to the aforementioned modifications that, additionally, in buying and selling operations of fixed-income securities denominated and payable in US dollars issued by the Republic of Argentina under local and foreign law in the competitive bidding segment with price-time priority, at the end of each calendar week, it must be ensured that the total sales with settlement in foreign currency does not exceed 100,000 nominal units.

With Resolution General 979/2023 approved on October 5, 2023, the CNV adjusted the minimum holding periods for negotiable securities within a portfolio. It established a one (1) business day requirement for negotiable securities issued under Argentine law and a five (5) business day requirement for those issued under foreign law. These holding periods are applicable to both the sale of negotiable securities with settlement in foreign currency and foreign jurisdiction, as well as those with settlement in foreign currency and local jurisdiction. However, these minimum holding periods do not apply to the purchase of negotiable securities with settlement in foreign currency and foreign jurisdiction.

On December 13, 2023, through Resolution No. 988, the CNV standardized the minimum holding periods for negotiable securities within a portfolio. It stipulated that, to execute the sale of negotiable securities with settlement in foreign currency, regardless of the law of issuance and jurisdiction, a minimum holding period of one (1) business day from accreditation in the Central Depository Agent for Negotiable Securities must be observed. This rule does not extend to the purchase of negotiable securities with settlement in foreign currency and any jurisdiction.

Additionally, Resolution No. 988 established that Clearing Agents and Trading Agents cannot process or settle sales of negotiable securities with settlement in foreign currency, both locally and internationally, for client orders maintaining long positions in repos and/or overnight operations, irrespective of the settlement currency.

On January 11, 2024, the BCRA issued Communication "A" 7940, allowing the sale of Bonds for the Reconstruction of a Free Argentina with settlement against a foreign account under specific conditions. This includes the requirement that the seller acquired the securities in a primary subscription, and the receiving accounts are not in countries or territories lacking or inadequately applying the recommendations of the International Financial Action Task Force.

Finally, on February 5, 2024, the CNV released General Resolution No. 990/2024, stating that, for the sale of negotiable securities with settlement in foreign currency, regardless of the law of issuance and jurisdiction, a minimum holding period of one (1) business day from accreditation in the Central Depository Agent for Negotiable Securities must be observed. This does not apply to the purchase of negotiable securities with settlement in foreign currency and any jurisdiction.

As part of this, it is established that, to proceed with transfers to foreign depository entities of negotiable securities acquired with settlement in national currency, regardless of the law of issuance, a minimum holding period in the portfolio of one (1) business day must be observed, counted from its accreditation in the Central Depository Agent for Negotiable Securities. This rule has exceptions in cases where accreditation in the mentioned agent: (i) results from the primary placement of negotiable securities issued by the National Treasury or the BCRA, in accordance with the provisions of Communication "A" 7918, its amendments, and/or related regulations; or (ii) involves CEDEARs traded on markets regulated by the CNV.

Moreover, through General Resolution No. 990/2024, the CNV unified the conditions and daily maximum amounts for operations, raising the limit to 200 million daily for operations and transfers of negotiable securities abroad. Bonds for the Reconstruction of a Free Argentina are exempt from the limits and prior information requirements for issuing transfers to foreign depository entities, as well as for arranging their sale in the country with transfers to foreign depository entities, with settlement in foreign currency. This exemption applies as long as such negotiable securities have been acquired through a primary placement or bidding process, and up to the total nominal value subscribed for that security.

Bonds for the Reconstruction of a Free Argentina

The “Bonds for the Reconstruction of a Free Argentina” (hereinafter, “BOPREAL”) are securities issued by the BCRA in US dollars for importers of goods and services with outstanding payment obligations for imports of goods with customs registration and/or services effectively rendered until December 12, 2023.

On December 22, 2023, Decree 72/2023 was published in the Official Gazette, establishing the possibility that bonds or securities issued by the BCRA, for those who have debts for imports of goods with customs entry registration and/or importation of services effectively provided until December 12, 2023, can be used as a form of payment for the cancellation of tax and customs obligations, plus their interests, fines, and accessories, except for certain exceptions.

These bonds or securities will be those issued from the effective date of the Decree December 12, 2023 until March 31, 2024, can be freely transferred by their holders, and their use will be limited to a total value of U.S.\$ 3,500,000, to be used according to a specific schedule.

Reporting Regime of the Central Bank.

In accordance with the provisions of the new exchange regulations, in certain cases, compliance with the “Survey of External Assets and Liabilities” regime established by the Central Bank through Communication “A” 6401, later amended by Communication “A” 6795, is required for access to the Foreign Exchange Market (MLC).

This regime specifies that information on External Assets and Liabilities will be provided based on the following classification: “Shares and other equity interests,” “Non-negotiable debt instruments,” “Negotiable debt instruments,” “Financial derivatives,” and “Land, structures, and real estate.”

The regulations stipulate that, starting from data for the first quarter of 2020, the declaration of the Survey of External Assets and Liabilities is governed by the following guidelines:

- a. All legal entities or individuals with external liabilities at the end of any calendar quarter, or who have settled them during that quarter, must declare the Survey of External Assets and Liabilities.
- b. Those declarants for whom the balance of external assets and liabilities at the end of each year reaches or exceeds the equivalent of U.S.\$50 million must make an annual submission (which will allow supplementing, confirming, and/or correcting quarterly submissions), and this can be optionally submitted by any legal entity or individual.

Regarding the deadlines for submitting declarations, it is regulated that the maximum deadlines for submitting and validating the declarations will be as follows: (i) 45 (forty-five) calendar days from the close of the reference calendar quarter for quarterly declarations, and (ii) 180 (one hundred and eighty) calendar days from the close of the reference calendar year for annual submissions.

The data loading and validation for this regime must be carried out through an electronic form available for download from the AFIP website.

Money Laundering

The concept of money laundering is commonly used to refer to operations that aim to enter funds from criminal activities into the institutional system and thus convert profits from illegal activities into assets of apparently lawful origin.

On April 13, 2000, the Argentine Congress passed the Anti-Money Laundering Law which classifies money laundering as a crime. Additionally, such law, which amended several sections of the Argentine Criminal Code, has established sanctions for those incurring in such illicit activity and has created the UIF, a unit of the Ministry of Economy created to prevent money laundering and financing of terrorist activities.

The Argentine Criminal Code defines money laundering as the exchange, transfer, management, sale or any other use of money or other assets obtained through a crime, by a person who did not take part in such original crime, with the potential result that such original assets (or new assets resulting from such original assets) appear as if obtained through legitimate means, provided that the aggregate value of the assets involved exceed in the aggregate (through one or more related transactions) Ps.300,000. As previously mentioned, the Anti-Money Laundering Law created the UIF, which is in charge of the analysis, supervision and conveyance of information in order to prevent (A) the laundering of assets obtained from: (i) Crimes related to illegal traffic and commercialization of narcotics (Law No. 23,737); (ii) Crimes related to arms trafficking (Law No. 22,415); (iii) Crimes related to the activities of an illegal association as defined in Article 210 bis of the Argentine Criminal Code; (iv) Illegal acts committed by illegal associations (Article 210 of the Argentine Criminal Code) organized to commit crimes with political or racial motivation; (v) Crimes of fraud against the Public Administration (Article 174, Section 5 of the Argentine Criminal Code); (vi) Crime against the Public Administration under Chapters VI, VII, IX and IX bis of Title XI of Book Two of the Argentine Criminal Code; (vii) Crimes of underage prostitution and child pornography under Articles 125, 125 bis, 127 bis and 128 of the Argentine Criminal Code; (viii) Crimes related to financing terrorism (Articles 41 quinquies and 306 of the Argentine Criminal Code); (ix) Crimes of extortion (Article 168 of the Argentine Criminal Code); (x) Tax crimes, related to social security and fiscal resources (pursuant to law 24,769) and (xi) Crimes related to human trafficking; and (B) Crimes related to financing terrorism.

The Anti-Money Laundering Law assigns information and control duties to certain private sector entities, such as banks, agents, stock exchanges and insurance companies, according to the regulations of the UIF, and for financial entities, the Central Bank.

Financial entities must inform the UIF about any suspicious or unusual transaction, or transactions lacking economic or legal justification, or that are unnecessarily complex. In addition, guidelines and internal procedures were created to detect unusual or suspicious transactions, which must be implemented by financial institutions and other entities.

Pursuant to the same criteria that underlies the aforementioned law, in 2012, the office of the Attorney General issued Resolution No. 914/12, which created the PROCELAC. As PROCELAC has no competence to apply sanctions, its main role is to collaborate with the Federal Prosecutors in the investigation of crimes and in receiving complaints in order to initiate preliminary investigations.

The UIF issued Resolution No. 229/2011, which was replaced by Resolution UIF No. 21/2018 and, subsequently amended by Resolutions No. 156/2018, No. 18/2019, No. 117/2019, No. 112/2021, No. 6/2022 and 50/2022 (“AML in the Capital Market Sector”). The AML in the Capital Market Sector establishes certain procedures that must be followed by the authorized agents of the CNV involved in the placement, intermediation and public offering of securities (the “Obligated Subjects in the Capital Market Sector”) in order to prevent, detect and report (within the deadlines established) the acts, transactions or omissions that may arise from committing money laundering and terrorist financing crimes in the capital market sector. Additionally, the AML in the Capital Market Sector introduced general guidelines to identify different types of customers (including a distinction between frequent, casual and inactive customers), the requested information, the documentation to be kept and the procedure to detect and report all suspicious transactions within the established deadlines.

The main obligations pursuant to the AML in the Capital Market Sector are the following: (i) to prepare manuals providing the mechanisms and procedures for the prevention of money laundering and financing of terrorism; (ii) to appoint a compliance officer; (iii) to audit regularly; (iv) to provide training programs to the employees; (v) to enforce measures that would allow the Obligated Subjects in the Capital Market Sector to compile the transactions performed by the customers using a computerized method, as well as technological tools which would enable the analysis and supervision of different transactions to identify behaviors and detect potential suspicious operations; (vi) the implementation of technological tools that would result in effective control and prevention procedures against money laundering and financing of terrorism; and (vii) to record the analysis and risk management of the suspicious transactions that were detected and those that, for having been considered suspicious, have been reported.

The Central Bank and the CNV should also comply with provisions of the Anti-Money Laundering Law. In this respect, the CNV regulations provide that entities involved in the public offering of securities (other than issuers), including, among others, underwriters of any primary issuance of securities, must comply with the standards set forth by the UIF. In particular, they must comply with the obligation regarding customer identification and required information, record-keeping, precautions to be taken to report suspicious transactions, policies and procedures to prevent money laundering and terrorist financing. Whilst, the acquirers of notes will provide the information and documentation required regarding the origin and legality of the funds used for the subscription.

On the other hand, pursuant to Resolution No. 21/2018, as amended subsequently, the Obligated Subjects in the Capital Market Sector shall identify and evaluate the risks that they are exposed to and, as a result, to adopt administrative measures for mitigating them, in order to more effectively prevent money laundering. In accordance with this standard, the Obligated Subjects in the Capital Market Sector must have policies and procedures to know their client (“KYC”), which must be applied according to the risk rating resulting from the implemented risk model. Within this framework, individuals are enabled to implement reputable technological platforms, which allow long-distance procedures without the need to present documentation in person, without prejudice to the fulfillment of due diligence duties.

In accordance with Annex I of the UIF Resolution No. 154/2018 (which established the supervision and inspection mechanism of the UIF), both the Central Bank and the CNV are considered “Specific Controllers”. Therefore, they must collaborate with the UIF in complying with the procedures for the prevention of money laundering and finance of terrorism implemented by the obligated subjects subject to its control. For these purposes, they are empowered to supervise, monitor and inspect such entities. The refusal to cooperate or obstruction of inspections by the obliged subjects may result in penalties by the UIF, CNV or the Central Bank. Both UIF Resolution No. 30/2017, as amended, as well as the Central Bank regulations require banks to take certain minimum precautions to prevent money laundering.

With respect to issuers (such as the company), CNV regulations provide that any person (either individuals or legal entities) performing significant capital contributions or loans must be identified, whether a shareholder or not at the time of the contributions, and must meet the requirements for general participants in the public offering of securities, set forth in the CNV regulations and the UIF regulations, especially with respect to the identification of such persons and to the origin and legality of the funds and loans provided.

On October 14, 2016, the UIF issued Resolution No. 135/2016, which strengthened the regulations regarding the international exchange of information between similar authorities which may enter into agreements or memoranda of understanding as well as to the foreign public bodies that are members of the Egmont Group of Financial Information Unit or the Asset Recovery Network of the Financial Action Task Force of Latin American.

On January 11, 2017, the UIF published Resolution No. 4/2017, which established that special due diligence measures must be applied for identifying foreign and domestic investors (who shall comply with the requirements therein set forth to qualify as such) in the Republic of Argentina upon requesting the opening of special investment accounts.

In addition, the Argentine tax amnesty law (Law 27,260 and its regulatory decree No. 895/16, as amended) (the “Tax Amnesty Law”) provided that the information that has been voluntarily disclosed may be used for investigating and sanctioning crimes of money laundering and finance of terrorism. To this end, the UIF is authorized to inform other public intelligence agencies about investigations, based on a previous resolution of the president of the UIF and provide those agencies with information that evidences crimes of money laundering and/or financing of terrorism. In the same way, the AFIP is obliged to report to the UIF any suspicious transactions detected in the context of the Tax Amnesty Law and to provide all the information that the UIF requires, not being able to invoke fiscal confidentiality.

In November 2018, the UIF passed Resolution No. 134/2018, which updates the list of persons considered to be “politically exposed persons” (“PEP”) in Argentina, taking into account any positions occupied by them in the present or in the past, and their relationship by closeness or affinity with third parties who occupy or have occupied such positions. Also, during 2019, the UIF issued Resolution No. 15/2019, which modified the PEP list and Resolution 128/19 established that foreign PEPs will be considered high risk and therefore subject to reinforced due diligence measures, with some exceptions.

On December 26, 2018, the UIF published UIF Resolution No. 154/2018, which amended the supervision procedures then in effect providing for new procedures consistent with and conforming to the international standards promoted by the Financial Action Task Force (“FATF”), which shall be applied in accordance with a risk-based approach.

In July 2019, by Decree No. 489/2019, the Executive Branch created the Public Registry of Persons and Entities Linked to Acts of Terrorism and its Financing (Registro Público de Personas y Entidades Vinculadas a Actos de Terrorismo y su Financiamiento) (the “RePET”), to centralize and manage all information related to the administrative freezing of assets linked to acts of terrorism and its financing. RePET is empowered to provide public access and guarantee the exchange of information with the agencies with competence in the field and with third countries, and the reporting parties must provide all information related to transactions carried out or attempted by individuals or legal entities included in RePET.

In turn, on November 14, 2019, by means of General Resolution No. 816, the CNV adapted the regulations related to the prevention of money laundering and financing of terrorism, in order to include the new obliged subjects contemplated in the Law on Prevention of Money Laundering and in the Regulations on Money Laundering in the Capital Market Scope. Among the new obligated subjects were included crowdfunding platforms, global investment advisory agents and human or legal persons acting in the placement of mutual funds or other collective investment products.

On November 17, 2019, through Resolution No. 117/2019, the UIF updated the minimum thresholds above which reporting entities must carry out the enhanced control and due diligence requirements established by the applicable anti-money laundering and anti-terrorist financing regulations. This measure aims to “contribute to an efficient prevention of money laundering and terrorist financing” from a risk-based approach, in accordance with international standards promoted by the FATF.

On October 21, 2021, the UIF issued Resolution 112/2021, whereby it establishes the measures and procedures that the regulated entities listed in Article 20 of the Money Laundering Prevention Law must observe to identify the beneficial owner of the customer in question. In this sense, such Resolution 112/2021 established that the beneficial owner shall be considered the human person who owns at least 10% of the capital or voting rights of a legal person, a trust, an investment fund, an affectation patrimony and/or any other legal structure; and/or the human person who by other means exercises the final control of the same.

On January 13, 2022, the UIF issued Resolution 6/2022. Pursuant to such resolution, the profile to be prepared by each obliged subject shall be based on the understanding of the purpose and expected nature of the commercial relationship, the transactional information and the documentation related to the economic, equity, financial and tax situation provided by the client or obtained by the obliged subject itself.

On April 11, 2022, pursuant to Resolution 50/2022, the UIF updated the thresholds for obliged subjects to perform due diligence measures on their clients and systematic transaction reports.

On February 2, 2023, the reform of UIF Resolution No. 14/2023 applicable to financial and exchange entities was published in the Official Gazette. The reform specifies the main guidelines for AML and Countering the Financing of Terrorism (CFT) risk management and the minimum compliance that each financial entity must adopt and apply to manage the risk of being used by third parties for the commission of these crimes. This is done through a Risk-Based Approach (RBA), considering the results of National Risk Assessments for AML/CFT and CFT/FP approved in 2022. In this way, and in accordance with Recommendation 1 of the FATF, it aims to ensure that competent authorities, financial institutions, and Designated Non-Financial Businesses and Professions (DNFBPs) can ensure that measures to prevent or mitigate AML/CFT risks correspond to the identified risks, enabling more effective decision-making regarding the allocation of resources.

Additionally, based on international recommendations, the reform establishes the prohibition of maintaining anonymous or under fictitious names, specifies required measures concerning foreign Politically Exposed Persons (PEPs), emphasizes the need to apply proportionate Enhanced Due Diligence measures to identified risks, and incorporates the possibility for financial institutions to rely on third parties for the execution of certain due diligence measures.

On May 2, 2023, UIF issued Resolution No. 72/2023, which consolidates the collaboration duty of regulatory bodies (BCRA, CNV, Superintendencia de Seguros de la Nación, and Instituto Nacional de Asociativismo y Economía Social) in supervision procedures. This regulation facilitates coordination among the bodies and adopts a risk-based approach for obligated entities. Additionally, the “Working Group Regulations” and the “Model of Final Technical Report” are approved as references for the preparation of reports by the regulatory bodies.

On May 9, 2023, Resolution No. 78/2023 was published in the Official Gazette, coming into effect on July 1, 2023. The purpose of this resolution is to establish minimum requirements for the identification, assessment, monitoring, management, and mitigation of AML/CFT risks. It is directed towards obligated entities included in Article 20, subsections 4, 5, and those of subsection 22 of the Anti-Money Laundering Prevention Law, particularly those entities acting as Financial Trustees. The resolution mandates the implementation of an Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) Prevention System, adopting a risk-based approach. This system is required to encompass comprehensive policies, procedures, and controls aimed at effectively identifying, assessing, managing, and mitigating the AML/CFT risks to which the obligated entity is exposed. Furthermore, it delineates, among other aspects, specific risk factors that obligated entities must consider. It imposes the obligation to conduct technical self-assessment risk reports and emphasizes the need for duly justified and approved risk tolerance declarations by the management and highest authority. Additionally, the resolution underscores the establishment of suitable policies, procedures, and controls to mitigate risks.

Moreover, the resolution mandates that obligated entities adopt policies, procedures, and minimum compliance controls to ensure adherence to regulations and detect irregularities. It establishes essential requirements that prevention manuals should incorporate, alongside other control measures such as appointing compliance officers and a Prevention Committee, implementing training plans, conducting Prevention System evaluations, and formulating a Code of Conduct, among other measures. Finally, the resolution compels the implementation of measures for customer identification, verification, and knowledge, as well as for monitoring, analysis, and reporting.

On June 16, 2023, Resolution No. 99/2023 was published, outlining the obligations that Obligated Entities of Cooperatives and Mutuals must fulfill to manage AML/CFT risks in accordance with prevailing international standards, best practices, guidelines, and recommendations from the FATF. The primary objective of the reform is to adopt a risk-based approach for more effective prevention, introducing key definitions such as risk self-assessment, the effectiveness of the preventive system, and advisory alerts. Additionally, systematic compliance reports are established, allowing differentiated reporting periods for certain Obligated Entities. The resolution will become effective on August 1, 2023, replacing UIF Resolution No. 11/2012.

Furthermore, on June 14, 2023, Resolution No. 126/2023 was published, rendering Resolution No. 28/2018 null and void as of September 1 of the same year. It amends the minimum requirements for the identification, assessment, monitoring, management, and mitigation of AML/CFT risks that obligated entities, as outlined in Article 20, subsections 8 and 16 of the Anti-Money Laundering Prevention Law, must adopt and apply in accordance with their policies, procedures, and controls to prevent the risk of being used by third parties for criminal AML/CFT purposes.

Subsequently, on September 1, 2023, Resolution 169/2023, as adjusted by Resolution 177/2023, established new minimum requirements for the identification, assessment, monitoring, management, and mitigation of AML/CFT risks that capitalization, savings, savings and loan, economic, capital formation, or other similar or equivalent societies, requiring money or securities from the public under any form with the promise of awarding or delivering goods, providing services, or future benefits, as outlined in Article 9 of Law No. 22,315, must adopt and apply according to their policies, procedures, and controls to prevent the risk of being used by third parties for criminal AML/CFT purposes. On September 18, 2023, through UIF Resolution 177/2023, certain articles of Resolution UIF No. 169/23 were rectified, including the consecutive order of subsections in Article 12 and normative references included in Articles 26, 28, 29, 30, and 40.

E. Taxation

General

The following general summary of the main tax consequences in Argentina and the United States relating to the ownership and disposition of securities issued by us is based on the tax laws of Argentina, the United States and regulations thereunder (as applicable) as in effect on the date hereof, each subject to any changes that may come into effect after such date under the Argentine and United States laws and regulations (as applicable) as may become effective subsequently to such date, possibly with retroactive effect.

Even though this summary is considered to constitute an appropriate interpretation of the effective Argentine tax laws and United States federal income tax laws as of the date hereof, no assurance may be given that the courts or tax authorities in charge of application of such laws will agree to this interpretation. Furthermore, it should be noted that there have been many changes in Argentine tax laws and United States tax laws in the past and in particular in recent years, and that such laws may be subject to restatements, revocation of exemptions, reestablishment of taxes and other changes.

Prospective investors should consult their own tax advisors as to the Argentine tax consequences and United States federal income tax consequences of the purchase, ownership and disposition of our securities, including, the effect of any foreign, state or local tax laws.

Argentine Taxes

Income Tax

Law No. 27,430, enacted on December 27, 2017 and published in the Official Gazette on December 29, 2017, had introduced several amendments to Income Tax Law No. 20,628, among others, a corporate tax rate reduction in two phases. For fiscal years beginning on or after January 1, 2018 until December 31, 2019, there had been a reduction of the tax rate from 35% to 30%. Beginning on or after January 1, 2020 the tax rate would have been further reduced to 25%. Additionally, a withholding of 7% or 13% had been established for the fiscal years mentioned above, on the dividends distributed by local entities in favor of their shareholders provided they are resident individuals or undivided estates, or are foreign beneficiaries.

On June 16, 2021, Law 27,630 was enacted and published in the Official Gazette. This law increases corporate income tax rates for tax years beginning January 1, 2021, and onwards. The new law increases tax rates by replacing the fixed tax rate with a progressive tax scale. It also extends the 7% withholding tax rate currently in force to dividends from profits accrued in tax years beginning January 1, 2021, and thereafter.

Taxation on Dividends

In view of the last amendments introduced to the Income Tax Law by virtue of the Tax Reform, as of fiscal years beginning on January 1, 2018, the taxation applicable to dividends distributed from Argentine companies would be as follows, as amended by the Solidarity Law:

Dividends originated from profits obtained during fiscal years 2019, 2020 and 2021: dividends on Argentine shares paid to Argentine individuals and/or non-residents ("Foreign Beneficiaries") are subject to a 7% income tax withholding on the amount of such dividends ("Dividend Tax").

Dividends originated from profits obtained during fiscal year 2021 onward: the tax rate is raised to 7%.

For Argentine individuals not registered before the AFIP as payers of income tax and foreign beneficiaries, the Dividend Tax withholding will be considered as a unique and final payment. In addition, under the Tax Reform, rules are created that regulate and limit the possibility to offset gains derived from the distribution of dividends with losses generated in other operations.

If dividends are distributed to Argentine Entities as defined below, no Dividend Tax should apply.

However, Law No. 27,451, published in the Official Gazette on December 23, 2019, suspended, until fiscal years starting on January 1st, 2021, the application of the withholding tax at a 13% rate on payment of dividends and profit distribution, and reestablished the 7% rate for this withholding tax.

Capital Gains Tax

Resident individuals

Capital gains obtained by resident individuals or undivided estates situated in Argentina from the sale or disposition of common shares and other securities are subject to income tax at a 15% rate on net income, unless such securities were traded in stock exchange under the supervision of the CNV, in which case an exemption applies.

Losses arising from the sale, exchange or other disposition of common shares or ADSs can be applied only to offset such capital gains arising from the sale, exchange or other disposition of these securities, for a five-year carryover period.

Foreign beneficiaries

Capital gains of Argentine source (as it is the case of both our ADSs and shares) obtained by non-Argentine individuals or non-Argentine entities from the sale, exchange or other disposition of shares are subject to income tax at a 15% rate on the net capital gain or at a 13.5% rate on the gross price at the seller's election. Notwithstanding, Law No. 27,430 established an exemption for foreign beneficiaries participating in the sale of publicly traded shares traded in stock exchanges under the supervision of the CNV. Said Law also established an exemption for capital gains derived from the sale, exchange or other disposition of share certificates issued abroad that represent shares issued by Argentine companies (i.e. ADRs). The exemptions will apply only if the foreign beneficiaries do not reside in, and the funds do not arise from, "non-cooperating" jurisdictions for tax transparency purposes.

The sale of an equity interest in a foreign entity could represent a taxable indirect transfer of Argentine assets (including shares), if (i) the value of the Argentine assets exceed 30% of the transaction's overall value, and (ii) the equity interest sold (in the foreign entity) exceeds 10%. The tax will also be due if any of these thresholds were met during the twelve month period prior to the sale.

The applicable rate is generally 15% on the net capital gain or at a 13.5% rate on the gross price at the seller's election, of the proportional value that corresponds to the Argentine assets.

The indirect transfer of Argentine assets within the same economic group would also not trigger taxation, provided the requirements set by regulations have been met.

Argentine entities

Capital gains obtained in tax years beginning from January 1, 2023 by Argentine entities (in general entities organized or incorporated under Argentine law, certain traders and intermediaries, local branches of non-Argentine entities, sole proprietorships and individuals carrying on certain commercial activities in Argentina) derived from the sale, exchange or other disposition of shares or ADSs are subject to the following tiered structure of corporate income tax rates for different brackets of earnings:

Annual taxable income (ARS)	Tax due on lower limit (ARS)	Marginal rate on the excess of the lower limit
0 to 14.3 million	ARS 0	25%
Over 14.3 million to 143.01 million	ARS 3.57 million	30%
Over 143.01 million	ARS 42.19 million	35%

Losses arising from the sale, exchange or other disposition of shares or ADSs can be applied only to offset such capital gains arising from the sale, exchange or other disposition of these securities, for a five-year carryover period.

WE RECOMMEND PROSPECTIVE INVESTORS TO CONSULT THEIR OWN TAX ADVISOR REGARDING THE PARTICULAR TAX CONSEQUENCES CONCERNING THE SALE OR OTHER DISPOSITIONS OF SHARES AND ADSs.

Value Added Tax ("VAT")

The sale, exchange or other disposition of our ADSs or common shares and the distribution of dividends are exempted from VAT.

Personal Assets Tax

Argentine entities, like us, are subject to the personal assets tax corresponding to Argentine individuals and Foreign Beneficiaries (be they legal entities or individuals) for the holding of company shares at December 31 of each year.

Pursuant to Law No. 27,541, as of December 31, 2019, the rate is 0.50% and is levied on the proportional net worth value ("valor patrimonial proporcional"), of the shares as per the Argentine entity's last financial statements prepared under Argentine GAAP.

Pursuant to the Personal Assets Tax Law, the Argentine company is entitled to seek reimbursement of such paid tax from the applicable Argentine domiciled individuals and/or foreign domiciled shareholders.

Tax on Credits and Debits on Bank Accounts

Law No. 25,413, as amended and regulated by Law No. 25,453, established a tax, with certain exceptions, levied on debits and credits of any nature on bank accounts held at Argentine financial institutions, except for those specifically exempted pursuant to legal provisions and regulations thereof. The general tax rate is 0.6% for each debit and credit (although in certain cases an increased rate of 1.2% and a reduced rate of 0.075% may apply).

Certain transfers of money or cash movements through other mechanisms may also trigger application of this tax. In general, the financial institutions involved act as tax collection and tax calculation agents.

Decree No. 409/2018 established that as of January 1st, 2018, 33% of the tax paid on credits and debits levied at the 0.6% general tax rate and 1.2% tax rate, and 20% of the tax paid on transactions levied at the lesser tax rate, will be considered as a payment on account of income tax, taxes on presumed minimum income or the special contribution on cooperatives capital by the bank account holders. The exceeding amount will not be subject to compensation with other taxes or transfer in favor of third parties; however, it can be carried forward to other fiscal periods of the above-mentioned taxes.

This tax has certain exemptions; as an example, debits and credits in banking accounts opened by foreign legal entities in accordance with BCRA Communication “A” 3250 and used exclusively for the purpose of making financial investments in Argentina are exempted from this tax in accordance with section 10, paragraph s) of Decree No. 380/2001. Likewise, Law No.27,264 established that the Tax on Credits and Debits on Bank Accounts that had actually been deposited may be computed in a 100% as payment on account of the income tax by companies that are considered “micro” and “small” and in 50% by manufacturing industries considered “medium -trench 1-” under the terms of article 1 of Law No. 25,300 and its complementary regulations. In case securities’ holders receive payments in local bank checking accounts, such tax may apply.

Turnover Tax

Turnover tax is a local tax levied on gross income earned from an activity during the year and it is applied by each provincial jurisdiction or the City of Buenos Aires. Any investors regularly engaged in activities, or presumed to be engaged in activities, in any provincial jurisdiction or in the City of Buenos Aires where they receive revenues from interest arising from holding notes, or from their sale or conveyance, could be subject to the turnover tax at rates that vary according to the specific laws of each Argentine province and of the City of Buenos Aires, unless an exemption applies.

There is a system of Collection and Control over Credits on Bank Accounts (“SIRCREB”) that enables the compliance of the turnover tax collection’s regimes, applicable over the amounts credited in Argentine bank accounts. The regimes vary according to the specific laws of each Argentine province. The aliquots to apply depend on each one of the treasuries with a range that can currently reach 5%.

Buenos Aires Tax Code, Section 180(1), third paragraph, sets forth that revenues from any transaction on notes issued in accordance with Law No. 23,576, the interest collected and updates accrued and the selling price in case of a transfer, shall be exempt provided the income tax exemption is applicable.

The Province of Buenos Aires Tax Code sets forth a similar exemption in Section 207 (c), second paragraph.

Considering the autonomous authority vested in each provincial jurisdiction in connection with tax matters, any potential effects derived from these transactions must be analyzed, in addition to the tax treatment established by other provincial jurisdictions. Potential investors must consider the effects of the turnover tax and the SIRCREB regime depending on the local jurisdictions involved. Also, as certain jurisdictions have excluded the application of these regimes on certain financial transactions, holders shall verify the existence of any exclusion to these regimes in accordance with the jurisdiction involved.

Stamp Tax

The stamp tax is a local tax that is generally levied on the consummation of onerous transactions executed within a certain provincial jurisdiction or outside a certain provincial jurisdiction but with effects in such jurisdiction.

Notwithstanding the fact that the stamp tax is a local tax, for Buenos Aires City, the acts, contracts and transactions, including money delivery or receipt transactions, related to the issuance, subscription, placement and transfer of notes, issued pursuant to the Negotiable Obligations Law regime are exempted from application of this tax. This exemption shall include the creation of any real or personal guarantees in favor of investors or third-parties guaranteeing the issuance, either prior to, simultaneous with or subsequently to such issuance.

This exemption also covers security rights related to issuances. However, this exemption is forfeited if, within a 90-calendar days term, the relevant authorization is not requested for the public offering of such securities before the CNV.

The acts and/or instruments related to the trading of shares and other securities duly authorized for public offering by the CNV are exempted from application of stamp tax in the City of Buenos Aires. This exemption is also ineffective if the circumstances mentioned in the last sentence of the previous paragraph occur.

In turn, in the Province of Buenos Aires, any acts, contracts, transactions, including money delivery or receipt transactions, related to the issuance, subscription, placement and transfer of notes issued pursuant to the Negotiable Obligations Law regime and Law No. 23,962 are exempted from application of this tax. This exemption shall include the creation of any real or personal guarantees in favor of investors or third-parties guaranteeing the issuance, either prior to, simultaneous with or subsequently to such issuance.

Considering the autonomous authority vested in each provincial jurisdiction in connection with tax matters, any potential effects derived from these transactions must be analyzed, in addition to the tax treatment established by the other provincial jurisdictions. Potential investors must consider the stamp tax impact depending on the local jurisdictions involved.

Transfer Taxes

The Province of Buenos Aires passed Law No. 14,044, approved on September 23, 2009 and published in the Argentine Official Gazette on October 16, 2009, whereby it imposed a Tax on Gratuitous Transfer of Assets ("TGTA"), effective as of January 1, 2011.

The basic aspects of the TGTA are:

TGTA is applicable to any enrichment resulting from gratuitous transfers, including: inheritances, legacies, donations anticipated, or any other event that implies a gratuitous monetary enrichment.

The tax is payable by individuals and legal entities that are beneficiaries of a gratuitous transfer of assets.

For taxpayers domiciled in the Province of Buenos Aires, the tax is levied on the total amount of the gratuitous enrichment, in respect of property situated both in and outside of the Province of Buenos Aires. Instead, for taxpayers domiciled outside of the Province of Buenos Aires, the tax is levied only on the gratuitous enrichment resulting from the transmission of assets located within the Province of Buenos Aires.

The following types of property, which may be freely transferred, are deemed situated in the Province of Buenos Aires (i) securities and shares of stock, notes, membership or equity interests and other negotiable instruments representing capital stock, issued by governmental or private entities and companies domiciled in the Province of Buenos Aires; (ii) securities, shares of stock and other negotiable instruments issued by private entities or companies domiciled in a different jurisdiction that were physically situated in the Province of Buenos Aires at the time of their transmission; and (iii) securities, shares of stock and other negotiable instruments representing capital stock or its equivalent issued by entities or companies domiciled in another jurisdiction which are also physically situated in another jurisdiction, in proportion to the issuer's assets situated in the Province of Buenos Aires.

The gratuitous transfer of assets is exempt from tax when their aggregate value, excluding deductions, exemptions and exclusions, is equal to or lower than Ps.819,105 and it rises to Ps.3,410,400 when the transfer is done between parents, children and spouses.

Step-up rates from 1.603% to 8.519% have been established, based on the degree of kinship and taxable base involved.

As for the existence of the TGTA in other provinces, potential investors must analyze the tax consequences according to the jurisdictions involved in the specific case.

Court Taxes

In the event that it becomes necessary to institute legal actions in relation to our securities before a federal court in Argentina or the courts sitting in the City of Buenos Aires, a court tax will be imposed on the amount of any claim (currently at a rate of 3.0%). Certain court and other taxes could be imposed on the amount of any claim brought before the courts of the relevant province.

Treaties to Avoid Double Taxation

Argentina has signed tax treaties for the avoidance of double taxation with Australia, Belgium, Bolivia, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Italy, Mexico, Norway, Qatar, Russia, Spain, Sweden, Switzerland, The Netherlands, United Arab Emirates, United Kingdom, and Uruguay (through an information exchange treaty that contains clauses for avoidance of double taxation). In addition, Argentina has signed tax treaties with Turkey, Luxembourg, Japan, Austria and China, but they are still pending approval by the Argentine Congress. In turn, tax treaties are being negotiated with Colombia and Israel, and amendments to the current tax treaty with France. There is currently an agreement between Argentina and the United States on the exchange of Country-by-Country Reports, but there is no tax treaty or convention in effect between both countries. It is not clear when, if ever, a treaty will be ratified or entered into effect. As a result, the Argentine tax consequences described in this section will apply, without modification, to a holder of our common shares or ADSs that is a U.S. resident. Foreign shareholders located in certain jurisdictions with a tax treaty in force with Argentina may be exempted from the payment of the personal asset tax.

Inflow of Funds from Non-Cooperative Jurisdictions

Non-cooperative jurisdictions are those countries or jurisdictions that do not have in force with the Government an agreement for the exchange of information on tax matters or a treaty to avoid international double taxation with a broad clause for the exchange of information. Likewise, those countries that, having an agreement of this type in force, do not effectively comply with the exchange of information will be considered non-cooperative. The aforementioned treaties and agreements must comply with international standards of transparency and exchange of information on fiscal matters to which the Argentine Republic has committed itself. After the tax reform the white list system in force was replaced by a black list system. In this system, the Executive Branch would have to prepare and update a list of the countries considered as non-cooperative based on the aforementioned criteria. As of today, the United States is considered a cooperating country.

According to the legal assumption established by Law No. 11,683 Section 18.1 as amended, incoming funds from non-cooperative jurisdictions are considered unjustified net worth increases for the local receiver.

Unjustified net worth increases are subject to the following taxes:

- Income tax would be assessed on 110% of the amount of funds transferred;
- VAT would be assessed on 110% of the amount of funds transferred. Even though the concept “income arising from” is not clear, it could be construed as any fund transfer;
- from an account in a non-cooperative jurisdiction, or from a bank account opened outside of a non-cooperative jurisdiction but owned by an entity located in a non-cooperative jurisdiction; or
- to a bank account located in Argentina or to a bank account opened outside of Argentina but owned by an Argentina tax resident.

Notwithstanding the above, the Law provides that the Federal Administration of Public Revenues can accept those funds that derived from activities genuinely performed by an Argentine taxpayer, or by a third party in said jurisdiction.

With respect to the application of the above-mentioned legal presumption on incoming funds from jurisdictions considered as low or null tax jurisdictions (defined under section 15.3 of the Argentine Income Tax Law) further clarifications are expected to be issued by the implementing decree of the Tax Reform.

THE ABOVE SUMMARY DOES NOT REPRESENT A FULL ANALYSIS OF ALL THE TAX CONSEQUENCES AND DOES NOT ADDRESS ALL OF THE ARGENTINE TAX CONSEQUENCES THAT MAY BE APPLICABLE DERIVED FROM THE OWNERSHIP OF NEGOTIABLE OBLIGATIONS. POTENTIAL HOLDERS AND BUYERS SHOULD CONSULT THEIR OWN TAX ADVISERS REGARDING THEIR PARTICULAR TAX CONSEQUENCES. IT DOES NOT PURPORT TO BE A COMPREHENSIVE DESCRIPTION OF ALL THE ARGENTINE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO PURCHASE, OWN OR DISPOSE OUR SHARES. IN PARTICULAR, THIS SUMMARY DOES NOT DESCRIBE ANY TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY STATE, LOCALITY, MUNICIPALITY OR TAXING JURISDICTION OTHER THAN CERTAIN FEDERAL LAWS OF ARGENTINA.

United States Taxes

General. This following discussion is a summary of U.S. federal income tax consequences generally applicable to a U.S. holder (as defined below) who holds our Class B Shares or ADSs. It applies to a U.S. holder only if such holder holds our Class B Shares or ADSs as “capital assets” within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”) and is not a member of a special class of holders subject to special rules, including: a dealer in securities; a trader in securities that elects to use a mark-to-market method of accounting for his or her securities holdings; a tax-exempt organization; a life insurance company; a person liable for alternative minimum tax; a person that actually or constructively owns 10% or more of the voting power or value of our aggregate shares outstanding; a person that holds Class B Shares or ADSs as part of a hedging or straddle or conversion transaction; a person that purchases or sells Class B Shares or ADSs as part of a wash sale for tax purposes; a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) and partners or members therein; or a person whose functional currency is not the U.S. dollar.

This discussion is based on the Code, its legislative history, existing and proposed regulations, published rulings and court decisions, and the laws of Argentina all as currently in effect. These laws are subject to change, possibly on a retroactive basis. In addition, this section is based in part upon the assumption that each obligation in the Deposit Agreement and any related agreement will be performed in accordance with its terms.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds Class B Shares or ADSs, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding Class B Shares or ADSs should consult its tax advisor with regard to the U.S. federal income tax treatment of an investment in Class B Shares or ADSs.

A holder is a U.S. holder if such holder is a beneficial owner of Class B Shares or ADSs and such holder is: a citizen or resident of the United States; a domestic corporation or other entity taxable as such; an estate whose income is subject to U.S. federal income tax regardless of its source; or a trust, if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust.

In general, and taking into account the earlier assumptions, for U.S. federal income tax purposes, a holder of ADRs evidencing ADSs will be treated as the owner of the underlying Class B Shares represented by those ADSs, and exchanges of Class B Shares for ADRs, and ADRs for Class B Shares, will not be subject to U.S. federal income tax.

This discussion does not generally address any aspects of U.S. taxation other than federal income taxation. Holders of Class B Shares or ADSs are urged to consult their tax advisors regarding the U.S. federal, state and local tax consequences of owning and disposing of the Class B Shares or ADSs in their particular circumstances.

Taxation of Dividends. Under the United States federal income tax laws, and subject to the passive foreign investment company ("PFIC") rules discussed below, a U.S. holder must include in his or her gross income the gross amount of any dividend that we pay out of our current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). If the holder is a non-corporate U.S. holder, dividends that constitute qualified dividend income will be taxable at the preferential rates applicable to long-term capital gains; provided that the Class B Shares or ADSs are held for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and certain other holding period requirements are met. Provided that we are not a PFIC, for the year in which a dividend is paid or the preceding taxable year, dividends that are paid with respect to the ADSs that are readily tradable on an established securities market in the United States are qualified dividend income. Under this rule, we expect that the dividends we pay with respect to the ADSs will be qualified dividend income. Because the Class B Shares are not readily tradable on an established securities market in the United States, it is unclear whether dividends paid with respect to the Class B Shares will also be qualified dividend income.

The holder must include any Argentine tax withheld from the dividend payment in this gross amount even though the holder does not in fact receive it. The holder must include the gross amount of dividends in income when the holder, in the case of Class B Shares, or the depository, in the case of ADSs, receives the dividend, actually or constructively. The dividend will not be eligible for the dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations. Distributions in excess of current and accumulated earnings and profits, as determined for U.S. federal income tax purposes, will be treated as a non-taxable return of capital to the extent of a holder's basis in the Class B Shares or ADSs and thereafter as capital gain.

The amount of the dividend distribution that a holder must include in his or her income will be the U.S. dollar value of the peso payments made, determined at the spot peso/U.S. dollar rate on the date such dividend distribution is includible in such holder's income, regardless of whether the payment is in fact converted into U.S. dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date a holder includes the dividend payment in income to the date such payment is converted into U.S. dollars will be treated as ordinary income or loss and will not be eligible for the special tax rate applicable to qualified dividend income. Such gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes.

For foreign tax credit purposes, the dividend will generally be income from sources outside the United States. Dividends will, depending on the holder's circumstances, generally be either "passive" or "general" income, for purposes of computing the foreign tax credit allowable to the holder. Subject to certain limitations, the Argentine tax withheld and paid over to Argentina will generally be creditable or deductible against your U.S. federal income tax liability. Special rules apply in determining the foreign tax credit limitation with respect to dividends that are subject to the preferential tax rates.

However, it is likely that no U.S. foreign tax credit will be allowed to U.S. holders of Class B Shares or ADSs in respect of any personal property or similar tax imposed by Argentina (or any taxing authority thereof or therein) (for example, if such tax is not treated as an income tax for U.S. federal income tax purposes). The calculation of foreign tax credits and, in the case of a U.S. holder that elects to deduct foreign taxes, the availability of deductions, involve the application of complex rules that depend on a U.S. holder's particular circumstances. All U.S. holders should consult their own tax advisors regarding the creditability or deductibility of such taxes.

Taxation of Capital Gains. Subject to the PFIC rules discussed below, a U.S. holder that sells or otherwise disposes of Class B Shares or ADSs will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the U.S. dollar value of the amount realized and his or her tax basis (determined in U.S. dollars) in such Class B Shares or ADSs. Capital gain of a non-corporate U.S. holder is generally taxed at preferential rates where the holder has a holding period greater than one year. The gain or loss generally will be income or loss from sources within the U.S. for foreign tax credit limitation purposes.

As discussed in the previous paragraph, it is possible that a U.S. holder who sells or purchases the Class B Shares or ADSs may be subject to Argentine tax upon such sale or acquisition. If the seller is legally liable for the tax and the seller pays this tax, then the seller should be able to claim a foreign tax credit for U.S. federal income tax purposes in an amount equal to the amount of the tax, subject to generally applicable limitations. However, because the gain from a sale or other disposition of Class B Shares or ADSs will be U.S. source income, such seller would need a sufficient amount of other foreign source income that is untaxed, or that is taxed at a tax rate that is sufficiently lower than the U.S. tax rate applicable to such seller, in order to be able to claim this foreign tax credit. Additionally, if an Argentine tax is withheld on the sale or other disposition of Class B Shares or ADSs, then the seller must include the amount of such tax withheld in the amount realized upon the sale or disposition, even though the seller does not in fact receive it. If the purchaser is legally liable for the tax, then the purchaser will likely not be entitled to receive any tax credit in the United States in respect of the payment of any such taxes.

PFIC Rules. In general, a non-U.S. corporation will be classified as a “passive foreign investment company,” or PFIC, for U.S. federal income tax purposes, if either (i) 75% or more of its gross income consists of certain types of “passive” income or (ii) 50% or more of the fair market value of its assets (determined on the basis of a quarterly average) produce or are held for the production of passive income. For this purpose, cash is categorized as a passive asset. We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, 25% or more (by value) of the shares. We do not believe that we were a PFIC for the taxable year ended December 31, 2017. We do not anticipate being a PFIC for our current taxable year, although we can make no assurances in this regard. Our status as a PFIC in any year depends on our assets and activities in that year. We have no reason to believe that our assets or activities will change in a manner that would cause us to be classified as a PFIC for the current taxable year or for any future year, however this is a factual determination that is made annually and thus may be subject to change.

If we were to be treated as a PFIC, unless a U.S. holder makes a valid election to be taxed annually on a mark-to-market basis with respect to the Class B Shares or ADSs, gain realized on the sale or other disposition of the shares or ADSs would in general not be treated as capital gain. Instead, the U.S. holder would be treated as if he had realized such gain and certain “excess distributions” ratably over the holding period for the shares or ADSs and would be taxed at the highest tax rate in effect for each such year to which the gain was allocated, together with an interest charge in respect of the tax attributable to each such year. With certain exceptions, Class B Shares or ADSs will be treated as stock in a PFIC if we were a PFIC at any time during the holding period of a U.S. holder. In addition, dividends received from us will not be eligible for the special tax rates applicable to qualified dividend income if we are treated as a PFIC (or are treated as a PFIC with respect to a U.S. holder) either in the taxable year of the distribution or the preceding taxable year, but instead will be taxable at rates applicable to ordinary income. Additionally, U.S. holders owning our ADSs or Class B Shares may be subject to certain reporting obligations with respect to our ADSs or Class B Shares for years in which we were a PFIC.

If we were to be treated as a PFIC, we do not intend to provide the information necessary for U.S. holders of our ADSs or Class B Shares to make “qualified electing fund,” or QEF, elections, which, if available, would result in tax treatment different from the general tax treatment for PFICs described above.

Each U.S. holder should consult its own tax advisors concerning the U.S. federal income tax consequences of holding and disposing of our ADSs or Class B Shares if we were, are or become classified as a PFIC, including the possibility of making a mark-to-market election.

Information Reporting and Backup Withholding. Dividend payments with respect to ADSs or Class B Shares and proceeds from the sale, exchange or redemption of ADSs or Class B Shares may be subject to information reporting to the IRS and possible U.S. backup withholding. Backup withholding will not apply to you, however, if you furnish a correct taxpayer identification number and make any other required certification or that are otherwise exempt from backup withholding. U.S. holders that are required to establish their exempt status generally must provide such certification on IRS Form W-9. You should consult your tax advisor regarding the application of the U.S. information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding can be credited against your U.S. federal income tax liability, and you may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund with the IRS and furnishing any required information in a timely manner.

Individual U.S. holders and certain entities may be required to submit to the IRS certain information with respect to his or her beneficial ownership of the ADSs or Class B Shares, if such ADSs or Class B Shares are not held on his or her behalf by a financial institution. This law also imposes penalties if an individual U.S. holder is required to submit such information to the IRS and fails to do so. All U.S. holders are urged to consult their tax advisors regarding the application of information reporting rules to them.

THE DISCUSSION OF U.S. FEDERAL INCOME TAX CONSEQUENCES ABOVE IS NOT TAX ADVICE AND IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSEQUENCES RELATING TO THE OWNERSHIP OR DISPOSITION OF ADSS OR CLASS B SHARES. ALL U.S. HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE APPLICATION OF THE U.S. FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE, LOCAL AND FOREIGN TAX CONSEQUENCES TO THEM OF OWNERSHIP AND DISPOSITION OF ADSS OR CLASS B SHARES.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We are subject to the informational requirements of the CNV and BYMA and file reports and other information relating to our business, financial condition and other matters with the CNV and BYMA. You may read such reports, statements and other information, including our publicly filed Financial Statements, at the public reference facilities of the CNV and BYMA maintained in Buenos Aires. We are also required to file annual and special reports and other information with the SEC. You may read and copy any documents filed by us at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our filings with the SEC will also be available to the public at the offices of the NYSE, 11 Wall Street, New York, New York 10005.

We have appointed Citibank NA to act as depository for our ADRs. For so long as our ADRs are deposited with the depository, we will furnish the depository with our annual reports and summaries of all notices of general meetings of shareholders and other reports and communications that are made generally available to our shareholders.

The depository will, as provided in the Deposit Agreement, arrange for the mailing of summaries in English of such reports and communications to all record holders of our ADRs. Any record holder of ADRs may read such reports, notices, or summaries thereof, and communications at the depository's office. The depository's office is located at 388 Greenwich Street – 6th Floor New York, NY 10013.

Whenever a reference is made in this Annual Report to a contract or other document of ours, please be aware that such reference is not necessarily complete and that you should refer to the exhibits that are a part of the Annual Report for a copy of the contract or other document. You may review a copy of the Annual Report at the SEC's public reference room in Washington, D.C.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

Not applicable.

Item 11. Quantitative and Qualitative Disclosures About Market Risk

Our activities are exposed to market risk, including the foreign exchange rate risk, the interest rate risk and the commodity price risk. Financial risks are those derived from financial instruments we are exposed to during or at the closing of each fiscal year. Our risk management policy is defined with the objective of reducing the impact of the loss of purchasing power. Based on this, the Management Committee is in charge of defining policies, procedures, limits and measures to mitigate the impact of such risks.

For further information on our market risks, please see Note 16 to our Audited Financial Statements.

Item 12. Description of Securities Other than Equity Securities**American Depositary Shares****Fees and Charges Payable by a Holder of ADRs**

Our ADSs are listed on the NYSE under the symbol "TGS." Citibank NA is the Depositary of our ADSs pursuant to the Deposit Agreement. Each ADS represents the right to receive five shares.

Under the terms of the Deposit Agreement, as of the date of this Annual Report, an ADS holder may have to pay to the Depositary the fees specified in the table below.

The charges of the Depositary payable by investors are as follows:

Service	Rate	By Whom Paid
Issuance of ADSs (<i>e.g.</i> , an issuance upon a deposit of Shares, upon a change in the ADS(s)-to-Share(s) ratio, or for any other reason), excluding issuances as a result of distributions described in the Deposit Agreement.	Up to U.S.\$5.00 per 100 ADSs (or fraction thereof) issued.	Person receiving ADSs.
Cancellation of ADSs (<i>e.g.</i> , a cancellation of ADSs for delivery of deposited Shares, upon a change in the ADS(s)-to-Share(s) ratio, or for any other reason).	Up to U.S.\$5.00 per 100 ADSs (or fraction thereof) canceled.	Person whose ADSs are being canceled.
Distribution of cash dividends or other cash distributions (<i>e.g.</i> , upon a sale of rights and other entitlements).	Up to U.S.\$5.00 per 100 ADSs (or fraction thereof) held.	Person to whom the distribution is made.

Service	Rate	By Whom Paid
Distribution of ADSs pursuant to (i) stock dividends or other free stock distributions, or (ii) an exercise of rights to purchase additional ADSs.	Up to U.S.\$5.00 per 100 ADSs (or fraction thereof) held.	Person to whom the distribution is made.
Distribution of securities other than ADSs or rights to purchase additional ADSs (e.g., spin-off shares).	Up to U.S.\$5.00 per 100 ADSs (or fraction thereof) held.	Person to whom the distribution is made.
ADS Services.	Up to U.S.\$5.00 per 100 ADSs (or fraction thereof) held on the applicable record date(s) established by the Depositary.	Person holding ADSs on the applicable record date(s) established by the Depositary.

Disclosure for Fees Incurred in Past Annual Period. From January 1, 2023, to April 24, 2024, we received from the Depositary U.S.\$ 321,640 for the expenses incurred by us related to the administration and maintenance of the ADR program and investor relation activities.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

No events required to be reported have occurred that materially affect **tgs**.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

None.

Item 15. Controls and Procedures.

A. Disclosure Controls and Procedures

We carried out an assessment under the supervision and with the participation of our management, including our CEO and CFO, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined under Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of December 31, 2023. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon this assessment, our CEO and CFO concluded that our disclosure controls and procedures were effective in providing reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

B. Management's Annual Report on Internal Control Over Financial Reporting

Our management, including our CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with applicable IFRS Accounting Standards.

Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2023. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (2013). Based on this assessment, management concluded that, as of the end of fiscal year 2023, our internal control over the financial reporting was effective.

C. Attestation Report of the Registered Public Accounting Firm

PwC and EY have jointly audited and reported on the effectiveness of our internal controls over financial reporting as of December 31, 2023, as stated in their reports appearing herein.

D. Changes in Internal Control Over Financial Reporting

There have not been any changes in our internal control over financial reporting during the year ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16. [Reserved]**Item 16A. Audit Committee Financial Expert**

We have one audit committee financial expert serving on our Audit Committee. Our Board of Directors has identified Mr. Carlos Olivieri as an audit committee financial expert. Mr. Olivieri is an independent director within the meaning of Rule 10A-3 under the Exchange Act.

Item 16B. Code of Ethics

We have adopted a code of ethics (the “**Code of Ethics**”), applicable to all employees, including our principal executive, accounting and financial officers, and all directors. We will provide our Code of Ethics to any person without charge. Our Code of Ethics is available both on our website at <https://www.tgs.com.ar/investors/Corporate-governance> and is part of our integrity program. The information on our website is not incorporated into this Annual Report.

Any waivers to the Code of Ethics for directors or executive officers requiring disclosure under the NYSE Standards will be disclosed on our website. For more information, see, “*Item 16G. Corporate Governance.*”

Item 16C. Principal Accountant Fees and Services**Audit and Non-Audit Fees**

Fees billed for professional services provided to us by PwC and EY, during the years ended December 31, 2023 and 2022 in each of the following categories are:

	Year ended December 31,			
	PwC		EY	
	2023	2022	2023	2022
	(In thousands of pesos)			
Audit fees	269,510	245,620	275,772	245,399
Tax fees	-	-	11,816	-
Total fees	269,510	245,620	287,588	245,399

Audit fees. Audit fees in the above table represent services rendered for the audit of our annual Financial Statements for Form 20-F, the review of our quarterly reports, and services provided by PwC and EY in connection with statutory and regulatory filings or engagements.

Tax fees in the above table represent tax advisory services rendered by EY.

Audit Committee Pre-Approval Policies and Procedures

Consistent with SEC requirements regarding auditor independence, the Audit Committee pre-approves services prior to commencement of the specified service. Before the accountant is engaged to render audit or non-audit services, the Audit Committee must pre-approve the provision of services by our independent auditors prior to commencement of the specified service. The Audit Committee has delegated to its financial expert the authority to grant pre-approvals to auditors’ services. The decision of the financial expert to pre-approve a service is presented to the full Audit Committee at the next scheduled meetings.

All audit fees, audit-related fees, tax fees and other fees, if any, are submitted to our Audit Committee for prior approval. The Audit Committee evaluates the scope of the work to be performed by our accountants and the fees for such work prior to their engagement.

Consequently, all services and fees rendered by our independent auditors during the year ended December 31, 2023 were approved by the Audit Committee prior to their engagement to perform such work.

The general annual shareholders' meeting designates the external auditor.

Item 16D. Exemptions from the Listing Standards for Audit Committees

None.

Item 16E. Purchases of Registered Equity Securities of the Issuer by the Issuer and Affiliated Purchasers

Not applicable.

Item 16F. Change in Registrant's Certifying Accountant

None.

Item 16G. Corporate Governance

Our corporate governance practices are governed by:

- applicable Argentine law (particularly, the General Companies Act),
- the standards of BYMA,
- Capital Markets Law and Decree No. 1,023/2013,
- the standards of the CNV,
- our Bylaws,
- our integrity program and other internal control policies and procedures, and
- certain rules of the NYSE applicable to listed foreign private issuers.

We have securities that are registered with the SEC and listed on the NYSE and, consequently, we are subject to the rules and regulations of the NYSE.

Under the Corporate Governance Standards issued by the NYSE Standards, non-U.S. companies are permitted, in general, to follow their home country corporate governance practices in lieu of the provisions included in such standards. However, non-U.S. companies must comply with sections 303A.06, 303A.11 and 303A.12(b) and (c).

Our Corporate Governance Guidelines are available on our website www.tgs.com.ar.

According to Section 303A.11 of the NYSE Standards, foreign private issuers must disclose any significant ways in which their corporate governance practices differ from those followed by U.S. issuers. Accordingly, the following list reflects such differences:

Directors

According to NYSE Standards, listed companies must have a majority of independent directors. Argentine law does not require a majority of independent directors, but does require at least two independent directors on the Audit Committee. At our Board of Directors meeting held on April 17, 2024, three independent directors, meeting the independence criteria set forth under SEC regulations and NYSE Standards (but under CNV regulations, two qualify as independents) were appointed to the Audit Committee. We also have three alternate directors who qualify as independent.

Meeting of Non-Management Directors

According to NYSE requirements, non-management directors must meet at regularly scheduled executive sessions without management. None of Argentine law, the CNV Rules or our Bylaws requires that any such meetings be held. Under Argentine law, a board of directors must meet at least once every three months.

Nominating/Corporate Governance Committee

U.S. listed companies must have a nominating/corporate governance committee composed entirely of independent directors. Argentine law and regulations do not require us to have a nominating or corporate governance committee.

Compensation Committee

U.S. listed companies must have a compensation committee composed entirely of independent directors. Argentine law and regulations do not require this committee. However, our Audit Committee is required to give an opinion about the reasonableness of directors' fees and stock option plans (if applicable), as proposed by our Board of Directors, and the compensation paid to members of our Board of Directors is approved by our shareholders at their ordinary annual meeting.

Audit Committee

According to SEC regulations and NYSE Standards, listed companies must have an audit committee consisting of a minimum of three independent members. The members of the Audit Committee must be financially literate or must acquire such financial knowledge within a reasonable period and at least one of its members shall have expertise in accounting or financial management. Also, if a member of the Audit Committee is simultaneously a member of the Audit Committee of more than three public companies, and the listed company does not limit the number of Audit Committees on which its members may serve, then, in each case the Board of Directors shall determine whether the simultaneous service would prevent such member from effectively serving on the listed company's Audit Committee, and shall disclose its decision in the annual proxy statement of the company or in the company's annual report filed with the SEC.

Argentine law requires an Audit Committee to be comprised of at least three members with a majority of independent members. Pursuant to CNV standards, Audit Committee members are required to have knowledge in business, financial or accounting matters and issues. In addition, CNV standards require the training of Audit Committee members in the practice areas that would permit them to carry out their duties on the Audit Committee. Messrs. Carlos Olivieri, Carlos Alberto Di Brico and Luis Rodolfo Secco are independent directors under SEC regulations and NYSE Standards. Mr. Carlos Alberto Di Brico and Luis Rodolfo Secco are independent directors under CNV regulations.

Mr. Carlos Olivieri qualifies as a “financial expert” within the meaning of Item 16A of Form 20-F. See “*Item 16A. Audit Committee Financial Expert.*” The Audit Committee’s functions and duties are similar to those required by the NYSE. Furthermore, Argentine law does not limit the number of audit committees on which a member of its Audit Committee may serve.

Code of Conduct

According to Section 303A.10 of the NYSE Standards, listed companies must adopt and disclose a code of business conduct and ethics for directors, officers and employees, and promptly disclose any waivers of the code for directors or executive officers. In October 2005, our Board of Directors approved a “Code of Conduct” with the purpose of introducing SEC rules applicable to foreign registrants. Such code applies to all Board of Directors’ members, senior management, and employees, with no exceptions. Our Code of Conduct is available to the public on our website and as an Exhibit to this Annual Report. Our Code of Conduct is currently an annex of the integrity program.

CEO’s Certification

Each listed company’s CEO must annually certify to the NYSE that he or she is not aware of any violation by the company of the NYSE’s corporate governance listing standards. There is no such requirement under Argentine law.

Item 16H. Mine Safety Disclosure

Not applicable.

Item 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspection

Not applicable.

Item 16J. Insider Trading Policies

Not applicable.

Item 16K. Cybersecurity

We regularly assess risks from cybersecurity threats, monitor our information systems for potential vulnerabilities and tests those systems pursuant to our cybersecurity, policies, standards, processes and practices. To protect our information systems from cybersecurity threats, we use various security tools that help us to identify, escalate, investigate, resolve and recover from security incidents in a timely manner. These efforts include, among other things: mandatory trainings and drills on phishing attacks for all our employees and penetration testing, to help us evaluate the effectiveness of our information security processes and improve our security measures and planning.

Our cybersecurity program includes an incident response plan to engage cross-functionally across our company and report cybersecurity incidents to appropriate levels of management, including senior management, and the Audit Committee or Board of Directors, based on potential impact. We conduct annual cybersecurity awareness training and routinely tests cybersecurity awareness. In addition, we engage third-party cybersecurity experts to test, evaluate and recommend improvements on the effectiveness of our cybersecurity program through penetration testing, breach assessments, regular cybersecurity incident drill testing.

We base our cybersecurity on the Cybersecurity Framework developed by U.S. Department of Commerce’s National Institute Standards and Technology (“NIST”). We assess the maturity level tested against the latest cybersecurity trends and disclosure research. Our framework is based on NIST’s core functions to help us identify cybersecurity compliance gaps and requirements.

Governance

Our Chief Information Security Officer (“CISO”), in coordination with “Planning and risk management”, is responsible for leading the assessment and management of cybersecurity risks. The current CISO has over 20 years of experience in information security. The CISO provides regular reports to our senior management throughout the year, and to the Audit Committee or the Board of Directors, as appropriate. Such reports typically address, among other things, the our cybersecurity strategy, initiatives, key security metrics, penetration testing and benchmarking learnings, and business response plans as well as the evolving cybersecurity threat landscape. As of the date of this Annual Report, we have not identified any risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected, or are reasonably likely to materially affect us, including our business strategy, results of operations, or financial condition. While we believe our cybersecurity program to be appropriate for managing constantly evolving cybersecurity risks, no program can fully protect against all possible adverse events.

Our audit department, through an independent consultant, conducts a cybersecurity assessment and preparedness.

Annually and on an as-necessary basis, members of management and/or of the risk committee provide presentations to the Audit Committee regarding cybersecurity matters, including any material risks. These presentations include information regarding cybersecurity risks, the evolution of those risks and initiatives to optimize and improve the processes of cybersecurity.

We take a risk-based approach to cybersecurity and have implemented cybersecurity policies throughout our operations that are designed to address cybersecurity threats and incidents. In particular, in the event of a specific cybersecurity incident, a damage assessment report is prepared including information about the relevant security incident, such as incident status, informed stakeholders and remediation plans.

For additional information on these risks and potential consequences if the measures we are taking prove to be insufficient or if our proprietary data is otherwise not protected, see “Item 3. Key Information. D. Risk Factors: Our business has become dependent on digital technologies to conduct day-to-day operations and we may be subject to cyberattacks or other risks related to new technologies.”

Annually and on an as-necessary basis, members of management and/or of the risk committee provide presentations to the Audit Committee regarding cybersecurity matters, including any material risks. These presentations include information regarding cybersecurity risks, the evolution of those risks and initiatives to optimize and improve the processes of cybersecurity.

We take a risk-based approach to cybersecurity and have implemented cybersecurity policies throughout our operations that are designed to address cybersecurity threats and incidents. In particular, in the event of a specific cybersecurity incident, these presentations include information about the relevant security incident, such as incident status, informed stakeholders and remediation plans.

Our Chief Information Security Officer (“CISO”), in coordination with “Planning and risk management”, is responsible for leading the assessment and management of cybersecurity risks. The current CISO has over 20 years of experience in information security. The CISO provides regular reports to the Corporation’s senior management throughout the year, and to the Audit Committee or the Board of Directors, as appropriate, in its annual cybersecurity review. Such reports typically address, among other things, the Corporation’s cybersecurity strategy, initiatives, key security metrics, penetration testing and benchmarking learnings, and business response plans as well as the evolving cybersecurity threat landscape. As of the date of this Annual Report, we have not identified any risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected, or are reasonably likely to materially affect us, including our business strategy, results of operations, or financial condition. While we believe our cybersecurity program to be appropriate for managing constantly evolving cybersecurity risks, no program can fully protect against all possible adverse events. For additional information on these risks and potential consequences if the measures we are taking prove to be insufficient or if our proprietary data is otherwise not protected, see “Item 3. Key Information. D. Risk Factors: Our business has become dependent on digital technologies to conduct day-to-day operations and we may be subject to cyberattacks or other risks related to new technologies.”

PART III

Item 17. Financial Statements

The registrant has responded to Item 18 in lieu of responding to this Item.

Item 18. Financial Statements

The following Financial Statements are filed as part of this Form 20-F:

Transportadora de Gas del Sur S.A.

	Page
Reports of independent registered public accounting firms EY, Argentina, PCAOB ID #1449 PwC, Argentina, PCAOB ID #1349	F-3
Consolidated Statements of Comprehensive Income for the years ended December 31, 2023, 2022 and 2021	F-5
Consolidated Statements of Financial Position as of December 31, 2023 and 2022	F-6
Consolidated Statements of Changes in Equity for the years ended December 31, 2023, 2022 and 2021	F-7
Consolidated Statements of Cash Flows for the years ended December 31, 2023, 2022 and 2021	F-8
Notes to Consolidated Financial Statements for the year ended December 31, 2023 and comparative information	F-9

Exhibits

No.	
1.1	Corporate Charter and Bylaws.
1.2	Bylaws Amendments. ⁽¹⁾
2.4	Indenture dated May 2, 2018, entered into among tgs, Delaware Trust Company as trustee, co-registrar, paying agent and transfer agent, and Banco Santander Rio S.A., as registrar, Argentine paying agent, Argentine transfer agent and representative of the trustee in Argentina, relating to the issuance of tgs's Class 2, 6.750% senior notes due 2025. ⁽²⁾
2.5	Officers' Certificate establishing the terms of tgs' 6.750% Notes Due 2025. ⁽²⁾
2.6	Description of Securities Registered under Section 12 of the Exchange Act. ⁽³⁾
3.1	CIESA Shareholders' Agreement. ⁽⁵⁾
3.2	CIESA's Fourth Amendment to the Restructuring Agreement. ⁽⁶⁾
3.3	CIESA's Settlement Agreement. ⁽⁵⁾
4.1	Technical Assistance Service Agreement between tgs and Pampa Energía, dated December 26, 2017. ⁽²⁾
5.1	Financial lease agreement between Petrobras Argentina and tgs, dated July 25, 2016. ⁽⁷⁾
8.1	List of tgs's Subsidiaries.
9.1	Clawback Policy
11.1	Code of Ethics. ⁽⁴⁾
12.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
12.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

[13.1](#) Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

[13.2](#) Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

[15.1](#) Audit Committee Charter.⁽⁸⁾

-
- (1) Amendment incorporated by reference to our Annual Report on Form 20-F filed with the Securities and Exchange Commission for the year ended December 31, 2015 (Commission File No. 1-13396), (ii) amendment previously filed with the Securities and Exchange Commission pursuant to current report on Form 6-K, dated April 12, 2017 (Commission File No. 1-13.396), and (iii) amendment previously filed with the Securities and Exchange Commission pursuant to current report on Form 6-K, dated April 8, 2021 (Commission File No. 1-13.396).
 - (2) Incorporated by reference to our Annual Report on Form 20-F filed with the Securities and Exchange Commission for the year ended December 31, 2018 (Commission File No. 1-13396).
 - (3) Incorporated by reference to our Annual Report on Form 20-F filed with the Securities and Exchange Commission for the year ended December 31, 2019 (Commission File No. 1-13396).
 - (4) Incorporated by reference to our Annual Report on Form 20-F filed with the Securities and Exchange Commission for the year ended December 31, 2005 (Commission File No. 1-13396).
 - (5) Incorporated by reference to our Annual Report on Form 20-F filed with the Securities and Exchange Commission for the year ended December 31, 2012 (Commission File No. 1-13396).
 - (6) Incorporated by reference to our Annual Report on Form 20-F filed with the Securities and Exchange Commission for the year ended December 31, 2010 (Commission File No. 1-13396).
 - (7) Incorporated by reference to our Annual Report on Form 20-F filed with the Securities and Exchange Commission for the year ended December 31, 2017 (Commission File No. 1-13396).
 - (8) Incorporated by reference to our Annual Report on Form 20-F filed with the Securities and Exchange Commission for the year ended December 31, 2003 (Commission File No. 1-13396). We agree to furnish to the SEC upon request any instrument with respect to long-term debt that we have not filed as an exhibit pursuant to the exemption provided by instruction 2(b)(i) to Item 19 of Form 20-F.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

TRANSPORTADORA DE GAS DEL SUR S.A.
(Registrant)

By: /s/ Oscar José Sardi

Name: Oscar José Sardi
Title: Chief Executive Officer

/s/ Alejandro M. Basso

Name: Alejandro M. Basso
Title: Chief Financial Officer and Services Vice President

Dated: April 24, 2024

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRMS

To the Board of Directors and Shareholders of

Transportadora de Gas del Sur S.A.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Transportadora de Gas del Sur S.A. and its subsidiaries (together the “Company”) as of December 31, 2023 and 2022, the related consolidated statements of comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Company’s internal control over financial reporting as of December 31, 2023, based on criteria established in the Internal Control–Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated April 24, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are public accounting firms registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Impairment of long-lived assets related to Property, Plant & Equipment of the Natural Gas Transportation cash-generating unit

Description of the matter

At December 31, 2023, the Company's net book value of Property, Plant & Equipment ("PPE") related to the Natural Gas Transportation cash-generating unit was Argentine Pesos 571,161 million. As discussed in Notes 4 (j) and 5 (a) to the consolidated financial statements, PPE is tested to assess whether an impairment or reversal of a previous impairment is required when significant changes took place during the period, or that will take place in the near future, indicate that the recoverable value of the PPE amounts may be affected. An asset's recoverable amount is the higher of the fair value less costs to sell that asset, and its value-in-use. The value in use is calculated based on discounted future cash flows. Management's projected cash flows for the Natural Gas Transportation cash-generating unit considered significant judgements and assumptions relating to: discount rate, estimates of future tariff and the recognition of cost adjustments, and expected macroeconomic variables such as inflation and foreign exchange rates.

The principal considerations for our determination that performing procedures relating to the impairment of long-lived assets for PPE of the Natural Gas Transportation cash-generating unit is a critical audit matter are the significant judgment by management in estimating the value in use of this cash-generating unit, a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating management's significant assumptions related to discount rate, estimates of future tariff and the recognition of cost adjustments and expected macroeconomic variables such as inflation and foreign exchange rates. In addition, the audit effort involved professionals with specialized skill and knowledge.

How we addressed the matter in our audit

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These audit procedures included obtaining an understanding, evaluating the design and testing the operating effectiveness of controls over management's impairment review process, including controls over the review of the significant assumptions. These procedures also included, among others, evaluating the estimation methodology and testing the aforementioned significant assumptions and the completeness, accuracy, and relevance of underlying data used. The significant assumptions were compared with available economic trend data; the historical accuracy of management's estimates was evaluated; sensitivity analyses of the significant assumptions were performed to evaluate the changes in the value in use that would result from changes in the assumptions; the arithmetical accuracy of the discounted cash flows model was evaluated; and the disclosures in the consolidated financial statements were assessed. Professionals with specialized skill and knowledge were involved to assist in the evaluation of the methodology and the significant assumptions used in the future cash flows estimated by management.

/s/ Price Waterhouse & Co. S.R.L.

/s/ Paula Verónica Aniasi

/s/ Pistrelli, Henry Martin y Asociados S.R.L.
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Member of Ernst & Young Global Limited

Price Waterhouse & Co. S.R.L. ("PwC") has served as the Company's sole auditor since 2012. PwC and Pistrelli, Henry Martin y Asociados S.R.L have served as the Company's joint auditors since 2017.

City of Buenos Aires, Argentina

April 24, 2024

Buenos Aires, Argentina

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRMS

To the Board of Directors and Shareholders of
Transportadora de Gas del Sur S.A.

Opinion on Internal Control over Financial Reporting

We have audited Transportadora de Gas del Sur S.A. and its subsidiaries (together the “Company”) internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (“the COSO criteria”). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the consolidated statements of financial position of the Company as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the “consolidated financial statements”), and our report dated April 24, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are public accounting firms registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Price Waterhouse & Co. S.R.L.

/s/ Paula Verónica Aniasi

/s/ Pistrelli, Henry Martin y Asociados S.R.L.
PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Member of Ernst & Young Global Limited

City of Buenos Aires, Argentina

April 24, 2024

TRANSPORTADORA DE GAS DEL SUR S.A.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Stated in thousands of pesos as described in Note 3 and 4.d.)

	Notes	2023	2022	2021
Revenues	8.h.	452,808,754	512,342,769	539,731,171
Net cost of sales	8.i.	(284,745,744)	(299,080,771)	(289,121,457)
Gross profit		168,063,010	213,261,998	250,609,714
Administrative expenses	8.j.	(20,445,255)	(17,919,744)	(15,558,135)
Selling expenses	8.j.	(30,421,895)	(31,774,781)	(29,084,116)
Other operating results, net	8.l.	(758,787)	(238,221)	781,400
Operating profit		116,437,073	163,329,252	206,748,863
Net financial results				
Financial income	8.k.	294,405,478	92,726,942	41,686,746
Financial expenses	8.k.	(503,703,034)	(183,432,960)	(102,586,207)
Other financial results	8.k.	193,037,494	69,131,189	1,230,527
(Loss) / Gain on net monetary position	8.k.	(56,520,664)	11,734,721	57,022,289
Total net financial results		(72,780,726)	(9,840,108)	(2,646,645)
Share of (loss) / profit from associates	11	(30,399)	280,697	128,758
Net income before income tax		43,625,948	153,769,841	204,230,976
Income tax expense	14	(20,107,916)	(53,129,735)	(77,262,880)
Total comprehensive income for the year		23,518,032	100,640,106	126,968,096
Total comprehensive income attributable to:				
Owners of the Company		23,517,458	100,640,069	126,968,077
Non-controlling interests		574	37	19
Total comprehensive income for the year		23,518,032	100,640,106	126,968,096
Total comprehensive income per share attributable to owners of the Company:				
Weighted average number of outstanding ordinary shares		752,761,058	752,761,058	752,761,058
Basic and diluted earnings per share		31.24	133.69	168.67

The accompanying notes are an integral part of these consolidated financial statements.

TRANSPORTADORA DE GAS DEL SUR S.A.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022
(Stated in thousands of pesos as described in Note 3 and 4.d.)

	Notes	2023	2022
ASSETS			
Non-current assets			
Property, plant and equipment	12	992,908,809	917,031,971
Investments in associates	9	450,732	481,131
Financial assets measured at amortised cost	8.m.	107,191,030	125,068,419
Deferred income tax asset	14	-	85,357
Other receivables	8.a.	35,993	46,397
Total non-current assets		1,100,586,564	1,042,713,275
Current assets			
Other receivables	8.a.	37,249,578	50,375,287
Inventories		7,669,277	5,709,799
Trade receivables	8.b.	50,801,464	52,750,259
Contract assets		19,922	74,872
Financial assets measured at amortised cost	8.m.	105,327,557	4,478
Financial assets at fair value through profit or loss	8.n.	217,537,319	122,350,911
Cash and cash equivalents	8.c.	6,599,199	9,307,806
Total current assets		425,204,316	240,573,412
Total Assets		1,525,790,880	1,283,286,687
EQUITY			
Common stock		339,147,622	339,147,622
Treasury shares		18,802,759	18,802,759
Cost of acquisition of treasury shares		(34,019,849)	(34,019,849)
Additional paid-up capital		(9,868,857)	(9,868,857)
Legal reserve		44,829,443	39,797,439
Reserve for capital expenditures, acquisition of treasury shares and/or dividends		473,265,402	377,657,337
Accumulated retained earnings		23,517,458	100,640,069
Equity attributable to equity holders of the parent		855,673,978	832,156,520
Non-controlling interests		916	342
Total equity		855,674,894	832,156,862
LIABILITES			
Non-current liabilities			
Deferred tax liabilities	14	84,584,236	66,168,914
Taxes payables	8.f.	94,120	44,485
Contract liabilities	8.d.	54,811,939	36,488,917
Loans	13	411,081,275	282,428,472
Total non-current liabilities		550,571,570	385,130,788
Current liabilities			
Provisions	15	2,474,614	5,711,509
Contract liabilities	8.d.	4,516,724	3,255,624
Other payables	8.e.	74,374	892,354
Taxes payables	8.f.	2,538,114	2,941,856
Income tax payable		1,424,919	25,794
Payroll and social security taxes payable	8.o.	6,225,282	8,189,489
Loans	13	60,567,191	12,206,959
Trade payables	8.g.	41,723,198	32,775,452
Total current liabilities		119,544,416	65,999,037
Total liabilities		670,115,986	451,129,825
Total equity and liabilities		1,525,790,880	1,283,286,687

The accompanying notes are an integral part of these consolidated financial statements.

TRANSPORTADORA DE GAS DEL SUR S.A.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Stated in thousands of pesos as described in Note 3 and 4.d.)

	Shareholders Contributions						Retained Earnings						Non-Controlling interests
	Outstanding shares		Treasury shares				Legal reserve	Reserve for capital, expenditures acquisition of treasury shares and/or dividends	Accumulated retained earnings	Subtotal	Total		
	Common stock	Inflation adjustment to common stock	Common stock (1)	Inflation adjustment to common stock (1)	Acquisition cost of treasury shares (1)	Additional paid-up capital							
Balances at December 31, 2020	<u>752,761</u>	<u>338,394,861</u>	<u>41,734</u>	<u>18,761,025</u>	<u>(34,019,849)</u>	<u>(9,868,857)</u>	<u>314,061,675</u>	<u>31,944,595</u>	<u>228,453,315</u>	<u>30,088,789</u>	<u>290,486,699</u>	<u>604,548,374</u>	<u>286</u>
Resolutions of the Ordinary and Extraordinary Shareholders' Meeting held on April 20, 2021													
Legal Reserve	-	-	-	-	-	-	-	1,504,441	-	(1,504,441)	-	-	-
Derecognition of reserves	-	-	-	-	-	-	-	-	(228,453,315)	228,453,315	-	-	-
Reserve for capital expenditures, acquisition of treasury shares and/or dividends	-	-	-	-	-	-	-	-	257,037,663	(257,037,663)	-	-	-
Comprehensive income for the year	-	-	-	-	-	-	-	-	-	126,968,077	126,968,077	126,968,077	19
Balances at December 31, 2021	<u>752,761</u>	<u>338,394,861</u>	<u>41,734</u>	<u>18,761,025</u>	<u>(34,019,849)</u>	<u>(9,868,857)</u>	<u>314,061,675</u>	<u>33,449,036</u>	<u>257,037,663</u>	<u>126,968,077</u>	<u>417,454,776</u>	<u>731,516,451</u>	<u>305</u>
Resolutions of the Ordinary and Extraordinary Shareholders' Meeting held on April 5, 2022													
Legal Reserve	-	-	-	-	-	-	-	6,348,403	-	(6,348,403)	-	-	-
Derecognition of reserves	-	-	-	-	-	-	-	-	(257,037,663)	257,037,663	-	-	-
Reserve for capital expenditures, acquisition of treasury shares and/or dividends	-	-	-	-	-	-	-	-	377,657,337	(377,657,337)	-	-	-
Comprehensive income for the year	-	-	-	-	-	-	-	-	-	100,640,069	100,640,069	100,640,069	37
Balances at December 31, 2022	<u>752,761</u>	<u>338,394,861</u>	<u>41,734</u>	<u>18,761,025</u>	<u>(34,019,849)</u>	<u>(9,868,857)</u>	<u>314,061,675</u>	<u>39,797,439</u>	<u>377,657,337</u>	<u>100,640,069</u>	<u>518,094,845</u>	<u>832,156,520</u>	<u>342</u>
Resolutions of the Ordinary Shareholders Meeting held on April 19, 2023													
Legal Reserve	-	-	-	-	-	-	-	5,032,004	-	(5,032,004)	-	-	-
Derecognition of reserves	-	-	-	-	-	-	-	-	(377,657,337)	377,657,337	-	-	-
Reserve for capital expenditures, acquisition of treasury shares and/or dividends	-	-	-	-	-	-	-	-	473,265,402	(473,265,402)	-	-	-
Comprehensive income for the year	-	-	-	-	-	-	-	-	-	23,517,458	23,517,458	23,517,458	574
Balances at December 31, 2023	<u>752,761</u>	<u>338,394,861</u>	<u>41,734</u>	<u>18,761,025</u>	<u>(34,019,849)</u>	<u>(9,868,857)</u>	<u>314,061,675</u>	<u>44,829,443</u>	<u>473,265,402</u>	<u>23,517,458</u>	<u>541,612,303</u>	<u>855,673,978</u>	<u>916</u>

(1)As of December 31, 2023, 2022 and 2021 corresponds to 41,734,225 shares of par value Ps. 1 each, equivalent to 5.25% of the share capital. The acquisition cost of these shares amounted to Ps. 34,019,849.

The accompanying notes are an integral part of these consolidated financial statements.

TRANSPORTADORA DE GAS DEL SUR S.A.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Stated in thousands of pesos as described in Note 3 and 4.d.)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES			
Total comprehensive income for the year	23,518,032	100,640,106	126,968,096
Reconciliation of total comprehensive income to cash flows provided by operating activities:			
Depreciation of property, plant and equipment	60,627,686	60,950,789	58,299,089
Derivative financial instrument results	-	397,309	489,617
Disposal of property, plant and equipment	1,110,428	299,705	391,863
Share of loss / (gain) from associates	30,399	(280,697)	(128,758)
Increase in provisions	1,431,427	2,415,997	3,198,035
Interest expense accrual, net	24,531,192	20,358,571	26,134,469
Interest loss / (income) on other financial assets other than cash and cash equivalents	(199,708,381)	(65,945,299)	11,084,502
Income tax	20,107,916	53,129,735	77,262,880
Notes repurchase result	-	3,208,025	2,512,565
Allowance for doubtful accounts	170,614	-	(403,942)
Foreign exchange loss	241,047,247	87,512,022	40,242,824
Loss / (Gain) on net monetary position	49,271,652	(28,361,551)	(68,008,826)
Changes in assets and liabilities:			
Trade receivables	(38,881,408)	(24,329,924)	(33,878,919)
Other receivables	(14,626,895)	(20,273,824)	(25,617,265)
Inventories	(5,835,732)	(2,067,563)	(3,628,092)
Trade payables	29,356,331	13,825,512	16,383,766
Contract assets	4,121	-	582,015
Payroll and social security taxes	3,389,238	3,605,976	1,676,488
Taxes payables	1,630,621	965,703	2,008,062
Other payables	(215,333)	(100,968)	98,856
Provisions	(4,648)	(63,054)	(30,365)
Interest paid	(15,787,126)	(17,828,514)	(22,746,890)
Income tax paid	(11,180,071)	(79,993,022)	(26,034,476)
Contract liabilities	19,584,123	2,557,423	(2,823,138)
Derivative financial instruments payment	-	(340,365)	(228,548)
Cash flows provided by operating activities	189,571,433	110,282,092	183,803,908
CASH FLOWS USED IN INVESTING ACTIVITIES			
Additions to property, plant and equipment	(135,082,974)	(78,809,617)	(58,528,419)
Dividends received	-	-	1,103,915
Financial assets not considered cash equivalents	(71,345,431)	(46,424,919)	(126,276,690)
Cash flows used in investing activities	(206,428,405)	(125,234,536)	(183,701,194)
CASH FLOWS PROVIDED BY / (USED IN) FINANCING ACTIVITIES			
Proceeds from loans	35,743,858	19,197,823	-
Payments of loans	(10,890,826)	(268,393)	-
Payments of leases	(200,287)	-	-
Cost of repurchase of notes	-	(7,637,322)	(5,820,906)
Cash flows provided by / (used in) financing activities	24,652,745	11,292,108	(5,820,906)
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS	7,795,773	(3,660,336)	(5,718,192)
Cash and cash equivalents at the beginning of the year	9,307,806	26,865,150	42,607,202
Foreign exchange gain on Cash and cash equivalents	1,451,041	911,020	1,960,408
Monetary results effect on Cash and cash equivalents	(11,955,421)	(14,808,028)	(11,984,268)
Cash and cash equivalents at the end of the year	6,599,199	9,307,806	26,865,150

The accompanying notes are an integral part of these consolidated financial statements.
For further information, see Note 6.

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1. BUSINESS DESCRIPTION**Business Overview**

Transportadora de Gas del Sur S.A. (“**tgs**” or the “Company”) is one of the companies created as a result of the privatization of Gas del Estado S.E. (“GdE”). **tgs** commenced operations on December 28, 1992 and it is mainly engaged in the Transportation of Natural Gas, and Production and Commercialization of natural gas Liquids (“Liquids”). **tgs**’s pipeline system connects major natural gas fields in southern and western Argentina with natural gas distributors and industries in those areas and in the greater Buenos Aires area. The natural gas transportation license to operate this system was exclusively granted to **tgs** for a period of thirty-five years (“the License”). **tgs** is entitled to a one-time extension of ten years provided that it has essentially met the obligations imposed by the License and by the *Ente Nacional Regulador del Gas* (National Gas Regulatory Body or “ENARGAS”). The General Cerri Gas Processing Complex (the “Cerri Complex”), where **tgs** processes natural gas by extracting liquids, was transferred from GdE along with the gas transmission assets. **tgs** also provides midstream services, which mainly consist of gas treatment, removal of impurities from the natural gas stream, gas compression, gas transportation in fields, wellhead gas gathering and pipeline construction, operation and maintenance services. Also, telecommunications services are provided through the subsidiary Telcosur S.A. (“Telcosur”). These services consist of data transmission services through a network of digital terrestrial radio relay.

Subsequently, the corporate purpose of the Company was modified to incorporate the development of complementary activities, incidental, linked and / or derived from natural gas transportation, such as the generation and commercialization of electric power and the provision of other services for the hydrocarbon sector in general.

Major Shareholders

tgs’ controlling shareholder Compañía de Inversiones de Energía S.A. (“CIESA”), holds 51% of the common stock of the company, the National Security Administration (“ANSES”) holds 24% and the remaining 25% is held by the investing public (**tgs** has 5.25% of the shares in the portfolio).

CIESA is under joint control of Pampa Energía S.A. (“Pampa Energía”) with 50% and Grupo Inversor Petroquímica S.L. (“GIP”) and PCT L.L.C. with the remaining 50%.

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The following table shows the organizational structure, shareholders and related parties of **tgs** as of December 31, 2023:



Economic context

General framework

The Company operates in a complex economic context whose main variables have recently had strong volatility as a result of political and economic events at the national level.

2023 was a year in which the Argentine economy went through high levels of volatility and uncertainty. On the one hand, at the beginning of the year there was a record drought that implied a drop of approximately US\$ 20,000 million in the liquidation of foreign currency by the agro-export sector, negatively impacting not only the accounts of the Argentine Central Bank (“BCRA”) but also in tax collection. Additionally, as in any election year, political uncertainty has also generated deep macroeconomic imbalances.

This situation led the administration of former President Alberto Fernández to adopt various measures including, among others: (i) the issuance of new exchange restrictions, (ii) the establishment of the Tax for an Inclusive and Solidarity Argentina (“PAIS” according to its initials in Spanish), applicable to the acquisitions by Argentine residents of foreign currency intended for the purchase of certain goods and services from abroad, and other taxes in order to reduce the fiscal deficit and (iii) the freezing of certain internal prices.

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The low level of reserves in the BCRA has led the national government to restrict access to the Free and Single Exchange Market (“MULC” according to its initials in Spanish) in order to contain the demand for dollars and the flight of foreign currency, which means for the company a restriction when operating their businesses. These restrictions involved the implementation of an import payment control system subject to a series of limits determined by the Ministry of Commerce and the Federal Administration of Public Revenues (“AFIP” according to its initials in Spanish).

On October 22, 2023, the general elections were held in Argentina. The result yielded a new conformation of Congress as of December 10, 2023 (in a minority for the president-elect). On November 19, 2023, the runoff election was held, in which the opposition candidate for La Libertad Avanza politic party, Javier Milei, was elected president.

After taking office, the current administration launched a package of emergency measures aimed at relaxing controls and deregulating the economy, with the main objective of reducing the fiscal deficit. Among the main measures adopted we can mention:

- Announcement of an economic plan centered on the review of fiscal, exchange and monetary policy in which, among other issues: (i) a sharp cut in public spending is shown along with an increase in certain taxes, (ii) the price of the US dollar was raised against the Argentine peso from \$/US\$ 350 to \$/US\$ 800 and a monthly devaluation of 2%, (iii) reduction of energy and transportation subsidies and (iv) limits the monetary issue and modifies the Treasury financing program in order to reduce the BCRA’s liabilities.

- Issuance of the Decree of Necessity and Urgency (DNU) No. 70/2023 - “Bases for the Reconstruction of the Argentine Economy” that declares the public emergency in economic, financial, fiscal, administrative, pension, tariff, health and social matters until on December 31, 2025. This decree promotes economic deregulation and the insertion of Argentina in world trade through the adoption of international standards for the trade of goods and services.

- On December 27, 2023, the National Executive Branch sent the Draft Law of Bases and Starting Points for the Freedom of Argentines (the “Omnibus Law”) for consideration by the National Congress. On February 6, 2024, the government was forced to return the Omnibus Law to committees, since they did not gather the number of votes necessary for its approval. As of the date of issuance of these Consolidated Financial Statements, it is not possible to predict the impact that the Omnibus Law may have on our financial situation, equity and results of operations.

Among the main macroeconomic variables of 2023 we can mention:

- GDP drop by 1.4% in the year 2023;
- accumulated increase of 211.4% in the CPI;

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- increase to 40.2% in the poverty rate;
- increase in the official exchange rate (BNA selling rate) to \$808.45 per US dollar (with the gap with the “blue chip swap” dollar during much of the year being approximately 125% and as of December 31, 2023, 20%).
- A fiscal deficit equivalent to 3% of GDP.

*Restrictions on the Free and Single Exchange Market (“MULC”)**BCRA regulations*

The low level of reserves in the BCRA has led the national government to maintain very restrictive exchange controls for the purchase of foreign currency in the MULC for much of the year.

In order to regulate access to the MULC in order to contain the demand for dollars, the BCRA established a series of requirements that require the request for prior authorization from the BCRA for certain transactions, among them are the following:

- Payment of dividends to non-residents;
- Payment of imports of certain goods from abroad or cancellation of debts arising from their importation, except for some exceptions expressly provided for in the applicable regulations;
- The formation of external assets; and
- The payment of financial loans to non-residents.

All of these measures have been intensifying since April 2020, including measures linked to the trading of stock assets by companies.

Effective as of December 13, 2023, the BCRA issued Communication “A” 7917 in which a series of modifications are established for the purposes of access to the MULC. Between them:

- The payment systems for imports of goods and services (known as “SIRA” and “SIRASE” declarations) and the need to validate operations in the “Single Foreign Trade Current Account” computer system are eliminated.
- For new debts for imports, access to the MULC may be granted, without the need for prior approval from the BCRA, to make deferred payments for new imports of goods with customs entry registration according to the schedule established by type of goods.
- Regarding the importers’ debt prior to December 12, 2023, the AFIP and the BCRA regulated the use of “BOPREAL” (acronym in Spanish for Bond for the Reconstruction of a Free Argentina). The purpose of this bond is to pay off the importers’ debts, for which they had to previously register in a registry enabled for such purpose at the AFIP.

Tax regulations

Law No. 27,541 on Social Solidarity and Productive Reactivation in the Framework of the Public Emergency (B.O. 12/23/2019) and its modifications created the so-called PAIS Tax, which established a tax applicable to acquisitions by Argentine residents of currency foreign currency intended for the purchase of certain goods and services from abroad.

On July 24, 2023, Decree No. 377/23 was issued, later modified by Decree No. 29/2023 (effective as of December 13, 2023), by which it extends the PAIS Tax to the following operations:

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- The acquisition abroad of personal, cultural and recreational services (does not include educational teaching). 30% rate.
- Importation of luxury goods. 30% rate.
- The acquisition abroad of services included in the decree (technical, legal, accounting, managerial services, business services in general, charges for the use of intellectual property, advertising, engineering, audiovisual services, among others). 25% rate.
- The acquisition abroad of freight services and other transportation services for import or export operations of goods. Rate of 17.5% (previously 7.5%).
- The import of merchandise, with the exception of goods linked to energy generation whose scope has not yet been regulated. Rate of 17.5% (previously 7.5%).

Said decree was regulated on July 25, 2023 by General Resolution No. 5,393/23 of the AFIP in which, among other issues, the entry of a payment on account of the PAIS Tax is provided for in the case of acquisition of goods from the 95% of the total final tax to be paid. Said payment on account must be entered by the importer at the time of officialization of the import destination. The balance for the remaining 5% PAIS tax must be paid at the time of accessing the MULC at the time of payment abroad, with the intervening bank acting as collection and settlement agent.

Export settlement

On October 3, 2023, the Ministry of Energy issued Resolution No. 808/2023, through which exports of commercialized products are included within the Export Increase Program created by Decree No. 576/22. by the Society.

According to said program, the Company must enter 75% of the value of its exports in foreign currency into the country. The remaining 25% may be settled in pesos through the purchase of negotiable securities. To qualify for the scheme, exports must be settled between October 2 and October 20, 2023, and the effective export date must not be later than November 30, 2023.

Subsequently, through Decree No. 28/2023, the proportion mentioned above was modified, and currently 80% of the value of its exports must be imported into the country in foreign currency. The remaining 20% may be settled in pesos through the purchase of negotiable securities, the validity of the rule not being specified.

The context of volatility and uncertainty continues as of the date of issuance of these consolidated financial statements. Government measures already implemented, or those that may be implemented in the future, could eventually affect the results of operations, financial and equity situation of the Company.

Likewise, the Company's management permanently monitors the evolution of the variables that affect its business, to define its course of action and identify the potential impacts on its equity and financial situation. The reforms proposed by the new government began their legislative discussion process. It is not possible to predict at this time its evolution or new measures that could be announced. Likewise, the Company cannot guarantee that the aforementioned macroeconomic difficulties or the adoption of new measures by the Argentine Government to control inflation may affect its operations and financial situation.

The Company's financial statements must be read in light of these circumstances.

2. CONSOLIDATED FINANCIAL STATEMENTS

tgs presents its consolidated financial statements including Telcosur S.A. ("Telcosur") and CTG Energía S.A. ("CTG"), its consolidated subsidiaries, which are jointly referred to as "**tgs**" or "the Company".

These consolidated financial statements were approved and authorized for issuance by the Company's Board of Directors on April 24, 2024.

3. BASIS OF PRESENTATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

The CNV, in Title IV, Chapter III, Article 1 of the Rules has provided that listed companies must submit their consolidated financial statements by applying Technical Resolution No. 26 of the Argentine Federation of Professional Councils of Economic Sciences ("FACPCE"), which adopts the IFRS Accounting Standards issued by the IASB, its amendments and circulars for the adoption of IFRS Accounting Standards that the FACPCE dictates in accordance with the provisions of that Technical Resolution.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires management to make accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting fiscal year. Estimates are used when accounting for the allowance for doubtful accounts, income taxes, provisions for legal claims and others, depreciations and recoverable value of assets. Actual results could be significantly different from such estimates.

The presentation in the statement of financial position distinguishes between current and non-current assets and liabilities. The assets and liabilities are those expected to be realized or settled within twelve months after the end of the reporting period under review, and those held for sale. The fiscal year begins on January 1 and ends on December 31 of each year. The economic and financial results are presented on a fiscal year basis.

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The consolidated financial statements have been stated in thousands of Argentine pesos (“Ps.”) which is the functional currency of the Company, unless otherwise stated, and restated to reflect the effects of inflation as indicated in Note 4.d).

4. SIGNIFICANT ACCOUNTING POLICIES

4.a) New IFRS accounting standards

4.a 1) New standards and interpretations issued by the IASB effective for the years beginning on or after January 1, 2023 adopted by the Company

The new accounting standards, amendments and interpretations issued by the IASB that became effective as of January 1, 2023 and that have not had an impact on the Company’s consolidated financial statements are the following:

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Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12: “Income tax”

IAS 12 - Income Tax specifies how an entity accounts for income tax, including deferred tax, which represents tax to be paid or recovered in future periods.

The amendments clarify that the exemption defined in the standard to recognize deferred taxes when assets or liabilities are recognized for the first time is not applicable in the case of leases and provisions for decommissioning.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and early application is permitted.

This amendment did not have a significant impact on the Company’s consolidated financial statements.

Definition of Accounting Estimates – Amendments to IAS 8: “Accounting Policies, Changes in Accounting Estimates and Errors”

In February 2021, the IASB issued amendments to IAS 8, introducing a definition of “accounting estimates”. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The modifications are effective for annual reporting periods that began on or after January 1, 2023.

This amendment did not have a significant impact on the Company’s consolidated financial statements.

Disclosure of Accounting Policies – Amendments to IAS 1: Presentation of Financial Statements and IFRS – Practice Statement 2: Making Materiality Judgements

In February 2021, the IASB issued amendments to IAS 1 and IFRS Accounting Standards Practice Statement 2, Making Materiality, providing guidance and examples to help entities apply disclosure materiality judgments on accounting policies. The purpose of the amendments is to help entities provide information about accounting policies that is more useful, by replacing the requirement that entities disclose their “significant” accounting policies with “material” accounting policies and by adding guidance on how Entities apply the concept of materiality when making decisions about disclosures regarding accounting policies.

The modifications are effective for annual reporting periods that began on or after January 1, 2023.

This amendment did not have a significant impact on the Company’s consolidated financial statements.

Pillar Two model Rules – Amendments to IAS 12 - Income Taxes on International Tax Reform

In December 2021, the Organization for Economic Co-operation and Development (OECD) released the Pillar Two model rules (the Global Anti-Base Erosion Proposal, or ‘GloBE’) to reform international corporate taxation. Large multinational enterprises within the scope of the rules are required to calculate their GloBE effective tax rate for each jurisdiction where they operate. They will be liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate.

In May 2023, the IASB made narrow-scope amendments to IAS 12 which provide a temporary relief from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The modifications are effective for annual reporting periods that began on or after January 1, 2023.

As of the date of these Financial Statements, the adoption of the aforementioned amendments has not had effects since there is no tax regulatory framework related to that reform in the jurisdictions in which the Company operates.

4.a.2) New IFRS Accounting Standards issued that are not yet effective for the year beginning January 1, 2023.

The IFRS Accounting Standards that potentially have an impact on the Company, which are not mandatory and have not been adopted early in the year beginning January 1, 2023, are listed below.

On August 15, 2023, CNV General Resolution No. 972/2023 was published in the BO, which indicates that the early application of IFRS Accounting Standards and/or its modifications will not be admitted, unless the CNV specifically admits it.

Classification of liabilities as current and non-current - Amendments to IAS 1: Presentation of Financial Statements

On January 23, 2020, the IASB issued the classification of debt as current and non-current, which amends IAS 1 Presentation of Financial Statements. These amendments affect the requirements of IAS 1 for the presentation of debt.

Specifically, it clarifies the criteria for classifying debt as non-current. The date of application of the amendment was set for fiscal years beginning on or after January 1, 2024, with retroactive application.

This amendment did not have a significant impact on the Company’s consolidated financial statements.

Amendment to IAS 1 “Non-current liabilities with covenants”

In October 2022, the IASB issued Non-current Liabilities with Covenants, (Amendments to IAS 1), to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

The amendments are effective for reporting periods beginning on or after January 1, 2024.

It is expected that the application of said standard will not have a significant impact on the Company.

Supplier finance arrangements – Amendments to IAS 7 “Statement of cash flows” and IFRS 7 “Financial instruments – Disclosure”

In May 2023, the IASB has issued new reporting requirements on supplier financing arrangements. The modifications include new requirements for qualitative and quantitative information regarding financing agreements with financial providers that allow evaluating the effects of these agreements on liabilities, cash flows and exposure to liquidity risk.

Supplier financing arrangements are those characterized by: (i) a financial provider paying the amount that an entity owes to its commercial supplier and (ii) the entity pays the financial provider, according to the terms of the agreement.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The amendments do not require disclosure of comparative information.

It is expected that the application of said standard will not have a significant impact on the Company.

Lack of Exchangeability– Amendments to IAS 21 “Effects of changes in foreign exchange rates”

On August 15, 2023, the IASB issued the modification to IAS 21 called “Lack of Exchangeability” to provide guidelines in the latter case. The amendment requires entities to apply a consistent approach to evaluating whether a currency can be exchanged for another currency, and if not, determining the exchange rate to use for measurement purposes and the disclosures that need to be provided in its financial statements.

Once the absence of exchangeability between currencies has been identified, the exchange rate must be estimated that represents that which would be obtained in an orderly transaction between market participants and that reflects economic conditions. These modifications do not specify a methodology for estimating the exchange rate to be used, but rather it must be developed by each entity.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Early adoption is permitted.

4.b) Consolidation

4.b.1) Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. For this purpose and unless there are specific requirements, it is generally considered that **tgs** has control, when it has a participation equal to or greater than 50% of the available voting rights.

The accounting policies of the subsidiaries are consistent with the accounting policies adopted by the Company.

Inter-company transactions, balances and profit or loss from transactions between group companies are eliminated. Unrealized profit or loss are also eliminated.

Detailed data reflecting subsidiary control as of December 31, 2023 and 2022 is as follows:

Company	Incorporation country	% of shareholding and voting		Closing date	Main activity
		Direct	Indirect		
Telcosur	Argentina	99.98%	-	December 31	Telecommunication Services
CTG	Argentina	100%	-	December 31	Electricity related services

For consolidation purposes for the year ended December 31, 2023, the financial statements of Telcosur have been used at those dates. The subsidiary CTG does not record operations or significant assets and liabilities as of December 31, 2023.

On June 29, 2023, TGS Latam Energía S.A. was dissolved and its dissolution, liquidation and cancellation of registration was registered on July 3, 2023.

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4.b.2) Associates

Associates are entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition.

The Company accounted for the investments in its associates, under the equity method on the basis on the financial statements as of September 30, 2023 of *Gas Link S.A.* ("Link") and *Transporte y Servicios de Gas en Uruguay SA* ("TGU"). Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Company. The Company's management is not aware of any significant subsequent events which affected the financial statements as of September 30, 2023 of Link and TGU from this date to December 31, 2023.

Unrealized gains and losses resulting from transactions between **tgs** and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

In the table below, associates are disclosed, together with the percentage of shareholding and voting as of December 31, 2023 and 2022:

Company	% of shareholding and voting	Country	Main activity	Closing date
TGU	49.00%	Uruguay	Pipeline maintenance	December 31
Link	49.00%	Argentina	Pipeline exploitation and construction	December 31

As of December 31, 2022, the Company additionally considered its 49% interest in EGS, company that was liquidated in March 2023.

4.b.3) Joint arrangement

As indicated in "Note 23 – Associates and Joint Arrangement", on August 7, 2017, the Company proceeded to create a UT (similar to a joint operation) with *SACDE Sociedad Argentina de Construcción y Desarrollo Estratégico S.A.* ("SACDE") ("UT"). This operation is evaluated as a joint agreement under the provisions included in IFRS Accounting Standards 11 - Joint Arrangements since the parties have joint control of the operation, meaning that the decisions of the relevant activities are taken under the unanimous consent of the parties.

The Company has defined that the UT constitutes a joint operation given that it grants its participants a percentage of the rights over the assets and liabilities arising from each contract. Accordingly, the Company recognizes its share in the jointly operated assets, liabilities, revenues, costs and expenses.

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Accounting policies applicable to the UT have been modified and adapted, if applicable, to ensure consistency with the policies adopted by the Company. For further information regarding the UT, see Note 23.

4.c) Foreign currency translation

4.c.1) Functional and presentation currency

The consolidated financial statements are presented in thousands of Argentine Pesos, which is the Company's functional currency restated to reflect the effects of inflation as indicated in Note 4.d. Each subsidiary or associate determines its own functional currency based on the currency of the primary economic environment in which these entities operate.

4.c.2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at reporting date exchange rates, are recorded in the Statement of Comprehensive Income within financial income and financial expenses, as appropriate.

4.c.3) Associates

The functional currency of the associate company TGU, which is located abroad, is the US dollar, because it is the currency in which it substantially generates its income and incurs its expenses. Assets and liabilities were converted into Argentine pesos using the exchange rate prevailing at the end of each year, their common stock and retained earnings at their historical exchange rates and results at average exchange rates.

4.d) Restatement to current currency - Comparative Information

4.d.1) Regulatory framework

The consolidated financial statements as of December 31, 2023, including comparative figures, have been restated to take into account changes in the general purchasing power of the Company's functional currency (the Argentine peso) in accordance with IAS 29 "Financial Reporting in hyperinflationary economies" ("IAS 29") and CNV General Resolution No. 777/2018. As a result, the financial statements are stated in terms of the current unit of measurement at the 2023 balance sheet date.

IAS 29 requires that the financial statements of an entity that reports in the currency of a hyperinflationary economy, regardless of whether they are based on the historical cost method or the current cost method, are expressed in terms of the current unit of measurement at the closing date of the reporting period. In order to conclude on the existence of a hyperinflationary economy, the standard details a series of factors to be considered, among which is a cumulative inflation rate over three years that approaches or exceeds 100%.

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The accumulated inflation in three years is over 100%. Likewise, both the National Government projections and other available projections indicate that this trend will not be reversed in the short term.

To evaluate the aforementioned quantitative condition, and also to restate the financial statements, the CNV has established that the series of indexes to be used for the application of IAS 29 is determined by the FACPCE. This series of indexes combines the National Consumer Price Index ("CPI") as of January 2017 (base month: December 2016) with the Domestic Wholesale Price Index ("IPIM"), both published by the Institute National Statistics and Census ("INDEC") until that date. For the months of November and December 2015, for which there is no information from the INDEC on the evolution of the IPIM, the variation in the CPI of the Autonomous City of Buenos Aires was applied.

Considering the aforementioned index, inflation was 211.40%, 94.79% and 50.94% in the years ended December 31, 2023, 2022 and 2021 respectively.

4.d.2) Restatement mechanism

The financial statements must be adjusted to consider changes in the general purchasing power of the currency, so that they are expressed in the current unit of measurement at the end of the reporting period. Said requirements also include all the comparative information of the financial statements, without modifying the decisions made based on the financial information corresponding to those financial years.

The figures as of December 31, 2022 and 2021, which are presented in these Consolidated Financial Statements for comparative purposes, arise from the restatement to the current unit of measure of the Financial Statements as of said dates, in accordance with IAS 29.

Restatement of the balance sheet

i. Monetary items (those with a fixed nominal value in local currency) are not restated, since they are already expressed in the current unit of measurement at the closing date of the reporting period. In an inflationary period, maintaining monetary assets generates loss of purchasing power and maintaining monetary liabilities generates a gain in purchasing power, provided that such items are not subject to an adjustment mechanism that compensates to some extent for these effects. The monetary loss or gain is included in the result of the period in which it is reported.

ii. The non-monetary items measured at their current values at the end of the reporting period are not restated for the purpose of their presentation in the balance sheet, but the adjustment process must be completed to determine in terms of a homogeneous unit of measurement the results produced by the holding of these non-monetary items.

iii. Non-monetary items measured at historical cost or at a fair value as of a date prior to the closing date of the reporting period are restated by coefficients that reflect the variation in the general price level from the date of acquisition or revaluation to the closing date, proceeding then to compare the restated amounts of those assets with the corresponding recoverable values.

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iv. The restatement of non-monetary assets in the terms of the current unit of measurement at the end of the reporting period without an equivalent adjustment for tax purposes, results in a temporary taxable difference and the recognition of a deferred tax liability whose counterparty is recognized in the result of the period. For the closing of the subsequent period, the deferred tax items are restated for inflation to re-determine the charge to the result of the next period.

v. When the capitalization of costs for loans in non-monetary assets in accordance with IAS 23 is applicable, the portion of those costs that compensate the lender for the effects of inflation is not capitalized.

Restatement of the Comprehensive Income Statement

Revenues and expenses (including interest and foreign exchange differences) are restated from the date of their booking, except for those items of the result that reflect or include in their determination the consumption of assets measured in purchasing power of a date before the consumption booked, which are restated based on the date of origin of the asset to which the item is related (for example, depreciation and other consumption of assets measured at historical cost); and also those results that arise from comparing two measurements expressed in purchasing power currency of different dates, for which it is necessary to identify the amounts compared, restate them separately, and make the comparison, but with the amounts already restated.

The result of the exposure to the change in the purchasing power of the currency (monetary results) is presented in a separate line and reflects the effect of inflation on the monetary items.

Restatement of the statement of changes in equity

As of the transition date (January 1, 2016), the Company applied the following special rules:

i. The components of the capital stock were restated from the dates they were contributed.

ii. Reserved earnings were maintained at the date of transition at their nominal value (legal amount without restatement).

iii. The restated unallocated results were determined by the difference between the net assets restated at the transition date and the rest of the initial equity components expressed as indicated in the preceding sections.

iv. After the restatement at the transition date, all the components of the equity are restated by applying the general price index from the beginning of the period, and each variation of those components is restated from the date of contribution or from the moment in which is added by any other means.

Restatement of the statement of cash flows

IAS 29 requires that all items in this statement should be restated in terms of the current unit of measurement as of the closing date of the period for which it is reported.

The monetary result generated by cash and cash equivalents is presented in the Statement of Cash Flows separately from cash flows from operating, investing and financing activities, as a specific item of the reconciliation between cash and cash equivalents at the beginning and at the end of the year.

4.e) Financial instruments

4.e.1) Financial assets

Recognition and initial measurement

Financial assets are classified, at the time of initial recognition, as:

- i. Financial assets subsequently measured at amortized cost, and
- ii. Financial assets subsequently measured at fair value (either with changes in other comprehensive income or with changes in results).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. For additional information, see Note 16.2.1.

Subsequent measurement

After initial recognition, financial assets are measured according to their initial classification according to the following categories:

Financial assets measured at amortized cost

It is the most relevant category used by the Company, financial assets are classified and measure at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost are subsequently measured using the effective interest method.

Gains and losses are recognized in the Statement of Comprehensive Income under financial results when the asset is derecognized, modified or impaired.

Financial assets at fair value through OCI (Debt instruments)

Corresponds to financial assets that are maintained in a business model whose objective is achieved by obtaining contractual cash flows and selling them.

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Unrealized gains or losses arising from changes in fair value are recognized as other comprehensive income, except for the accrual of interest, exchange rate difference and the impairment of such assets that are recognized as financial results in the Statement of Comprehensive Income. At the time the asset is written off, the accumulated gain or loss is recognized as a financial result and it is eliminated from the respective reserve.

As of December 31, 2023 and 2022, the Company has not recognized any financial assets under this category.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the Statement of Comprehensive Income when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

As of December 31, 2023 and 2022, the Company has not recognized any financial assets under this category.

Financial assets at fair value through profit or loss

In the event that financial assets are not classified according to the aforementioned categories, they will be subsequently measured at fair value, presenting gains or losses arising from changes in fair value in the income statement within financial results in the year in which they are originated.

Impairment of financial assets

The Company applies the Expected Credit loss ("ECL") model for those financial assets accounted for at amortized cost or at fair value through OCI. The ECL is based on the difference between the contractual cash flows due in accordance with the contract and the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. To this end, the Company evaluates various factors, including credit risk, historical trends and other available information.

The application of this model implies recognition of:

- Expected credit losses within of 12 months: these are expected credit losses that result from possible default events within 12 months after the filing date; and
- Expected credit losses during the life of the asset: these are expected credit losses that result from possible events of default during the expected life of a financial instrument.

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In case a loss allowance is recognized, the carrying amount of the asset is reduced through an impairment account and the amount of the loss is presented in the Statement of Comprehensive Income at the time it occurs. Subsequent recoveries of amounts previously written off are credited in the same line item.

The impairment tests performed on accounts receivable are described in Note 4.h.

4.e.2) Financial liabilities

Includes trade payables, loans, other payables and certain payroll and social security taxes payable.

Recognition and initial measurement

Financial liabilities are classified, at initial recognition, as subsequently measured at amortized cost or at fair value through profit or loss, as appropriate.

All financial liabilities are recognized initially at fair value net of transaction costs.

They are classified in current liabilities, except those whose maturity exceeds twelve months, which are classified as non-current liabilities.

Subsequent measurement

Financial liabilities at fair value through profit or loss

Includes financial liabilities measured at fair value. As of December 31, 2023 and 2022 there are no instruments classified in this category.

Financial liabilities at amortized cost

The Company includes financial liabilities with fixed or determinable payments that are not quoted in an active market. Current liabilities are included, except those whose maturity exceeds twelve months including premiums, discounts and direct expenses, which are included as non-current liabilities. They are measured using the effective interest method. As of December 31, 2023 and 2022, all of the Company's financial liabilities were classified in this category.

Offsetting of financial instruments

Financial assets and liabilities are offset when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

4.f) Derivative financial instruments

Derivative financial instruments are recognized at their fair value at inception and subsequently measured at their fair value and disclosed as assets or liabilities depending if it is gain or loss. The results of derivative financial instruments are classified under "Financial income / expenses" in the statement of comprehensive income, or in the other comprehensive income if hedge accounting is applied.

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Derivative financial instruments are measured in accordance with IFRS Accounting Standards 13 “Fair value measurement”.

The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument or not and, according to the nature of the item being hedged.

4.g) Inventories

Inventories consist of natural gas (in excess of the “Line Pack”, classified as property, plant and equipment) in the Company’s pipeline system, and the liquids stored obtained from natural gas processing at the Cerri Complex.

Inventories are measured at the lower of cost restated for the inflation effects as mentioned in Note 4.d. or net realizable value. Cost is determined using the weighted average cost method. The cost of inventories includes expenditure incurred in purchasing and production and other necessary costs to bring them to their existing location and condition.

The net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs to make the sale.

The assessment of the recoverable value of these assets is made at each reporting date, and the resulting loss is recognized in the statement of comprehensive income when the inventories are overstated.

4.h) Trade receivables and other receivables

Trade receivables are amounts due from customers for goods and services performed in the ordinary course of business. Contract assets are unbilled amounts due to customers related to works in progress.

Trade receivables, contract assets and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less allowance for trade receivables.

The Company applies the simplified approach to measuring expected credit losses for trade receivables, contract assets and other receivables. For this purpose, customers have been grouped based on shared credit risk characteristics, the existence of guarantees, historical credit losses experienced and the existence of judicial proceedings aimed at obtaining payment. Once each group was defined, an expected uncollectibility rate calculated based on historic default rates adjusted to future economic conditions was defined.

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If an impairment loss is recognized, the book amount of the asset is reduced through a provision account and the amount of the loss is recognized in the Statement of Comprehensive Income at the time it occurs. If in subsequent periods the amount of the impairment loss decreases, the reverse of the same is also recorded in the Statement of Comprehensive Income.

4.i) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits with banking institutions and other short-term, highly liquid investments with original maturities not exceeding three months and without being subject to a risk of a significant change of value.

4.j) Property, plant and equipment (“PPE”)

Assets transferred from the privatization of GdE: The value of these assets was determined based on the price paid for the acquisition of 70% of the Company’s common stock, which amounted to U.S.\$ 561.2 million. This price was the basis to determine a total value of common stock of U.S.\$ 801.7 million, which, when added to the debt assumed under the Company’s privatization agreement (the “Transfer Agreement”) of U.S.\$ 395 million, resulted in a total value for PPE of U.S.\$ 1,196.7 million. Such value, converted at the exchange rate in effect as of the date of the Transfer Agreement, has been restated for the effects of inflation as mentioned in Note 4.d, and less accumulated depreciation.

Line pack: It represents the natural gas in the transportation system that is necessary to keep the system at operating capacity, measured at acquisition cost and restated for the effects of inflation as mentioned in Note 4.d.

Materials: Materials are recognized at historical cost restated in accordance with Note 4.d. Consumption is restated based on the origin date of the acquisition of the asset.

Other items of PPE: have been valued at acquisition cost restated for the effects of inflation as mentioned in Note 4.d, and net of accumulated depreciation. They include, mainly, all the investments made to achieve system integrity and public safety equal to those required by international standards. Such investments included, among others, the costs of survey programs related to internal and external pipeline inspection, cathodic protection, pipeline replacement and recoating, and the facilities affected to the Production and Commercialization of Liquids and Midstream segment.

PPE additions are recorded at acquisition or construction cost less accumulated depreciation and impairment losses (if applicable), except land, which is recorded at historical cost acquisition minus any impairment (if applicable), all this restated for the effects of inflation as mentioned in Note 4.d. The cost includes the cost of replacing significant components and the borrowing costs derived from loans that finance its construction to the extent that the requirements for recognition as assets are met.

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Subsequent costs restated for the effects of inflation as mentioned in Note 4.d. are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be reliably measured. The carrying amount of a replaced component is written off. In the same way, when a major maintenance is carried out, they are added to the cost of the equipment if the recognition criteria are satisfied, eliminating any remaining non-depreciated remaining value restated for the effects of inflation as mentioned in Note 4.d, if any, of previous overhaul.

In this sense, Resolutions No. 1660/2000 (“Resolution 1660”) and No. 1903/2000 (“Resolution 1903”) issued by ENARGAS include definitions about the costs that should be considered as improvements or maintenance expenses. All other repairs and maintenance are charged to the statement of comprehensive income when incurred.

In accordance with IAS 23, the Company capitalizes financial expense on long term construction projects, until the moment in which the asset is in conditions for its use. Capitalization of borrowing costs is carried out considering the provisions of IAS 29, recording as an expense in the Statement of Comprehensive Income the part of the borrowing costs that compensates for inflation during the same period. As of December 31, 2023 and 2022 there have not been capitalized borrowing costs.

Depreciation related to natural gas transportation assets is computed under the straight-line method over the estimated useful lives of the specific assets, which are not exceeding the maximum useful lives established by ENARGAS through Resolutions 1660 and 1903.

For depreciation of all other PPE, the Company uses the straight-line method of depreciation based on the useful life assigned to each item.

Major maintenance costs are depreciated according to the estimated time until the next major maintenance planned. Regarding the capitalized financial costs, they are depreciated based on the remaining useful lives of those components of PPE that originated such capitalization.

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. For further information, see Note 12.

The result generated by the disposal of PPE components is recognized in the year in which it is generated.

Impairment of non-financial assets: The Company assesses at each reporting period whether there is an indication that an individual component or a group of PPE may be impaired.

If any indication exists, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of the fair value less costs to sell that asset, and its value-in-use.

That amount is determined for and individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets; in which case, the cash flows of the group of assets that form part of the cash-generating unit (“CGU”) to which the belong are taken.

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Where the carrying amount of an individual asset or CGU exceeds its recoverable amount, the individual asset or CGU, as the case may be, is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the consolidated statement of comprehensive income.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. To such end, the management makes estimates and assumptions of the economic conditions that will prevail throughout the useful life of the assets.

As a result of the factors mentioned above, actual cash flows and values could vary significantly from projected cash flows and the values derived from the discounting techniques used.

Impairment losses, if any, are recognized in the statement of comprehensive income.

As of December 31, 2023 and 2022, the book value of PPE did not exceed its recoverable value.

Infrastructure used in the natural gas transportation service: for its measurement and disclosure, the Company has evaluated the application of Interpretation No. 12 “Service Concession Agreements” (IFRIC 12) that sets the guidelines for the accounting of private entities that provide public services through a service concession agreement or a contract of a similar nature.

Considering the current terms and conditions of the License, **tgs** concluded that the License is outside the scope of IFRIC 12, as it is considered in substance to provide for an indefinite term because the infrastructure will never revert to the grantor and due to the characteristics of renewal of the License that give a similar result to what which would result from having obtained a perpetual right to operate the infrastructure.

The evaluation carried out and the conclusions reached by **tgs** are consistent with those of other transportation and natural gas distribution companies in Argentina that are subject to the similar regulations and license agreements. The evaluation was carried out jointly, when the transportation and distribution companies adopted the IFRS Accounting Standards in Argentina in 2012, together with the FACPCE, the Buenos Aires Stock Exchange (Bolsas y Mercados Argentinos -“BYMA”) and the CNV, considering the contributions of ENARGAS with respect to the regulatory aspects of the License agreements. In this regard, the CNV issued General Resolution No. 613/2012, ratifying that IFRIC 12 does not apply to natural gas transportation and distribution licenses established under the regulatory framework described in Note 17.

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4.k) Leases

Leases are recognized as a right-of-use asset and a corresponding liability at the date on which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and the finance cost. The finance cost is expensed over the lease term to produce a constant periodic interest rate on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the useful life of the asset or the term of the contract.

Assets and liabilities arising from a lease are initially measured based on the present value of the lease. Liabilities include the net present value of the following lease payments:

- a) Fixed payments, less any incentive receivable;
- b) Variable lease payments;
- c) Amounts expected to be collected as a guarantee of the residual value;
- d) The exercise price of the lease option; and
- e) Penalty payments for termination of the lease.

Lease payments are discounted using the interest rate implicit in the lease. If such rate cannot be determined, the Company's incremental borrowing rate is used, which is the rate that **tgs** would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment.

Right-of-use assets are measured at cost which comprises the following:

- a) The amount of the initial measurement of the lease liability;
- b) Any lease payments made on or before the commencement date less any lease incentives received;
- c) Any initial direct costs; and
- d) Restoration costs

These assets, which are subject to the risk of impairment, are depreciated on a straight-line basis over the shorter of the useful life of the leased asset or the lease term.

Payments associated with short-term leases and low-value assets are recognized on a straight-line basis as an expense in the Statement of Income. Short-term leases are those with a term of 12 months or less. Low-value assets comprise computer equipment, vehicles, small items of office furniture and real estate.

The Company has rights to use assets that are shown as part of Property, plant and equipment (see Note 12). Lease liabilities are shown under Financial Debt (see Note 13). For further information regarding the expense related to short-term and low value leases and the interest expense on lease liabilities, see Note 8.j. and 8.k., respectively.

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4.l) Loans

Loans have been initially recorded at fair value net of direct attributable transaction costs. Subsequently, loans are measured at their amortized cost. Liabilities are disclosed as non-current when their maturity exceeds twelve months.

4.m) Trade payables

Trade payables are initially recognized at fair value. Subsequently they are measured at amortized cost using the effective tax method.

4.n) Income tax and deferred income tax

Income tax includes current tax and deferred income tax. Income tax is presented in the Statement of Comprehensive Income.

The current income tax is calculated on the basis of tax regulations in force at each reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which tax regulations are subject to interpretation and establishes provisions if applicable. As of December 31, 2023 and 2022, there are no provisions booked for this concept.

The Company has calculated income tax charges using the deferred tax method, which considers the effect of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

Deferred income tax assets and liabilities are measured at undiscounted nominal value at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting period date (See Note 14).

On December 29, 2017, the National Executive Branch promulgated Law No. 27,430 (the "Law 27630") on Tax Reform. It has introduced several changes to the text of the Income Tax Law. Law 27630 establishes a new treatment with the application of the following scale, updated for the years beginning on January 1, 2023, maintaining the 7% rate on dividends.

Accumulated taxable net profit		Will pay \$	More than %	On the surplus of \$
More than \$	to \$			
\$ 0	\$ 14,301,209	\$ 0	25%	\$ 0
\$ 14,301,209	\$ 143,012,092	\$ 3,575,302	30%	\$ 14,301,209
\$ 143,012,092	On forward	\$ 42,188,567	35%	\$ 143,012,092

A deferred tax is recognized on the temporary differences arising from investments in subsidiaries and associates, except for deferred tax liabilities where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are offset if the Company has a legally enforceable right to offset recognized amounts and when deferred tax assets and liabilities relate to income tax levied by the same tax authority on the same taxable entity or different taxable entities that intend to settle tax assets and liabilities on a net basis. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be generated against which the temporary differences can be used.

The assets and liabilities generated by the application of the deferred tax were measured at their nominal amount considering the restatements for inflation mentioned in Note 4.d) and are classified as non-current assets or liabilities.

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4.o) Provisions

The Company has recorded provisions related to legal actions, judicial court, claims and administrative proceedings, including interpretive questions of the current legislation and those of regulatory nature.

Provisions for legal claims and/or claims by third parties (“legal claims and others”) are recorded at the expected cancellation value when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Estimates are reviewed and adjusted, as the Company obtains additional information to be received.

4.p) Revenue recognition from contract with customers

Revenue is measured at the fair value of the consideration received or to be received, and represents amounts receivable for goods and/or services supplied. Revenue is recognized when the control of goods or services is transferred to the customer and the consideration is determined by an amount that reflects the consideration that the Company expects to receive.

Tax on exports and turnover tax are disclosed as Selling Expenses.

The following are the accounting policies of the Company for the recognition of revenue of each of the business segments defined by our management:

Natural Gas Transportation

Natural Gas transportation services includes: (i) firm natural gas transportation, whose revenues are recognized when the capacity is reserved and paid for regardless of actual usage by the customer, (ii) interruptible natural gas transportation and exchange and displacement services whose revenues are recognized when services are rendered and (iii) the operation and maintenance service of the assets affected by the natural gas transportation service corresponding to the expansions promoted by the National Government and whose ownership corresponds to the trusts created for such purpose whose revenues are recognized when services are rendered.

The applicable rates arise from the tariff tables published by ENARGAS. Thus Company’s revenues are recognized by the amount for which it will be entitled to receive as consideration.

At the end of each month, **tgs** recognizes, over the time, its revenues from sales equivalent to the firm reserved capacity, the volumes of natural gas transported under the modalities of interruptible and exchange and displacement and by the operation and maintenance services. In return, a trade receivable is recognized which represents an unconditional right that the Company has to receive the consideration owed by the customer. On the other hand, the billing of the service is done monthly and according to the guidelines established by ENARGAS, the consideration is received within said calendar month.

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Liquids Production and Commercialization

This business segment includes: (i) production and commercialization of liquids, and (ii) other liquid services.

Liquids Production and Commercialization in the domestic market

In the domestic market, **tgs** sells the production of propane and butane to LPG retailers in the framework of the programs created by the National Government to supply the domestic market. The sale prices are determined by the ex-Secretary of Hydrocarbon Resources (“SHR”). For more information, see Note 17 - Regulatory framework – b) Regulatory framework for non-regulated segments - to these consolidated financial statements.

The price of those tons of propane and butane that are not sold within the framework of the aforementioned programs is determined by the Secretary of Energy based on the international reference prices.

Regarding ethane sales, they are made to PBB Polisor S.R.L. (“PBB”), the only customer to whom this product is sold. To estimate transaction price, the Company uses the most probable amount method. In this regard, the Company only recognizes those transactions where it is highly probable that they will not be reversed in the future.

Liquids Production and Commercialization in the foreign market

In the foreign market, the Company markets propane, butane and natural gasoline to international traders (“traders”) and other clients of worldwide renown, some of them through trucks.

These sales are made under short-term contracts (less than one year), with the price determined as reference to international prices plus / minus a fixed amount per ton sold.

For both domestic and foreign market sales, **tgs** transfers control and recognizes revenues when the products are delivered to the customer and therefore the product has been accepted and there is no evidence of the existence of pending obligations by the Company. It is at that moment when a trade receivable is recognized given that the receipt of the consideration is unconditional and only the passage of time is the only requirement for receiving the consideration owed by the customer.

Other liquids services

The Liquids production and commercialization segment also comprises reception, storage and dispatch of the liquids from the facilities located in Puerto Galván.

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Revenues are recognized when the service is effectively rendered, that is, after the dispatch to each vessel. The price is agreed by the parties being a fixed amount per ton of product dispatched, there being no variable components in them. These services are billed monthly, at which time an unconditional right to receive the consideration from the client arises.

Midstream

The services included in the Midstream segment consist mainly in (i) treatment, removal of impurities and natural gas compression, including the collection and transport of natural gas (ii) inspection and maintenance of pipelines and compressor plants, (iii) services of steam generation for electricity production and management services for expansion works and steam generation for the production of electricity and (iv) natural gas transportation services in Vaca Muerta.

Revenues from sales of this business segment are recognized over the time in the period in which the service is provided. The sale price is determined according to what arises from the contractual conditions agreed between **tgs** and its customers. In all cases, the recognition and billing of sales income is made on a monthly basis so that at that time a sales credit is recorded.

Revenues from the participation in the joint venture, which correspond to the construction activities provided by the joint venture, are recognized based on the stage of completion of the contractual activity (percentage of completion method), considering the estimated final margin of the work. To apply the percentage of completion method, the revenue recognized at the end of the period will correspond to the total contractual revenue multiplied by the actual percentage of completion, based on the proportion of the total direct contractual costs incurred to date, and the total direct contractual costs, including the estimated costs to complete the construction. Costs incurred in excess of the costs associated with revenue are recognized in Contract assets.

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Telecommunications

Revenues from the provision of Telecommunications services are recognized in the statement of comprehensive income at the time of effective performance of the service. The sale price is determined according to what arises from the contractual conditions agreed between **tg**s and its customers. The consideration is determined as a fixed monthly amount. In all cases, the recognition and billing of sales income is made on a monthly basis so that at that time a sales receivable is recorded.

Financial components

The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

4.q) Government grants

As part of its participation in propane and butane supply programs in the local market carried out by the National Government, (for more information see “Note 17 - Regulatory Framework - b) Regulatory framework for non-regulated segments”), the Company receives from the Secretary of Energy a series of subsidies that are recognized in accordance with the provisions of IAS 20 “Accounting for government grants and disclosures of government assistance” because they correspond to economic compensations calculated as the difference between the sale prices of the products determined in accordance with the legislation in force and the reference prices calculated by the Secretary of Energy.

Government grants are recognized at fair value whenever there is reasonable assurance that will be received and that the product has been delivered. They are presented within the caption “Revenues” of the statement of comprehensive income.

4.r) Contract liabilities

Mainly consist of pre-payments for services made by customers in order to finance the works to render the service. Contract liabilities are recognized initially at their fair value. Subsequent to initial recognition, advances from customers are measured at their amortized cost based on the projections of the services to be provided that cancel the advances, restated for the inflation effects as mentioned in Note 4.d).

4.s) Equity accounts

The activity in the Equity accounts reflects resolutions adopted by Shareholders in their meetings, or the effects of the laws or regulations in force. The equity accounts are restated for the inflation effects according to what is mentioned in Note 4.d), except the account Capital stock which is maintained at its original value.

Common stock and adjustment to common stock

The common stock consists of contributions made by shareholders represented by shares and comprises outstanding shares at their face value, net of treasury shares mentioned below.

Common stock accounts were restated in constant currency as mentioned in Note 4.d). Common stock account was kept at original value and the adjustment arising from such restatement is shown under “Inflation Adjustment to common stock”.

Common stock adjustment is not distributable in cash or in kind but may be capitalized through issuance of shares. In addition, this balance may be used to compensate accumulated losses.

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Treasury shares and adjustments to treasury shares

Corresponds to the reclassification of the nominal value and corresponding restatement in constant peso (Inflation Adjustment to Common Stock) of shares issued and repurchased by the Company in market transactions, as required by the current regulations of the CNV.

Own equity instruments that are reacquired (treasury shares) are recognized at cost restated for the inflation effects as mentioned in Note 4.d), and deducted from equity. No gain or loss is recognized on the purchase, sale or cancellation of the Company's treasury shares. Any difference between the carrying amount and the consideration, if reissued, is recognized as a premium on common stock or additional paid-up capital.

Additional paid-up capital

Corresponds to the difference between the carrying value of the treasury shares and the quoted value at the time were distributed (for more information see Note 19.b). It is restated according to what is mentioned in Note 4.d).

Legal Reserve

Pursuant to the provisions of the Argentine Business Association Law and the CNV, the Company is required to set up a legal reserve by providing at least 5% of the aggregate amount of net income for the year, prior year adjustments, transfers of other comprehensive income to retained earnings and accumulated losses of prior years, when this aggregate amount exceeds zero until the legal reserve equals 20% of the sum of Capital stock and Adjustment to capital stock balances.

Distribution of dividends

The cash dividend is recognized as a liability in the Company's financial statements in the year in which they are approved by the shareholders of the Company or the Board of Directors according to the powers delegated by the Shareholders' Meeting, as appropriate.

Retained earnings

The outstanding balance of retained earnings includes accumulated gains or losses which were not allocated to a specific purpose reserve and, when positive, may be distributed pursuant to the decision of the Shareholders provided these retained earnings are not subject to legal restrictions, as mentioned above "Legal reserve".

4.t) Basic and diluted earnings per share

Earnings per share for the years ended December 31, 2023, 2022 and 2021 were calculated as follows:

	2023	2022	2021
Net income attributable to owners of the Company	23,517,458	100,640,069	126,968,077
Weighted average number of outstanding shares ⁽¹⁾	752,761,058	752,761,058	752,761,058
Basic and diluted earnings per share	31.24	133.69	168.67

(1) The weighted average number of shares excludes treasury shares

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As of December 31, 2023, 2022 and 2021, there are no **tgs** instruments outstanding that imply the existence of potential ordinary shares, thus the basic net income per share for each of the three years ended on December 31, 2023, 2022 and 2021 matches the diluted net income per share.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with professional accounting standards requires the Company to make accounting estimates that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The making of such estimates involves **tgs** using assumptions and presumptions that are based on a number of factors, including past trends, events known at the date of issuance of these financial statements, and expectations of future events and their outcomes.

5.a) Impairment of PPE

As mentioned in Note 4.j), management periodically evaluates the existence of significant events or changes that could have an adverse effect on the Company or will take place in the near future that could affect the recoverable amount of PPE. PPE is tested to assess whether an impairment or reversal of a previous impairment is required when significant changes took place during the period or will take place in the near future indicate that the recoverable value of the PPE amounts may be affected. These evaluations are performed at the lowest level for which identifiable cash flows exist, i.e., for each CGU. The Management considers each business segment as a CGU.

When assessing whether an impairment indicator may exist, **tgs** evaluates both internal and external sources of information, such as the following:

- Whether significant decreases in the market values of PPE elements took place.
- Whether prices of the main products and services that are marketed decreased.
- Whether significant changes in the regulatory framework were introduced.
- Whether operating costs suffered a materially increase.
- Whether evidence of obsolescence or physical damage has occurred.
- Whether the macroeconomic situation in which **tgs** carries out its activities, including significant variations in the sale prices of products, raw materials, interest rates, etc, has worsen.

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Since August 2019, the main macroeconomic and business variables in Argentina suffered a significant deterioration. This situation was aggravated in 2020 by the negative consequences that COVID had on Argentina's economic situation which led the Argentine Government to take a series of measures even affecting the regulatory framework of the natural gas transportation segment (see Notes 1 and 17). Given these indicators of impairment of the book value of PPE, the recoverable value of Natural Gas Transportation segment CGU has been calculated based on its value in use as of December 31, 2023.

The value in use of PPE is sensitive to significant variation in the assumptions applied, including the determination of future tariffs determined by the Argentine Government in the Natural Gas Transportation segment.

The value in use is calculated based on the basis of discounted future cash flows. The projected cash flows are prepared taking into account significant assumptions relating to: (i) discount rate, (ii) estimates of future tariff adjustments and the recognition of cost adjustments, (iii) expected macroeconomic variables such as inflation and foreign exchange rates. The discount rate is based on a weighted average cost of capital ("WACC").

In performing the analysis for the Natural Gas Transportation segment, management considered among others: (i) the status of the negotiations with the Argentine Government, (ii) the contractual rights derived from the License, (iii) Management's expectations with respect to the transitional tariff increase to be granted until the new RTI is finalized, (iv) Management's expectation of the outcome of the new RTI process and (v) the impact of a cost monitoring scheme that allows for semi-annual adjustments to current tariffs.

Management has prepared, for the Natural Gas Transportation segment, three different estimates of the expected cash flows by sensitizing its main variables (as described above) and assigning probabilities of occurrence based on experience and considering the current socio-economic context, as follows:

- a) Base scenario: probability of occurrence assigned 50%.
- b) Optimistic scenario: probability of occurrence assigned 35%.
- b) Pessimistic scenario: probability of occurrence assigned 15%.

In order to make the comparison between the expected cash flow and the book value of the assets assigned to the Natural Gas Transportation segment, management has used a weighting of the scenarios, in accordance with the probabilities mentioned above, to determine the expected value in use.

As of December 31, 2023 and 2022, based on the foregoing, management has not determined the need to record an additional impairment charge.

As of December 31, 2023, the book value of the PPE related to Natural Gas Transportation cash-generating units amounted Ps. 571,160,601.

The estimated recoverable amounts of PPE items are sensitive to significant variation in the assumptions applied. In either case, there can be no assurance with certainty that the actual cash flows arising from these circumstances will be in line with the assumptions applied in determining the values in use. Therefore, significant differences could arise in the future in relation to the estimated values in use.

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5.b) Provisions for legal and other claims

The Company has recorded certain contingent liabilities related to legal, judicial or extrajudicial actions, claims and administrative proceedings, including those of a legal and regulatory nature. The Company records liabilities when their occurrence is probable and when a reliable estimate of their amount can be made. Provisions are based on events known to the Company at the date of issuance of its financial statements, their probability of occurrence, its estimates of the outcome of such matters and the experience of its legal advisors in contesting, litigating and settling other matters. To the extent that there are more elements of judgment that allow improving the evaluation of contingencies, there will be changes in the estimates of future charges, which could have an impact on the Company's future results and its economic and/or financial situation.

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6. SUPPLEMENTAL CASH FLOW INFORMATION

For purposes of the consolidated statement of cash flows, the Company considers all highly liquid temporary investments with an original maturity of three months or less at the time of purchase to be cash equivalents. The Cash Flow Statement has been prepared using the indirect method, which requires a series of adjustments to reconcile net income for the period to net cash flows from operating activities.

Non-cash investing and financing activities for the years ended December 31, 2023, 2022 and 2021 are presented below:

	2023	2022	2021
Unpaid acquisition of PPE	7,104,214	5,751,534	5,779,850
Principal payment of financial lease ⁽¹⁾	2,683,976	2,807,421	3,624,542

⁽¹⁾ Cancelled through compensation with trade receivables with the creditor. See Note 13.

Note 13 to these consolidated financial statements includes a reconciliation between the opening and closing balance of the financial liabilities arising from financing activities.

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7. CONSOLIDATED BUSINESS SEGMENT INFORMATION

IFRS Accounting Standards 8 “Operating Segments” requires an entity to report financial and descriptive information about its reportable segments, which are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker (“CODM”) in deciding how to allocate resources and in assessing performance. The Company’s CODM is the Board of Directors.

As of December 31, 2023, the Company changed the name of the Other Services business segment to Midstream. This modification does not alter the criteria for assigning income, costs, expenses, assets and liabilities adopted in the past or the comparative information presented.

The Company analyzes its businesses into four segments: (i) Natural Gas Transportation Services, subject to ENARGAS regulations, (ii) Liquids Production and Commercialization, (iii) Midstream and (iv) Telecommunications. These last three business segments are not regulated by ENARGAS. Liquids Production and Commercialization business segment is regulated by the SE.

Non-current assets are mostly located in the entity’s country of domicile.

Detailed information on each business segment for the years ended December 31, 2023, 2022 and 2021 is disclosed below:

	Year ended December 31, 2023					
	Natural Gas Transportation	Production and Commercialization of Liquids	Midstream	Telecommunications	Eliminations	Total
Revenues	99,052,395	265,413,067	85,614,680	2,728,612	-	452,808,754
Intersegment revenues	2,809,126	-	-	-	(2,809,126)	-
Cost of sales	(90,767,353)	(161,942,800)	(32,605,483)	(2,239,234)	2,809,126	(284,745,744)
Administrative expenses	(14,607,853)	(3,204,974)	(2,471,994)	(160,434)	-	(20,445,255)
Selling expenses	(7,906,362)	(14,424,099)	(7,683,464)	(407,970)	-	(30,421,895)
Other operating results	(813,350)	(77,489)	132,052	-	-	(758,787)
Operating profit	(12,233,397)	85,763,705	42,985,791	(79,026)	-	116,437,073
Depreciation of property, plant and equipment	(40,555,152)	(4,502,892)	(15,569,642)	-	-	(60,627,686)

	Natural Gas Transportation	Production and Commercialization of Liquids	Midstream	Telecommunications	Total
Identifiable assets	663,256,185	333,249,699	502,685,961	26,599,035	1,525,790,880
Identifiable liabilities	325,592,353	23,465,448	299,050,047	22,008,138	670,115,986

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Year ended December 31, 2022						
	Natural Gas Transportation	Production and Commercialization of Liquids	Midstream	Telecommunications	Eliminations	Total
Revenues	126,566,847	324,533,037	58,379,759	2,863,126	-	512,342,769
Intersegment revenues	3,627,152	-	-	-	(3,627,152)	-
Cost of sales	(91,420,235)	(183,060,361)	(26,181,847)	(2,045,480)	3,627,152	(299,080,771)
Administrative expenses	(13,175,069)	(2,582,373)	(1,953,283)	(209,019)	-	(17,919,744)
Selling expenses	(9,402,172)	(17,868,518)	(4,162,916)	(341,175)	-	(31,774,781)
Other operating results	(561,630)	118,148	205,261	0	-	(238,221)
Operating profit	15,634,893	121,139,933	26,286,974	267,452	-	163,329,252
Depreciation of property, plant and equipment	(44,797,434)	(4,074,803)	(12,078,552)	-	-	(60,950,789)

	Natural Gas Transportation	Production and Commercialization of Liquids	Midstream	Telecommunications	Total
Identifiable assets	698,770,492	248,394,528	320,338,223	15,783,444	1,283,286,687
Identifiable liabilities	213,757,357	24,731,014	198,581,048	14,060,406	451,129,825

Year ended December 31, 2021						
	Natural Gas Transportation	Production and Commercialization of Liquids	Midstream	Telecommunications	Eliminations	Total
Revenues	148,634,694	338,063,360	50,253,829	2,779,288	-	539,731,171
Intersegment revenues	5,461,629	-	-	-	(5,461,629)	-
Cost of sales	(94,663,455)	(175,262,050)	(22,716,039)	(1,941,542)	5,461,629	(289,121,457)
Administrative expenses	(11,896,541)	(2,068,133)	(1,450,879)	(142,582)	-	(15,558,135)
Selling expenses	(10,443,853)	(15,225,336)	(3,145,578)	(269,349)	-	(29,084,116)
Other operating results	(1,235,653)	1,952,096	62,590	2,367	-	781,400
Operating profit	35,856,821	147,459,937	23,003,923	428,182	-	206,748,863
Depreciation of property, plant and equipment	(43,111,810)	(3,720,829)	(11,466,450)	-	-	(58,299,089)

	Natural Gas Transportation	Production and Commercialization of Liquids	Midstream	Telecommunications	Total
Identifiable assets	755,351,383	233,222,088	271,943,691	2,302,853	1,262,820,015
Identifiable liabilities	243,054,283	66,653,975	220,958,204	636,797	531,303,259

8. DETAIL OF SIGNIFICANT STATEMENT OF FINANCIAL POSITION AND STATEMENT OF COMPREHENSIVE INCOME CAPTIONS

a) Other receivables

	2023		2022	
	Current	Non Current	Current	Non Current
Turnover tax balance	101,733	-	687,984	-
Income tax credit balance	7,471,755	-	301,091	-
VAT credit balance	1,486,793	-	4,657,101	-
Other tax receivables	260,287	-	333,982	171
Prepaid expenses	795,102	21,507	4,747,164	-
Advances to suppliers	21,571,061	-	25,966,963	-
Deposits in guarantee	193,404	-	-	-
Subsidies receivables	4,675,875	-	11,734,335	-
Other Receivables UT	43,717	-	104,197	-
Others	649,851	14,486	1,842,470	46,226
Total	37,249,578	35,993	50,375,287	46,397

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b) Trade receivables

	2023	2022
	Current	Current
Third parties	44,409,352	49,019,751
UT	-	29,422
Natural Gas Transportation	15,491,462	13,696,175
Production and Commercialization of Liquids	15,813,227	25,503,925
Midstream	13,104,663	9,790,229
Related parties (Note 21)	6,693,882	4,143,189
Natural Gas Transportation	271,831	408,396
Production and Commercialization of Liquids	646,317	877,466
Midstream	5,775,734	2,857,327
Allowance for doubtful accounts	(301,770)	(412,681)
Total	50,801,464	52,750,259

The movement of the allowance for doubtful accounts is as follows:

Balances as of 12/31/2020	1,213,378
Inflation adjustment restatement	(409,504)
Additions	-
Applications	-
Reversals	-
Balances as of 12/31/2021	803,874
Inflation adjustment restatement	(391,193)
Additions	-
Applications	-
Reversals	-
Balances as of 12/31/2022	412,681
Inflation adjustment restatement	(280,160)
Additions ⁽¹⁾	170,614
Applications	(1,365)
Reversals	-
Balances as of 12/31/2023	301,770

(1) Including in selling expenses.

c) Cash and cash equivalents

	2023	2022
Cash and banks	2,671,472	901,930
UT Cash and banks	246	495
Mutual funds in local currency	2,053,808	8,267,667
Interest-bearing accounts	1,873,520	103,833
UT Mutual funds	153	33,881
Total	6,599,199	9,307,806

d) Contract liabilities

	2023		2022	
	Current	Non Current	Current	Non Current
Natural Gas Transportation	1,123,829	17,255,469	1,123,830	18,379,379
Production and Commercialization of Liquids	1,408,271	328,500	1,075,113	1,736,630
Midstream	1,973,693	37,227,970	1,017,686	16,372,908
UT	10,931	-	38,995	-
Total	4,516,724	54,811,939	3,255,624	36,488,917

During 2023 and 2022 financial years, the Company recognized Ps. 4,086,990 and Ps. 1,463,547, respectively, in revenues for sales from contracts with clients in the Statement of Comprehensive Income, which had been included in the balance at the beginning of each year.

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Revenues related to the contract liabilities will be recognized in the Statement of Comprehensive Income in accordance with the schedule stipulated with the customers for the provision of the service, which will be completed between 2025 and 2053.

e) Other payables

	2023	2022
	Current	Current
Payable for compensation for the Board of Directors and Supervisory Committee	70,368	211,879
Others	4,006	5,490
UT Other liabilities	-	674,985
Total	74,374	892,354

f) Taxes payables

	2023		2022	
	Current	Non Current	Current	Non Current
Health and safety tax	165,763	-	162,988	-
Withholdings and perceptions made to third parties	1,145,814	-	1,811,770	-
Turnover Tax	621,515	-	493,214	-
Tax on exports	348,893	-	323,113	-
Others	256,129	94,120	150,771	44,485
Total	2,538,114	94,120	2,941,856	44,485

g) Trade payables

	2023	2022
	Current	Current
Suppliers	34,880,569	30,261,542
UT Suppliers	407,474	370,812
Customers (credit balances)	24,670	47,449
Related companies (Note 21)	6,410,485	2,095,649
Total	41,723,198	32,775,452

h) Revenues

	2023	2022	2021
Sales of goods and services	444,288,189	495,499,735	526,690,895
Government grants	8,520,565	16,843,034	13,040,276
Total	452,808,754	512,342,769	539,731,171

Disaggregation of revenues of goods and services

Below is a table in which revenues are disaggregated considering the type of market and the opportunity to satisfy performance obligations:

	Year ended December 31, 2023				
	Natural Gas Transportation	Production and Commercialization of Liquids	Midstream	Telecommunications	Total
Primary geographical market:					
External market	-	95,390,300	-	-	95,390,300
Local market	99,052,395	161,502,202	85,614,680	2,728,612	348,897,889
Total	99,052,395	256,892,502	85,614,680	2,728,612	444,288,189
Timing of revenue recognition:					
Over the time	99,052,395	14,740,084	85,614,680	2,728,612	202,135,771
At a point in time	-	242,152,418	-	-	242,152,418
Total	99,052,395	256,892,502	85,614,680	2,728,612	444,288,189

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Year ended December 31, 2022

	Natural Gas Transportation	Production and Commercialization of Liquids	Midstream	Telecommunications	Total
Primary geographical market:					
External market	-	144,224,284	-	-	144,224,284
Local market	126,566,847	163,465,719	58,379,759	2,863,126	351,275,451
Total	126,566,847	307,690,003	58,379,759	2,863,126	495,499,735
Timing of revenue recognition:					
Over the time	126,566,847	14,026,199	58,379,759	2,863,126	201,835,931
At a point in time	-	293,663,804	-	-	293,663,804
Total	126,566,847	307,690,003	58,379,759	2,863,126	495,499,735

Year ended December 31, 2021

	Natural Gas Transportation	Production and Commercialization of Liquids	Midstream	Telecommunications	Total
Primary geographical market:					
External market	-	139,226,107	-	-	139,226,107
Local market	148,634,694	185,796,977	50,253,829	2,779,288	387,464,788
Total	148,634,694	325,023,084	50,253,829	2,779,288	526,690,895
Timing of revenue recognition:					
Over the time	148,634,694	14,904,487	50,253,829	2,779,288	216,572,298
At a point in time	-	310,118,597	-	-	310,118,597
Total	148,634,694	325,023,084	50,253,829	2,779,288	526,690,895

Detailed information of revenues on each business segment for the years ended December 31, 2023, 2022 and 2021 is disclosed below:

i. Natural Gas Transportation:

	2023	2022	2021
Firm	80,983,446	105,829,742	120,845,950
Access and Charge	3,245,137	4,390,571	5,232,000
Interruptible and Others	14,823,812	16,346,534	22,556,744
Total	99,052,395	126,566,847	148,634,694

ii. Production and Commercialization of Liquids:

	2023	2022	2021
Product	242,152,418	293,663,804	310,118,597
Services	14,740,084	14,026,199	14,904,487
Total	256,892,502	307,690,003	325,023,084

TRANSPORTADORA DE GAS DEL SUR S.A.Notes to the Consolidated Financial Statements as of December 31, 2023 and comparative information
(Stated in thousands of pesos as described in Note 3 and 4.d., unless otherwise stated)iii. Midstream:

	2023	2022	2021
Conditioning and treatment	15,611,839	18,502,273	20,269,555
Operation and maintenance	2,814,648	1,403,950	1,498,923
Steam sales	1,059,394	1,160,862	1,335,982
Construction	335,740	7,359	272,824
UT Construction	24,118	135,578	248,173
Transportation and conditioning of Natural Gas	62,520,637	36,488,633	25,339,483
Others	3,248,304	681,104	1,288,889
Total	85,614,680	58,379,759	50,253,829

i) Net cost of sales

	2023	2022	2021
Inventories at the beginning of the year	5,709,799	7,094,828	5,232,745
Purchases	133,976,202	149,879,054	143,377,155
Operating costs (Note 8.j.)	152,729,020	147,816,688	147,606,385
Inventories at the end of the year	(7,669,277)	(5,709,799)	(7,094,828)
Total	284,745,744	299,080,771	289,121,457

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j) Expenses by nature – Information required under art. 64 paragraph I, clause B) Commercial Companies Law for the years ended December 31, 2023, 2022 and 2021

2023						
Accounts	Total	Operating expenses		Administrative expenses	Selling expenses	Financial expenses
		Regulated Activities	Non Regulated Activities			
Salaries, wages and other compensations	46,723,990	18,972,152	15,729,859	9,613,195	2,408,784	-
Social security taxes	7,736,209	3,247,120	2,802,891	1,223,534	462,664	-
Compensation to Directors and Statutory Committee	407,036	-	-	407,036	-	-
Professional services fees	7,423,325	447,268	797,379	4,531,240	1,647,438	-
Technical operator assistance fees	6,078,353	238,800	5,839,553	-	-	-
Materials	7,690,001	2,098,683	5,591,318	-	-	-
Third parties services	4,770,767	2,336,490	2,247,126	187,151	-	-
Telecommunications and post expenses	216,314	46,110	86,635	73,747	9,822	-
Rents	1,315,717	157,220	1,120,550	35,914	2,033	-
Transports and freight	2,248,073	1,381,860	833,729	32,474	10	-
Easements	801,674	801,674	-	-	-	-
Offices supplies	256,530	125,826	49,242	72,173	9,289	-
Travels expenses	961,657	489,282	228,985	203,899	39,491	-
Insurance	2,121,299	1,246,406	742,872	132,021	-	-
Property, plant and equipment maintenance	20,273,800	14,992,492	4,842,909	438,399	-	-
Depreciation of property, plant and equipment	60,627,686	37,600,030	19,907,412	3,120,244	-	-
Taxes and contributions	31,061,332	5,995,023	171,272	201,507	24,693,530 ⁽¹⁾	-
Advertising	884,640	-	236	-	884,404	-
Doubtful accounts	170,614	-	-	-	170,614	-
Banks expenses	166,616	-	-	166,616	-	-
Interests expense	24,627,599	-	-	-	-	24,627,599
Foreign exchange loss	479,075,435	-	-	-	-	479,075,435
Other expenses	1,660,537	590,917	969,699	6,105	93,816	-
Total 2023	707,299,204	90,767,353	61,961,667	20,445,255	30,421,895	503,703,034

⁽¹⁾ Includes tax on exports for Ps. 8,235,527 for the year ended December 31, 2023.

TRANSPORTADORA DE GAS DEL SUR S.A.

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(Stated in thousands of pesos as described in Note 3 and 4.d., unless otherwise stated)

2022

Accounts	Total	Operating expenses				
		Regulated Activities	Non Regulated Activities	Administrative expenses	Selling expenses	Financial expenses
Salaries, wages and other contributions	41,407,697	17,389,327	14,104,839	7,594,762	2,318,769	-
Social security taxes	7,851,574	3,220,136	2,773,490	1,375,553	482,395	-
Compensation to Directors and Statutory Committee	392,053	-	-	392,053	-	-
Professional services fees	5,120,449	152,503	1,870,411	2,797,783	299,752	-
Technical operator assistance fees	9,551,489	874,149	8,677,340	-	-	-
Materials	4,965,971	1,440,796	3,521,432	-	3,743	-
Third parties services	4,868,722	2,115,909	2,144,758	608,055	-	-
Telecommunications and post expenses	262,962	50,224	82,906	115,006	14,826	-
Rents	339,374	54,742	251,533	30,060	3,039	-
Transports and freight	1,911,595	1,087,224	785,859	37,347	1,165	-
Easements	625,789	488,057	137,732	-	-	-
Offices supplies	146,187	57,760	29,889	56,041	2,497	-
Travels expenses	616,830	318,688	109,276	143,961	44,905	-
Insurance	2,141,684	1,242,401	738,880	160,403	-	-
Property, plant and equipment maintenance	20,129,944	15,916,630	3,968,261	245,053	-	-
Depreciation of property, plant and equipment	60,950,789	41,061,392	16,153,353	3,736,044	-	-
Taxes and contributions	33,812,652	5,563,067	189,601	92,205	27,967,779 ⁽¹⁾	-
Advertising	588,844	-	-	-	588,844	-
Banks expenses	309,371	-	-	309,371	-	-
Interests expense	21,170,971	-	-	-	-	21,170,971
Foreign exchange loss	162,261,989	-	-	-	-	162,261,989
Costs of services rendered to third parties	152,347	-	152,347	-	-	-
Other expenses	1,364,890	387,228	704,548	226,047	47,067	-
Total 2022	380,944,173	91,420,233	56,396,455	17,919,744	31,774,781	183,432,960

(1) Includes tax on exports of Ps. 11,395,810 for the year ended December 31, 2022.

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(Stated in thousands of pesos as described in Note 3 and 4.d., unless otherwise stated)

2021

Accounts	Total	Operating expenses				
		Regulated Activities	Non Regulated Activities	Administrative expenses	Selling expenses	Financial expenses
Salaries, wages and other compensations	36,168,618	15,654,833	12,094,067	6,452,777	1,966,941	-
Social security taxes	7,335,967	3,262,901	2,556,436	1,063,990	452,640	-
Compensation to Directors and Statutory Committee	386,737	-	-	386,737	-	-
Professional services fees	3,101,696	218,845	323,833	2,433,349	125,669	-
Technical operator assistance fees	13,235,940	2,317,203	10,918,737	-	-	-
Materials	4,986,720	1,654,886	3,331,688	-	146	-
Third parties services	4,404,920	2,062,951	2,097,461	244,508	-	-
Telecommunications and post expenses	295,737	58,373	57,016	151,867	28,481	-
Rents	190,344	88,013	51,142	48,436	2,753	-
Transports and freight	1,547,379	895,204	627,110	24,016	1,049	-
Easements	1,106,805	1,040,126	66,679	-	-	-
Offices supplies	120,294	42,414	26,410	46,126	5,344	-
Travels expenses	340,783	189,781	65,822	69,656	15,524	-
Insurance	2,653,757	1,541,932	928,147	183,678	-	-
Property, plant and equipment maintenance	24,336,339	20,547,810	3,534,262	254,267	-	-
Depreciation of property, plant and equipment	58,299,088	39,128,286	15,187,279	3,983,523	-	-
Taxes and contributions	32,491,050	5,635,806	232,958	100,915	26,521,371 ⁽¹⁾	-
Advertising	322,456	-	-	-	322,456	-
Doubtful accounts	(403,942)	-	-	-	(403,942)	-
Banks expenses	72,683	-	-	72,683	-	-
Interests expense	27,103,059	-	-	-	-	27,103,059
Foreign exchange loss	75,483,148	-	-	-	-	75,483,148
Costs of services rendered to third parties	348,627	-	348,627	-	-	-
Other expenses	906,639	324,082	495,266	41,607	45,684	-
Total 2021	294,834,844	94,663,446	52,942,940	15,558,135	29,084,116	102,586,207

(1) Includes tax on exports for Ps. 9,559,483 for the year ended December 31, 2021.

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k) Net financial results

	2023	2022	2021
Financial income			
Interest income	24,189,599	5,712,465	4,805,054
Foreign exchange gain	270,215,879	87,014,477	36,881,692
Subtotal	294,405,478	92,726,942	41,686,746
Financial expenses			
Interest expense ⁽¹⁾	(24,627,599)	(21,170,971)	(27,103,059)
Foreign exchange loss	(479,075,435)	(162,261,989)	(75,483,148)
Subtotal	(503,703,034)	(183,432,960)	(102,586,207)
Other financial results			
Notes repurchase results	-	(3,208,025)	(2,512,565)
Derivative financial instruments results	-	(397,309)	(489,617)
Fair value gains on financial instruments through profit or loss	195,808,868	75,136,140	7,224,284
Others	(2,771,374)	(2,399,617)	(2,991,575)
Subtotal	193,037,494	69,131,189	1,230,527
(Loss) / Gain on net monetary position	(56,520,664)	11,734,721	57,022,289
Total	(72,780,726)	(9,840,108)	(2,646,645)

⁽¹⁾ Includes Ps. 954,177, Ps. 1,191,598 and Ps. 1,769,776 of accrued interest corresponding to leasing liabilities, for the years ended December 31, 2023, 2022 and 2021.

l) Other operating results, net

	2023	2022	2021
Net increase in provisions ⁽¹⁾	(700,775)	(1,111,383)	(1,905,927)
Recovery of insurance	22,071	90,308	2,275,910
Recovery action of VAT and income tax (Note 20.c)	-	-	451,267
Others	(80,083)	782,854	(39,850)
Total	(758,787)	(238,221)	781,400

⁽¹⁾ Including legal expenses

m) Financial assets at amortized cost

	2023		2022	
	Current	Non Current	Current	Non Current
Fixed term deposits in foreign currency ⁽¹⁾	101,278,491	79,755,670	-	122,353,138
VRD bonds	-	-	4,478	-
Private debt bonds	4,049,066	27,435,360	-	2,715,281
Total	105,327,557	107,191,030	4,478	125,068,419

⁽¹⁾ Includes restricted assets granted in guarantee to Telcosur and financial debt of the Company. See Note 13.

n) Financial assets at fair value through profit or loss

	2023	2022
	Current	Current
Public debt bonds	83,786,508	22,304,585
Corporate bonds with related parties	9,982,891	8,005,655
Corporate bonds	103,903,220	80,369,361
Equity instruments	19,864,700	11,671,310
Total	217,537,319	122,350,911

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o) Payroll and social security taxes payable

	<u>2023</u>	<u>2022</u>
	<u>Current</u>	<u>Current</u>
Vacation benefit payable	3,681,422	4,036,952
Annual bonus payable	1,247,790	2,669,234
Social security taxes payable	1,289,519	1,469,673
UT	6,551	13,630
Total	6,225,282	8,189,489

9. INVESTMENTS IN ASSOCIATES

Name and issuer	<u>2023</u>			<u>2022</u>
	<u>Description of securities</u>			
	<u>Face value</u>	<u>Amount</u>	<u>Book value</u>	<u>Book value</u>
Transporte y Servicios de Gas en Uruguay S.A.	Ps. Uru. 1	196,000	26,759	42,046
Emprendimientos de Gas del Sur S.A. (liquidated)	\$ 1	116,130	-	2,180
Gas Link S.A.	\$ 1	502,962	423,973	436,905
Total			<u>450,732</u>	<u>481,131</u>

10. JOINT ARRANGEMENTS

tgs jointly with SACDE applied for the public tender launched by the Argentine Government for the construction of a connection pipeline in the province of Santa Fe. This tender was finally obtained by the UT whose sole purpose is the execution of such works. For further information, see Note 23.

The Company participates in the UT in a percentage of 51% on the rights of the assets and on the obligations related to them. **tgs** consolidates line by line assets, liabilities and results of the UT based on the aforementioned percentage of participation.

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The breakdown of the amounts included in the statements of financial position related to the Company's participation in the UT and its results is the following:

	2023	2022
Consolidated Statements of financial position		
Non Current assets	-	-
Current Assets	61,759	224,276
Total	61,759	224,276
Non Current Liabilities	-	-
Current Liabilities	422,838	867,650
Total	422,838	867,650

	2023	2022	2021
Consolidated Statements of comprehensive income			
Gross (loss) / profit	(102,742)	84	165
Operating loss	(146,685)	(24,458)	(47,642)
Net Financial results	648,817	439,521	856,156
Comprehensive income	502,132	415,063	808,514

11. SHARE OF (LOSS) / PROFIT FROM ASSOCIATES

	2023	2022	2021
EGS (liquidated)	(2,180)	(1,345)	(959)
TGU	(15,287)	(18,177)	(17,968)
Link	(12,932)	300,219	147,685
Total	(30,399)	280,697	128,758

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12. PROPERTY, PLANT AND EQUIPMENT

Account	2023											
	Cost					Depreciations					Accumulated at the end of the year	Net book value
	Beginning of the year	Additions	Retirements	Transfers	End of the year	Accumulated at the beginning of the year	Retirements	For the year	rate %			
Pipelines	839,020,741	-	-	4,366,209	843,386,950	471,482,642	-	20,871,783	2.2	492,354,425	351,032,525	
Compressor plants	376,727,219	-	-	8,769,398	385,496,617	267,613,306	-	12,625,163	3.3 to 25	280,238,469	105,258,148	
Other plants	330,185	-	-	-	330,185	153,841	-	9,054	3.3	162,895	167,290	
Stations of regulation and/or measurement of pressure	30,108,421	-	-	974,720	31,083,141	24,131,670	-	804,933	4.0	24,936,603	6,146,538	
Other technical installations	7,426,175	-	-	546,862	7,973,037	5,030,464	-	251,312	6.7	5,281,776	2,691,261	
Subtotal assets related to natural gas transportation service	1,253,612,741	-	-	14,657,189	1,268,269,930	768,411,923	-	34,562,245		802,974,168	465,295,762	
Non-regulated segment Pipelines	136,104,320	-	-	24,506,426	160,610,746	15,036,810	-	4,818,462	2.2	19,855,272	140,755,474	
Non-regulated segment Compressor plants	26,452,805	-	-	130,324	26,583,129	18,187,533	-	2,329,807	3.3 to 25	20,517,340	6,065,789	
Non-regulated segment Other plants	267,326,035	-	-	23,061,319	290,387,354	141,193,042	-	9,396,945	3.3	150,589,987	139,797,367	
Non-regulated segment Stations of regulation and/or measurement of pressure	8,821,403	-	-	17	8,821,420	1,543,645	-	780,877	4.0	2,324,522	6,496,898	
Non-regulated segment Other technical installations	3,388,956	-	-	-	3,388,956	2,079,941	-	279,823	6.7	2,359,764	1,029,192	
Subtotal assets related to Other Services and Production and Commercialization of Liquids	442,093,519	-	-	47,698,086	489,791,605	178,040,971	-	17,605,914		195,646,885	294,144,720	
Lands	4,414,415	194,550	-	752,084	5,361,049	-	-	-	-	-	5,361,049	
Buildings and constructions	49,753,851	1,813,740	-	2,676,774	54,244,365	25,523,734	-	1,604,647	2.0	27,128,381	27,115,984	
Facilities and features in building	3,668,488	-	-	2,266,099	5,934,587	1,749,603	-	288,267	4.0	2,037,870	3,896,717	
Machinery, equipment and tools	17,497,662	203,931	(1,221)	162,243	17,862,615	12,503,375	(1,221)	1,736,581	6.7 to 10	14,238,735	3,623,880	
UT Machinery, equipment and tools	11,338	-	-	-	11,338	11,338	-	-	6.7 to 10	11,338	-	
Computers and Telecommunication systems	75,761,612	24,910	-	3,531,517	79,318,039	59,656,867	-	4,254,414	6.7 to 20	63,911,281	15,406,758	
Vehicles	7,414,585	955,225	(771,024)	-	7,598,786	5,928,862	(764,918)	550,162	20	5,714,106	1,884,680	
Furniture	2,998,709	9,762	-	5,963	3,014,434	2,837,684	-	25,456	10	2,863,140	151,294	
Materials	52,091,628	15,190,482	(1,104,322)	(15,967,214)	50,210,574	-	-	-	-	-	50,210,574	
Line pack	6,642,334	-	-	169,305	6,811,639	344,610	-	-	-	344,610	6,467,029	
Works in progress	56,080,056	119,222,352	-	(55,952,046)	119,350,362	-	-	-	-	-	119,350,362	
Total	1,972,040,938	137,614,952	(1,876,567)	-	2,107,779,323	1,055,008,967	(766,139)	60,627,686		1,114,870,514	992,908,809	

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Account	2022											
	Cost					Depreciations						
	Beginning of the year	Additions	Retirements	Transfers	End of the year	Accumulated at the beginning of the year	Retirements	For the year	rate %	Accumulated at the end of the year	Net book value	
Pipelines	825,437,750	-	-	13,582,991	839,020,741	451,091,096	-	20,391,546	2.2	471,482,642	367,538,099	
Compressor plants	363,849,815	-	-	12,877,404	376,727,219	251,158,336	-	16,454,970	3.3 a 25	267,613,306	109,113,913	
Other plants	330,185	-	-	-	330,185	143,599	-	10,242	3.3	153,841	176,344	
Stations of regulation and/or measurement of pressure	29,591,752	-	-	516,669	30,108,421	23,321,512	-	810,158	4.0	24,131,670	5,976,751	
Other technical installations	6,117,435	-	-	1,308,740	7,426,175	4,802,890	-	227,574	6.7	5,030,464	2,395,711	
Subtotal assets related to natural gas transportation service	1,225,326,937	-	-	28,285,804	1,253,612,741	730,517,433	-	37,894,490		768,411,923	485,200,818	
Non-regulated segment Pipelines	135,525,158	-	-	579,162	136,104,320	10,537,530	-	4,499,280	2.2	15,036,810	121,067,510	
Non-regulated segment Compressor plants	26,226,773	-	-	226,032	26,452,805	15,476,620	-	2,710,913	3.3 a 25	18,187,533	8,265,272	
Non-regulated segment Other plants	241,609,687	-	(5,801,923)	31,518,271	267,326,035	140,079,426	(5,801,923)	6,915,539	3.3	141,193,042	126,132,993	
Non-regulated segment Stations of regulation and/or measurement of pressure	8,810,183	-	-	11,220	8,821,403	1,197,400	-	346,245	4.0	1,543,645	7,277,758	
Non-regulated segment Other technical installations	3,241,414	-	-	147,542	3,388,956	1,799,394	-	280,547	6.7	2,079,941	1,309,015	
Subtotal assets related to Other Services and Production and Commercialization of Liquids	415,413,215	-	(5,801,923)	32,482,227	442,093,519	169,090,370	(5,801,923)	14,752,524		178,040,971	264,052,548	
Lands	4,414,415	-	-	-	4,414,415	-	-	-	-	-	4,414,415	
Buildings and constructions	48,593,836	-	-	1,160,015	49,753,851	24,562,057	-	961,677	2.0	25,523,734	24,230,117	
Facilities and features in building	3,603,108	-	-	65,380	3,668,488	1,640,103	-	109,500	4.0	1,749,603	1,918,885	
Machinery, equipment and tools	16,671,137	738,967	-	87,558	17,497,662	10,777,878	-	1,725,497	6.7 a 10	12,503,375	4,994,287	
UT Machinery, equipment and tools	11,338	-	-	-	11,338	11,338	-	-	6.7 a 10	11,338	-	
Computers and Telecommunication systems	71,219,582	-	-	4,542,030	75,761,612	54,745,352	-	4,911,515	6.7 a 20	59,656,867	16,104,745	
Vehicles	6,917,479	497,106	-	-	7,414,585	5,361,985	-	566,877	20.0	5,928,862	1,485,723	
Furniture	2,975,313	23,268	-	128	2,998,709	2,808,975	-	28,709	10.0	2,837,684	161,025	
Materials	49,174,527	19,543,115	(299,705)	(16,326,309)	52,091,628	-	-	-	-	-	52,091,628	
Line pack	6,642,334	-	-	-	6,642,334	344,610	-	-	-	344,610	6,297,724	
Works in progress	59,872,118	46,504,771	-	(50,296,833)	56,080,056	-	-	-	-	-	56,080,056	
Total	1,910,835,339	67,307,227	(6,101,628)	-	1,972,040,938	999,860,101	(5,801,923)	60,950,789		1,055,008,967	917,031,971	

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The following is the composition of the resulting net book value of Property, plant and equipment as of December 31, 2023 and 2022:

	2023	2022
Cost	2,107,779,323	1,972,040,938
Accumulated depreciaton	(1,114,870,514)	(1,055,008,967)
Total	992,908,809	917,031,971

As of December 31, 2023 and 2022, Property, plant and equipment contains the following assets for right of use:

	2023	2022
Other plants	2,235,293	3,073,528
Compressor plants	5,549,632	7,630,745
Other technical installations	631,038	867,678
Buildings	1,450,992	-
Total	9,866,955	11,571,951

The depreciations recorded in the years 2023, 2022 and 2021 of the rights-of use assets corresponds to the following:

	2023	2022	2021
Other plants	(838,235)	(838,235)	(838,235)
Compressor plants	(2,081,113)	(2,081,113)	(2,081,113)
Other technical installations	(236,640)	(236,640)	(236,640)
Buildings	(362,748)	-	-
Total	(3,518,736)	(3,155,988)	(3,155,988)

The right to use these assets expires in September 2026 and December 2027.

13. LOANS

Short-term and long-term loans as of December 31, 2023 and 2022 comprise the following:

	2023	2022
Current Loans		
2018 Notes Interest	4,277,626	2,919,070
Bank loans	49,994,730	5,662,649
Leases liabilities	6,294,835	3,625,240
Total Current loans	60,567,191	12,206,959
Non Current Loans		
2018 Notes	380,225,912	259,379,199
Leases liabilities	10,921,411	9,647,624
Bank loans	19,933,952	13,401,649
Total non current loans	411,081,275	282,428,472
Total (1)	471,648,466	294,635,431

(1) As of December 31, 2023 and 2022, it is net of Notes repurchase of Ps 23,991,562 and Ps. 16,371,945, respectively.

(2) Net of issuance expenses of Ps. 52,684 and Ps. 93,749 as of December 31, 2023 and 2022, respectively.

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Loans are totally denominated in US dollars.

The activity of the loans as of December 31, 2023, 2022 and 2021 is the following:

	2023		2022		2021	
	Leases liabilities	Other payables	Leases liabilities	Other payables	Leases liabilities	Other payables
Beginning balance	13,272,864	281,362,567	18,334,589	300,612,271	26,485,774	375,188,476
Inflation adjustment restatement	(17,582,496)	(265,418,470)	(14,853,964)	(182,625,878)	(9,853,594)	(140,127,829)
Accrued interest	917,514	6,917,912	1,191,598	18,297,703	1,769,776	22,800,682
Effect of foreign exchange effect	22,489,416	422,504,305	12,474,271	148,406,853	5,388,047	68,806,173
VAT unpaid installments	-	-	72,191	-	81,626	-
Proceeds from loans	1,799,578	35,743,858	-	19,197,823	-	-
Acquisition of notes result	-	-	-	3,208,025	-	2,512,565
Payment of loans ⁽¹⁾	(2,884,263)	(10,890,826)	(2,807,421)	(268,393)	(3,624,542)	-
Acquisition of notes	-	-	-	(7,637,322)	-	(5,820,906)
Interest paid ⁽²⁾	(796,367)	(15,787,126)	(1,138,400)	(17,828,515)	(1,912,498)	(22,746,890)
Ending balance	17,216,246	454,432,220	13,272,864	281,362,567	18,334,589	300,612,271

(1) For the years ended on December 31, 2023, 2022 and 2021, Ps. 2,683,976, Ps. 2,807,421 and 3,624,542 respectively were cancelled through the offsetting of debit balances maintained with the creditor (Pampa Energía).

(2) For the years ended on December 31, 2023, 2022 and 2021, Ps. 796,367, Ps. 1,138,400, and 1,912,498, respectively, were cancelled through the offsetting of debit balances maintained with the creditor (Pampa Energía).

During the year ended December 31, 2023, the Company incurred new bank debts of Ps. 6,560,137 and import financing for Ps. 19,275,540 and pre-financing of exports for Ps. 9,908,181. Additionally, import financing cancellations were made for Ps. 10,890,826.

The maturities of the current and non-current loans as of December 31, 2023 are as follows, not including issuance expenses:

	Due	To due				Total
		As of 12/31/2024	From 1/01/2025 to 12/31/2025	From 1/01/2026 to 12/31/2026	From 1/01/2027 to 12/31/2027	
2018 Notes	-	4,277,626	380,225,912	-	-	384,503,538
Leases liabilities	609,435	5,685,400	6,258,196	4,283,042	380,173	17,216,246
Bank loans	-	49,994,730	19,933,952	-	-	69,928,682
Total	609,435	59,957,756	406,418,060	4,283,042	380,173	471,648,466

The following table sets reconciliation between the total of future minimum lease payments as of December 31, 2023, and their present book value:

	12/31/2023
As of 12/31/2024	7,229,678
From 1/01/2025 to 12/31/2025	6,655,985
From 1/01/2026 to 12/31/2026	4,255,896
From 1/01/2027 to 12/31/2027	679,059
Total minimum future payments	18,820,618
Future financial charges on financial leases	(1,604,372)
Book Value financial leases	17,216,246

Description of the Company's indebtedness

Class 2 Notes ("2018 Notes")

The Ordinary General Shareholders' Meeting held on April 26, 2017, ordered the increase of up to US\$ 700,000,000 (or its equivalent in other currencies) of the Global Program of Negotiable Obligations authorized by the CNV by Resolution No. 17,262 dated January 3, 2014, whose amount until the Shareholders' Meeting was held was US\$ 400,000,000 (the "2017 Global Program").

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On May 2, 2018, within the 2017 Global Program framework, the Company proceeded to the issuance of the 2018 Notes according to the following characteristics:

	2018 Notes
Amount in US\$	500,000,000
Interest Rate	6.75% annual
Issuance price	99.725%

	Scheduled payment date	Percentage of the principal to be paid
Amortization	May 2, 2025	100%
Frequency of interest payment	Semiannual, payable on May 2 and November 2 of each year.	
Guarantor	None	

The authorization for the public offering of the 2017 Program was granted by the CNV through Resolutions No. 17,262 and 18,938 dated January 3, 2014 and September 15, 2017, respectively. On October 31, 2018, through Disposition No. DI-2018-55-APN-GE#CNV, the CNV granted the extension of the 2017 Program until January 3, 2024.

The Ordinary General Shareholders' Meeting held on August 15, 2019 decided to increase the 2017 Global Program from US\$ 700 million to US\$ 1,200 million. This increase was authorized by the CNV on October 9, 2019 through Resolution RESFC-2019-20486-APN-DIR # CNV.

On October 11, 2023, CNV approved the extension of the maximum amount of the Program from US\$ 1,200 million to US\$ 2,000 million and the extension of the validity period were approved. of the Program for an additional 5 years from the expiration of the term, with the new expiration of the program being January 3, 2029.

Funds obtained by the Company are applied to:

- i. The repurchase of the Class 1 Notes (the "2014 Notes") for U.S.\$ 86,511,165;
- ii. the cancellation and total redemption of the 2014 Notes for U.S.\$ 120,786,581;
- iii. and use the balance of net proceeds to make investments in capital expenditures.

The value of such financial debt is based on its amortized cost calculated as cash flows discounted at an effective rate of 7.088%.

During 2022 and 2021, the Company repurchased its marketable debt for a nominal value of USD 29.7 million and 4.8 million for which it paid Ps. 7,637,322 and Ps. 5,820,906. These transactions generated a result of (Ps. 3,208,025) and (Ps. 2,512,565) respectively, recognized in the financial results of the Statement of Income.

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Lease liability

It corresponds to the financing obtained for the acquisition of the assets corresponding to the treatment and compression plant located in the Río Neuquén area. Said agreement was entered into on August 11, 2016 with Petrobras (currently Pampa Energía) and consists of the payment of 119 consecutive monthly installments of US\$ 623,457 without taxes and a purchase option for the same amount payable at the end of the 120th month of validity of the agreement. contract.

In January 2023, the Company incurred a new lease for Ps. 1,799,578. It is denominated in US dollars, payable in fixed monthly installments until December 2027.

Bank loans

The following table shows the details of other financial indebtedness as of December 31, 2023:

Currency	Amount (in miles)	Interest rate	Expiration date
USD	60,162	7.76%	Between January and November 2024
Euros	61	7.00%	May 2024

All of these loans are guaranteed by time deposits included as "Financial Assets at Current and Non-Current Amortized Cost."

In March 2023, the subsidiary Telcosur, renewed the loan for US\$ 24 million taken in March 2022. The main terms of said loan are:

Amount in US\$	24,000,000
Interest rate	1.5% annual
Amortization date	January 25, 2025
Interest payment frequency	To the expiration
Guarantee	Fixed term in foreign currency(1)

(1) Included as "Non-current financial assets measured at amortized cost".

Covenants

As of December 31, 2023, the Company has complied with a series of restrictions derived from its current financial agreements, which include, among others, those related to obtaining new loans, payment of dividends, granting of guarantees, disposal of certain assets and transactions with related parties.

The Company may contract new debts under the following conditions, among others:

- To the extent that after the new debt has been incurred (i) the consolidated coverage ratio (calculated as the quotient of the consolidated adjusted EBITDA -earnings before financial results, income tax, depreciation and amortization- and the consolidated interest expense) is equal or higher than 2.0:1; and (ii) the consolidated debt ratio (calculated as the quotient of the consolidated debt and the consolidated EBITDA) is equal to or lower than 3.75:1.
- For the refinancing of the outstanding financial debt.
- Originated by customer advances.

The Company may pay dividends under the following conditions: (i) the Company is not in default under 2018 Notes, and (ii) immediately after any dividend payment, the Company may incur new debts according to the provisions in point a. of the preceding paragraph.

14. INCOME TAX AND DEFERRED TAX

Applicable rate

Until the fiscal year ended on December 31, 2017, the income tax rate remained at 35%. The tax reform establishes a gradual reduction of the applicable rate for the calculation of income tax, being 30% and 25% for fiscal periods beginning on January 1, 2018 and 2019 and January 1, 2020 onwards, respectively.

The reduction in the applicable rate was complemented by the application of a tax on the distribution of dividends made to human persons and foreign beneficiaries, which the Company must withhold and enter the Tax authority as a single and definitive payment when the dividends are paid. This additional tax will be 7% or 13%, depending on whether the dividends distributed correspond to earnings of a fiscal period in which the Company was reached at the rate of 30% or 25%, respectively.

Solidarity Law suspended until fiscal years starting from 1st January 2021 inclusive, reduced to 25% of the applicable rate and retention of 13% on dividends.

On June 16, 2021, "Law No. 27,630: Amending the Income Tax Law" was published in the Official Gazette, which, among other issues, introduces a modification in the income tax rate effective for the years fiscal or fiscal years beginning on or after January 1, 2021 inclusive. The amendment establishes a tiered system of rates in three segments (25%, 30% and 35%) according to the level of accumulated net taxable income, which will be updated.

Likewise, dividends distributed to foreign individuals and beneficiaries will be taxed at a rate of 7%.

For the determination of the deferred and current income tax charge as of December 31, 2022 and 2021, the Company has applied the current progressive tax rate according to the scale updated by AFIP Resolution No. 5168/2022 of March 15, 2022.

Tax adjustment for inflation

Law No. 27,468 establishes that in the net taxable income of the periods beginning on or after January 1, 2018, the adjustment for inflation obtained by the application of the income tax law may be deducted or incorporated into the tax result for the fiscal year. This adjustment will proceed only if the percentage variation in the IPC, will accumulate (a) a percentage higher than 100% in the 36 months prior to the end of the year, or (b) regarding the first, second and third fiscal year that starts from its effective date, an accumulated variation of the IPC that exceeds 55%, 30% or 15% of said 100%, respectively.

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For the fiscal year ended December 31, 2023 and 2022, the CPI has exceeded the 100% threshold mentioned above, so the Company has measured the tax charge to earnings for the year ended December 31, 2023 and 2022 considering the application of the adjustment for fiscal inflation.

According to the Solidarity Law, the positive or negative result generated by the application of the inflation adjustment corresponding to the first and second fiscal year beginning on January 1, 2019 will be charged in a sixth in that fiscal period and the five sixths remaining in equal parts in the following 5 fiscal periods. As of January 1, 2021, 100% of the adjustment may be deducted/taxed in the year in which the effect is determined.

On November 16, 2022, the Senate of the Nation approved the 2023 budget bill under Law No. 27,701, which already had half a sanction from the Chamber of Deputies.

The 2023 budget law incorporates article 195 to the income tax law establishing that in the event that the adjustment for tax inflation is applicable and a positive adjustment (profits) arises from it, the first and second fiscal years starting on 1 January 2022 inclusive, they may allocate 1/3 in that fiscal period and the remaining 2/3, in equal parts, in the 2 immediately following fiscal periods. For the deferral to be appropriate, it will be necessary for companies to make an investment in the purchase, construction, manufacture, processing or definitive import of fixed assets (except automobiles), during each of the 2 fiscal periods immediately following that of the calculation of the first third of the period in question, for an amount equal to or greater than \$30,000,000,000.

As of December 31, 2023, the Company projected investments in PPE in accordance with the requirements mentioned above, determining that the amounts exceed what is established by law.

Adjustment of acquisitions and investments made in fiscal years beginning on or after January 1, 2018

A cost adjustment mechanism is established for assets acquired or investments made in fiscal years beginning on or after January 1, 2018. The adjustment will be made based on the percentage variations of the IPIM.

Extraordinary tax RG N° 5268/2022

On August 16, 2022, RG No. 5268/2022 was published through which the AFIP ordered an extraordinary advance of income tax. The extraordinary advance payment constitutes an additional payment on account to that provided for in the general advance payment regime that can be added to the latter. For fiscal year 2022, the Company paid the AFIP Ps. 10,487,129 for this concept.

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Deferred Tax

The reconciliation between the charge computed for tax purposes and the income tax expense charged to the statement of comprehensive income in the years ended December 31, 2023, 2022 and 2021 is as follows:

	2023	2022	2021
Current income tax	(1,607,237)	(49,381,853)	(83,127,502)
Deferred income tax	(18,500,679)	(3,747,882)	5,864,622
Total income tax	(20,107,916)	(53,129,735)	(77,262,880)

The analysis of the net deferred tax assets and liabilities is as follows:

	2023	2022
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	7,427,369	11,293,849
Deferred tax assets to be recovered after 12 months	9,358,979	4,399,654
Deferred tax liabilities:		
Deferred tax liabilities taxable after more than 12 months	(94,421,498)	(79,640,039)
Deferred tax liabilities taxable after 12 months	(6,949,086)	(2,137,021)
Deferred tax liabilities, net	(84,584,236)	(66,083,557)

The components of the net deferred tax assets and tax liabilities as of December 31, 2023, 2022 and 2021 are the following:

Deferred tax assets	Account receivables discounted value	Provisions for legal claims and other provisions	Financial leases	Contract liabilities	Tax loss carryforward	Tax inflation adjustment	Financial assets at fair value through profit or loss	Other receivables	Total
As of December 31, 2021	5,531	3,138,933	6,252,586	8,562,667	10,268,474	91,018	-	-	28,319,209
Charge in results	(5,531)	(1,139,905)	(1,752,749)	21,064	(10,268,474)	(51,902)	571,791	-	(12,625,706)
As of December 31, 2022	-	1,999,028	4,499,837	8,583,731	-	39,116	571,791	-	15,693,503
Charge in results	-	(1,132,913)	1,312,391	(6,199,800)	1,403,426	(31,538)	2,150,011	3,591,268	1,092,845
As of December 31, 2023	-	866,115	5,812,228	2,383,931	1,403,426	7,578	2,721,802	3,591,268	16,786,348

Deferred tax liabilities	Other receivables	Loans	Property, Plant and Equipment	Cash and cash equivalents	Inventories	Tax inflation adjustment	Other liabilities	Total
As of December 31, 2021	(16,274)	(508,877)	(66,657,258)	(104,689)	(394,999)	(22,187,106)	(785,681)	(90,654,884)
Charge in results	(355,515)	72,944	(4,413,964)	(1,223,150)	21,749	13,990,079	785,681	8,877,824
As of December 31, 2022	(371,789)	(435,933)	(71,071,222)	(1,327,839)	(373,250)	(8,197,027)	-	(81,777,060)
Charge in results	371,789	58,385	(6,844,195)	(4,024,407)	(846,042)	(8,309,054)	-	(19,593,524)
As of December 31, 2023	-	(377,548)	(77,915,417)	(5,352,246)	(1,219,292)	(16,506,081)	-	(101,370,584)

As of December 31, 2021, the Company had a specific tax carryforward derived from negative exchange differences for the years 2021 and 2020 generated by financial instruments traded abroad for Ps. 11,404,393. The realization of such tax loss depended on the future generation of taxable financial gains taxed during the statute of limitations period. To determine its recoverability, the Company took into consideration the reversal of the deferred items, its tax planning and projections of future specific taxable income based on its best estimate. Based on these projections and because it was not possible to estimate as probable the generation of future specific financial gains to absorb such tax loss, no deferred tax asset of Ps. 1,135,919 was recognized as of December 31, 2021. During the year ended on December 31, 2022, the tax loss carryforward was totally recovered.

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Income tax expense computed at the statutory tax rate on pre-tax income differs from the income tax expense for the years ended December 31, 2023, 2022 and 2021 as follows:

	2023	2022	2021
Pre tax income	43,625,948	153,769,841	204,230,976
Statutory income tax rate	35%	35%	35%
Pre tax income at statutory income tax rate	(15,269,082)	(53,819,444)	(71,480,842)
Tax effects due to:			
- Tax loss variation	-	-	10,268,474
- Adjustment affidavit previous year	(143,706)	(255,610)	(409,984)
- Tax inflation adjustment and restatement by inflation	(4,621,560)	779,382	11,205,356
- Variation of tax rate	-	-	(24,772,537)
- Others	(73,568)	165,937	(2,073,347)
Total income tax	(20,107,916)	(53,129,735)	(77,262,880)

15. EVOLUTION OF PROVISIONS

	For legal claims and others
Balances as of 12/31/2021	7,860,655
Inflation adjustment restatement	(4,502,089)
Additions	2,506,305 ⁽¹⁾
Uses	(63,054)
Decreases	(90,308) ⁽²⁾
Balances as of 12/31/2022	5,711,509
Inflation adjustment restatement	(4,663,674)
Additions	1,431,427 ⁽³⁾
Uses	(4,648)
Decreases	-
Balances as of 12/31/2023	2,474,614

(1) Ps. 1,111,383 are included in "Other operating expenses" and Ps. 1,394,922 in "Financial expenses".

(2) The total are included in "Other operating expenses".

(3) Ps. 730,652 are included in "Other operating expenses" and Ps. 700,775 in "Financial expenses".

16. FINANCIAL RISK MANAGEMENT

16.1 Financial risk factors

The Company's activities and the market in which it operates expose it to a series of financial risks: market risk (including foreign exchange risk, interest rate risk, and commodity price risk), credit risk and liquidity risk.

The Company's risk management framework establishes that a risk map is determined that measures the potential impact of each of them on the financial situation and results of operations. Based on this, the Executive Officers are responsible for defining the policies, procedures, limits and measures aimed at mitigating the impact of said risks.

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The sensitivity analyzes included below are based on the change in one of the factors while all others remain constant. In practice, this is unlikely to happen, and changes in several factors can be correlated, for example, in variations in the interest rate and variations in the foreign currency exchange rate.

Sensitivity analysis only provides limited vision, at one point in time. The actual impact on the Company's financial instruments could vary significantly with respect to the impact shown in the sensitivity analysis.

16.1.1 Risk associated with exchange rates

Exchange rate risk management

In view of the main impacts of the aforementioned situation and those detailed in Note 1 to these Consolidated Financial Statements, the Company has implemented a series of measures to mitigate their impact. In this sense, the Company's Management permanently monitors the evolution of the situations that affect its business, in order to determine the possible actions to be taken and identify the eventual impacts on its equity and financial situation. The Company considers that its current financial position will allow it to comply, in the short term, with its foreign currency commitments. The Company's financial statements should be read in light of these circumstances.

The Company is primarily exposed to the fluctuation of the exchange rate of the U.S. dollar against the Argentine Peso due to the fact that almost its entire financial indebtedness is denominated in U.S. dollars. The exposure to other currencies is not significant.

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As regards to the revenue derived from the Natural Gas Transportation segment, the tariffs charged by the Company are currently denominated in Argentine pesos. On the other hand, revenues in US dollars derived from the Liquids Production and Commercialization segment accounted for approximately 87% of the segment's total revenues for the years ended December 31, 2023, 2022 and 2021. Total operating cost denominated in Argentine Pesos accounted for 81%, 83% and 81% for the years ended December 31, 2023, 2022 and 2021, respectively.

As of December 31, 2023, 2022 and 2021, 35%, 35% and 37% of total revenues are denominated in Argentine pesos, respectively.

tgs' financial risk management policies are defined with the objective of mitigating the impact of exchange rate fluctuations on the Company's foreign currency position. To this end, alternative investment evaluations are regularly carried out to diversify **tgs'** investment portfolio among instruments denominated in U.S. dollars or, although denominated in Argentine pesos, to obtain positive returns in real terms.

Additionally, if deemed appropriate, the Company enters into derivative financial instruments that allow hedging the fluctuation of the U.S. dollar on the positions in such currency in the long term.

However, the Company, in order to mitigate the impact on the future variation of the exchange rate, has placed funds in assets denominated in U.S. dollars. As of December 31, 2023, 91% of the Company's fund placements are denominated in U.S. dollars.

For further information regarding the Company's foreign currency position see "Note 18. Foreign currency assets and liabilities".

Management of the Company estimates that, based on the net liability position as of December 31, 2023 and 2022, a 10% appreciation in the exchange rate of the U.S. dollar against the Argentine peso, with all other economic-financial variables stable, could have resulted in a pre-tax loss of Ps. 6,378,820 and Ps. 6,152,241, respectively. A 10% depreciation of the U.S. dollar against the Argentine peso would have an equal and opposite effect on the Statement of Comprehensive Income. This sensitivity analysis is theoretical as the actual impacts could differ significantly and vary over time.

In order to mitigate the exchange rate risk, during fiscal year 2023, **tgs** has allocated its short-term investment in financial instruments to protect its financial position from the devaluation in order to hedge exposure to the risk associated with the exchange rate that derives from its financial debt.

16.1.2 Interest rate risk

Interest rate risk management seeks to reduce financial costs and limit the Company's exposure to increases in interest rates. **tgs'** exposure to risks associated with interest rate variations is limited given that all of its financial debt is subject to fixed interest rates. Information regarding the Company's financing is disclosed in Note 13.

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In addition, the main objective of the Company's financial investment activities is to obtain the highest return by investing in low-risk and highly liquid instruments. The Company maintains a portfolio of cash equivalents and short-term investments comprised of investments in mutual funds and deposits in interest-bearing bank accounts, public and private securities. The risk of these instruments is low since they are mostly short-term and highly liquid in recognized financial institutions.

As a consequence of the application of IAS 29, maintaining monetary assets generates loss of purchasing power, provided that such items are not subject to an adjustment mechanism that compensates to some extent the loss of purchasing power. This loss of purchasing power is included in the result of the period under gain on the net monetary position. On the contrary, maintaining monetary liabilities generates a gain in purchasing power, which are also included in such line item.

The Company's risk management policies are defined with the objective of reducing the impact of the loss of purchasing power. During the 2023, 2022 and 2021 fiscal years the Company has maintained a liability monetary position. As a consequence, **tgs** has recorded a net gain from exposure to inflation in the monetary items.

The following table shows a breakdown of the Company's fixed-rate and floating-rate financial assets and liabilities as of December 31, 2023 and 2022:

	Financial assets		Financial liabilities ⁽¹⁾	
	2023	2022	2023	2022
Fix interest rate	214,572,395	133,336,086	450,154,594	278,443,497
Variable interest rate	1,873,673	137,714	-	-
Total	216,446,068	133,473,800	450,154,594	278,443,497

⁽¹⁾ Includes 2018 Notes. For further information see Note 13 to the Consolidated Financial Statements.

In view of the nature of the Company's financial assets which bear variable interest, an immediate 100 basis points decrease in the interest rate would not have a significant impact on the total value of the financial assets.

16.1.3 Commodity price risk

Commercial operations performed by the Company in its Liquids Production and Commercialization business segment are affected by a number of factors beyond its control, including changes in the international prices of the products sold, and government regulations on prices, taxes and other charges, among others.

The sales prices of exported propane, butane and natural gasoline are determined according to international reference prices (Mont Belvieu for propane and butane and NWE ARA for natural gasoline). Additionally, most of the total sales of propane and butane that are made in the domestic market are made at prices set by the Ministry of Energy for the different market segments.

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These prices have historically fluctuated in response to macroeconomic conditions and changes in supply and demand, which could affect **tgs**' profitability.

Based on volume of sales for the years ended December 31, 2023, 2022 and 2021, **tgs** estimated that, other factors being constant, a decrease of US\$ 50 per ton in the international price of LPG and natural gasoline, respectively, would have decrease the Company's net comprehensive income in its Liquids Production and Commercialization segment in Ps. 13,547,004, Ps. 9,987,506 and Ps. 13,636,139, respectively. On the other hand, an increase of US\$ 50 per ton in the international price would have had the opposite effect.

16.1.4 Credit risk

The Company's exposures to credit risk takes the form of a loss that would be recognized if counterparties failed to, or were unable to, meet their payment obligations. These risks may arise in certain agreements in relation to amounts owed for physical product sales, the use of derivative instruments, and the investment of surplus cash balances. This risk mainly results from economic and financial factors or from a possible default of counterparty.

The Company is subject to credit risk arising from outstanding receivables, cash and cash equivalents and deposits with banks and financial institutions, and from the use of derivative financial instruments. The Company's policy is to manage credit exposure to trading counterparties within defined trading limits.

To measure the expected credit loss, receivables from sales have been grouped according to their characteristics in terms of credit risk and the time that has elapsed since maturity.

On this basis, the provision for losses for the year ended December 31, 2023 for trade receivables was determined as follows:

Ratio	Non-due	90 days	120 days	180 days	+240 days	
Natural Gas Transportation segment		0%	0.50%	5%	10%	100%
Other segments		0%	0.25%	2%	5%	100%

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Trade and other receivables

If any of the Company's customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, the Company assesses the credit quality of the customer taking into account its financial position, past experience and other factors. The Company may seek cash collateral, letter of credit or parent company guarantees, as considered appropriate.

As of December 31, 2023 and 2022, current and non-current sales receivables, net of allowance for doubtful accounts, amounted to:

	2023	2022
Current trade receivables	51,103,234	53,162,940
Allowances for doubtful accounts ⁽¹⁾	(301,770)	(412,681)
Total	50,801,464	52,750,259

(1) Said amount represents the best estimate made by **tgs** according to what is stated in Note 4.b).

Likewise, as of December 31, 2023 and 2022, the Company has credits for government grants for Ps. 4,675,875 and Ps. 11,734,335, respectively.

In the ordinary course of business, the Company provides natural gas transportation services mainly to natural gas distribution companies, CAMMESA and Pampa Energía. The amounts of net sales made to the principal customers to which Natural Gas Transportation services were provided in the years ended December 31, 2023, 2022 and 2021 and the sales receivable balances (net of allowances) as of December 31, 2023 and 2022 are set forth below:

	2023		2022		2021
	Revenues	Trade receivables	Revenues	Trade receivables	Revenues
MetroGas	24,318,307	1,476,898	32,248,616	2,392,212	36,814,036
Camuzzi Gas Pampeana S.A.	18,070,335	1,086,152	23,880,326	1,767,771	27,120,380
Naturgy Argentina	14,712,603	945,579	19,575,169	1,505,818	21,958,655
CAMMESA	8,847,362	1,463,834	11,818,443	4,297,818	16,816,760
Pampa Energía	3,460,789	265,685	4,582,093	347,064	5,189,780
Camuzzi Gas del Sur S.A.	4,487,300	66,625	5,657,561	368,109	6,268,564

The amounts of Liquids Production and Commercialization revenues made to major customers during the years ended December 31, 2023, 2022 and 2021 and revenues receivable balances (net of allowances) as of December 31, 2023 and 2022 are set forth below:

	2023		2022		2021
	Revenues	Trade receivables	Revenues	Trade receivables	Revenues
PBB Polisor	101,023,042	7,493,584	79,688,674	11,115,350	83,014,038
Geogas Trading S.A.	8,327,911	-	11,424,167	-	23,051,172
Italgas S.A.	-	-	-	-	918,740
YPF	4,863,755	89,175	8,092,448	501,014	11,522,821
Petrobras Global Trading BV	1,907,031	1,907,031	873,237	-	34,110,130
Trafigura Beheer	41,344,487	3,088,637	49,727,977	2,796,525	42,010,476
Pampa Energía	8,605,778	646,317	11,158,452	877,466	15,558,595

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The amounts of Midstream revenues made to major customers during the years ended December 31, 2023, 2022 and 2021 and revenues receivable balances (net of allowances) as of December 31, 2023 and 2022 are set forth below:

	2023		2022		2021
	Revenues	Trade receivables	Revenues	Trade receivables	Revenues
Tecpetrol	11,613,064	1,688,724	8,471,994	1,301,080	2,727,791
Exxonmobil Exploration	5,320,819	887,297	5,086,118	755,238	5,775,892
YPF	12,927,055	3,766,193	13,323,059	2,631,812	14,107,367
Vista Oil	2,059,717	483,254	733,131	379,111	-
Pluspetrol	12,362,816	2,774,674	8,216,597	856,969	7,326,827
Pampa Energía	17,632,528	4,225,255	12,371,684	2,822,228	7,366,239

Cash and financial placements

The credit risk on cash and cash equivalents and other financial placements is limited since **tgs** has short-term fund placement policies whose main objective is to obtain an adequate return based on market characteristics and minimizing risk exposure. These placements are diversified in different financial institutions with adequate credit ratings in order to limit exposure to a few financial institutions. The Company's maximum exposure to credit risk will be given by the carrying value of assets included in cash and cash equivalents and other financial assets at amortized cost.

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Below is a detail of the maturities of the financial assets included in (i) cash and cash equivalents, (ii) other financial assets, (iii) trade receivables and (iv) other receivables as of December 31, 2023 and 2022:

December 31, 2023			
	Cash and cash equivalents	Financial assets	Credits (1) (2)
Without specified maturity	6,599,199	217,537,319	12,924
With specified maturity			
Overdue			
Until 12-31-2022	-	-	432,064
From 01-01-23 to 03-31-23	-	-	97
From 04-01-23 to 06-30-23	-	-	211
From 07-01-23 to 09-30-23	-	-	9,478
From 10-01-23 to 12-31-23	-	-	3,107,489
Total overdue	-	-	3,549,339
Non-due			
From 01-01-24 to 03-31-24	-	101,278,492	45,365,062
From 04-01-24 to 06-30-24	-	4,027,889	7,479,194
From 07-01-24 to 09-30-24	-	-	7,371
From 10-01-24 to 12-31-24	-	21,177	9,965
During 2025	-	107,191,029	19,591
During 2026	-	-	-
During 2027	-	-	-
From 2028 onwards	-	-	-
Total non-due	-	212,518,587	52,881,183
Total with specified maturity	-	212,518,587	56,430,522
Total	6,599,199	430,055,906	56,443,446

(1) The total amount of the receivables without specified maturity is recorded in Non-current assets.

(2) Includes financial assets recorded in trade receivables and other receivables, excluding allowance for doubtful accounts.

December 31, 2022			
	Cash and cash equivalents	Financial assets	Credits (1) (2)
Without specified maturity	9,307,806	122,350,911	125,774
With specified maturity			
Overdue			
Until 12-31-2021	-	-	540,221
From 01-01-22 to 03-31-22	-	-	25,433
From 04-01-22 to 06-30-22	-	-	82,296
From 07-01-22 to 09-30-22	-	-	70,160
From 10-01-22 to 12-31-22	-	-	4,513,994
Total overdue	-	-	5,232,104
Non-due			
From 01-01-23 to 03-31-23	-	598	60,837,510
From 04-01-23 to 06-30-23	-	598	354,986
From 07-01-23 to 09-30-23	-	3,282	180,405
From 10-01-23 to 12-31-23	-	-	11,687
During 2024	-	125,068,419	43,678
During 2025	-	-	-
During 2026	-	-	-
From 2027 onwards	-	-	-
Total non-due	-	125,072,897	61,428,266
Total with specified maturity	-	125,072,897	66,660,370
Total	9,307,806	247,423,808	66,786,144

(1) The total amount of the receivables without specified maturity is recorded in Non-current assets.

(2) Includes financial assets recorded in trade receivables and other receivables, excluding allowance for doubtful accounts.

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16.1.5 Liquidity risk

This risk involves the difficulties that **tgs** may have in meeting its commercial and financial obligations. To this end, the expected cash flow is regularly monitored.

tgs has policies for borrowing funds whose main objective is to cover financing needs at the lowest cost according to market conditions. One of the Company's main objectives is to have financial solvency. Given the current conditions of the financial market, the Company believes that the availability of resources and the positive cash flow from operations are sufficient to meet its current obligations, despite having credit lines for borrowing funds.

Additionally, a methodology is used for the analysis and assignment of credit limits to the different financial entities in order to minimize the associated liquidity risk. In line with this, the Company invests its liquid funds in financial entities with an adequate credit rating.

Below is a detail of the maturities of the Company's financial liabilities corresponding to: commercial debts, remunerations, other debts and financial debts as of December 31, 2023 and 2022. The amounts presented in the tables represent contractual undiscounted cash flows and, therefore, do not correspond to the amounts presented in the statement of financial position. These estimates are made on the basis of information available at the end of each year and may not reflect actual amounts in the future. Therefore, the amounts shown are provided for illustrative purposes only:

December 31, 2023			
	Loans	Other financial liabilities	Leases liabilities
Without specified maturity	-	-	-
With specified maturity			
Overdue			
Until 12-31-2022	-	496,213	-
From 01-01-23 to 03-31-23	-	311	-
From 04-01-23 to 06-30-23	-	311	-
From 07-01-23 to 09-30-23	-	311	-
From 10-01-23 to 12-31-23	-	311	609,435
Total overdue	-	497,457	609,435
Non-due			
From 01-01-24 to 03-31-24	21,913,365	46,127,826	1,655,061
From 04-01-24 to 06-30-24	27,826,772	104,969	1,655,061
From 07-01-24 to 09-30-24	119,544	-	1,655,061
From 10-01-24 to 12-31-24	28,823,183	-	1,655,061
During 2025	438,117,650	-	6,655,985
During 2026	-	-	4,255,896
During 2027	-	-	679,059
From 2028 onwards	-	-	-
Total non-due	516,800,514	46,232,795	18,211,184
Total with specified maturity	516,800,514	46,730,252	18,820,619
Total	516,800,514	46,730,252	18,820,619

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December 31, 2022

	Loans	Other financial liabilities	Financial leases
Without specified maturity	-	-	-
With specified maturity			
Overdue			
Until 12-31-2021	-	718,333	-
From 01-01-22 to 03-31-22	-	968	-
From 04-01-22 to 06-30-22	-	968	-
From 07-01-22 to 09-30-22	-	968	-
From 10-01-22 to 12-31-22	-	968	415,882
Total overdue	-	722,205	415,882
Non-due			
From 01-01-23 to 03-31-23	-	39,074,182	1,031,659
From 04-01-23 to 06-30-23	10,328,560	245,224	1,031,659
From 07-01-23 to 09-30-23	4,801,277	-	1,031,659
From 10-01-23 to 12-31-23	9,309,765	-	1,031,659
During 2024	18,619,530	-	4,127,191
During 2025	285,154,656	-	4,127,191
During 2026	-	-	2,465,502
From 2027 onwards	-	-	-
Total non-due	328,213,788	39,319,406	14,846,520
Total with specified maturity	328,213,788	40,041,611	15,262,402
Total	328,213,788	40,041,611	15,262,402

16.1.6 Capital management risk.

The Company's objectives in managing capital are to safeguard the Company's ability to continue as a going concern, to achieve an optimal cost of capital structure and to support the investment process in order to provide returns to shareholders and benefits to other stakeholders.

tgs seeks to maintain a level of cash generation from its operating activities that will enable it to meet all of its commitments.

The Company monitors capital on the basis of the leverage ratio. This ratio is calculated as total financial debt (including "current financial debt" and "non-current financial debt" as shown in the Statement of Financial Position) divided by total capital. Total capital is calculated as "Shareholders' Equity", as shown in the Statement of Changes in Shareholders' Equity, plus total financial debt.

During the years ended December 31, 2023 and 2022, the gearing ratio was as follows:

	2023	2022
Total debt (Note 13)	471,648,466	294,635,431
Total equity	855,674,894	832,156,862
Total capital	1,327,323,360	1,126,792,293
Gearing Ratio	0.36	0.26

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16.2 Financial instruments by category and level of hierarchy

16.2.1 Categorization of financial instruments

Accounting policies for the categorization of financial instruments were explained in Note 4.e. In accordance with IFRS Accounting Standards 7, IAS 32 and IFRS Accounting Standards 9, non-financial assets and liabilities, such as contract and supplier liabilities, tax and social charges, income tax and deferred income tax are not included.

The categorization of financial assets and liabilities as of December 31, 2023 and 2022 is included below:

	December 31, 2023		
	Financial assets at fair value	Financial assets at amortized cost	Total
CURRENT ASSETS			
Trade receivables	-	50,801,464	50,801,464
Other receivables	-	5,325,726	5,325,726
Financial assets at amortized cost	-	105,327,557	105,327,557
Financial assets at fair value through profit or loss	217,537,319	-	217,537,319
Cash and cash equivalents	2,053,961	4,545,238	6,599,199
Total current assets	219,591,280	165,999,985	385,591,265
NON-CURRENT ASSETS			
Other receivables	-	14,486	14,486
Other financial assets at amortized cost	-	107,191,030	107,191,030
Total non-current assets	-	107,205,516	107,205,516
Total assets	219,591,280	273,205,501	492,796,781
	Financial liabilities at fair value	Financial liabilities at amortized cost	Total
CURRENT LIABILITIES			
Trade payables	-	41,723,198	41,723,198
Loans	-	60,567,191	60,567,191
Payroll and social security taxes payables	-	4,934,640	4,934,640
Other payables	-	74,374	74,374
Total current liabilities	-	107,299,403	107,299,403
NON-CURRENT LIABILITIES			
Loans	-	411,081,275	411,081,275
Total non-current liabilities	-	411,081,275	411,081,275
Total liabilities	-	518,380,678	518,380,678

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	December 31, 2022		
	Financial assets at fair value	Financial assets at amortized cost	Total
CURRENT ASSETS			
Trade receivables	-	52,750,259	52,750,259
Other receivables	-	13,576,805	13,576,805
Financial assets at amortized cost	-	4,478	4,478
Financial assets at fair value through profit or loss	122,350,911	-	122,350,911
Cash and cash equivalents	8,301,548	1,006,258	9,307,806
Total current assets	130,652,459	67,337,800	197,990,259
NON-CURRENT ASSETS			
Other receivables	-	46,397	46,397
Financial assets at amortized cost	-	125,068,419	125,068,419
Total non-current assets	-	125,114,816	125,114,816
Total assets	130,652,459	192,452,616	323,105,075

	December 31, 2022		
	Financial liabilities at fair value	Financial liabilities at amortized cost	Total
CURRENT LIABILITIES			
Trade payables	-	32,775,452	32,775,452
Loans	-	12,206,959	12,206,959
Payroll and social security taxes payables	-	6,706,238	6,706,238
Other payables	-	892,354	892,354
Total current liabilities	-	52,581,003	52,581,003
NON-CURRENT LIABILITIES			
Loans	-	282,428,472	282,428,472
Total non-current liabilities	-	282,428,472	282,428,472
Total liabilities	-	335,009,475	335,009,475

16.2.2 Fair value measurement hierarchy and estimates

According to IFRS Accounting Standards 13, the fair value hierarchy introduces three levels of inputs based on the lowest level of input significant to the overall fair value. These levels are:

- Level 1: includes financial assets and liabilities whose fair values are estimated using quoted prices (unadjusted) in active markets for identical assets and liabilities. The instruments included in this level primarily include balances in mutual funds and public or private bonds listed on the Bolsas y Mercados Argentinos S.A. ("BYMA"). Within this level, the Company includes those derivative financial instruments for which it was able to find an active market.
- Level 2: includes financial assets and liabilities whose fair value is estimated using different assumptions quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (for example, derived from prices).
- Level 3: includes financial instruments for which the assumptions used in estimating fair value are not based on observable market information.

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During 2023 and 2022, there were no transfers between the different hierarchies used to determine the fair value of the Company's financial instruments or reclassifications between categories of financial instruments.

The table below shows different assets at their fair value classified by hierarchy as of December 31, 2023 and 2022:

	As of December 31, 2023			Total
	Level 1	Level 2	Level 3	
Financial assets at fair value				
Cash and cash equivalents	2,053,961	-	-	2,053,961
Financial assets at fair value through profit or loss	217,537,319	-	-	217,537,319
Total	219,591,280	-	-	219,591,280

	As of December 31, 2022			Total
	Level 1	Level 2	Level 3	
Financial assets at fair value				
Cash and cash equivalents	8,301,549	-	-	8,301,549
Financial assets at fair value through profit or loss	122,350,911	-	-	122,350,911
Total	130,652,460	-	-	130,652,460

The fair value amount of the financial assets is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

As of December 31, 2023, the carrying amount of certain financial instruments used by the Company, in cash, cash equivalents, other investments, accounts receivable and payable and short-term obligations is representative of fair value due to the short-term nature of these instruments.

The estimated fair value of Non-current loans is estimated based on quoted market prices. The following table reflects the carrying amount and estimated fair value of the 2018 Notes at December 31, 2023, based on their quoted market price:

	As of December 31, 2023	
	Carrying amount	Fair value
2018 Notes	384,503,538	365,967,850

17. REGULATORY FRAMEWORK

a) Regulatory framework of the natural gas transportation segment:

General aspects

Regarding tgs' Natural Gas Transportation business, it is regulated by Law No. 24,076 ("the Natural Gas Act"), its regulatory Decree No. 1,738/92 and the Regulatory framework for the transportation and distribution of natural gas in Argentina. The Natural Gas Act created ENARGAS, which is entitled, among other things, to set the basis for the calculation, monitoring, approval of tariffs and the power to verify compliance with the Natural Gas Law and its regulations. On January 28, 2016, Resolution No. 7 of the Ministry of Energy and Mining ("MINEM") of Argentina repealed the Resolution 2000/2005 of the former Ministry of Federal Planning, Public Investment and Services (ex "MPFIPyS") which provided that all tariff increases should have the prior intervention of the Undersecretary of Coordination and Management Control.

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tgs' License has been granted for an original period of 35 years beginning on December 28, 1992. However, the Natural Gas Act provides that **tgs** may apply to ENARGAS for a renewal of its license for an additional period of ten years. ENARGAS should evaluate at that time the performance of **tgs** and raise a recommendation to the Executive Branch. At the end of the period of validity of the license, 35 or 45, as appropriate, the Natural Gas Act requires a call for a new tender for the granting of a new license, in which **tgs**, provided the Company fulfilled substantially with the obligations resulting from the license, would have the option of matching the best offer that the Government received in this bidding process.

On September 8, 2023, **tgs** submitted to ENARGAS the request to initiate the procedure contemplated in Law No. 24,076 by which, once the regulated procedures and administrative procedure established for this purpose have been completed, **tgs** is granted the extension of the license term for ten years from the expiration date of its initial term (December 28, 2027) for the provision of the gas transportation service, contemplating the entire scope of the license approved by Decree No. 2458/92.

In that presentation, **tgs** requested that the planned measures be adopted regarding performance evaluation and public hearing, so that once the regulated procedures and administrative procedure established for this purpose have been completed, **tgs** is granted an extension of the license term for ten years from the expiration date.

As of the date of issuance of these Financial Statements, the procedure continues without having received a formal response from ENARGAS.

Tariff situation

Prior the enactment of the Public Emergency Law, and according to the Regulatory Framework, transportation tariffs were to be calculated in US dollars and converted into Argentine pesos at the time the customer was billed using the exchange rate prevailing at the date of the billing. The basic natural gas transportation tariffs charged by **tgs** had been established at the time of the privatization of GdE and were to be adjusted, subject to prior authorization, in the following cases: (i) semiannually to reflect changes in the US producer price index ("PPI") and (ii) every five years according to efficiency and investment factors determined by ENARGAS. The "efficiency factor" was a reduction to the base tariff resulting from future efficiency programs while the "investment factor" increased the tariffs to compensate the licensees for future investments which were not repaid through tariffs. Also, subject to ENARGAS approval, tariffs were to be adjusted to reflect non-recurrent circumstances or tax changes, other than income tax.

The terms and conditions as described in the precedent paragraph in connection with tariff adjustments contemplated within the Regulatory Framework are no longer effective since the enactment of the Public Emergency Law in early 2002, which, among other provisions, eliminated tariff increases based on US dollar exchange rate fluctuations, foreign price indexes or any other indexing procedure and established a conversion rate of one peso to one US dollar for tariffs. The Public Emergency Law also granted the Executive Branch power to renegotiate contracts entered into with private utility companies, pursuant to the framework included in such law as long as it is in force, which expired on December 31, 2017, after several extensions.

Between July 2003 and March 2018, the Company received a series of temporary tariff increases under the framework of the Integral Tariff Review ("RTI" for its acronym in Spanish) process initiated after the Public Emergency Law was passed.

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On March 27, 2018, the Executive Branch of the Argentine Government issued the Decree No. 250/2018 (the “Decree 250”) ratifying the 2017 Integral Agreement. This decree represents the conclusion of the RTI process and the completion of the 2017 Transitional Agreement, and thus, the final renegotiation of the license after seventeen years of negotiations.

The 2017 Integral Agreement sets the guidelines for the provision of the natural gas transportation service until the end of the License. Among these guidelines:

- The RTI Process, which will culminate in the signing of the integral agreement, was approved. As a result of this RTI, a new tariff schedule was also approved. This new tariff schedule applicable to the Company determined a total tariff increase of 214.2% and 37%, in the event that it had been granted in a single installment as of April 1, 2017, on the tariff of the natural gas transportation service and the CAU, respectively.
- A Five-Year Investment Plan was approved. Resolution 4362 obliged **tgs** for the execution of the Five-Year Plan, which requires a high level of essential investments for the operation and maintenance of the pipeline system, to provide quality, safe and reliable service. The Five-Year Plan shall be for the period from April 1, 2017 to March 31, 2022 and will amount to Ps. 6,786,543, expressed in December 31, 2016 currency terms.
- A non-automatic six-month adjustment mechanism for the natural gas transportation tariff and the investment commitments were approved. This adjustment must be approved by ENARGAS and for its calculation, the evolution of the WPI published by INDEC will be considered.
- **tgs** and its shareholders must withdraw any claim against the Government related to the natural gas transportation business, including the arbitration proceedings before the ICSID. The Company desisted from it on June 26, 2018.

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Semi-annual tariff increase

This increase is granted within the framework of the semi-annual tariff adjustment of the natural gas transportation service in accordance with the provisions of the RTI process.

In the public hearing held on September 4, 2018, in which the Company requested, based on the variation of the WPI recorded for the period February - August 2018, a tariff increase of approximately 30%. Considering the hearing, on September 27, 2018, ENARGAS issued Resolution No. 265/2018 which determined a 19.7% tariff increase effective as of October 1, 2018.

This increase was determined by ENARGAS based on the simple average of the WPI, the Construction Cost Index for the period February and August 2018 and the Salary Variation Index between December 2017 and June 2018.

It is noteworthy that ENARGAS supported the determination of the aforementioned tariff increase in the provisions of Resolution 4362, which, among other issues, provided that under certain circumstances and macroeconomic conditions, such as the significant devaluation occurred after April 2018, ENARGAS may use other indexes than the WPI to determine the tariff increase. **tgs** notified ENARGAS its disagreement with respect to the methodology for calculating the semi-annual adjustment.

On March 29, 2019, ENARGAS issued Resolution No. 192/2019 ("Resolution 192") that approved, effective as of April 1, 2019, a 26% increase in the tariff chart applicable to the public service of natural gas transportation by **tgs** in force as of March 31, 2019.

In accordance with current regulations, ENARGAS has considered the evolution of the wholesale price index update index ("WPI") between the months of August 2018 and February 2019, in order to define the semi-annual adjustments applicable to **tgs** tariffs.

Regarding the semi-annual tariff adjustment that was to be enforced as from October 1, 2019, on September 3, 2019, the SE issued Resolution No. 521/2019 ("Resolution 521") postponing it to February 1, 2020.

The deferral also meant that the Company reviewed and fit, in equal proportion to the revenue that is no longer received, the execution of the Five-Year Investment Plan.

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On December 16, 2020, Decree of Necessity and Urgency No. 1,020/2020 (“Decree 1,020”) was issued, through which the start of the renegotiation of the RTI concluded in 2018 within the framework of the Solidarity Law was determined.

According to that decree, the renegotiation period could not exceed 2 years from the date of entry into force. Until then, the current renegotiation agreements were suspended. Said renegotiation remained in the power of ENARGAS ad-referendum of the PEN. The renegotiation process was to culminate with the signing of a Definitive Agreement on the RTI on December 16, 2022. However, on December 7, 2022, Necessity and Urgency Decree No. 815/2022 was published in the BO. (the “Decree 815”) which extended the renegotiation period for 12 months from the expected expiration of the period provided for in Decree 1020, and said process must now be completed on December 16, 2023.

Additionally, the Solidarity Law provides for the administrative intervention of ENARGAS, recently extended through Decree 1,020, later extended by Decree 815.

On March 16, 2021, the public hearing convened by ENARGAS was held for the purposes of considering the Transitional Tariff Regime (“RTT”) in accordance with the provisions of Decree 1,020. In this regard, **tgs**, without renouncing the full percentage of tariff recomposition that corresponds to it, alternatively presented at this hearing a proposal for a tariff increase calculated by 58.6%, as of April 1, 2021. It was calculated based on the financial needs to meet the operating and financial costs, capital investments and taxes, which were calculated considering the evolution of the inflation rate for a period of 12 months from its inception. Such requested increase contemplated only the necessary funds to meet the obligations as a licensee.

Additionally, in such public hearing, **tgs** denied and dismissed the arguments raised in it that considered that the current natural gas transportation tariff is not fair and reasonable given the alleged existence of serious defects in the administrative acts derived from the processing of the last Regime Comprehensive Tariff (“RTI”) made for **tgs**.

On April 28, 2021, ENARGAS sent to **tgs**, a Transitory Agreement Project 2021 within the framework of the provisions of Decree 1,020. Said project provided:

- The non-granting of a temporary tariff increase, keeping the tariff schedules approved by ENARGAS in April 2019 unchanged.
- It established that from May 2021 and until the Definitive Renegotiation Agreement is in force, ENARGAS will proceed to re-calculate the transportation tariffs at that time in force with effect from April 1, 2022.
- It did not establish a mandatory investment plan.

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- The prohibition of: (i) distribution of dividends, (ii) an early cancellation of financial and commercial debts contracted with shareholders, and (iii) the acquisition of other companies or granting loans.

On April 30, 2021, through a note sent to that body, **tgs** stated that, given the context in which it develops its activities and the proposed terms and conditions, it was not feasible for the Company to sign the 2021 Temporary Agreement Project.

On June 2, 2021, ENARGAS issued Resolution No. 149/2021 (the “Resolution 149”) approving an RTT for the year 2021 (the “RTT 2021”) for **tgs** effective as of that date. On the other hand, the Ministry of Economy and ENARGAS issued Joint Resolution No. 1/2021 where they approved the actions taken in the renegotiation process developed by ENARGAS in the terms of Decree No. 1020/2020, indicating that it was not feasible to arrive to an agreement on a transitional tariff adjustment.

In July 2021, **tgs** filed appeals for reconsideration with the PEN, the Ministry of Economy of the Nation and ENARGAS with an appeal or hierarchical subsidy in accordance with the respective powers of each of these bodies in the dictation of the entire regulatory plexus associated with Resolution 149, (Decree 1020/20, Decree 353/21, and Joint Resolution No. 1/2021), requesting that the RTT be declared null and void and the RTI be restored. We recall that the RTT began with Decree 1020/20, which set the guidelines to carry out the renegotiation of the RTI, later issuing Joint Resolution 1/21, which sets the RTT, and Decree 353/21, which approved Joint Resolution 1 /21, and culminates with Resolution 149, which approved the new tariff charts.

The challenges are based on: i) the illegality of Decree 1020 because it does not follow the lines of the delegation provided for in Law 27,541, and as a Decree of Necessity and Urgency it does not comply with the requirements of the Constitution for the issuance of this regulation; ii) the extension of the emergency beyond that provided by Congress; iii) the failure to carry out the tariff renegotiation as provided for in Law 24. 076; iv) the disregard of the principle of fair and reasonable tariffs, and the acquired rights of **tgs** in the License, the Contractual Adjustment Agreement and the RTI; and v) the suspension of the RTI for reasons of public interest, which merits the recognition of the compensations, provided by both the Administrative Procedures Law and the Basic Rules of the License.

The restrictions imposed on the management and management of the Company, which have no legal justification, are also questioned, given that the emergency declared by Law No. 27,541 only empowered the National Executive Power to renegotiate the RTI and not the License.

The challenges and the request for reinstatement of the RTI have been made without prejudice to the right of **tgs** to pay the compensation that corresponds to it for not having complied with the RTI since April 2019.

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On November 15, 2021, the Company filed a Prior Administrative Claim before ENARGAS and the Ministry of Economy. The purpose of said presentation is to request the compensation that corresponds to **tgs** for the lack of application of the semi-annual adjustment methodology established in the RTI approved by Resolution 362 between October 1, 2019 and June 1, 2021.

In addition, payment of compensation for the damages suffered by **tgs** due to the freezing caused by the failure to apply the six-monthly adjustment methodology established in the RTI in the aforementioned period is requested.

On January 19, 2022, a new public hearing was held, within the framework of ENARGAS Resolution No. 518/2021, whose purpose was to deal with a transitory tariff adjustment within the framework of Decree 1020/2020. In such hearing, with the purpose of reaching a definitive agreement on the renegotiation and recomposing the license economic-financial equation, **tgs** requested a transitory tariff adjustment applied in two stages for the year 2022 for a total of 106%, due to the evolution of operating costs and the main macroeconomic indicators.

Subsequently, on February 1, 2022, **tgs** received from ENARGAS a proposal for a Transitional Renegotiation Agreement (the “2022 Transition Agreement”) which was approved by our Board of Directors on February 2, 2022 and by the corresponding government agencies on February 18, 2022. The 2022 Transition Agreement includes, in some aspects, similar terms to the 2021 RTT with the particularity that it grants **tgs** a 60% tariff increase effective as from March 1, 2022 (the “RTT 2022”).

The 2022 Transition Agreement was ratified by the PEN through Decree No. 91/2022, which entered into force as from February 23, 2022. On February 25, 2022, the ENARGAS issued Resolution No. 60/2022 by which it put into effect the tariff schedules that contemplate the RTT 2022.

It should be noted that, in accordance with the provisions of the 2022 Transition Agreement, **tgs** committed not to initiate new claims, appeals, actions, lawsuits or demands of any kind; and/or to suspend, keep suspended or extend the suspension of all appeals and claims filed that are related in any way to the Renegotiation of the Comprehensive Tariff Review in force, Law No. 27,541, Decrees No. 278/20 and No. 1020.

Under Decrees 1020 and 815, on December 7, 2022, ENARGAS issued Resolution No. 523/2022 which called for a public hearing on January 4, 2023 to, among other issues, consider the transitory adjustment of tariffs for the public natural gas transportation service.

On March 16, 2023, the TGS Board of Directors approved the proposed addendum to the transitional renegotiation agreement (the “2023 Transition Agreement”) sent by ENARGAS. This addendum was subsequently ratified by the PEN through Decree No. 250/2023 of April 29, 2023. Previously, on April 27, 2023, ENARGAS issued Resolution No. 186/2023 through which the new tables were published. current tariffs.

The 2023 Transition Agreement has similar conditions to the 2022 Transition Agreement and includes:

- As of April 29, 2023, a temporary rate increase of 95% on the natural gas transportation rate and the CAU.

- During its term, **tgs** may not under any circumstances: a) Distribute dividends; nor b) Cancel in advance directly or indirectly financial and commercial debts contracted with shareholders, acquire other companies or grant credits, unless the credits benefit the users or are granted to contractors that do not fall within the aforementioned assumptions. In the event that **tgs** deems it appropriate to proceed in a direction contrary to the provisions of paragraph a) above, attaching the corresponding supporting documentation, it will request ENARGAS to submit a status report to the Ministry of Economy, so that the Ministry may authorize or no, and if applicable, determine the manner and form of the request. In the event that **tgs** considers it appropriate to proceed in a direction contrary to the provisions of paragraph b) above, it must also present to ENARGAS documented grounds that support such decision, for authorization. If a covert operation to distribute dividends is noticed, the request will be made to the Ministry of Economy for its substantiation in that sphere. To this end, the Ministry will notify its decision to the applicant and ENARGAS.

On December 14, 2023, ENARGAS Resolution No. 704/2023 called for a public hearing to be held on January 8, 2024. As of the date of issuance of these Consolidated Financial Statements, the ENARGAS authorized the transitory tariff increase. For additional information, see Note 24 (Subsequent events)

On December 16, 2023, decree No. 55/2023 was issued declaring the emergency of the national energy sector until December 31, 2024. Among other issues, this decree: (i) establishes the beginning of the process of RTI, (ii) the intervention of ENARGAS as of January 1, 2024 and (iii) instructs the Ministry of Energy to issue the necessary standards and procedures for the sanction of market prices for the public transport service of natural gas.

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b) General Framework for non-regulated segments

Domestic market

The Production and Commercialization of Liquids and Midstream segments are not subject to regulation by ENARGAS, and as it is provided in the Transfer Agreement, is organized as a separate business unit within **tgs**, keeping accounting information separately. However, over recent years, the Argentine Government enacted regulations which significantly impacted on it.

In April 2005, the Argentine Government enacted Law No. 26,020 which sets forth the regulatory framework for the industry and commercialization of LPG. Among other things, the Law No. 26,020 creates the framework through which the Secretary of Hydrocarbon Resources (“SHR”) (formerly the Federal Energy Bureau) establishes regulations meant to cause LPG suppliers to guarantee sufficient supply of LPG in the domestic market at low prices. Law No. 26,020 creates a price regime pursuant to which the SRH periodically publish reference prices for LPG sold in the domestic market. It also sets forth LPG volumes to be sold in the domestic market.

Within this framework, **tgs** sells propane and butane production to fractionators at prices determined every six months. On March 30, 2015, the Executive Branch issued Decree No. 470/2015, regulated by Resolution No. 49/2015 issued by the Federal Energy Bureau, which created the Programa Hogares con Garrafa (the “Households with Bottles Program”) which replaced the programs in force until that time. The Households with Bottles Program was implemented through Resolutions No. 49/2015 and No. 470/2015 issued by the Federal Energy Bureau.

Within the framework of the Households with Bottles Program, a maximum reference price was determined for the members of the commercialization chain in order to guarantee the supply to low-income residential users, forcing producers to supply with LPG at a certain price and at a certain quantity defined for each of them. Additionally, the payment of compensation to the participating producers of the Households with Bottles Program was established.

In this context, the Company has filed several administrative and judicial claims challenging the general regulations of the Home Plan, as well as the administrative acts that determine the volumes of butane to be sold in the local market, in order to safeguard its economic-financial situation and so that such situation does not continue in time.

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Additionally, the Company participates in the Propane Gas Supply Agreement for Indiluted Propane Gas Distribution Networks (“Propane for Networks Agreement”) entered into with the Argentine Government and propane producing companies whereby it undertakes to supply propane to distributors and sub-distributors of indiluted propane gas through networks at a price lower than the market price. The Company receives an economic compensation for the lower revenues derived from the participation in this program, which is calculated as the difference between the agreed sales price and the reference export parity price determined by the Energy Secretariat.

On August 10, 2021, **tgs** celebrated the eighteenth extension, valid until December 31, 2021. Regarding the agreement valid until December 31, 2022, said document was signed on June 23, 2022. During much of 2023 were carried out under the terms of the 2022 agreement in accordance with an instruction from the SE. Finally, on August 18, 2023, **tgs** signed, together with the Ministry of Energy and other LPG producers, the twentieth extension of the Propane Agreement for Networks, which was ratified by the PEN through decree 496/2023 on October 2, 2023.

As mentioned above, participation in the Home Plan implies economic-financial losses for the Company, since under certain circumstances the sale of the products would be made at prices that are below production costs.

As of December 31, 2023, the Argentine State owes **tgs** Ps. 4,675,875 for these concepts.

Foreign market

On September 3, 2018, the Executive Branch issued Decree No. 793/2018, which, between September 4, 2018 and December 31, 2020, sets an export duty of 12% on the exported amount of propane, butane and natural gasoline. This withholding is capped at \$4 for each dollar of the tax base or the official FOB price.

Subsequently, on the occasion of the enactment of the Solidarity Law, an 8% cap was established for the rate applicable to hydrocarbons as of December 23, 2019.

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Presidential Decree No. 488/2020 regulated the applicable tax rate on exports of certain oil and gas products, including those products that we export, establishing a range between 0% and 8% depending on the “ICE Brent first line” barrel price. If the price is below US\$ 45, the tax rate will be zero percent. On the other hand, if the price is equal to or higher than US\$ 60, an 8% tax rate will be paid, being variable if the price is between US\$ 45 and US\$ 60.

During 2023, the Company participated, within the framework of Resolution No. 808/2023 of the Ministry of Energy, of the Export Increase Program created by Decree 576/22.

According to said program, the Company must enter 75% of the value of its exports in foreign currency into the country. The remaining 25% may be settled in pesos through the purchase of negotiable securities. To qualify for the scheme, exports must be settled between October 2 and October 20, 2023, and the effective export date must not be later than November 30, 2023.

Subsequently, said program was extended by Decree No. 28/2023, which also modifies the settlement ratio, which is currently 80% through the MULC and the remaining 20% through sales and purchase operations of negotiable securities.

Decree No. 2,067 / 08 (the “Decree”)

Through Presidential Decree No. 2,067/08, the Executive Branch created a tariff charge to be paid by: (i) the users of regulated services of transportation and / or distribution, (ii) natural gas consumers receiving natural gas directly from producers without making use of transportation systems or natural gas distribution, (iii) the natural gas processing companies in order to finance the import of natural gas. The tariff charge sets forth in this decree finance the higher price of the natural gas imports required to compensate the injection of natural gas necessary to meet national requirements (the “Charge”). When the Charge was created, **tgs** paid it in accordance with the provisions of Resolution I-563/2008, at Ps. 0.0492/m3.

The payment of the natural gas processing tariff charge was selectively subsidized from 2008 according to the destination of the natural gas. In November 2011, however, ENARGAS issued Resolution No. 1,982/11 and 1,991/11 (the “Subsidy Beneficiaries Resolutions”) which modified the list of the subsidy beneficiaries, and thus, involved a cost increase for many of our clients and for us (for certain of our consumption for our own account). The natural gas processing tariff charge increased from Ps. 0.0492 to Ps. 0.405 per cubic meter of natural gas effective from December 1, 2011, representing a significant increase in our variable costs of natural gas processing.

In order to avoid this damage, **tgs** appealed against the Presidential Decree and the Resolutions including National Government, ENARGAS and ex MPFIPyS as defendants.

For further information regarding the legal action filed the Company, see Note 20.b).

On March 28, 2016, the former MINEM issued Resolution No. 28/16 (“Resolution 28”), which instructs ENARGAS to take all the necessary measures to derogate the tariff charge created by Decree No. 2,067/08 as from April 1, 2016. However, such Resolution does not repeal or declare illegitimate this decree and the Subsidy Beneficiaries Resolutions for which the judicial action is still ongoing.

c) Essential assets

A substantial portion of the assets transferred by GdE has been defined as essential for the performance of the natural gas transportation service. Therefore, **tgs** is required to keep separated and maintain these assets, together with any future improvements, in accordance with certain standards defined in the License.

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tgs may not, for any reason, dispose of, encumber, lease, sublease or loan essential assets nor use such assets for purposes other than the provision of the licensed service without ENARGAS's prior authorization. Any expansion or improvements that it makes to the gas pipeline system may only be encumbered to secure loans that have a term of more than one year to finance such extensions or improvements.

Upon expiration of the License, **tgs** will be required to transfer to the Argentine government or its designee, the essential assets listed in an updated inventory as of the expiration date, free of any debt, encumbrances or attachments. If the Company decides not to continue with the license, **tgs** will receive a compensation equal to the lower of the following two amounts:

- i) The net book value of the essential assets determined on the basis of the price paid by the acquiring joint arrangements, and the original cost of subsequent investments carried in US dollars and adjusted by the PPI, net of accumulated depreciation according to the calculation rules to be determined by ENARGAS; or
- ii) The net proceeds of a new competitive bidding (the "New Bidding").

Once the period of the extension of the License expires, **tgs** will be entitled to participate in the New Bidding, and thus, it shall be entitled to:

- (i) That its bid in the New Bidding be computed at an equal to the appraisal value to be determined by an investment bank selected by ENARGAS, which represents the value of the business of providing the licensed service as it is driven by the Licensee at the valuation date, as a going concern and without regard to the debts;
- (ii) To obtain the new License, without payment, in the event that any bid submitted in the New Bidding exceeds the appraised value;
- (iii) To match the best bid submitted by third parties in the New Bidding, if it would be higher than its bid mentioned in (i), paying the difference between both values to obtain the new License;
- (iv) If the Company is unwilling to match the best bid made by a third party, to receive the appraisal value mentioned in (i) as compensation for the transfer of the Essential Assets to the new licensee.

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18. ASSETS AND LIABILITIES IN FOREIGN CURRENCY

Balances in foreign currencies as of December 31, 2023 and 2022 are detailed below:

	2023			2022		
	Foreign currency and amount (in thousands)	Exchange rate	Amount in local currency	Foreign currency and amount (in thousands)	Exchange rate	Amount in local currency
CURRENT ASSETS						
Cash and cash equivalents	US\$ 5,607	805.450 ⁽¹⁾	4,515,935	US\$ 1,613		888,870
Financial assets at amortized cost	US\$ 130,867	805.450 ⁽¹⁾	105,406,825	US\$ -		-
Financial assets at fair value through profit or loss (3)	US\$ 226,454	805.450 ⁽¹⁾	182,397,194	176,852		97,457,295
Trade receivables	US\$ 51,045	805.450 ⁽¹⁾	41,114,195	US\$ 66,107		36,429,385
Total current assets	US\$ 413,973		333,434,149	US\$ 244,572		134,775,550
NON CURRENT ASSETS						
Financial assets at amortized cost (4)	US\$ 133,082	805.450 ⁽¹⁾	107,191,030	US\$ 226,957		125,068,419
Total non current assets	US\$ 133,082		107,191,030	US\$ 226,957		125,068,419
TOTAL ASSETS	US\$ 547,055		440,625,179	US\$ 471,529		259,843,969
CURRENT LIABILITIES						
Trade payables	US\$ 39,092	808.450 ⁽²⁾	31,603,927	US\$ 38,655		21,325,569
	Euros 1,306	894.710 ⁽²⁾	1,168,491	Euros 432,000		255,488
Loans	US\$ 74,847	808.450 ⁽²⁾	60,509,906	US\$ 21,819		12,037,512
	Euros 64	894.710 ⁽²⁾	57,285	Euros 287,000		169,446
Total current liabilities	US\$ 113,939		92,113,833	US\$ 60,474		33,363,081
	Euros 1,370		1,225,776	Euros 719,000		424,934
NON CURRENT LIABILITIES						
Loans	US\$ 508,481	808.450 ⁽²⁾	411,081,275	US\$ 511,933		282,428,472
Contract liabilities	US\$ -	808.450 ⁽²⁾	-	US\$ 10,106		5,575,321
Total non current liabilities	US\$ 508,481		411,081,275	US\$ 522,039		288,003,793
TOTAL LIABILITIES	US\$ 622,420		503,195,108	US\$ 582,513		321,366,874
	Euros 1,370		1,225,776	Euros 719		424,934

(1) Buy exchange rate at the end of fiscal year

(2) Sell exchange rate at the end of fiscal year

(3) Includes public and private debt bonds Dólar Linked for Ps. 118,095,597.

(4) Includes time deposits Dólar Linked for Ps. 31,383,601.

US\$: United States of America dollars

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19. COMMON STOCK AND DIVIDENDS**a) Common stock structure and shares' public offer**

As of December 31, 2023, 2022 and 2021, **tgs**' common stock was as follows:

Shares Class	Amount of common stock, subscribed, issued, paid in, and authorized for public offer		
Common Shares Class			
(Face value \$ 1, 1 vote)	Outstandings	Treasury Shares	Common Stock
	shares		
Class "A"	405,192,594	-	405,192,594
Class "B"	347,568,464	41,734,225	389,302,689
Total	752,761,058	41,734,225	794,495,283

tgs's shares are traded on the BYMA and under the form of the American Depositary Receipts ("ADS") (registered in the SEC and representing 5 shares each) on the New York Stock Exchange.

b) Acquisition of treasury shares

On March 6, 2020, the Company's Board of Directors approved the sixth Program for the Acquisition of **tgs** treasury Shares in the markets where it makes a public offering of its shares (the "Sixth Repurchase Program") for a maximum amount of Ps. 2,500 million (at the time of its creation).

Subsequently, on August 21, 2020, the Board of Directors approved a new Program for the Acquisition of **tgs** treasury Shares for a maximum amount to be invested in Ps. 3,000 million (at the time of its creation). This program will run until March 22, 2021.

The acquisition cost of the treasury shares in portfolio amounted to Ps. 34,019,849, which, together with the trading premium on treasury shares of Ps. 9,868,857, in accordance with the provisions of Title IV, Chapter III, article 3.11.c and e of the Rules, restricts the amount of realized and liquid gains that the Company may distribute.

c) Restrictions on distribution of retained earnings

Pursuant to the General Companies Act and CNV Rules, we are required to allocate a legal reserve ("Legal Reserve") equal to at least 5% of each year's net income (as long as there are no losses for prior fiscal years pending to be absorbed) until the aggregate amount of such reserve equals 20% of the sum of (i) "common stock nominal value" plus (ii) "inflation adjustment to common stock," as shown in our consolidated statement of changes in equity.

Finally, and as mentioned in subsection b of this note, the amounts subject to distribution are restricted up to the acquisition cost of treasury shares and the paid-up capital.

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In addition, according with the 2022 Transitional Agreement, the Company may not distribute dividends meanwhile it will be in force.

20. LEGAL CLAIMS AND OTHER MATTERS

a) Turnover tax calculated on the natural gas price consumed by tgs

The Company has interpretative differences with several provinces regarding the liquidation of the turnover tax calculated on the natural gas used by **tgs** as fuel to render its transportation services. In this framework there have been initiated several lawsuits against **tgs**, which have adversely concluded by the Company.

As of December 31, 2023 and 2022, the Company has recorded a provision for these concepts of Ps. 2,153.4 million and Ps. 5,161.3 million, respectively, recorded in the caption "Provisions", determined based on the estimated tax and interest payable as of such date, in the event that these claims from the provinces are unfavorable for **tgs**.

b) Action for annulment of ENARGAS Resolutions No. I-1,982/11 and No. I-1,991/11 (the "Resolutions")

After the issuance of the Resolutions, **tgs** filed a judicial action before the National Court of First Instance in Federal Administrative Litigation No. 1 (the "Court") in order to obtain the declaration of nullity of the Presidential Decree No. 2067/08 and the Resolutions as well as the unconstitutionality of the administrative acts that created the Charge.

On July 5, 2012, the Court issued in favor of **tgs** a precautionary measure by which the suspension of the Charge was ordered in the terms set forth in the Resolutions. This decision was appealed in different opportunities by the National Government, by virtue of which the dictating of the precautionary measure was limited to the validity of six months. However, at maturity, the Company is entitled to obtain a new precautionary measure for a similar period.

As a result, on September 19, 2017, a new extension of the injunction was obtained (which prevented the Government to claim **tgs** of the payment of the amounts resulting from the new value of the Charge for the period between the November 2011 and March 2016), thus extending the validity until March 2018.

On the other hand, the National Court of Appeals in Contentious Administrative Dismissal rejected the extraordinary appeal filed by the National Government against the judgment of that court that confirmed the rejection made by the Court at the request of ENARGAS to declare abstract the legal action initiated by **tgs** in accordance with the precedent "Alliance" issued by the Supreme Court in December 2014.

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On March 26, 2019, **tgs** was notified of the judgment of first instance issued by the Federal Contentious-Administrative Court No. 1 in its claim initiated by which **tgs** requested the unconstitutionality of Decree No. 2,067/08; Resolutions and of any other rule or act issued or to be issued, that is caused by the mentioned rules (the "Cause").

The first instance judgment declares the unconstitutionality of both Articles 53 and 54 of Law 26,784, as well as the aforementioned rules and of any other act tending to execute said provision, and consequently, the nullity of said rules (the "sentence").

The Judgment was appealed by the National Government on March 29, 2019, and the appeal was granted on April 3, 2019, which has not been resolved as of the closing date of the year.

On October 29, 2019, the intervening judge decided, considering what was decided in the judgment and attending to the reasons invoked by **tgs**, to extend the validity of the precautionary measure issued for six more months of processing in said ordinary process and / or until the sentence passed is firm.

Pursuant to the isolation measures adopted by the Argentine Government under the COVID development, the judicial deadlines were suspended from March 20, 2020 until July 21, 2020.

On December 1, 2020, the court granted a new extension of said injunction for a term of 6 months.

On May 14, 2021, **tgs** was notified of the ruling issued by Chamber I of the Chamber in Contentious-Administrative Matters that (i) has revoked the decision by the Judge of First Instance and (ii) has imposed the costs in both instances in the order caused. **tgs** considers that it has reasonable arguments to defend its position on the substantive issue raised and, for that reason, it appealed the judgment of the Chamber.

On June 4, 2021, **tgs** filed an extraordinary federal appeal against the judgment of the Chamber, which was contested by ENARGAS and the National State, and was granted by the Court of Appeals itself on July 14, 2021, on the understanding that "At stake is the interpretation and scope of regulations of an unquestionable federal nature, such as Decree 2067/08 and MINPLAN Resolution No. 1451/2008, ENARGAS Resolutions No. 1982/11 and 1991/11, as well as articles 53 and 54 of Law 26,784".

By virtue of the precautionary measure issued, and its 12 extensions obtained, as well as the favorable judgment obtained in the first instance, the existence of favorable precedents issued by the Supreme Court of Justice of the Nation ("Supreme Court") with respect to other processors of natural gas and the granting of the extraordinary appeal that will give rise to the Supreme Court ruling on the case, the management of **tgs** and its legal advisors consider that they have solid arguments to defend their position and that it is probable that a favorable resolution will be obtained for their interests on the substantive issue raised. Therefore, no provision has been made for the eventual liability due to the increase in the charge to finance the importation of natural gas applicable to natural gas consumption related to the processing activity at the Cerri Complex for the period between the date of obtaining the measure precautionary and on April 1, 2016, date of entry into force of Resolution No. 28/2016.

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This resolution has annulled the acts that determined the value of the charge established by Decree 2067, for which as of April 1, 2016, ENARGAS and the agency in charge of its collection have stopped charging the increase established by the Resolutions.

Regarding the last extension of the precautionary measure, expired on July 1, 2021, **tgs** has not requested a new extension, due to the premature procedural stage in which the appeal filed against the judgment of the Chamber is found.

Given the complex procedural instance, the nature of charge 2067, the background information presented in this and other legal cases initiated against charge 2067, at the date of the issuance of these Consolidated Financial Statements it is not possible to make a definitive quantification of the amount that should be pay **tgs** in the event of not obtaining a favorable ruling from the Supreme Court, while an eventual request for payment in the current circumstances may be challenged and questioned by **tgs** within the framework of the corresponding administrative and judicial instances, where the amount may be debated of the charge that is eventually required to **tgs**.

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c) Environmental matters

The Company is subject to extensive environmental regulations in Argentina. Management believes that its current operations are in material compliance with applicable environmental requirements, as currently interpreted and enforced. The Company has not incurred in any material environmental liabilities as a result of its operations to date. As of December 31, 2023 and 2022, the total amount of these provisions amounted Ps. 81.1 million and 182.2 million, respectively.

d) Others

In addition to the matters discussed above, the Company is a party to certain lawsuits and administrative proceedings which involve taxation, labor claims, social security, administrative and others arising in the ordinary course of business. The Company's Management and its legal advisors estimate that the outcome of these differences will not have significant adverse effects on the Company's financial position or results of operations. As of December 31, 2023 and 2022, the total amount of these provisions amounted Ps. 168.4 million and Ps. 241.0 million, respectively

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21. BALANCES AND TRANSACTIONS WITH RELATED COMPANIES**Technical, Financial and Operational Assistance Agreement**

Pampa Energía is **tgs**'s technical operator, according to the approval of ENARGAS in June 2004, and subject to the terms and conditions of the Technical Assistance Agreement which provides that Pampa Energía is in charge of providing services related to the operation and maintenance of the natural gas transportation system and related facilities and equipment, to ensure that the performance of the system is in conformity with international standards and in compliance with certain environmental standards. For these services, the Company pays a monthly fee based on a percentage of the operating income of the Company.

The Ordinary and Extraordinary General Shareholders' Meeting held on October 17, 2019 ratified the proposal approved by the Board of Directors at its meeting on September 17, 2019 made to Pampa Energía that implies an extension in the contract and a modification in the determination of the remuneration received by Pampa Energía.

Such modifications, without implying a modification in the scope of the tasks performed, will mean a progressive reduction over the years in the remuneration that Pampa Energía will receive in its role of Technical Operator.

According to the modifications made, **tgs** will pay Pampa Energía the greater of: (i) an annual fixed sum of US\$ 0.5 million or (ii) the variable compensation that arises from applying to comprehensive income before results and income taxes for the year but after deducting also the above fixed amount) the following scheme:

- From 12/28/2019 to 12/27/2020: 6.5%
- From 12/28/2020 to 12/27/2021: 6%
- From 12/28/2021 to 12/27/2022: 5.5%
- From 12/28/2022 to 12/27/2023: 5%
- From 12/28/2023 to 12/27/2024 and onwards: 4.5%

Commercial transactions

In the normal course of its activity, **tgs** celebrated with Pampa Energía and other companies related to it, agreements to transfer natural gas and its richness. The price, which is denominated in US dollars, is determined according to common market practices.

In addition, in the normal course of business, **tgs** carries out liquid sales, natural gas transportation services and other services with its associated companies, Pampa Energía and related companies.

Lease agreement with Pampa Energía

As mentioned in Note 13 to these Consolidated Financial Statements, on August 11, 2016, the Company entered into a finance lease agreement with Pampa Energía (formerly Petrobras Argentina).

Key management compensation

The accrued amounts corresponding to the compensation of the members of the Board of Directors, the Statutory Committee and the Executive Committee for the years ended December 31, 2023, 2022 and 2021 were Ps. 1,575,206, Ps. 1,329,757 and Ps. 1,267,099, respectively.

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Notes to the Consolidated Financial Statements as of December 31, 2023 and comparative information
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Balances and transactions with related parties

The detail of significant outstanding balances for transactions entered into by tgs and its related parties as of December 31, 2023 and 2022 is as follows:

Company	2023		2022	
	Accounts receivable	Accounts payable	Accounts receivable	Accounts payable
Controlling shareholder:				
CIESA	-	-	115	-
Company which exercises joint control on the controlling shareholder:				
Pampa Energía ⁽¹⁾	6,601,689	16,932,954	4,046,758	15,226,146
Associates with significant influence:				
Link	17,459	-	14,583	-
TGU	-	128,683	-	87,814
Other related companies:				
Comercializadora e Inversora S.A. (previously Pampa Comercializadora S.A.)	38,298	55,682	61,332	54,553
CT Barragán S.A.	15,558	-	13,372	-
Oleoductos del Valle S.A.	6,146	-	-	-
SACDE Sociedad Argentina de Construcción y Desarrollo Estratégico S.A.	11,044	4,040,743	6,935	-
Transener S.A.	61	-	94	-
Total	6,690,255	21,158,062	4,143,189	15,368,513

(1) Accounts payable includes Ps. 14,747,577 and Ps. 13,272,864 corresponding to the financial leasing recorded as “Loans” as of December 31, 2023 and 2022, respectively.

As of December 31, 2023 and 2022, tgs has a balance of Ps. 9,982,891 and Ps. 8,005,655 corresponding to Dollar linked notes issued by CT Barragán S.A. that accrue an annual rate of 4% over the exchange rate established in BCRA Communication “A” 3500 and that amortize the entire capital in June 2023, November 2024 and May 2025. The book value of the notes is disclosed within the caption “Financial assets at fair value through profit or loss”.

The detail of significant transactions with related parties for the years ended December 31, 2023, 2022 and 2021 is as follows:

Year ended December 31, 2023:

Company	Revenues			Costs			Financial results		
	Natural Gas Transportation	Production and commercialization of liquids	Midstream	Gas purchase and others	Compensation for technical assistance	Revenues for administrative services	Interest expense	Interest gain / Gain / (loss) on fair value	Selling expenses ⁽¹⁾
Controlling shareholder:									
CIESA	-	-	-	-	-	219	-	-	-
Company which exercises joint control on the controlling shareholder:									
Pampa Energía	3,460,789	8,605,778	17,632,528	16,522,448	6,078,353	-	917,514	-	-
Associates with significant influence:									
Link	-	-	141,201	-	-	-	-	-	-
Other related companies:									
SACDE Sociedad Argentina de Construcción y Desarrollo Estratégico S.A.	-	-	53,269	-	-	-	-	-	-
Transener S.A.	-	-	593	-	-	-	-	-	-
Oleoductos del Valle S.A.	89,665	-	-	-	-	-	-	-	-
CT Barragán S.A.	-	-	59,891	-	-	-	-	6,810,283	-
Comercializadora e Inversora S.A. (previously Pampa Comercializadora S.A.)	700,506	-	-	-	-	-	-	-	-
Fundación TGS	-	-	-	-	-	-	-	-	141,456
Total	4,250,960	8,605,778	17,887,482	16,522,448	6,078,353	219	917,514	6,810,283	141,456

(1) Corresponds to donations expenses.

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Additionally, during the year ended December 31, 2023, the Company received from SACDE Sociedad Argentina de Construcción y Desarrollo Estratégico S.A., construction engineering services for Ps. 41,077,629 which are activated within the balance of advances to suppliers.

Year ended December 31, 2022:

Company	Revenues			Costs			Financial results		
	Natural Gas Transportation	Production and commercialization of liquids	Midstream	Gas purchase and others	Compensation for technical assistance	Revenues for administrative services	Interest expense	Interest gain / Gain / (loss) on fair value	Selling expenses ⁽¹⁾
Controlling shareholder:									
CIESA	-	-	-	-	-	504	-	-	-
Company which exercises joint control on the controlling shareholder:									
Pampa Energía	4,582,093	11,158,452	12,371,693	18,143,329	9,551,489	-	1,191,598	-	-
Associates with significant influence:									
Link	-	-	145,583	-	-	-	-	-	-
Other related companies:									
SACDE Sociedad Argentina de Construcción y Desarrollo Estratégico S.A.	-	-	22,431	-	-	-	-	-	-
Transener S.A.	-	-	1,299	-	-	-	-	-	-
CT Barragán S.A.	-	-	54,369	-	-	-	-	300,222	-
Comercializadora e Inversora S.A. (previously Pampa Comercializadora S.A.)	929,764	-	-	-	-	-	-	-	-
Fundación TGS	-	-	-	-	-	-	-	-	96,720
Total	5,511,857	11,158,452	12,595,375	18,143,329	9,551,489	504	1,191,598	300,222	96,720

⁽¹⁾ Corresponds to donations expenses.

Additionally, during the year ended December 31, 2022, the Company received from SACDE Sociedad Argentina de Construcción y Desarrollo Estratégico S.A., construction engineering services for Ps. 10,335,414 which are activated within the balance of advances to suppliers.

Year ended December 31, 2021:

Company	Revenues			Costs			Financial results		
	Natural Gas Transportation	Production and commercialization of liquids	Midstream	Gas purchase and others	Compensation for technical assistance	Revenues for administrative services	Interest expense	Interest gain / Gain / (loss) on fair value	Selling expenses ⁽¹⁾
Controlling shareholder:									
CIESA	-	-	-	-	-	863	-	-	-
Company which exercises joint control on the controlling shareholder:									
Pampa Energía	5,189,780	15,558,595	7,366,239	17,526,586	13,235,940	-	1,769,776	-	-
Associates with significant influence:									
Link	-	-	-	-	-	-	-	-	-
Other related companies:									
Oleoductos del Valle S.A.	160,506	-	168,478	-	-	-	-	-	-
Transener S.A.	-	-	2,183	-	-	-	-	-	-
CT Barragán S.A.	-	-	83,018	-	-	-	-	1,507,468	-
Comercializadora e Inversora S.A. (previously Pampa Comercializadora S.A.)	902,338	-	-	-	-	-	-	-	-
Fundación TGS	-	-	-	-	-	-	-	-	7,091
Total	6,252,624	15,558,595	7,619,918	17,526,586	13,235,940	863	1,769,776	1,507,468	7,091

⁽¹⁾ Corresponds to donations expenses.

22. CONTRACTUAL OBLIGATIONS

a) Contractual Commitments

As of December 31, 2023, the Company had the following contractual commitments:

	Total	Estimated maturity date				
		Due less than one year	As of 12/31/2024	From 01/01/2025 to 12/31/2025	From 01/01/2026 to 12/31/2026	From 01/01/2027 to 12/31/2027
Financial indebtedness ⁽¹⁾	496,550,458	-	78,682,864	417,867,594	-	-
Purchase obligations ⁽²⁾	45,693,729	-	45,693,729	-	-	-
Financial Leases	18,820,619	609,434	6,620,245	6,655,985	4,255,896	679,059
Total	561,064,806	609,434	130,996,838	424,523,579	4,255,896	679,059

⁽¹⁾ Corresponds to the cancellation of principal and interest of the financial indebtedness. For further information, see Note 13.

⁽²⁾ Corresponds to purchase of natural gas contracts for the processing of liquids.

The totality of the financial indebtedness of tgs and the obligations corresponding to gas purchases are denominated in U.S. dollars which have been translated into Argentine pesos at the exchange rate as of December 31, 2023 (US\$ 1.00 = Ps. 808.45). The amounts to be paid in pesos could vary depending on the actual fluctuations in the exchange rate. For further information, see Note 17.a).

b) Guarantees granted and goods for restricted availability

The Company has not granted any additional guarantees or goods of restricted availability other than those set out in the remaining notes.

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23. ASSOCIATES AND JOINT ARRANGEMENTS

Link:

Link was created in February 2001, with the purpose of the operation of a natural gas transportation system, which links **tgs**'s natural gas transportation system with the Cruz del Sur S.A. pipeline. The connection pipeline extends from Buchanan, located in the high-pressure ring that surrounds the city of Buenos Aires, which is part of **tgs**'s pipeline system, to Punta Lara. **tgs**'s ownership interest in such company is 49%, while Pan American Sur S.A. holds a 20.40%, Shell Argentina S.A. a 25.50% and Wintershall Dea Argentina S.A. the remaining 5.10%.

TGU:

TGU is a company incorporated in Uruguay. This company rendered operation and maintenance services to Gasoducto Cruz del Sur S.A. and its contract terminated in 2010. **tgs** holds 49% of its common stock and Pampa Energía holds the remaining 51%.

EGS (liquidated):

In September 2003, EGS, a company registered in Argentina, was incorporated. The ownership is distributed between **tgs** (49%) and TGU (51%).

EGS owned a natural gas pipeline, which connects **tgs**'s main pipeline system in the Province of Santa Cruz with a delivery point on the border with Chile.

Since 2012 EGS discontinued its operations, deciding in January 2016 to begin the necessary steps to dissolve EGS. The Extraordinary Shareholders' Meeting of EGS held on March 10, 2016 appointed the liquidator.

The EGS Liquidator Board held on March 31, 2023 reported the Final Distribution Project of the remainder of the liquidation. On June 26, 2023, the Extraordinary General Assembly of EGS approved the final liquidation balance for the irregular fiscal year closed on March 31, 2023 and approved the cancellation of the social registration of EGS before the General Inspection of Justice. As of the date of issuance of these consolidated financial statements, the distribution project was executed by the liquidator. As of the date of issuance of these Consolidated Financial Statements, the IGJ registered the liquidation and canceled it from the registry.

Joint Agreement

UT:

The Board of Directors of **tgs** approved the agreement to set up the UT together with SACDE. The objective of the UT is the assembly of pipes for the construction of the project of "Expansion of the System of Transportation and Distribution of Natural Gas" in the Province of Santa Fe, called by National Public Bid No. 452-0004-LPU17 by the MINEM (the "Work").

On October 27, 2017, **tgs** - SACDE UT signed the corresponding work contract with the MINEM.

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The UT will remain in force until its purpose has been fulfilled, i.e., once the works involved in the Project have been completed and until the end of the guarantee period, set at 18 months from the provisional reception.

As a result of the situation of the economic context and COVID mentioned in Note 1, the UT sent a letter to Integración Energética Argentina S.A., a company currently part of the Ministry of Productive Development, requesting, among other issues, the reestablishment of the economic-financial equation, readjustment of the Work schedule, approval of cost redeterminations and price adjustments under the current legal regime.

On July 9, 2021, the UT and IEASA signed an order to restart the work related to the Project, through which the work schedule was readjusted and IEASA also assumed the commitment to manage and join efforts to guarantee the cash flow in order to avoid new effects on the economic-financial structure of the Works contract, which would give rise to new requests -by the UT- to recompose the economic-financial equation of the contract and the schedule of execution of the Work.

24. SUBSEQUENT EVENTS

The financial statements were authorized for issuance by the Board of Directors on April 24, 2024. There are no subsequent events between the closing date of year ended December 31, 2023, and the approval (issuance) of these consolidated financial statements, other than the ones already disclosed therein.

Natural gas transportation transitional tariff increase

As a result of the public hearing held on January 8, 2024, on March 26, 2024, tgs entered the 2024's Transitional Agreement with the ENARGAS, which provides for a transitional adjustment of 675% in natural gas transportation tariffs. This tariff increase came into effect on April 3, 2024, after Resolution No. 112/2024 (the "Resolution 112") issued by the ENARGAS was published in the Official Gazette. According to Resolution 112, as from May 2024 and until the RTI process is completed, tariffs are adjusted monthly by a composite index (the "Transitional Adjustment Index") as follows:

- 47% by the Wage Index - Registered Private Sector published by INDEC,
- 27.2% IPIM, and
- 25.8% Construction Cost Index in Greater Buenos Aires - Materials chapter published by INDEC.

To this end, ENARGAS will issue the corresponding monthly resolution adjusting the tariff charts to be applied.

In addition, Resolution 112 provides that during 2024 the Company must execute an investment plan in the amount of Ps. 27,690 million (adjustable by the Transitional Adjustment Index). As of the date of this Financial Statements, the Company has submitted such investment plan, which is in the process of execution.

Annual Ordinary Shareholders' MeetingAllocation of 2023's net income and retained earnings.

On April 17, 2024, the Annual Ordinary Shareholders' Meeting (the "2024 Shareholders' Meeting") approved the increase in the legal reserve of Ps. 1,783 million and the allocation of Ps. 751,449 million to the reserve for capital expenditures, acquisition of treasury shares and/or dividends (the "Reserve"). The Board of Directors can release the Reserve to tgs' shareholders for such purposes.

It is noteworthy that the above-mentioned decisions made by the 2024 Shareholders' Meeting were taken considering current CNV regulations (Resolution No. 777/2018) which states retained earnings have to be adjusted by inflation using the rates as of the month before the meeting was held. In case of 2022 Shareholders' Meeting, tgs used the inflation rate as of March 31, 2024.

EXHIBIT 2.6

DESCRIPTION OF SECURITIES REGISTERED UNDER SECTION 12 OF THE EXCHANGE ACT

Except as otherwise indicated or the context otherwise requires, capitalized terms used herein shall have the meaning ascribed to such terms in the report on Form 20-F of which this exhibit is a part.

General

As of the date of our annual report on Form 20-F of which this exhibit is a part, we have the following classes of securities registered or to be registered pursuant to Section 12 of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”):

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
American Depositary Shares (“ ADS ”), representing Class “B” Shares	TGS	New York Stock Exchange
Class “B” Shares, par value Ps.1.00 per share	n/a	New York Stock Exchange*

* Not for trading, but only in connection with the registration of American Depositary Shares related to the issuer’s American Depositary Receipts (“**ADRs**” or “**Receipts**”) program, pursuant to the requirements of the Securities and Exchange Commission.

As of March 31, 2023, we had 405,192,594 Class A Shares and 389,302,689 Class B Shares (including 87,441,287 Class B Shares underlying ADSs and 41,734,225 Class B Shares held in treasury). According to data provided by the Depositary, as of March 31, 2023, there were 17,488,257 ADSs outstanding. Such ADSs represented approximately 11.01% of the total number of issued and outstanding Class B Shares as of such date.

Citibank N.A. is the Depositary of our ADSs pursuant to the Deposit Agreement. Each ADS represents five Class B Shares. The ADSs are listed on the NYSE under the trading symbol “TGS.” The ADSs began trading on the NYSE on November 1, 1994. The Buenos Aires Stock Market (*Bolsas y Mercados Argentinos*, or “**BYMA**”) is the principal Argentine Market for trading the Class b shares.

The Depositary’s office at which the ADSs are administered and its principal executive office are located at 388 Greenwich Street, New York, New York 10013, U.S.A.

Our corporate affairs are governed by our bylaws, the Law No. 19,550 (or the “**General Companies Act**”) and Law No. 26,831 (the “**Capital Markets Law**”), which differ from the legal principles that would apply if we were incorporated in a jurisdiction in the United States or in other jurisdictions outside Argentina. In addition, as the provider of natural gas transportation services through the exclusive use of the southern natural gas transportation system in Argentina, certain of our corporate affairs are governed by our License and the *Pliego de Bases y Condiciones para la Privatización de Gas del Estado S.E.* (the “**Pliego**”).

As a result of changes in the shareholding of our controlling company, CIESA, a shareholders’ agreement was signed on August 29, 2005 (the “**Shareholders’ Agreement**”). This agreement governs certain matters relating to shareholder participation in CIESA and in us. This agreement divides the CIESA shares into five classes that grant the shareholders different rights and obligations with respect to us and CIESA, mainly regarding the designation of the members of our Board of Directors and our Statutory Committee. See “*Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders—Shareholders’ Agreement*” in our annual report on Form 20-F of which this exhibit is a part.

The following description of our Class B Shares and the ADSs is a summary of the material terms of our bylaws, the Deposit Agreement and applicable Argentine law in effect as of the date of our annual report on Form 20-F of which this exhibit is a part. Because it is a summary, it does not describe every aspect of our Class B Shares, our bylaws, the Deposit Agreement or Argentine law and may not contain all of the information that is important to you. References to provisions of our bylaws and the Deposit Agreement are qualified in their entirety by reference to the full bylaws and the Deposit Agreement, respectively. An English translation of our bylaws and the Deposit Agreement have been filed as an exhibits to our annual report on Form 20-F of which this exhibit is a part.

Description of Common Stock

We have three classes of common stock, the Class A Shares, the Class B Shares and the Class C Shares. The bylaws also state that the Class A Shares shall at all times account for a minimum of 51.0% of our total outstanding voting stock and that the Class B Shares together with the Class C Shares shall at all times account for the remainder 49.0% of our total outstanding voting stock. The ratio between Class A Shares and Class B Shares and Class C Shares existing as of the date when the respective issue was decided must be maintained.

Class A Shares may only be transferred prior approval of the Natural Gas Regulatory Agency (*Ente Nacional Regulador del Gas*) or any successor thereof. Class C shares shall be maintained under an Employee Stock Ownership Program (*Programa de Propiedad Participada*) as prescribed by Chapter III of Law No. 23,696. Class C shares, that have been fully paid up by their buyer, may be converted into Class B shares at the request of their holders upon expiration of a three-year term as from the date of our incorporation.

All shares shall be issued in book-entry form, of Ps.1.00 par value each and carrying One (1) vote each.

Shares are indivisible. In case of co-ownership, representation of such co-owned shares must be consolidated into one holder in order to exercise rights and comply with obligations. Any limitations and restrictions on the ownership and transfer of shares shall be recorded in the certificates of the depository entity.

Preferred shares may be issued, granting the economic preferences specified in the bylaws, as determined by the shareholders' meeting that resolved the issue of such shares.

Other than as described herein, holders of the Series A shares and the Series B shares have the same rights and obligations. As of the date of the annual report on Form 20-F of which this exhibit is a part there are no preferred shares or any privilege.

Increases in Capital Stock

The capital stock and its evolution shall be recorded in our balance sheets as it may result from the capital increases registered with the Public Registry of Commerce. Our capital stock may be increased by decision of the shareholders' meeting without any limitation and without the need to amend the bylaws.

Creation of ADSs — Deposit, Withdrawal and Cancellation

Class B Shares or evidence of rights to receive Class B Shares may be deposited by delivery thereof to the Custodian (as defined in the Deposit Agreement), accompanied by any appropriate instrument or instruments of transfer, or endorsement, in form satisfactory to the custodian, together with all such certifications as may be required by the Depository or the Custodian in accordance with the provisions of the Deposit Agreement, and, if the Depository requires, together with a written order directing the Depository to execute and deliver to, or upon the written order of, the person or persons stated in such order, Receipts for the number of ADSs representing such deposit. No Class B Share shall be accepted for deposit unless accompanied by evidence satisfactory to the Depository that any necessary approval has been granted by any governmental body in Argentina which is then performing the function of the regulation of currency exchange.

Upon surrender at the Corporate Trust Office of the Depository of a Receipt for the purpose of withdrawal of the deposited securities represented by the ADSs evidenced by such Receipt, and upon payment of the fee of the Depository for the surrender of Receipts and payment of all taxes and governmental charges payable in connection with such surrender and withdrawal of the deposited securities, and subject to the terms and conditions of the Deposit Agreement, the owner of such Receipt shall be entitled to delivery, to him or upon his order, of the amount of deposited securities at the time represented by the ADSs evidenced by such Receipt.

As a condition precedent to the execution and delivery, registration of transfer, split-up, combination or surrender of any Receipt or withdrawal of any deposited securities, the Depository, Custodian or registrar may require payment from the depositor of Class B Shares or the presenter of the Receipt of a sum sufficient to reimburse it for any tax or other governmental charge and any stock transfer or registration fee with respect thereto (including any such tax or charge and fee with respect to Class B Shares being deposited or withdrawn) and payment of any applicable fees.

All Receipts surrendered to the Depository shall be canceled by the Depository. Canceled Receipts shall not be entitled to any benefits under the Deposit Agreement or be valid or enforceable for any purpose. The Depository is authorized to destroy Receipts so canceled.

Dividends and Other Distributions

Under our bylaws, all Class A, Class B and Class C shares rank equally with respect to the payment of dividends. All shares outstanding as of a particular record date share equally in the dividend being paid, except that shares issued during the period to which a dividend relates may be entitled only to a partial dividend with respect to such period if the shareholders' meeting that approved the issuance so resolved. No provision of our bylaws or of the General Companies Act gives rise to future special dividends only to certain shareholders.

The amount and payment of dividends are determined by majority vote of our shareholders voting as a single class, generally, but not necessarily, on the recommendation of the Board of Directors. In addition, under the General Companies Act, our Board of Directors has the right to declare dividends subject to further approval of the shareholders' meeting.

In our Board of Directors meeting held on December 18, 2019, the Board approved a written dividend policy. This policy provides that in making its evaluation, our Board of Directors should consider our financial results, our liquidity, our future financing needs and other information, including economic and financial projections for both our and the economy as a whole. Each year, our Board evaluates whether to submit a distribution proposal to the shareholders' meeting. Nevertheless, there are a number of restrictions that limit our ability to distribute dividends. For additional information regarding dividend payments, see "*Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Dividend Distribution Policy*" in our annual report on Form 20-F of which this exhibit is a part.

Under applicable CNV regulations and our bylaws, cash dividends must be paid to shareholders within 30 days from the shareholders' meeting approving such dividends. In cases where the shareholders meeting delegates the authority for the distribution of dividends to the Board of Directors, the payment of dividends has been usually resolved within 30 days from the relevant Board of Directors' resolution. In the case of payment of stock dividends, or payment of both stock and cash dividends, both shares and cash are required to be available within three months of the receipt of notice of the authorization of the CNV for the public offering of the shares arising from such dividends. In accordance with the Argentine Civil and Commercial Code, the statute of limitations to the right of any shareholder to receive dividends declared by the shareholders' meeting is five years from the date on which it has been made available to the shareholder. However, according to our bylaws, dividends in cash approved by the shareholders' meeting which remain unclaimed for three (3) years calculated as from the date established for payment thereof shall be forfeited to our benefit. In this case, such unclaimed dividends shall be allocated to a special reserve to be used as the shareholders' meeting may decide.

Owners of ADSs are entitled to receive any dividends payable with respect to the underlying Class B shares.

Cash dividends may be paid to the Depositary in U.S. dollars or other currency, as long as the applicable laws and regulations allow it. The Deposit Agreement provides that the Depositary shall convert cash dividends received by the Depositary in foreign currency to dollars, to the extent that, in the judgment of the Depositary, such conversion may be made on a practicable basis, and, after deduction or upon payment of the fees and expenses of the Depositary, and withholding of applicable taxes, shall make payment to the holders of ADSs in U.S. dollars.

Each holder of the ADRs is entitled to receive dividends in the form of shares in proportion to the number of ADSs held by such holder after deduction or upon payment of the fees and expenses of the Depositary, and withholding of applicable taxes.

Amount Available for Distribution

Under the General Companies Act, dividends of a listed company may be lawfully paid only out of liquid and realized profits reflected in the annual audited financial statements of the company prepared in accordance with accounting rules prevailing in Argentina and CNV regulations and approved by a shareholders' meeting. The Board of Directors of a listed company may declare interim or provisional dividends, in cash, or based on special or quarterly financial statements with the report of the external auditor and the Supervisory Committee, in which case the members of the Board, the members of the Statutory Supervisory Commission (*Comisión Fiscalizadora*) and of the Supervisory Committee are jointly and severally liable for the repayment of such dividends if retained earnings at the close of the fiscal year in which such dividends were paid would not have been sufficient to permit the applicable distribution.

Every year, our Board of Directors submits to the annual ordinary shareholders' meeting for approval the financial statements for the preceding fiscal year, together with reports thereon by the Supervisory Commission and the external auditor. Within four months of the end of each fiscal year, an ordinary shareholders' meeting must be held to discuss the annual financial statements and determine the allocation of our net income for such year, if any.

Pursuant to the General Companies Act and the CNV Rules, we are required to allocate a legal reserve (“**Legal Reserve**”) equal to at least 5% of each year’s net income (as long as there are no losses for prior fiscal years pending to be absorbed) until the aggregate amount of such Legal Reserve equals 20% of the sum of (i) “common stock nominal value” plus (ii) “inflation adjustment to common stock,” as shown in our consolidated statement of changes in equity. If there are any losses pending to be absorbed from prior fiscal years, such 5% should be calculated on any excess of the net income over such losses, if any. Dividends may not be paid if the Legal Reserve has been impaired, nor until it has been fully replenished. The Legal Reserve is not available for distribution as a dividend.

Pursuant to our bylaws, liquid and realized profits shall be allocated in the following manner: *first*, to the Legal Reserve; *second*, to pay the remuneration of the members of the Board of Directors and Statutory Supervisory Commission; *third*, to pay cumulative dividends in arrears and current dividends with respect to preferred shares, if any; *fourth*, an amount equal to 0.25% of the net income for the year will be allocated to pay the statutory employee profit-sharing; and *fifth*, the balance of the retained earnings for the year may be retained as a voluntary reserve or distributed as dividends on our shares, as determined at the general annual shareholders’ meeting.

Share Repurchases

If approved by our shareholders at a general shareholders’ meeting or by our Board of Directors, we may purchase our outstanding shares. The economic and voting rights corresponding to repurchased shares cannot be exercised during the period the shares are owned by us and the shares will be deemed outstanding for purposes of calculating any quorum or vote at any shareholders’ meeting. See “*Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders—Repurchase of Shares*” in our annual report on Form 20-F of which this exhibit is a part.

Voting of the Underlying Class B Shares

Voting Power

Under our bylaws, each Class A, Class B and Class C share entitles the holder thereof to one vote at each shareholders’ meeting. If preferred shares are issued, they shall not carry any votes, except in certain specific cases as set forth in our bylaws and the resolutions of the shareholders meeting approving the issuance of such shares.

Whenever the shareholders’ meeting must adopt resolutions affecting the rights of one Class of shares, the consent or ratification of such Class shall be given at a Class meeting governed by the rules established in these bylaws for ordinary shareholders’ meetings.

Notice of Meetings to Holders of ADSs

Upon receipt of notice of any meeting of holders of Class B Shares, if requested in writing by us the Depositary shall, as soon as practicable thereafter, mail to the owners of ADSs a notice, the form of which notice shall be approved by us, which shall contain (a) such information as is contained in such notice of meeting received by the Depositary from us, (b) a statement that the owners as of the close of business on a specified record date will be entitled, subject to any applicable provision of the laws of Argentina and of our bylaws, to instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the amount of Class B Shares or other deposited securities represented by their respective ADSs and (c) a statement as to the manner in which such instructions may be given, including an express indication that such instructions may be given or deemed given in accordance with this paragraph if no instruction is received, to the Depositary to give a discretionary proxy to a person designated by us.

Vote Casting by ADS Holders

Upon the written request of an owner on such record date, received on or before the date established by the Depositary for such purpose, (the "Instruction Date") the Depositary shall endeavor, in so far as practicable and permitted under applicable law and our bylaws, to vote or cause to be voted the amount of Class B Shares or other deposited securities represented by the ADSs evidenced by such Receipt in accordance with the instructions set forth in such request. The Depositary shall not vote or attempt to exercise the right to vote that attaches to the Class B Shares or other deposited securities, other than in accordance with such instructions or deemed instructions. If no instructions are received by the Depositary from any owner with respect to any of the Class B Shares or other deposited securities represented by the ADSs evidenced by such owner's Receipts on or before the Instruction Date, the Depositary shall deem such owner to have instructed the Depositary to give a discretionary proxy to a person designated by us with respect to such deposited securities and the Depositary shall give a discretionary proxy to a person designated by us to vote such deposited securities, provided that no instruction shall be given with respect to any matter as to which we inform the Depositary that we do not wish such proxy given.

There can be no assurance that owners generally or any owner in particular will receive the notice of a meeting sufficiently prior to the Instruction Date to ensure that the Depositary will vote the Class B Shares or deposited securities in accordance with the provisions set forth in the preceding paragraph.

In addition, the Depositary will, unless otherwise requested by us, insofar as permitted under applicable law and our bylaws, deposit substantially all of the Class B Shares represented by ADSs then outstanding for the purpose of establishing a quorum at any meeting of shareholders, whether or not voting instructions with respect to such Class B Shares have been received.

Notwithstanding the foregoing, the Depositary will not vote the Class B Shares or other deposited securities in accordance with the Deposit Agreement unless we have provided to the Depositary an opinion of Argentine counsel (which may be the general counsel of the issuer), which states that such action is not in contravention of Argentine law or our bylaws.

Foreign Shareholders

In addition, under the General Companies Act, foreign companies that own shares in an Argentine corporation are required to register with the Superintendency of Corporations (*Inspección General de Justicia* or the "IGJ") in order to exercise certain shareholder rights. Voting rights in a shareholders' meeting can be exercised through duly instituted agents, as is regulated by the Capital Markets Law. Direct owners of Class B Shares (rather than in the form of ADSs) that are not Argentine companies and that fail to register with the IGJ, may have limited ability to exercise their rights as a holder of our Class B Shares.

Preemptive Rights

Class A, Class B and Class C shareholders shall be entitled to preemptive rights in the subscription for new shares, within their same Class and in proportion of their respective holdings, and they shall be entitled to additional preemptive rights pursuant to Article 194 et seq. of the General Companies Act. Should any balance of unsubscribed for shares remain, such shares may be offered to third parties. The issue of common shares pertaining to future capital increases must abide by the following proportions: 51% of the aggregate of Class A shares and 49% of Class B and C shares, these two classes of shares must keep the same ratio existing as of the date when the respective issue was decided. If preferred shares are issued, the holders of common shares shall be entitled to preemptive rights in the subscription of preferred shares, on a pro rata basis of their respective holdings and without any class distinction.

Holders of ADSs may be restricted in their ability to exercise preemptive rights if a registration statement under the Securities Act relating thereto has not been filed or is not effective. Preemptive rights are exercisable during the 30 days following the last publication of notice informing shareholders of their right to exercise such preemptive rights in the Official Gazette and in an Argentine newspaper of wide circulation. Pursuant to the General Companies Act, if authorized by a special shareholders' meeting, companies authorized to make public offering of their securities, such as **tgs**, may shorten the period during which preemptive rights may be exercised from 30 to 10 days following the publication of notice of the offering to the shareholders to exercise preemptive rights in the Official Gazette and a newspaper of wide circulation in Argentina.

The term for exercise of accretion rights is the same as that fixed for exercising preemptive rights

Amendment and Termination

Amendment of Deposit Agreement

The form of the Receipts and any provisions of the Deposit Agreement may at any time and from time to time be amended by agreement between us and the Depositary without the consent of owners and beneficial owners in any respect which they may deem necessary or desirable. Any amendment which shall impose or increase any fees or charges (other than taxes and other governmental charges, registration fees, cable, telex or facsimile transmission costs, delivery costs or other such expenses), or which shall otherwise prejudice any substantial existing right of owners, shall, however, not become effective as to outstanding Receipts until the expiration of 30 days after notice of such amendment shall have been given to the owners of outstanding Receipts. Every owner at the time any amendment so becomes effective shall be deemed, by continuing to hold such Receipt, to consent and agree to such amendment and to be bound by the Deposit Agreement as amended thereby. In no event shall any amendment impair the right of the owner of any Receipt to surrender such Receipt and receive therefor the deposited securities represented thereby, except in order to comply with mandatory provisions of applicable law.

Termination of Deposit Agreement

The Depositary shall at any time at our direction terminate the Deposit Agreement by mailing notice of such termination to the owners of all Receipts then outstanding at least 30 days prior to the date fixed in such notice for such termination. The Depositary may likewise terminate the Deposit Agreement by mailing notice of such termination to us and the owners of all Receipts then outstanding if at any time ninety days shall have expired after the Depositary shall have delivered to us a written notice of its election to resign and a successor depositary shall not have been appointed and accepted its appointment. On and after the date of termination, the owner of a Receipt will, upon (a) surrender of such Receipt at the Corporate Trust Office of the Depositary, (b) payment of the fee of the Depositary for the surrender of Receipts, and (c) payment of any applicable taxes or governmental charges, be entitled to delivery, to him or upon his order, of the amount of deposited securities represented by the American Depositary Shares evidenced by such Receipt. If any Receipts shall remain outstanding after the date of termination, the Depositary thereafter shall discontinue the registration of transfers of Receipts, shall suspend the distribution of dividends to the owners thereof, and shall not give any further notices or perform any further acts under the Deposit Agreement, except that the Depositary shall continue to collect dividends and other distributions pertaining to deposited securities, shall sell rights and other property as provided in the Deposit Agreement, and shall continue to deliver deposited securities, together with any dividends or other distributions received with respect thereto and the net proceeds of the sale of any rights or other property, in exchange for Receipts surrendered to the Depositary (after deducting, in each case, the fee of the Depositary for the surrender of a Receipt, any expenses for the account of the owner of such Receipt in accordance with the terms and conditions of the Deposit Agreement, and any applicable taxes or governmental charges). At any time after the expiration of one year from the date of termination, the Depositary may sell the Class B Shares or other deposited securities then held thereunder and may thereafter hold uninvested the net proceeds of any such sale, together with any other cash then held by it under the Deposit Agreement, unsegregated and without liability for interest, for the pro rata benefit of the owners of Receipts which have not theretofore been surrendered, such owners thereupon becoming general creditors of the Depositary with respect to such net proceeds. After making such sale, the Depositary shall be discharged from all obligations under the Deposit Agreement, except to account for such net proceeds and other cash (after deducting, in each case, the fee of the Depositary for the surrender of a Receipt, any expenses for the account of the owner of such Receipt in accordance with the terms and conditions of the Deposit Agreement, and any applicable taxes or governmental charges).

Limitations on Obligations and Liability

The Deposit Agreement expressly limits our obligations and the obligations of the Depositary. It also limits our liability and the liability of the Depositary. We and the depositary:

a) are not liable to any owner or beneficial owner of any Receipt, if by reason of any provision of any present or future law or regulation of the United States or any other country, or of any governmental or regulatory authority or stock exchange, or by reason of any provision, present or future, of our bylaws, or by reason of any provision of any securities issued or distributed by us, or any offering or distribution thereof, or by reason of any act of God or war or terrorism or other circumstances beyond our control, we or any of our respective directors, employees, agents or affiliates shall be prevented, delayed or forbidden from, or be subject to any civil or criminal penalty on account of, doing or performing any act or thing which by the terms of the Deposit Agreement or the deposited securities it is provided shall be done or performed, nor shall we or any of our respective directors, employees, agents or affiliates incur any liability to any owner or beneficial owner of any Receipt by reason of any non-performance or delay, caused as aforesaid, in the performance of any act or thing which by the terms of the Deposit Agreement it is provided shall or may be done or performed, or by reason of any exercise of, or failure to exercise, any discretion provided for in the Deposit Agreement;

b) do not assume any obligation or liability under the Deposit Agreement or the Receipts to owners, beneficial owners of Receipts or other persons, except that we agree to perform our obligations specifically set forth in the Deposit Agreement without negligence or bad faith;

c) shall not be under any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities or in respect of the Receipts, which in its opinion may involve it in expense or liability, unless indemnity satisfactory to it against all expense and liability shall be furnished as often as may be required, and the custodian shall not be under any obligation whatsoever with respect to such proceedings, the responsibility of the custodian being solely to the Depositary;

d) shall not be liable for any action or nonaction by us in reliance upon the advice of or information from legal counsel, accountants, any person presenting Class B Shares for deposit, any owner, beneficial owner or any other person believed by it in good faith to be competent to give such advice or information;

e) the Depositary shall not be liable for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the Depositary or in connection with any matter arising wholly after the removal or resignation of the Depositary, provided that in connection with the issue out of which such potential liability arises the Depositary performed its obligations without negligence or bad faith while it acted as Depositary;

f) the Depositary shall not be responsible for any failure to carry out any instructions to vote any of the deposited securities, or for the manner in which any such vote is cast or the effect of any such vote, provided that any such action or nonaction is in good faith.

In the deposit agreement, we and the depositary agree to indemnify each other under certain circumstances.

Reports

The Depositary shall make available for inspection by owners at its Corporate Trust Office and at the principal office of each custodian copies of any notices, reports or communications, including any proxy soliciting material, received from us which are both (a) received by the Depositary and the custodian or the nominees of both as the holder of the deposited securities and (b) made generally available to the holders of such deposited securities by us. The Depositary shall also, upon written request, send to the owners copies of such reports furnished by us pursuant to the Deposit Agreement. Any such reports and communications, including any such proxy soliciting material, furnished to the Depositary shall be furnished in English.

Maintenance of Office and Transfer Books by the Registrar

Until termination of the Deposit Agreement in accordance with its terms, the Registrar shall maintain in the Borough of Manhattan, the City of New York, an office and facilities for the issuance and delivery of ADSs, the acceptance for surrender of ADS(s) for the purpose of withdrawal of Class B Shares, the registration of issuances, cancellations, transfers, combinations and split-ups of ADS(s) and, if applicable, to countersign ADRs evidencing the ADSs so issued, transferred, combined or split-up, in each case in accordance with the provisions of the Deposit Agreement.

The Registrar shall keep books for the registration of ADSs which at all reasonable times shall be open for inspection by us and by the holders of such ADSs, provided that such inspection shall not be, to the Registrar's knowledge, for the purpose of communicating with holders of such ADSs in the interest of a business or object other than our business or other than a matter related to the Deposit Agreement or the ADSs.

Bylaws

At a meeting on May 27, 2014, our shareholders approved an amendment to our bylaws to adapt such bylaws to the Capital Markets Law, and to other regulatory requirements of CNV. In addition, at such meeting, our Board of Directors suggested certain other amendments to adopt a more flexible corporate management and consolidate the effective bylaws of **tgs** in a single document. Such bylaws have been included as Exhibit 1.2 to our annual report on form 20-F for the year ended December 31, 2014 filed with the SEC.

Call for Shareholders' Meetings

Pursuant to our bylaws, ordinary and/or extraordinary shareholders meetings shall be convened by the Board of Directors or the Statutory Auditor (*Sindico*) in the cases provided by law, or whenever any one of them deem it necessary or upon request of shareholders of any Class holding no less than 5% of the capital stock. In the latter case the notice shall specify the items of business to be transacted and the Board of Directors or the Statutory Auditor (*Sindico*) shall convene the shareholders' meeting to be held within a maximum 40-day term as from the date of receipt of the notice. If the Board of Directors or the Statutory Auditor (*Sindico*) would fail to do so, the shareholders' meeting may be convened by the supervisory agency or the court.

Notices of Meetings

Shareholders' meetings shall be convened by notices made in advance within a minimum 20-day period and a maximum 45-day period published during five days in the Official Bulletin and in one leading newspaper of general circulation in Argentina. The notice must specify the nature of the shareholders' meeting and the date, time and place of the meeting as well as the Agenda of Items of Business. Shareholders meetings in second call due to the failure of the first one must be held within the following 30 days, and the publications will be made for 3 days with at least 8 in advance. The ordinary shareholders meeting may be convened simultaneously on the first and second call. If the Meeting on second call is called to be held on the same day as the first call, it must be done with an interval of no less than one hour. If the legal constitution of Meeting had failed due to lack of the necessary assistance and, if in the case of the ordinary shareholders meeting it had not been summoned simultaneously in the first and second call, it must be called again within the following 30 days.

Quorum and Voting Requirements

Ordinary shareholders' meetings shall be validly held on first call with the attendance of shareholders representing a majority of voting shares, and on second call with the attendance of any number of voting shares present. Action shall be adopted in both cases by an absolute majority of voting shares present that may be casted on the respective decision.

Extraordinary shareholders' meetings shall be validly held on first call with the attendance of shareholders representing 61% of the voting shares and on second call with the attendance of whatever number of voting shares. Action in both cases shall be taken with the absolute majority of votes present that may be cast in the respective decision, except for the case provided under the last paragraph of Article 244 of the General Companies Act and Article 18 of the bylaws.

Amendments to Bylaws

For a minimum period of two years calculated as from the date of transfer of the aggregate Class A shares to the current owner of the Class A Shares as winning bidder in the International Public Tender for the privatization of Gas del Estado Sociedad del Estado or until the ANSES (as defined below) has transferred its aggregate Class B shares, whatever occurs first, any amendment to our bylaws and any capital increase requires the affirmative vote of the shares of such Class held by the ANSES. Upon expiration of such two-year term or upon occurrence of such event, amendment to certain provisions of our bylaws shall require the prior authorization of the Natural Gas Regulatory Agency or any successor thereof.

Foreign Investment Legislation

Under the Argentine Foreign Investment Law, as amended, and its implementing regulations (together, referred to as the “**Foreign Investment Legislation**”), the purchase of shares of an Argentine corporation by an individual or legal entity domiciled abroad or by an Argentine company of “foreign capital” (as defined in the Foreign Investment Legislation) constitutes foreign investment. Currently, foreign investment in industries other than broadcasting, purchase land located in frontier and other security areas by foreigners and limits on the ownership of rural land by foreign individuals or legal entities according to Law 26,737, is not restricted, and no prior approval is required to make foreign investments.

Reporting Requirements

Pursuant to the regulations of CNV, any person that directly or indirectly, or any group of persons acting in concerted form, by any means and with a certain purpose:

- a) acquire or dispose of shares or securities convertible into shares, or acquire call or put options over them;
- b) alter the integration or configuration of its direct or indirect interest over the capital stock of an issuer;
- c) convert notes (*obligaciones negociables*) into shares;
- d) exercise the put or call options of the securities referred to in a); or
- e) change their purpose regarding their interest in an issuer at the time of occurrence of any the abovementioned events;

is required to inform CNV and BYMA of such circumstances, immediately after executing the acquisition, disposal, alteration of the integration or configuration of the interest, conversion into shares, and/or exercise of the calls or put options referred to above, or after the occurrence of the change in the purpose referred to above.

In any case, the information shall be submitted only as long as the acquisitions involved and/or facts referred to above grant 5% or more of the voting rights that can be exercised in our shareholders’ meetings.

Similar information is required to be submitted to CNV and BYMA in the event of changes over the interests previously informed, until becoming a controlling shareholder in which case the regulations applicable to such person shall become applicable.

Board of Directors

See “*Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management*” for a description of the provisions relating to the integration of our Board of directors and the rights of the different Classes of shares or controlling groups with respect thereto.

Fees and Charges

An ADS holder is required to pay the following service fees to the Depositary:

Service	Rate	By Whom Paid
(1) Issuance of ADSs (e.g., an issuance upon a deposit of Shares, upon a change in the ADS(s)- to-Share(s) ratio, or for any other reason), excluding issuances as a result of distributions described in paragraph (4) below.	Up to U.S.\$5.00 per 100 ADSs (or fraction thereof) issued.	Person receiving ADSs.
(2) Cancellation of ADSs (e.g., a cancellation of ADSs for delivery of deposited Shares, upon a change in the ADS(s)-to-Share(s) ratio, or for any other reason).	Up to U.S.\$5.00 per 100 ADSs (or fraction thereof) canceled.	Person whose ADSs are being canceled.
(3) Distribution of cash dividends or other cash distributions (e.g., upon a sale of rights and other entitlements).	Up to U.S.\$5.00 per 100 ADSs (or fraction thereof) held.	Person to whom the distribution is made.
(4) Distribution of ADSs pursuant to (i) stock dividends or other free stock distributions, or (ii) an exercise of rights to purchase additional ADSs.	Up to U.S.\$5.00 per 100 ADSs (or fraction thereof) held.	Person to whom the distribution is made.
(5) Distribution of securities other than ADSs or rights to purchase additional ADSs (e.g., spin- off shares).	Up to U.S.\$5.00 per 100 ADSs (or fraction thereof) held.	Person to whom the distribution is made.
(6) ADS Services.	Up to U.S.\$5.00 per 100 ADSs (or fraction thereof) held on the applicable record date(s) established by the Depository.	Person holding ADSs on the applicable record date(s) established by the Depository.

We, holders, beneficial owners, persons receiving ADSs upon issuance and persons whose ADSs are being canceled shall be responsible for the following ADS charges under the terms of the Deposit Agreement:

- a) taxes (including applicable interest and penalties) and other governmental charges;
- b) such registration fees as may from time to time be in effect for the registration of Class B Shares or other deposited securities on the share register and applicable to transfers of Shares or other Deposited Securities to or from the name of the Custodian, the Depository or any nominees upon the making of deposits and withdrawals, respectively;
- c) such cable, telex and facsimile transmission and delivery expenses as are expressly provided in the Deposit Agreement to be at the expense of the person depositing Shares or withdrawing Class B Shares or other deposited securities or of the holders and beneficial owners of ADSs;
- d) the expenses and charges incurred by the Depository in the conversion of foreign currency;

e) such fees and expenses as are incurred by the Depositary in connection with compliance with exchange control regulations and other regulatory requirements applicable to Shares, Deposited Securities, ADSs and ADRs; and

f) the fees and expenses incurred by the Depositary, the Custodian, or any nominee in connection with the servicing or delivery of Deposited Property.

Taxes

Holders of ADSs will be responsible for the taxes and other governmental charges payable on the ADSs and the securities represented by the ADSs. We, the ADS depositary and the custodian may deduct from any distribution the taxes and governmental charges payable by holders and may sell any and all property on deposit to pay the taxes and governmental charges payable by holders. holders of ADSs will be liable for any deficiency if the sale proceeds do not cover the taxes that are due.

Shareholding Interest of ANSES

In 2008, the Government absorbed and replaced the former private pension system with a public “pay as you go” pension system. As a result, all resources administered by the private pension funds, including significant equity interests in a wide range of listed companies, were transferred to a separate fund (*Fondo de Garantía de Sustentabilidad* or “FGS”) to be managed by the National Social Security Administration Service (Administración Nacional de la Seguridad Social, or “ANSES”). ANSES is entitled to designate government representatives to the boards of directors of these companies.

According to applicable regulations, any transfer or other action that limits, alters, cancels or modifies the destination, ownership, possession or nature of the shares held by the FGS which results in a decrease of the FGS’s holdings in a manner inconsistent with applicable law, shall not be conducted without prior express authorization of the Argentine Congress, subject to certain exceptions. See “*Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders*” in our annual report on Form 20-F of which this exhibit is a part.

EXHIBIT 8.1

SUBSIDIARIES

The following are our subsidiaries:

Company Name	Country of incorporation	Proportion of Ownership Interest
Telcosur S.A.	Argentina	99.98%
CTG Energía S.A.U.	Argentina	100.00%

Exhibit 8.1

EXHIBIT 9.1

CLAWBACK POLICY

1. PURPOSE

The purpose of this Clawback Policy (the “Policy”) is to describe the circumstances under which the Company shall recover Erroneously Awarded Compensation and the procedure to do so, all this in compliance with the Clawback Rules, provided that the Company must restate its financial statements due to an error or a material noncompliance.

2. SCOPE

Unless otherwise stated herein, this Policy shall be administered by the Management of Transportadora de Gas del Sur S.A. (“tgs” or the “Company”). Subject to any limitation under the Clawback Rules, the Management shall be entitled to take any and all necessary actions to reasonably achieve the purpose of this Policy. Any determination by the Management with respect to this Policy shall be final, conclusive and binding on all interested parties and need not be uniform with respect to each Management member under this Policy.

3. DEFINITIONS

For purposes of this Policy, capitalized terms which are not proper names shall have the following meanings:

“Stock Exchanges” mean the New York Stock Exchange, the Argentine Stock Exchange and/or any other stock exchange where Company securities are listed.

“Management” is composed of the CEO (Chief Executive Officer), the COO (Operations Director), the Human Resources Director, the CFO and Services Director, the Legal Affairs Director, the Business Director and the Institutional and Regulatory Affairs Director. In the event that the Management should assess the Clawback Eligible Incentive Compensation of any of its members, said Management member shall be unable to act and vote with respect to his or her own compensation.

“Incentive-Based Compensation” means any compensation that is earned, granted, vested or which recovery is limited based wholly or in part upon the attainment of a Financial Reporting Measure.

“Erroneously Awarded Compensation” means, with respect to Clawback Eligible Incentive Compensation, the amount that exceeds the amount of Clawback Eligible Incentive Compensation that otherwise would have been Received by the person had such amount been determined based on the applicable Restatement, computed without regard to any taxes paid.

“Clawback Eligible Incentive Compensation” means, with respect to a person who served as an Executive Officer at any time during the performance period for the Incentive-Based Compensation (regardless of whether said person is serving or not as an Executive Officer at the time the Erroneously Awarded Compensation must be reimbursed to the Company), any Incentive-Based Compensation received by an Executive Officer: (i) on or after the Effective Date; (ii) after the person became an Executive Officer; (iii) at a time that the Company had a class of securities listed on the appropriate Stock Exchange and (iv) during the applicable Clawback Period.

“Financial Reporting Measure” means any measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures derived wholly or in part from such measure. Stock price and total shareholder return shall be considered Financial Reporting Measure under this Policy. It is expressly made clear that Financial Reporting Measures need not be presented within the Company’s financial statements or included in a filing with the SEC.

“Board” means The Board of Directors of **tgs**.

“Executive Officer” means any person that serves or has served as Company executive officer as established by the Management according to the definition of “Executive Officer” set forth in the Clawback Rules, that is: the Chairman, the Deputy Chairman, the CEO (Chief Executive Officer), the COO (Operations Manager), the Human Resources Director, the CFO and Services Director, the Legal Affairs Director, the Business Director and the Institutional and Regulatory Affairs Director; as well as any other person contained in the definition of “Executive Officer” of the Clawback Rules.

“Exchange Act” means the Securities Exchange Act of the United States of America of 1934 (Securities Exchange Act of 1934), as amended, and the rules and regulations enacted under this Act.

“Effective Date” shall mean October 2, 2023.

“Restatement Date” means (i) the date the Board concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement; or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare a Restatement, whichever occurs first.

“Impracticable” shall mean, based on the determination of good faith of the Management, or if the Management is not comprised of independent directors, of a majority of the independent directors serving on the Board, that: (i) the direct expense paid to a third party to assist in enforcing the Policy against an Executive Officer would exceed the amount to be recovered, after the Company has made reasonable attempts to recover such Erroneously Awarded Compensation, has documented such reasonable attempts, and has provided such documentation to the Stock Exchange; (ii) pursuing such recovery would violate Argentine laws, provided that the Company obtains an independent counsel opinion that recovery would result in such a violation and provides such opinion to the Stock Exchange or (iii) recovery would likely cause any otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

“Recovery Method” shall include, among others: (i) requesting the reimbursement of the Erroneously Awarded Compensation; (ii) seeking recovery of any gain realized through the award, exercise, settlement, sale, transfer or any other stock-based transaction; (iii) setting off the Erroneously Awarded Compensation of the repayment amount owed to the Executive Officer by the Company and/or (iv) taking any and all remedial actions to recoup the repayment amount, to the extent permitted by applicable Argentine law, as determined by the Management.

“**tgs**” and/or “Corporation” and/or “Company” means Transportadora de Gas del Sur S.A. and those Subsidiaries determined by the Management, as applicable.

“Clawback Period” shall mean, with respect to any Restatement, the three completed fiscal years immediately preceding the Restatement Date and any transition period (that results from a change in the Company’s fiscal year) of less than nine months that is within or immediately following the Company’s three completed fiscal years.

“Policy” means this Clawback Policy.

“Received” means any Incentive-Based Compensation granted, vested or paid to an Executive Officer during a fiscal year in which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the grant, vesting or payment of the Incentive-Based Compensation occurs after the end of that fiscal year.

“Restatement” means an accounting restatement (i) due to the material noncompliance of the Company with any financial reporting requirement under applicable laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (referred to as a “Big R” restatement) or (ii) that would result in a material misstatement if the error was corrected in the current period or was left uncorrected in the current period (referred to as a “little r” statement). Recovery of any Erroneously Awarded Compensation under the Policy is not dependent on fraud or misconduct by any person in connection with the Restatement.

“Clawback Rules” shall mean Section 10D of the Exchange Act and any applicable rule or standard adopted by the SEC under this Act (including Rule 10D-1 of the Securities Exchange Act) or the Stock Exchanges pursuant to Rule 10D-1 of the Exchange Act (including Section 303A.14 of the New York Stock Exchange Listed Company Manual), as well as any other regulation that replaces, amends or complements them with respect to the matters covered by this Policy.

“SEC” shall mean the Securities and Exchange Commission of the United States of America.

4. RELATED DOCUMENTS

Non applicable

5. PROCEDURE

5.1. Recoupment of Erroneously Awarded Compensation

(a) In the event of approval of a Restatement by the Company, the Management shall promptly determine (in accordance with the Clawback Rules) the amount of any Erroneously Awarded Compensation granted, vested or paid to each Executive Officer based on said Restatement, and shall subsequently give each Executive Officer written notice which includes the amount of the Erroneously Awarded Compensation, requesting the recoupment or refund, as applicable. For Incentive-Based Compensations based on the stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not directly subject to a new mathematical recalculation from the information in a Restatement, the Management shall analyze if said Restatement had or could have had an effect on the stock price and, if applicable, shall make a reasonable estimate of the effect of the Restatement in order to determine the amount of such Erroneously Awarded Compensation granted, vested or paid to an Executive Officer, if any. In this case, the Company shall maintain documentation of such assessment and provide such documentation to the Stock Exchange. The Management shall be entitled to hire inhouse or external counsels, as deemed necessary, to make the estimates provided for in this Policy.

(b) If an Erroneously Awarded Compensation is detected, the Company, through its Management, shall promptly recover the corresponding amounts through any reasonable and appropriate Recovery Method, in its sole discretion, and based on all applicable facts and circumstances and considering the cost of delaying its recovery. Unless otherwise permitted by the Clawback Rules and this Clawback Policy, under no circumstances shall the Company be allowed to accept an amount lower than that of the Erroneously Awarded Compensation; unless the Management determines, in its sole discretion, that the recovery would be Impracticable. By implementing actions provided for in this Section 4(b), the Management shall proceed according to Stock Exchange standards and requirements and the applicable Clawback Rules.

5.2. No indemnification

The Company shall not be entitled to: (i) indemnify any Executive Officer in respect of any loss of Erroneously Awarded Compensation recovered in accordance with the terms of this Policy and/or the Clawback Rules, including payment or reimbursement of any insurance cost paid by any Executive Officer to cover such loss or (ii) enter into agreements to waive any Incentive-Based Compensation from enforcing this Policy or agreements whereby the Company waives the right to recover any Erroneously Awarded Compensation. Any indemnification, agreement or waiver in contravention of this clause (regardless of whether it was entered into before, on or after de Effective Date) shall be considered null and void, and thus shall not be applicable or legally valid against the Company.

5.3. Interpretation

The Management shall interpret this Policy, its enforceability and scope pursuant to the Clawback Rules and any other applicable law or regulation; and it shall take any and all actions it may deem necessary, appropriate or advisable so that this Policy is enforced in a manner consistent with the requirements of the Clawback Rules. To the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted by applicable law.

5.4. Effective Date

This Policy shall be effective as of its Effective Date.

5.5. Amendment; Termination.

The Board may amend this Policy, in full or in part, in its discretion, provided it is necessary in order to comply with any amendment to the Clawback Rules or to the federal securities laws of the United States of America, SEC rules or Stock Exchange rules or any other applicable regulations. This Policy shall remain in force for as long as the Clawback Rules is applicable to the Company.

5.6. Other recovery rights; No additional payments

Executive Officers shall be bound to this Policy provided they are granted, vested or paid any Incentive-Based Compensation by the Company pursuant to the terms of this Policy. Upon termination of employment or service in the Company, Executive Officers shall be bound to this Policy during the applicable Clawback Period with respect to any Incentive-Based Compensation Received. Any recovery right under this Policy is in addition to, and not in lieu of, any remedies or rights of recoupment that may be available to the Company under any applicable law, regulation or rule or under the terms of any other similar policy in any employment agreement, cash-based bonus plan, equity award agreement, or other similar agreement and any other legal recourse available to the Company. If an Executive Officer has already returned to the Company any Erroneously Awarded Compensation Received by any other means established by the Company or applicable law, the Management shall, in its sole discretion, consider said amounts reimbursed and shall not be entitled to request that they be reimbursed twice. The Company may take any and all necessary actions, to the extent permitted by applicable law, to require compliance with this Policy. Enforcement of this Policy shall not prevent the Company from taking any other actions to make any Executive Officer meet their obligations to the Company, including terminating an employment contract or starting a civil or criminal procedure or any other recourse available to the Company with respect to any Executive Officer.

5.7. Successors

This Policy shall be binding and enforceable against all Executive Officers and their respective beneficiaries, property subject to encumbrance, heirs, executors, administrators or other legal representatives as required by the Clawback Rules or as established by the Management.

EXHIBIT 12.1

CERTIFICATION

I, Oscar Sardi, certify that:

1. I have reviewed this annual report on Form 20-F for the year ended December 31, 2023, of Transportadora de Gas del Sur S.A.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the company and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 24, 2024

/s/ Oscar José Sardi
Oscar José Sardi
Chief Executive Officer

EXHIBIT 12.2

Certification

I, Alejandro M. Basso, certify that:

1. I have reviewed this annual report on Form 20-F for the year ended December 31, 2023, of Transportadora de Gas del Sur S.A.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the company and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting.
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 24, 2024

/s/ Alejandro M. Basso

Alejandro M. Basso
Chief Financial Officer and Services Vice President

EXHIBIT 13.1

CERTIFICATION

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), the undersigned officer of Transportadora de Gas del Sur S.A. (**the "Company"**), hereby certifies, to such officer's knowledge, that:

The Company's annual report on Form 20-F for the year ended December 31, 2023 (**the "Report"**) fully complies with the requirements of section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, and all information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 24, 2024

/s/ Oscar José Sardi
Oscar José Sardi
Chief Executive Officer

Exhibit 13.1

EXHIBIT 13.2

CERTIFICATION

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), the undersigned officer of Transportadora de Gas del Sur S.A. (the "**Company**"), hereby certifies, to such officer's knowledge, that:

The Company's annual report on Form 20-F for the year ended December 31, 2023 (the "**Report**") fully complies with the requirements of section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, and all information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 24, 2024

/s/ Alejandro M. Basso

Alejandro M. Basso

Chief Financial Officer and Services Vice President

Exhibit 13.2
