PART I

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.

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 ("**PPI**"), 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 “**MPFIPyS**”) 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 Argentineans (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 reinstalled 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.