Investor's Report

Q2 2017

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1. Highlights

- Calidda's client base and invoiced volume both increased during Q2 2017 by 27% and 2%, respectively, compared to Q2 2016's figures (501,589 vs 395,717 clients).

- During Q2 2017, our network length was enlarged by 483 km, wherewith the distribution system reached a total of 7,908 km of underground pipelines.

- Total Revenues of Q2 2017 and Total Adjusted Revenues increased by 9% and 7% respectively driven by higher connection fees from the NGV segment.

- The EBITDA and Adjusted EBITDA margin grew mainly due to the higher income mentioned above and a higher demand of natural gas.

- On the other hand we are currently working on our new business strategy. We have redesigned our organizational structure focusing on our new business vision. With this, we will ensure that our generating and support areas have the conditions to present our customers with effective energy proposals.

2. Natural Gas Market

- In Q2 2017, the monthly average total volume of natural gas produced in Peru was 1,176 MMCFD (million cubic feet per day), showing a decrease of 12.9% when compared to the monthly average total volume produced in Q2 2016 of 1,350 MMCFD.

3. Commercial Performance

In Q2 2017, Calidda connected a total of 63,160 customers. In the Residential segment, Calidda has operations in 20 out of the 49 districts from the Metropolitan area of Lima and Callao, which are the following: Villa El Salvador, Comas, San Juan de Lurigancho, El Agustino, San Miguel, Santiago de Surco, Jesús María, Magdalena, Pueblo Libre, Cercado de Lima, Los Olivos, San Martín de Porres, San Juan de Miraflores, Santa Anita, Villa María del Triunfo, Ate, Callao, Independencia, Carabayllo and Lurin. Likewise, in the Industrial, Commercial and NGV Stations segments, Calidda has operations in 37 districts.

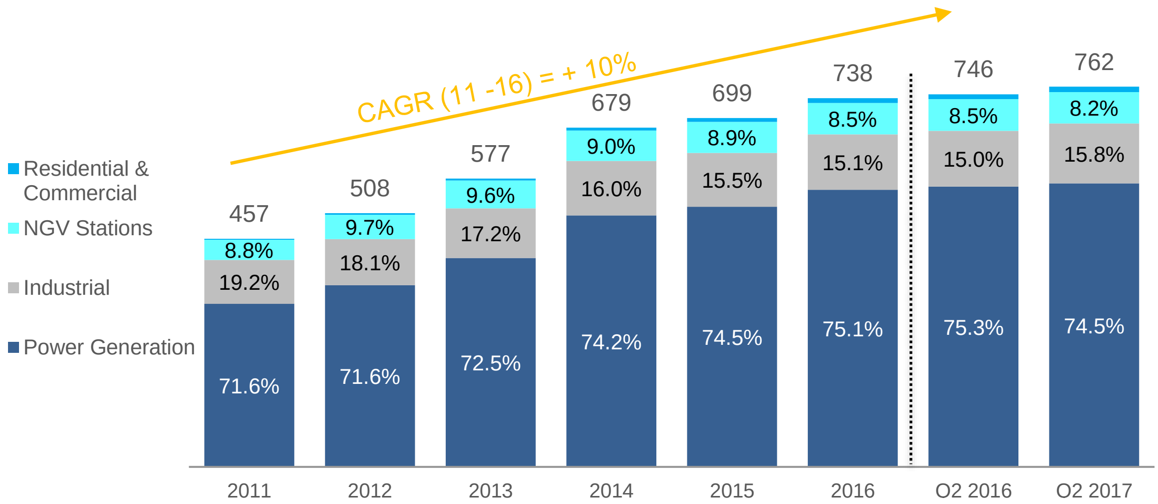
3.1. Client Base

Client Base	2011	2012	2013	2014	2015	2016	Q2 2017
Power Generation	13	13	16	16	17	18	19
Industrial	394	429	466	489	507	535	552
GNV Stations	172	192	206	220	232	240	251
Converted Vehicles	118,330	139,913	153,168	172,194	188,466	197,718	179,250
Residential & Commercial	63,602	103,090	163,129	254,280	344,380	437,607	500,767
Total Clients	**64,181**	**103,724**	**163,817**	**255,005**	**345,136**	**438,400**	**501,589**

- A new cogeneration client was connected in S1 2017 (Ferrosalt).
- 17 new industrial plants were connected during S1 2017.
- 11 new NGV stations joined Calidda’s distribution system and 179,250 converted vehicles are attended in the cities of Lima and Callao.
- Calidda added 63,160 clients in the Residential segment and 550 clients in the Commercial segment.

3.2. Volume

The graph below shows Calidda's Invoiced Volume since 2011, which as of 2016 grew at a rate of 10% per year. Invoiced Volume has increased by 2% when compared to Q2 2016. This is mostly explained by the increase in Take-or-Pay volume contracts, which amounted 604 MMCFD (563 MMCFD Power Generation + 41 MMCFD Industrial), totaling 79% of Calidda's invoiced volume.



The volume breakdown by client segments is shown in the following chart:

Volume (MMCFD)	2011	2012	2013	2014	2015	2016	Q2 2017	Var (Q2 17 vs Q2 16)
Power Generation	327	364	418	504	521	555	568	2%
Industrial	88	92	99	109	108	111	120	8%
GNV Stations	40	49	56	61	62	63	63	0%
Residential & Commercial	1.9	2.9	3.9	5.8	7.5	9.6	10.9	14%

- The segment that presents the highest growth rate is the Residential & Commercial segment, which shows a volume increase of 14% compared when compared to Q2 2016. This is explained by a higher client base: 437,607 as of Q2 2016 vs. 500,767 as of Q2 2017.

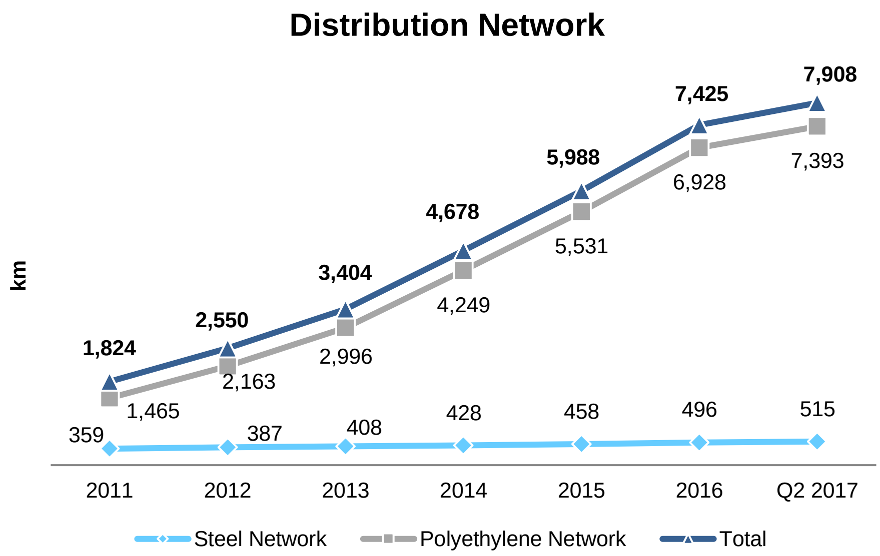
- The Industrial segment shows an increase of 8% YoY mainly due to additional take-or-pay volume contracted with Owen Illinois.

4. Operational Performance

4.1. Distribution Network

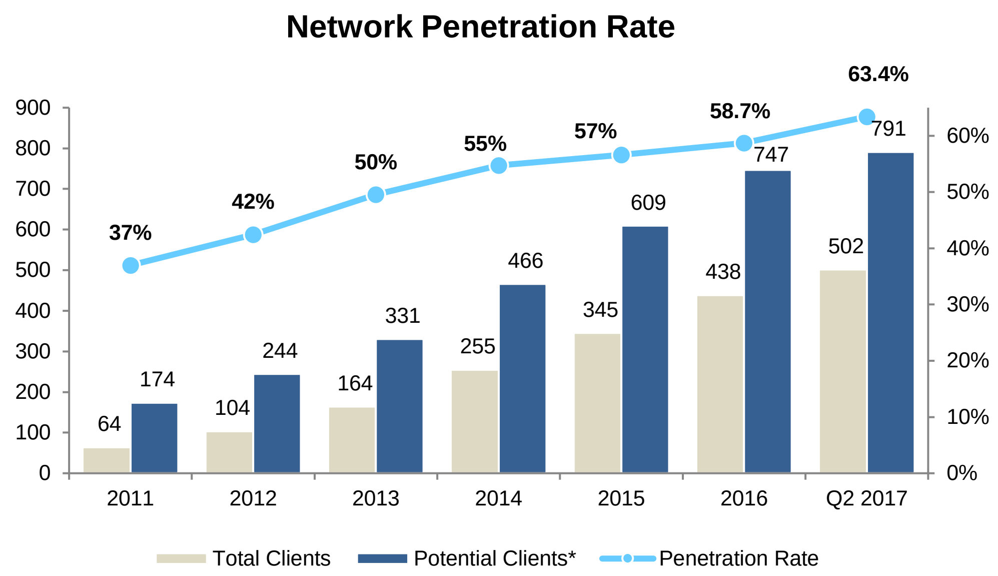
In S1 2017, Calidda built 483km, out of which 19km were steel high pressure network while the remaining 464km were low pressure polyethylene pipelines. The network now reaches 7,908km of underground pipelines.

The next chart shows the evolution of Calidda's distribution system:



4.2. Network Penetration Rate

The network penetration rate is measured as the number of connected clients over the number of potential clients that are located in front of Calidda's network. By the end of S1 2017, Calidda estimated that there are over 791,000 potential clients adjacent to Calidda's network, out of which 501,589 are currently connected. Therefore, the network penetration rate is 63.4%.



(*) Clients who are adjacent to Cálidda's distribution network.

Calidda's focus is on low income districts benefited by the subsidies mentioned before, where the savings produced by the use of natural gas against other alternative fuels are more appreciated.

5. Financial Performance

5.1. Revenues

Calidda's Revenues are comprised of five items, which are the following:

i) Distribution revenues, containing sales of distribution of natural gas;

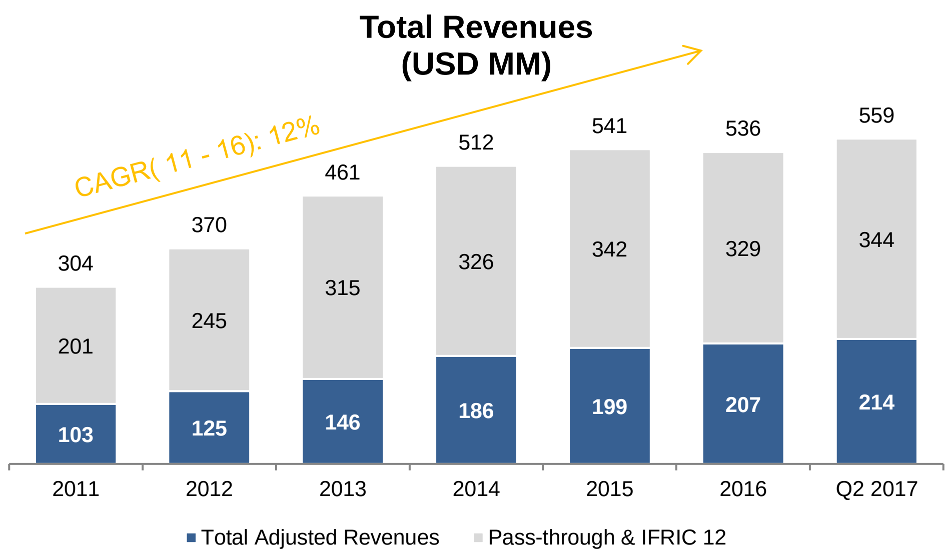
ii) Installation services, represented mainly by the construction of the network of natural gas within households (these revenues include connection fees and financial income derived from funding clients' installations);

iii) Pass-through revenues, which are derived from gas supply and gas transportation services (which also represent cost of sales, without a margin);

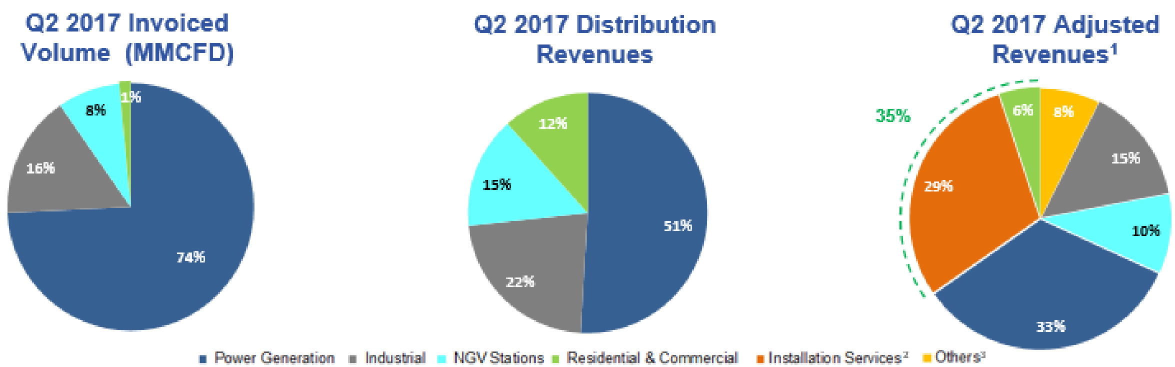
iv) IFRIC 12, which represents an accounting standard to book concession investments; and,

v) Other revenues, comprising maintenance and other non-recurrent services.

Total revenues of S1 2017 were US$ 284 MM (including pass-through and IFRIC 12 revenues), having increased by 9% when compared to S1 2016. However, Total Adjusted Revenues increased 7%, from US$ 112 MM to US$ 104 MM, mainly driven by higher distribution revenues from the increase of Take-or-Pay contracts and more residential connections.



In the next chart we can observe that even though Residential & Commercial segment represents only 1% of the Invoiced Volume, it explains 12% of the Distribution Revenues. Furthermore, if we add the revenues generated by the Installation's business, this segment represents 35% of the Adjusted Revenues.



1/ *Total Adjusted Revenues exclude Pass-through and IFRIC 12 revenues.*
2/ *Installation Services Revenues include revenues from connection fees and financing.*
3/ *Others: mainly derived from network relocation and other non recurrent services.*

On the other hand, Power Generation segment represents 74% of the Invoiced Volume, 51% of the Distribution Revenues, and 33% of the Adjusted Revenues.

Other Revenues represent 8% of the Adjusted Revenues, mainly explained by income from client's connections fees and higher connection fees from the NGV segment.

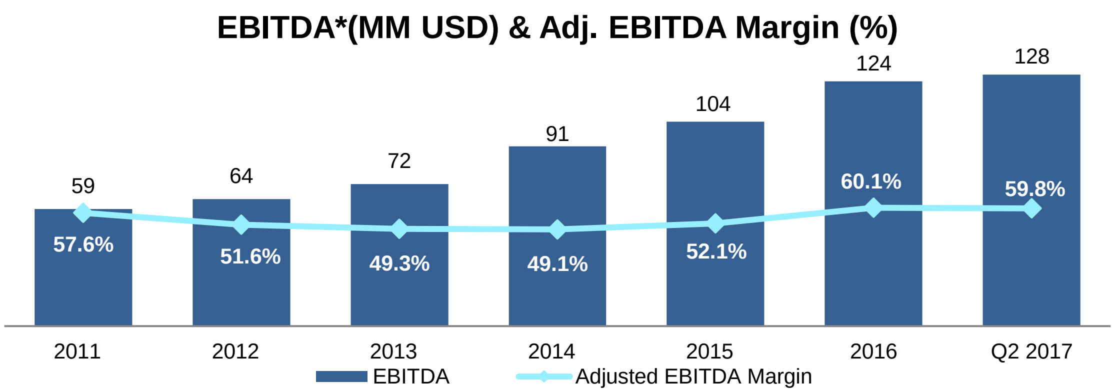
5.2. Financial Ratios

The financial results of Q2 2017 and Q2 2016 were the following:

Financial Information	Q2 2017	Q2 2016	Var (Q2 17 vs Q2 16)
Total Revenues (USD MM)	284.5	261.6	9%
Total Adj. Revenues (USD MM)[1]	111.6	103.9	7%
EBITDA (USD MM)[2]	66.7	63.2	5%
Adjusted EBITDA Margin[3]	59.8%	56.1%	7%
Net Income (MM USD)	30.2	30.1	0%

1/ Revenues exclude Pass-through and IFRIC 12 revenues.
2/ Q2 2017 EBITDA.
3/ Q2 2017 EBITDA & Adjusted Revenues.

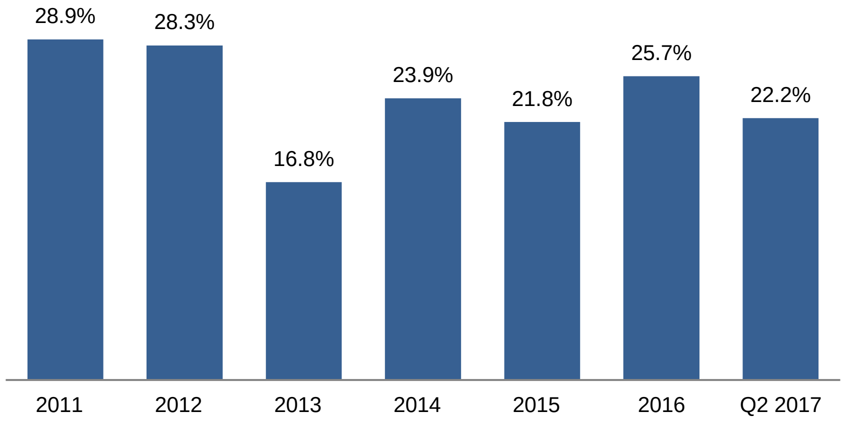
The last twelve month EBITDA for Q2 2017 was US$ 128 MM, which increased by 13% when compared to Q2 2016's, and has been steadily growing over the past 7 years, as shown in the next graph:



(*) Last Twelve Months.

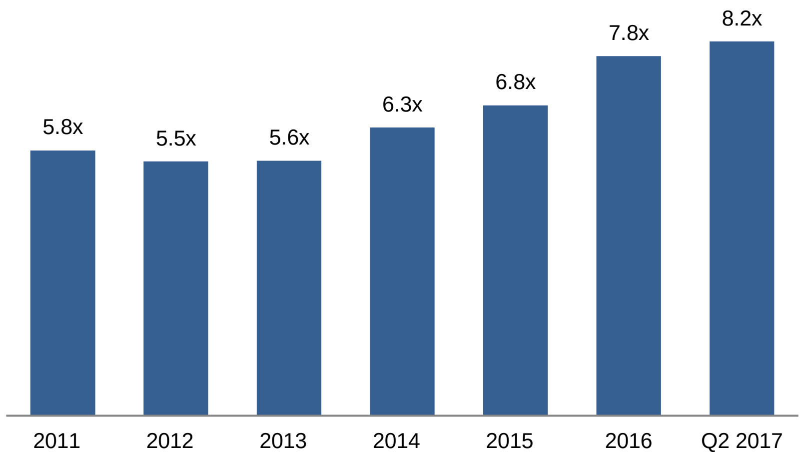
This has been achieved while maintaining solid financial ratios, as can be appreciated in the following graphs:

FFO / Net Debt

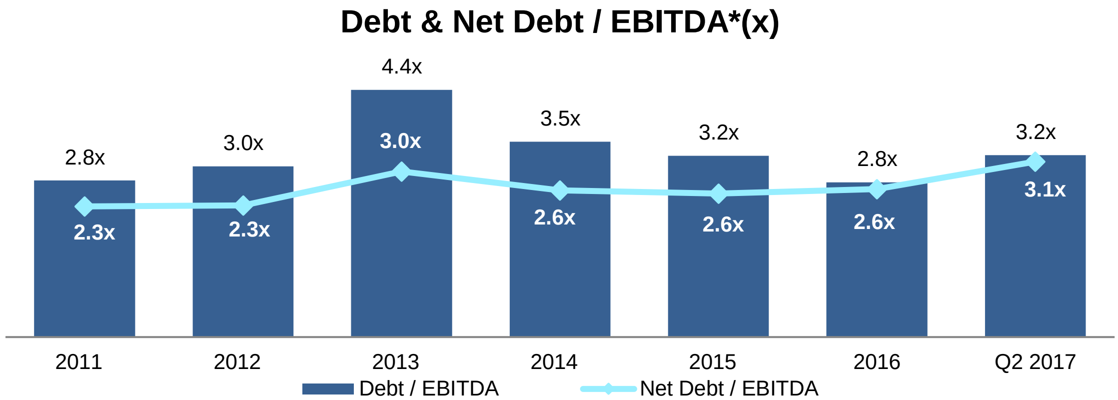


FFO – Funds From Operations: Net Profit + Depreciation + Amortization

Interest Coverage (x)

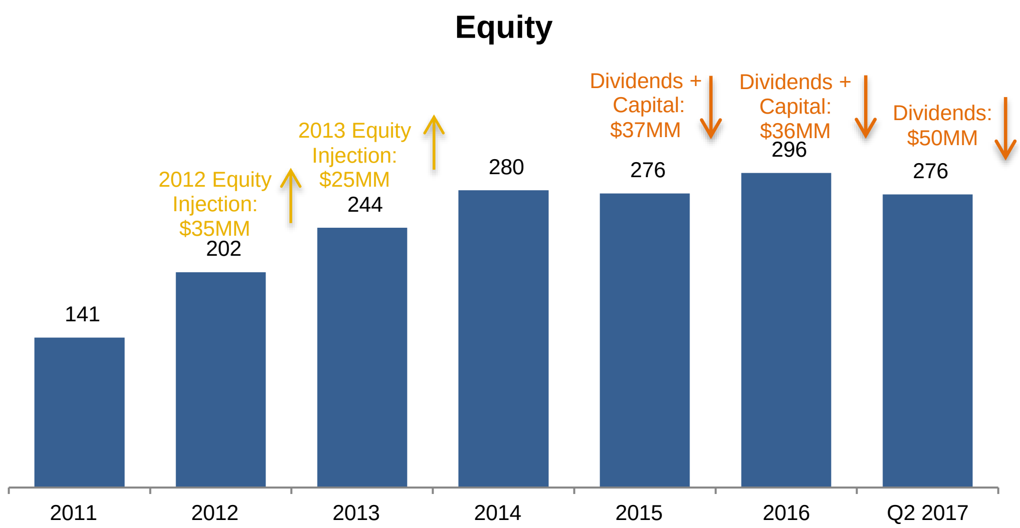


Ratio does not include 2013's debt prepayment penalties (US$ 7.8 MM).
**Interest Coverage: EBITDA / Interests from debt*



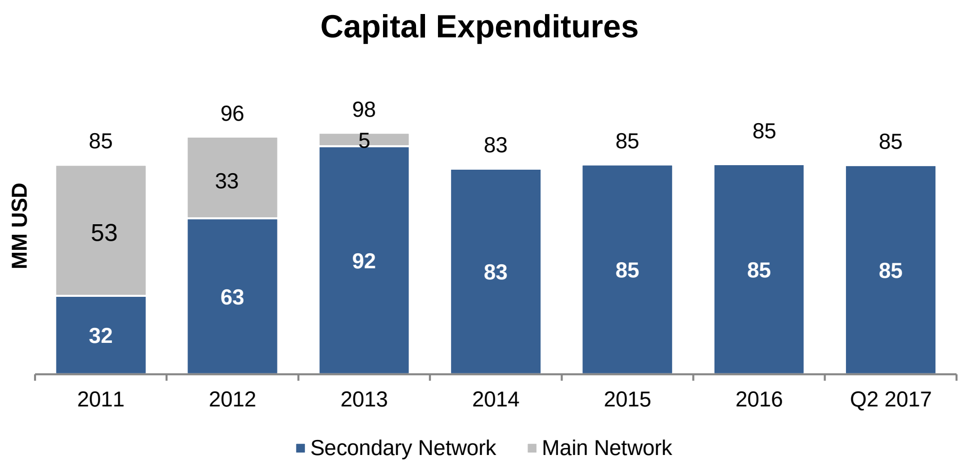
(*) Last Twelve Months.

Net Debt = Debt net of Cash Balance



5.3. Capital Expenditures

In S1 2017 Calidda invested a total of US$ 41 MM and US$ 85 MM in last twelve months, mainly in the construction of polyethylene network in order to connect new households.



Q2 2017 Last twelve months

6. Conclusions

2017 will be a year that will mark our transition towards a robust business model and close to the needs of our customers. We anticipate that this process will be followed by an evolution in the financial performance of our company that will be reflected in the sustained increase of our revenues and profitability.

In this sense, it is worth to mention that the results of this first quarter show that we are aiming to meet our annual objectives for the short and medium term. We expect at the end of the year to connect almost 120,000 clients and reach an EBITDA of almost 132MM.

7. Annexes

7.1. Disclaimer

The information provided here is for informational and illustrative purposes only and is not, and does not seek to be, a source of legal or financial advice on any subject. This information does not constitute an offer of any sort and is subject to change without notice. Calidda and its Shareholders expressly disclaim any responsibility for actions taken or not taken based on this information. Neither Calidda nor its Shareholders accept any responsibility for losses that might result from the execution of the proposals or recommendations herein presented. Neither Calidda nor its Shareholders are responsible for any content that may originate with third parties. Calidda or its Shareholders may have provided, or might provide in the future, information that is inconsistent with the information herein presented.

7.2. Definitions

Adjusted EBITDA: Our adjusted EBITDA, or Adjusted EBITDA, consists of our net profit for such period, plus (i) income tax expense, (ii) minus financial income, plus (iii) the sum of (a) financial expenses, and (b) amortization and depreciation included in each of general and administrative expenses, selling expenses and cost of sales, in each case, for such period. Our management considers that Adjusted EBITDA is a meaningful measure for understanding operating and financial performance. Adjusted EBITDA is not a presentation made in accordance with IFRS. Adjusted EBITDA has important limitations as an analytical tool, and you should not consider it in isolation, as indicative of the cash available to us to make payments under or as substitute for analysis of our results as reported under IFRS. For example, Adjusted EBITDA does not reflect (a) cash expenditures, or future requirements of capital expenditures or contractual commitments; and (b) changes in, or cash requirements for, working capital needs. In addition, because other companies may calculate adjusted EBITDA differently than we do, Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

Application of IFRIC 12*:* Given that IFRIC 12 refers to service concession arrangements, as holder of the BOOT Concession Agreements, Calidda must analyze its application to the Financial Statements. Based on the fact that the services to be provided by Calidda are set forth by the MEM, who also determines the tariff rates, and that the assets comprising the Calidda's natural gas distribution system shall be returned to such entity upon termination of the concession, management considers that IFRIC 12 applies to the Financial Statements. Under IFRIC 12, management considers that Calidda's assets comprising the natural gas distribution system and used for natural gas distribution should be recorded as an intangible asset.