

Gas Natural de Lima y Callao S.A.

Financial Statements

As of March 31, 2018, and December 31, 2017

GAS NATURAL DE LIMA Y CALLAO S.A.

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DECEMBER 31, 2017

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GAS NATURAL DE LIMA Y CALLAO S.A.

STATEMENT OF FINANCIAL POSITION MARCH 31, 2018 AND DECEMBER 31, 2017

	<u>31/03/2018</u>	<u>31/12/2017</u>		<u>31/03/2018</u>	<u>31/12/2017</u>
	<u>US\$000</u>	<u>US\$000</u>		<u>US\$000</u>	<u>US\$000</u>
ASSETS			EQUITY AND LIABILITIES		
CURRENT ASSETS:			CURRENT LIABILITIES		
Cash and cash equivalents	32,087	34,572	Other financial Liabilities	830	3,764
Trade receivables (net)	80,480	71,458	Accounts payable	55,243	56,419
Accounts receivable from related parties	50	59	Accounts payable from related parties	50,908	-
Inventories	24,206	24,902	Current income tax payable	1,666	3,132
Other receivables	11,589	18,244	Other accounts payable	14,847	14,391
Other non financial Assets	589	1,286	Deferred income	15,838	17,226
Total Current Assets	<u>149,001</u>	<u>150,521</u>	Total current liabilities	<u>139,332</u>	<u>94,932</u>
NON-CURRENT ASSETS			NON CURRENT LIABILITIES		
Trade receivables (net)	14,792	13,613	Other financial Liabilities	398,445	398,360
Property, plant and equipment (net)	7,904	7,983	Provisions	10,466	8,769
Intangible assets	648,212	641,437	Other accounts payable	8,317	7,669
Deferred taxes assets	485	174			
Other receivables	133	342			
			Total non-current liabilities	<u>417,228</u>	<u>414,798</u>
Total non-current assets	<u>671,526</u>	<u>663,549</u>	Total liabilities	<u>556,560</u>	<u>509,730</u>
			EQUITY		
			Issued capital	224,804	224,804
			Legal reserve	26,940	21,083
			Other capital reserves	204	(112)
			Retained earnings	12,019	58,565
			Total equity	<u>263,967</u>	<u>304,340</u>
TOTAL	<u>820,527</u>	<u>814,070</u>	TOTAL	<u>820,527</u>	<u>814,070</u>

GAS NATURAL DE LIMA Y CALLAO S.A.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED MARCH 31, 2018 AND 2017

	31/03/2018	31/03/2017
	US\$000	US\$000
OPERATIONAL INCOME		
Income from natural gas sales, transport distributions sales, transport distributions and associated services	126,351	118,344
Income from the main grid extension	16,181	20,772
Other operational income	1,213	2,280
Total operational income	143,745	141,396
COST OF SALES		
Cost of natural gas sales, transport distributions and associated services	(93,340)	(83,076)
Cost of sales from the main grid extension	(16,181)	(20,772)
Gross profit	34,224	37,548
Administrative expenses	(8,679)	(7,706)
Commercialization expenses	(4,391)	(3,627)
Other (expenses) income	590	457
Operative profit	21,744	26,672
Financial income	525	22
Financial expenses	(4,914)	(5,972)
Exchange difference, net	420	2,911
Pre-income tax result	17,775	23,633
Income tax expense	(5,756)	(6,849)
Net profit of the year	12,019	16,784
Other integral result of the year	316	(951)
Total integral result of the year	12,335	15,833

GAS NATURAL DE LIMA Y CALLAO S.A.

STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED MARCH 31, 2018 AND 2017

	Issued Capital	Legal Reserve	Other capital reserves	Retained earnings	Total Equity
	US\$000	US\$000	US\$000	US\$000	US\$000
BALANCE AS OF JANUARY 1, 2017	224,804	15,546	-106	55,372	295,616
Net profit for the year	-	-	-	16,784	16,784
Other integral result	-	-	-951	-	-951
Provision for legal reserve	-	5,537	-	-5,537	-
Reduction of share capital	-	-	-	-	-
Dividend Distribution	-	-	-	-	-
BALANCE AS OF MARCH 31, 2017	<u>224,804</u>	<u>21,083</u>	<u>-1,057</u>	<u>66,619</u>	<u>311,449</u>
BALANCE AS OF JANUARY 01, 2018	224,804	21,083	-112	58,565	304,340
Net profit for the year	-	-	-	12,019	12,019
Other integral result	-	-	316	-	316
Provision for legal reserve	-	5,857	-	-5,857	-
Dividend Distribution	-	-	-	-52,708	-52,708
BALANCE AS OF MARCH 31, 2018	<u>224,804</u>	<u>26,940</u>	<u>204</u>	<u>12,019</u>	<u>263,967</u>

GAS NATURAL DE LIMA Y CALLAO S.A.

STATEMENT OF CASH FLOW FOR THE YEARS ENDED MARCH 31, 2018 AND 2017

	31/03/2018	31/03/2017
	US\$000	US\$000
OPERATING ACTIVITIES:		
Collection corresponding to:		
Income for distribution services	120,910	123,121
Other cash income related to operating activities	9,879	213
Payments corresponding to:		
Suppliers of goods and services	(92,993)	(77,372)
Employee benefits	(10,588)	(9,423)
Income tax	(5,502)	(9,090)
Interests	(7,000)	(9,556)
Other cash payments related to operating activities	(856)	(8,703)
Net cash provided by operating activities	<u>13,849</u>	<u>9,190</u>
INVESTMENT ACTIVITIES:		
Collection corresponding to:		
Sale of Property, plant and equipment	4	-
Payments corresponding to:		
Investment in concession goods	(16,425)	(20,351)
Software purchase		
Purchase of machinery and equipment and ongoing works	(311)	(27)
Net cash provided by operating activities	<u>(16,731)</u>	<u>(20,377)</u>
FINANCING ACTIVITIES:		
Collection corresponding to:		
Loans received	-	15,695
Financial contribution and overcharge	397	-
Payments corresponding to:		
Dividend payments	-	-
Capital reduction	-	-
Financial contribution and overcharge	-	(33)
Payment of loan received	-	(5,843)
Net cash provided by operating activities	<u>397</u>	<u>9,818</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>(2,485)</u>	<u>(1,369)</u>
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR	<u>34,572</u>	<u>14,705</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>32,087</u>	<u>13,336</u>