

Gas Natural de Lima y Callao S.A.

Financial Statements

As of September 30, 2018, and December 31, 2017

GAS NATURAL DE LIMA Y CALLAO S.A.

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AND DECEMBER 31, 2017

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GAS NATURAL DE LIMA Y CALLAO S.A.

STATEMENT OF FINANCIAL POSITION SEPTEMBER 30, 2018 AND DECEMBER 31, 2017

	<u>30/09/2018</u>	<u>31/12/2017</u>		<u>30/09/2018</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	27,814	34,572	Other financial Liabilities	1,578	3,764
Trade receivables (net)	91,202	71,458	Accounts payable	86,731	56,419
Accounts receivable from related parties	51	59	Accounts payable from related parties	-	-
Inventories	27,524	24,902	Current income tax payable	3,681	3,132
Other receivables	37,919	18,244	Other accounts payable	14,812	14,391
Other non financial Assets	<u>2,115</u>	<u>1,286</u>	Deferred income	<u>15,517</u>	<u>17,226</u>
Total Current Assets	<u>186,625</u>	<u>150,521</u>	Total current liabilities	<u>122,319</u>	<u>94,932</u>
NON-CURRENT ASSETS			NON CURRENT LIABILITIES		
Trade receivables (net)	20,154	13,613	Other financial Liabilities	458,985	398,360
Property, plant and equipment (net)	7,196	7,983	Provisions	17,063	8,769
Intangible assets	694,027	641,437	Other accounts payable	4,219	7,669
Deferred taxes assets	-	174	Other accounts payable	<u>3,197</u>	
Other receivables	<u>262</u>	<u>342</u>	Total non-current liabilities	<u>483,464</u>	<u>414,798</u>
Total non-current assets	<u>721,639</u>	<u>663,549</u>	Total liabilities	<u>605,783</u>	<u>509,730</u>
			EQUITY		
			Issued capital	224,804	224,804
			Legal reserve	26,940	21,083
			Other capital reserves	(907)	(112)
			Retained earnings	<u>51,644</u>	<u>58,565</u>
			Total equity	<u>302,481</u>	<u>304,340</u>
TOTAL	<u><u>908,264</u></u>	<u><u>814,070</u></u>	TOTAL	<u><u>908,264</u></u>	<u><u>814,070</u></u>

GAS NATURAL DE LIMA Y CALLAO S.A.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	30/09/2018	30/09/2017
	US\$000	US\$000
OPERATIONAL INCOME		
Income from natural gas sales, transport distributions sales, transport distributions and associated services	401,466	359,942
Income from the main grid extension	70,718	59,503
Other operational income	3,586	5,668
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Total operational income	475,770	425,113
COST OF SALES		
Cost of natural gas sales, transport distributions and associated services	(271,949)	(259,246)
Cost of sales from the main grid extension	(70,718)	(59,503)
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Gross profit	133,103	106,364
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Administrative expenses	(32,895)	(22,534)
Commercialization expenses	(7,854)	(7,331)
Other (expenses) income	751	2,727
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Operative profit	93,105	79,226
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Financial income	1,549	739
Financial expenses	(14,498)	(15,811)
Exchange difference, net	(759)	3,206
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Pre-income tax result	79,397	67,360
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Income tax expense	(25,684)	(19,124)
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Net profit of the year	53,713	48,236
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Other integral result of the year	(795)	81
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Total integral result of the year	52,918	48,317
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GAS NATURAL DE LIMA Y CALLAO S.A.

STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	<u>Issued Capital</u> US\$000	<u>Legal Reserve</u> US\$000	<u>Other capital reserves</u> US\$000	<u>Retained earnings</u> US\$000	<u>Total Equity</u> US\$000
BALANCE AS OF JANUARY 1, 2017	224,804	15,546	-106	55,372	295,616
Net profit for the year	-	-	-	30,157	30,157
Other integral result	-	-	-350	-	-350
Provision for legal reserve	-	5,537	-	-5,537	-
Reduction of share capital	-	-	-	-	-
Dividend Distribution	-	-	-	-49,835	-49,835
BALANCE AS OF SEPTEMBER 30, 2017	<u>224,804</u>	<u>21,083</u>	<u>-456</u>	<u>30,157</u>	<u>275,588</u>
BALANCE AS OF JANUARY 01, 2018	224,804	21,083	-112	58,565	304,340
Net profit for the year	-	-	-	53,713	53,713
Change in accounting policy IFRS 9	-	-	-	-2,069	-2,069
Other integral result	-	-	-795	-	-795
Provision for legal reserve	-	5,857	-	-5,857	-
Dividend Distribution	-	-	-	-52,708	-52,708
BALANCE AS OF SEPTEMBER 30, 2018	<u>224,804</u>	<u>26,940</u>	<u>-907</u>	<u>51,644</u>	<u>302,481</u>

GAS NATURAL DE LIMA Y CALLAO S.A.

STATEMENT OF CASH FLOW FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	30/09/2018	30/09/2017
	US\$000	US\$000
OPERATING ACTIVITIES:		
Collection corresponding to:		
Income for distribution services	357,198	365,520
Other cash income related to operating activities	20,859	28,958
Payments corresponding to:		
Suppliers of goods and services	(233,996)	(242,548)
Employee benefits	(20,087)	(17,253)
Income tax	(21,527)	(24,169)
Interests	(15,142)	(18,567)
Other cash payments related to operating activities	(29,859)	(23,319)
Net cash provided by operating activities	<u>57,445</u>	<u>68,621</u>
INVESTMENT ACTIVITIES:		
Collection corresponding to:		
Sale of Property, plant and equipment	109	33
Payments corresponding to:		
Investment in concession goods	(71,314)	(56,893)
Software purchase		
Purchase of machinery and equipment and ongoing works	(677)	(107)
Net cash provided by operating activities	<u>(71,882)</u>	<u>(56,967)</u>
FINANCING ACTIVITIES:		
Collection corresponding to:		
Loans received	60,387	80,000
Financial contribution and overcharge	-	630
Payments corresponding to:		
Dividend payments	(52,709)	(48,040)
Financial contribution and overcharge	-	-
Payment of loan received	-	(23,723)
Net cash provided by operating activities	<u>7,679</u>	<u>8,868</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>(6,758)</u>	<u>20,522</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>27,814</u>	<u>35,227</u>