

# **Gas Natural de Lima y Callao S.A.**

**Separate Financial Statements**  
December 31, 2019 and 2018

# **GAS NATURAL DE LIMA Y CALLAO S.A.**

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**GAS NATURAL DE LIMA Y CALLAO S.A.****SEPARATE STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2019 AND 2018**

	<b>31/12/2019</b>	<b>31/12/2018</b>		<b>31/12/2019</b>	<b>31/12/2018</b>
	<b>US\$000</b>	<b>US\$000</b>		<b>US\$000</b>	<b>US\$000</b>
<b>ASSETS</b>			<b>EQUITY AND LIABILITIES</b>		
CURRENT ASSETS:			CURRENT LIABILITIES:		
Cash	11,448	20,763	Loans	33,369	20,459
Trade accounts receivable and others	123,484	115,260	Accounts payable and others	77,178	85,182
Accounts receivable from related parties	2,344	81	Lease liabilities	2,692	-
Current income tax receivable	-	429	Derivative instruments	5,366	4,741
Inventories	16,445	19,116	Employee benefits	9,257	8,277
Other assets	744	1,004	Current income tax payable	3,455	-
			Deferred income	9,948	12,417
Total Current Assets	<u>154,465</u>	<u>156,653</u>	Total Current Liabilities	<u>141,265</u>	<u>131,076</u>
NON CURRENT ASSETS:			NON CURRENT LIABILITIES:		
Investment in subsidiary	2,152	-	Loans	523,093	457,784
Trade accounts receivable and others	31,291	24,028	Lease liabilities	8,060	-
Accounts receivable from related parties	540	-	Provisions	9,254	9,921
Right-of-use assets	9,878	-	Accounts payable and others	5,627	3,805
improvements to leased property, machinery and equipment	7,125	7,120	Deferred taxes	6,914	2,937
Intangible assets and contract assets	823,784	733,888	Total non-current liabilities	<u>552,948</u>	<u>474,447</u>
			Total liabilities	<u>694,213</u>	<u>605,523</u>
Total non-current assets	<u>874,770</u>	<u>765,036</u>	EQUITY:		
			Issued capital	224,804	224,804
			Legal reserve	33,603	26,940
			Other capital reserves	(6,218)	(2,210)
			Retained earnings	82,833	66,632
			Total equity	<u>335,022</u>	<u>316,166</u>
TOTAL	<u>1,029,235</u>	<u>921,689</u>	TOTAL	<u>1,029,235</u>	<u>921,689</u>

## **GAS NATURAL DE LIMA Y CALLAO S.A.**

### **SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<b><u>31/12/2019</u></b>	<b><u>31/12/2018</u></b>
	<b>US\$000</b>	<b>US\$000</b>
<b>OPERATIONAL INCOME</b>		
Income from natural gas distributions	589,111	550,787
Income from the main grid extension	118,157	117,007
Other operational income	<u>10,593</u>	<u>7,144</u>
<b>Total operational income</b>	<u>717,861</u>	<u>674,938</u>
<b>COST OF SALES</b>		
Cost of natural gas distributions	(405,551)	(377,852)
Cost of sales from the main grid extension	<u>(118,157)</u>	<u>(117,007)</u>
Gross profit	<u>194,153</u>	<u>180,079</u>
Administrative expenses	(40,672)	(52,154)
Commercialization expenses	(15,552)	(10,642)
Other (expenses) income	<u>1,846</u>	<u>1,907</u>
	<u>139,775</u>	<u>119,190</u>
Financial income	1,675	626
Financial expenses	(23,145)	(18,302)
Exchange difference, net	<u>252</u>	<u>(2,019)</u>
Pre-income tax result	<u>118,557</u>	<u>99,495</u>
Income tax expense	<u>(35,898)</u>	<u>(30,793)</u>
<b>Net profit of the year</b>	82,659	68,702
Other comprehensive income	<u>(4,008)</u>	<u>(2,098)</u>
<b>Total comprehensive income for the year</b>	<u><u>78,651</u></u>	<u><u>66,604</u></u>

**GAS NATURAL DE LIMA Y CALLAO S.A.****SEPARATE STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>Issued Capital</u> <u>US\$000</u>	<u>Legal reserve</u> <u>US\$000</u>	<u>Other capital</u> <u>reserves</u> <u>US\$000</u>	<u>Retained</u> <u>earnings</u> <u>US\$000</u>	<u>Total equity</u> <u>US\$000</u>
BALANCE AS OF JANUARY 1, 2018	224,804	21,083	(112)	58,565	304,340
Net profit for the year	-	-	-	68,702	68,702
Change in accounting policy IFRS 9	-	-	-	(2,070)	(2,070)
Other comprehensive income	-	-	(2,098)	-	(2,098)
Provision for legal reserve	-	5,857	-	(5,857)	-
Dividend distribution	-	-	-	(52,708)	(52,708)
E BALANCE AS OF DECEMBER 31, 2018	224,804	26,940	(2,210)	66,632	316,166
Net profit for the year	-	-	-	82,659	82,659
Other comprehensive income	-	-	(4,008)	-	(4,008)
Provision for legal reserve	-	6,663	-	(6,663)	-
Dividend distribution	-	-	-	(59,795)	(59,795)
BALANCE AS OF DECEMBER 31, 2019	224,804	33,603	(6,218)	82,833	335,022

**GAS NATURAL DE LIMA Y CALLAO S.A.****SEPARATE STATEMENTS CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<b><u>12/31/2019</u></b>	<b><u>12/31/2018</u></b>
	<b>US\$000</b>	<b>US\$000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit	82,659	68,702
Adjustments to reconcile the net profit for the year by:		
Income tax	35,898	30,793
Financial costs	22,802	18,302
Financial income	(1,675)	(626)
Depreciation of improvements to leased property, machinery and equipment	1,569	1,652
Amortization of intangible assets	29,870	25,719
Profit from the sale of machinery and equipment	(32)	(63)
Exchange difference, net	(252)	2,019
Impairment of accounts receivable	5,021	1,125
Provision for contingencies	(667)	1,154
Subsidiary interest	343	-
Impairment of inventories	(945)	1,962
<b>Changes in working capital:</b>		
<b>Decrease (increase) in:</b>		
Trade accounts receivable and others	(20,187)	(36,852)
Inventories	3,616	3,824
Other assets	261	(930)
<b>Increase (decrease) in:</b>		
Accounts payable and others	(6,182)	22,251
Employee benefits	980	574
Others accounts payables	(2,469)	(10,555)
Income tax paid	(28,037)	(30,867)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b><u>122,573</u></b>	<b><u>98,184</u></b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Acquisition of improvements to leased property, machinery and equipment	(1,605)	(1,141)
Receipts received from related parties	(1,398)	-
Acquisition of intangible assets and contract assets	(119,748)	(117,900)
Investment in a subsidiary	(2,495)	-
Proceeds from sale of equipment	44	146
<b>NET CASH FLOW USED IN INVESTMENT ACTIVITIES</b>	<b><u>(125,202)</u></b>	<b><u>(118,895)</u></b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in financial obligations	72,518	75,909
Dividends paid	(59,795)	(52,708)
Financial interest paid	(19,610)	(16,296)
Paid to related parties	-	(22)
<b>NET CASH FLOW (USED) PROVIDED BY FINANCING ACTIVITIES</b>	<b><u>(6,887)</u></b>	<b><u>6,883</u></b>
NET DECREASE IN CASH	(9,516)	(13,828)
Effect of exchange rate changes on cash	201	19
CASH AT BEGINNING OF PERIOD	<u>20,763</u>	<u>34,572</u>
<b>CASH AT END OF PERIOD</b>	<b><u>11,448</u></b>	<b><u>20,763</u></b>