

Gas Natural de Lima y Callao S.A.

Financial Statements

As of June 30, 2019 and December 31, 2018

GAS NATURAL DE LIMA Y CALLAO S.A.

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DECEMBER 31, 2018

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GAS NATURAL DE LIMA Y CALLAO S.A.

STATEMENT OF FINANCIAL POSITION JUNE 30, 2019 AND DECEMBER 31, 2018

	30/06/2019	31/12/2018		30/06/2019	31/12/2018
	US\$000	US\$000		US\$000	US\$000
ASSETS			EQUITY AND LIABILITIES		
CURRENT ASSETS:			CURRENT LIABILITIES		
Cash and cash equivalents	16,939	20,737	Other financial liabilities	51,423	20,459
Trade receivables (net)	99,500	94,277	Accounts payable	74,347	78,959
Accounts receivable from related parties	1,099	81	Accounts payable from related parties	57,752	-
Inventories	20,344	19,116	Accounts payable to employee	6,695	8,277
Current income tax receivable	-	429	Current income tax payable	3,270	-
Other receivables	22,946	21,605	Other accounts payable	17,538	11,560
Other non financial assets	270	1,004	Deferred income	10,808	12,417
Total Current Assets	161,098	157,249	Total current liabilities	221,833	131,672
NON-CURRENT ASSETS			NON CURRENT LIABILITIES		
Trade receivables (net)	28,660	23,711	Other financial Liabilities	433,594	457,784
Accounts receivable from related parties	664	-	Provisions	10,192	9,921
Property, plant and equipment (net)	17,662	7,120	Other accounts payable	15,117	3,805
Intangible assets	772,850	733,888	Deferred taxes	5,384	2,937
Other receivables	257	317	Total non-current liabilities	464,287	474,447
Total non-current assets	820,093	765,036	Total liabilities	686,120	606,119
			EQUITY		
			Issued capital	224,804	224,804
			Legal reserve	33,603	26,940
			Other capital reserves	(3,071)	(2,210)
			Retained earnings	39,735	66,632
			Total equity	295,071	316,166
TOTAL	981,191	922,285	TOTAL	981,191	922,285

GAS NATURAL DE LIMA Y CALLAO S.A.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	30/06/2019	30/06/2018
	US\$000	US\$000
OPERATIONAL INCOME		
Income from natural gas sales, transport distributions sales, transport distributions and associated services	282,022	256,986
Income from the main grid extension	50,322	41,516
Other operational income	4,728	3,296
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Total operational income	337,072	301,798
COST OF SALES		
Cost of natural gas sales, transport distributions and associated services	(194,795)	(176,502)
Cost of sales from the main grid extension	(50,322)	(41,516)
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Gross profit	91,955	83,780
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Administrative expenses	(18,990)	(18,210)
Commercialization expenses	(6,052)	(4,889)
Other (expenses) income	557	302
Financial income	3,245	1,015
Financial expenses	(15,217)	(9,276)
Exchange difference, net	1,967	(336)
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Pre-income tax result	57,465	52,386
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Income tax expense	(17,904)	(15,507)
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Net profit of the year	39,561	36,879
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Other integral result of the year	(861)	316
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Total integral result of the year	38,700	37,195
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GAS NATURAL DE LIMA Y CALLAO S.A.**STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	<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, 2018	224,804	21,083	(112)	58,565	304,340
Net profit for the year	-	-	-	36,879	36,879
Change in accounting policy IFRS 9	-	-	-	(2,070)	(2,070)
Other integral result	-	-	410	-	410
Provision for legal reserve	-	5,857	-	(5,857)	-
Dividend Distribution	-	-	-	(52,708)	(52,708)
BALANCE AS OF JUNE 30, 2018	<u>224,804</u>	<u>26,940</u>	<u>298</u>	<u>34,809</u>	<u>286,851</u>
BALANCE AS OF JANUARY 01, 2019	224,804	26,940	(2,210)	66,632	316,166
Net profit for the year	-	-	-	39,561	39,561
Other integral result	-	-	(861)	-	(861)
Provision for legal reserve	-	6,663	-	(6,663)	-
Dividend Distribution	-	-	-	(59,795)	(59,795)
BALANCE AS OF JUNE 30, 2019	<u>224,804</u>	<u>33,603</u>	<u>(3,071)</u>	<u>39,735</u>	<u>295,071</u>

GAS NATURAL DE LIMA Y CALLAO S.A.
CASH FLOW STATEMENT - INDIRECT METHOD
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>30/06/2019</u>	<u>30/06/2018</u>
	US\$000	US\$000
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit	39,561	36,879
Income tax	17,904	15,507
Financial costs from debt	15,217	9,276
Financial income	(5,212)	-
Depreciation of improvements to leased property, machinery and equipment	772	814
Amortization of intangible assets	14,347	12,292
Profit from the sale of machinery and equipment	-	(109)
Net gain or loss from foreign currency	-	336
Impairment of accounts receivable	1,356	441
Provision for contingent liabilities	271	1,352
Provision for inventories	-	-
Decrease (increase) in:		
Trade accounts receivables	(8,753)	(8,422)
Inventories	(1,228)	(2,269)
Other assets	1,422	404
Increase (decrease) in:		
Trade accounts payables	(4,778)	11,786
Accounts payable to employees	(1,582)	(2,547)
Others accounts payables	(2,550)	(3,248)
Income tax paid	(10,783)	(16,010)
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>55,965</u>	<u>56,482</u>
CASH FLOW FROM INVESTMENT ACTIVITIES		
Acquisition of improvements to leased property, machinery and equipment	(393)	(274)
Acquisition of intangible assets	(53,281)	(41,588)
Proceeds from sale of equipment	18	109
Receipts received from related parties	117	9
Payments to related parties	(746)	-
NET CASH FLOW USED IN INVESTMENT ACTIVITIES	<u>(54,285)</u>	<u>(41,744)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of financial obligations	(35,000)	-
Proceeds from issuance of financial debt	40,000	-
Dividends paid	-	-
Financial interest paid	(10,327)	(8,138)
NET CASH FLOW PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>(5,327)</u>	<u>(8,138)</u>
CASH AND CASH EQUIVALENTS:		
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>(3,647)</u>	<u>6,600</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(151)</u>	<u>145</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>20,737</u>	<u>34,572</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>16,939</u>	<u>41,317</u>