

Gas Natural de Lima y Callao S.A.

Interim Separate Financial Statements
September 30, 2019 and December 31, 2018

GAS NATURAL DE LIMA Y CALLAO S.A.

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GAS NATURAL DE LIMA Y CALLAO S.A.

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

	<u>30/09/2019</u>	<u>31/12/2018</u>		<u>30/09/2019</u>	<u>31/12/2018</u>
	US\$000	US\$000		US\$000	US\$000
ASSETS			EQUITY AND LIABILITIES		
CURRENT ASSETS:			CURRENT LIABILITIES:		
Cash	96,002	20,737	Other financial liabilities	27,801	20,459
Trade receivables (net)	100,560	94,277	Accounts payable	80,360	78,959
Accounts receivable from related parties	738	81	Accounts payable from related parties	57,752	-
Inventories	22,116	19,116	Accounts payable to employee	8,733	8,277
Current income tax receivable	-	429	Current income tax payable	5,780	-
Other receivables	13,705	21,605	Other accounts payable	21,666	11,560
Other non financial assets	748	1,004	Deferred income	9,180	12,417
	<u>233,869</u>	<u>157,249</u>		<u>211,272</u>	<u>131,672</u>
Total Current Assets			Total Current Liabilities		
NON CURRENT ASSETS:			NON CURRENT LIABILITIES:		
Trade receivables (net)	29,237	23,711	Other financial Liabilities	532,807	457,784
Accounts receivable from related parties	598	-	Provisions	9,386	9,921
Investment in a subsidiary	2,457	-	Other accounts payable	14,318	3,805
Property, plant and equipment (net)	16,989	7,120	Deferred taxes	4,766	2,937
Intangible assets	802,416	733,888		<u>561,277</u>	<u>474,447</u>
Other receivables	248	317	Total non-current liabilities		
	<u>851,945</u>	<u>765,036</u>	Total liabilities	<u>772,549</u>	<u>606,119</u>
Total non-current assets					
	<u>1,085,814</u>	<u>922,285</u>	EQUITY:		
TOTAL			Issued capital	224,804	224,804
			Legal reserve	33,603	26,940
			Other capital reserves	(7,177)	(2,210)
			Retained earnings	62,035	66,632
				<u>313,265</u>	<u>316,166</u>
			Total equity		
			TOTAL	<u>1,085,814</u>	<u>922,285</u>

GAS NATURAL DE LIMA Y CALLAO S.A.

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED SEPTEMBER 30, 2019 AND 2018

	<u>30/09/2019</u>	<u>30/09/2018</u>
	US\$000	US\$000
OPERATIONAL INCOME		
Income from natural gas sales, transport distributions sales, transport distributions and associated services	432,515	400,128
Income from the main grid extension	89,157	70,718
Other operational income	<u>7,687</u>	<u>4,923</u>
Total operational income	529,359	475,769
COST OF SALES		
Cost of natural gas sales, transport distributions and associated services	(296,552)	(272,182)
Cost of sales from the main grid extension	<u>(89,157)</u>	<u>(70,718)</u>
Gross profit	<u>143,650</u>	<u>132,869</u>
Administrative expenses	(30,023)	(32,744)
Commercialization expenses	(9,125)	(7,854)
Other (expenses) income	1,024	834
Financial income	6,977	1,549
Financial expenses	(21,939)	(14,498)
Exchange difference, net	<u>(1,026)</u>	<u>(759)</u>
Pre-income tax result	<u>89,538</u>	<u>79,397</u>
Income tax expense	<u>(27,676)</u>	<u>(25,684)</u>
Net profit of the year	61,862	53,713
Other integral result of the year	<u>(4,967)</u>	<u>316</u>
Total integral result of the year	<u><u>56,895</u></u>	<u><u>54,029</u></u>

GAS NATURAL DE LIMA Y CALLAO S.A.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS ENDED SEPTEMBER 30, 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	-	-	-	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>
BALANCE AS OF JANUARY 01, 2019	224,804	26,940	(2,210)	66,632	316,166
Net profit for the year	-	-	-	61,862	61,862
Other integral result	-	-	(4,967)	-	(4,967)
Provision for legal reserve	-	6,663	-	(6,663)	-
Dividend Distribution	-	-	-	(59,796)	(59,796)
BALANCE AS OF SEPTEMBER 30, 2019	<u>224,804</u>	<u>33,603</u>	<u>(7,177)</u>	<u>62,035</u>	<u>313,265</u>

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

	30/09/2019	30/09/2018
	US\$000	US\$000
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit	61,862	53,713
Income tax	27,676	25,684
Interest in subsidiary	(10)	-
Financial costs from debt	21,939	13,193
Financial income	(6,977)	(1,549)
Depreciation of improvements to leased property, machinery and equipment	2,960	1,244
Amortization of intangible assets	21,920	18,724
Profit from the sale of machinery and equipment	(9)	(104)
Net gain or loss from foreign currency	1,026	759
Impairment of accounts receivable	3,041	591
Provision for contingent liabilities	(536)	8,294
Decrease (increase) in:		
Trade accounts receivables	(7,739)	(48,496)
Inventories	(3,000)	(2,622)
Other assets	(307)	(789)
Increase (decrease) in:		
Trade accounts payables	1,317	30,303
Accounts payable to employees	456	(549)
Others accounts payables	(6,249)	(4,448)
Financial interest paid	(19,413)	(15,142)
Income tax paid	(17,674)	(21,527)
NET CASH FLOW FROM OPERATING ACTIVITIES	80,283	57,279
CASH FLOW FROM INVESTMENT ACTIVITIES		
Acquisition of improvements to leased property, machinery and equipment	(737)	(677)
Acquisition of intangible assets	(90,420)	(71,314)
Proceeds from sale of equipment	18	109
Investment in a subsidiary	(2,495)	-
Receipts received from related parties	(430)	(380)
Payments to related parties	420	388
NET CASH FLOW USED IN INVESTMENT ACTIVITIES	(93,644)	(71,874)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of financial obligations	(55,000)	-
Increase in financial obligations	141,950	60,388
Dividends paid	-	(52,709)
NET CASH FLOW PROVIDED BY FINANCING ACTIVITIES	86,950	7,679
NET INCREASE IN CASH AND CASH EQUIVALENTS	73,589	(6,916)
Effect of exchange rate changes on cash and cash equivalents	1,676	158
CASH AT BEGINNING OF PERIOD	20,737	34,572
CASH AT END OF PERIOD	96,002	27,814