

Gas Natural de Lima y Callao S.A.

Separate Financial Statements
June 30, 2020 and 2019

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
JUNE 30, 2020 AND DECEMBER 31, 2019**

	<u>30/06/2020</u>	<u>31/12/2019</u>		<u>30/06/2020</u>	<u>31/12/2019</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	68,009	11,448	Loans	135,046	33,369
Trade accounts receivable and others	142,986	123,484	Accounts payable and others	85,783	77,178
Accounts receivable from related parties	3,237	2,344	Accounts payable related parties	71,852	-
Inventories	17,609	16,445	Lease liabilities	2,733	2,692
Other assets	3,273	744	Derivative instruments	11,165	5,366
			Employee benefits	4,988	9,257
Total Current Assets	<u>235,114</u>	<u>154,465</u>	Current income tax payable	1,619	3,455
			Deferred income	7,234	9,948
			Total Current Liabilities	<u>320,420</u>	<u>141,265</u>
NON CURRENT ASSETS:			NON CURRENT LIABILITIES:		
Investment in subsidiary	3,150	2,152	Loans	472,894	523,093
Trade accounts receivable and others	27,671	31,291	Lease liabilities	7,053	8,060
Accounts receivable from related parties	402	540	Provisions	8,992	9,254
Right-of-use assets	8,533	9,878	Accounts payable and others	5,704	5,627
Improvements to leased property, machinery and equipment	6,952	7,125	Deferred taxes	7,281	6,914
Intangible assets and contract assets	836,337	823,784			
			Total non-current liabilities	<u>501,924</u>	<u>552,948</u>
Total non-current assets	<u>883,045</u>	<u>874,770</u>	Total liabilities	<u>822,344</u>	<u>694,213</u>
			EQUITY:		
			Issued capital	224,804	224,804
			Legal reserve	41,869	33,603
			Other capital reserves	(3,999)	(6,218)
			Retained earnings	33,141	82,833
			Total equity	<u>295,815</u>	<u>335,022</u>
TOTAL	<u>1,118,159</u>	<u>1,029,235</u>	TOTAL	<u>1,118,159</u>	<u>1,029,235</u>

GAS NATURAL DE LIMA Y CALLAO S.A.

SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019

	<u>30/06/2020</u>	<u>30/06/2019</u>
	US\$000	US\$000
OPERATIONAL INCOME		
Income from natural gas distributions	232,404	282,031
Income from the main grid extension	28,615	50,322
Other operational income	<u>5,939</u>	<u>4,728</u>
Total operational income	<u>266,958</u>	<u>337,081</u>
COST OF SALES		
Cost of natural gas distributions	(156,683)	(194,640)
Cost of sales from the main grid extension	<u>(28,615)</u>	<u>(50,322)</u>
Gross profit	<u>81,660</u>	<u>92,119</u>
Administrative expenses	(16,243)	(19,154)
Commercialization expenses	(7,833)	(6,052)
Other income	<u>104</u>	<u>557</u>
	<u>57,688</u>	<u>67,470</u>
Financial income	1,381	344
Financial expenses	(13,443)	(10,720)
Investment equity method	(185)	-
Exchange difference, net	<u>(166)</u>	<u>371</u>
Pre-income tax result	<u>45,275</u>	<u>57,465</u>
Income tax expense	<u>(12,308)</u>	<u>(17,904)</u>
Net profit of the period	32,967	39,561
Other comprehensive income	<u>2,219</u>	<u>(861)</u>
Total comprehensive income for the period	<u>35,186</u>	<u>38,700</u>

GAS NATURAL DE LIMA Y CALLAO S.A.**SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019**

	<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, 2019	224,804	26,940	(2,210)	66,632	316,166
Net profit for the period	-	-	-	20,432	20,432
Other comprehensive income	-	-	(1,216)	-	(1,216)
Provision for legal reserve	-	6,663	-	(6,663)	-
Dividend distribution	-	-	-	(59,796)	(59,796)
BALANCE AS OF JUNE 30, 2019	<u>224,804</u>	<u>33,603</u>	<u>(3,426)</u>	<u>20,605</u>	<u>275,586</u>
BALANCE AS OF JANUARY 1, 2020	224,804	33,603	(6,218)	82,833	335,022
Net profit for the period	-	-	-	32,967	32,967
Other comprehensive income	-	-	2,219	-	2,219
Provision for legal reserve	-	8,266	-	(8,266)	-
Dividend distribution	-	-	-	(74,393)	(74,393)
BALANCE AS OF JUNE 30, 2020	<u>224,804</u>	<u>41,869</u>	<u>(3,999)</u>	<u>33,141</u>	<u>295,815</u>

GAS NATURAL DE LIMA Y CALLAO S.A.**SEPARATE STATEMENTS CASH FLOWS
FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019**

	<u>30/06/2020</u>	<u>30/06/2019</u>
	<u>US\$000</u>	<u>US\$000</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit	32,967	39,561
Adjustments to reconcile the net profit for the period by:		
Income tax	12,308	17,904
Financial costs	13,443	10,720
Financial income and others	(1,381)	(344)
Depreciation of improvements to leased property, machinery and equipment	776	772
Amortization of intangible assets	16,162	14,347
Amortization of right-of-use assets	1,345	1,298
Profit from the sale of machinery and equipment	12	-
Exchange difference, net	166	(371)
Impairment of accounts receivable	4,765	1,356
Provision for contingencies	160	271
Investment equity method	185	-
Changes in working capital:		
Decrease (increase) in:		
Trade accounts receivable and others	(15,881)	(8,762)
Accounts receivable from related parties	(755)	-
Inventories	(1,164)	(1,228)
Other assets	(2,529)	1,422
Increase (decrease) in:		
Accounts payable and others	(1,025)	(4,778)
Employee benefits	(4,269)	(1,582)
Others accounts payables	(3,138)	(2,551)
Income tax paid	(12,286)	(10,783)
NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES	<u>39,861</u>	<u>57,252</u>
CASH FLOW FROM INVESTMENT ACTIVITIES		
Acquisition of improvements to leased property, machinery and equipment	(615)	(393)
Acquisition of intangible assets and contract assets	(28,715)	(53,281)
Investment in a subsidiary	(998)	-
Loans made to related parties	-	(746)
Cash received of related parties	-	117
NET CASH FLOW USED IN INVESTMENT ACTIVITIES	<u>(30,328)</u>	<u>(54,303)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Paid to financial obligations	-	(35,000)
Increase in financial obligations	60,680	40,000
Financial interest paid	(13,224)	(10,327)
Paid to ride-of-use assets	(1,124)	(1,537)
NET CASH FLOW PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>46,332</u>	<u>(6,864)</u>
NET INCREASE IN CASH	55,865	(3,915)
Effect of exchange rate changes on cash	696	150
CASH AT BEGINNING OF PERIOD	<u>11,448</u>	<u>20,737</u>
CASH AT END OF PERIOD	<u>68,009</u>	<u>16,972</u>