

Elektra Noreste, S.A. and subsidiary

(51% Owned by Panama Distribution Group, S.A.)

Financial Statements

December 31, 2020

Elektra Noreste, S.A. and Subsidiary
(51% Owned by Panama Distribution Group, S.A.)
Statement of financial position

Assets	December 2020	December 2019
Non-current assets		
Property, plant and equipment, net	551,583,594	548,933,838
Inventories	2,838,912	2,583,802
Investment property	3,653,800	3,963,709
Other intangible assets	23,129,265	22,305,591
Right-of-use asset - leases	533,315	1,565,042
Deferred tax asset	2,390,979	4,331,999
Employee benefits	251,637	35,803
Other assets	1,070,998	900,955
Total non-current assets	<u>585,452,500</u>	<u>584,620,739</u>
Current assets		
Inventories	18,285,669	18,046,516
Trade and other receivables	130,760,862	145,778,015
Prepaid income tax	7,819,349	-
Other assets	1,108,497	1,141,663
Cash and cash equivalents	<u>54,023,188</u>	<u>25,511,109</u>
Total current assets	<u>211,997,565</u>	<u>190,477,303</u>
Total assets	<u>797,450,065</u>	<u>775,098,042</u>
Regulatory deferral account debit balance	223,490	-
Deferred tax liability related to the balances of deferred regulatory accounts	<u>(67,047)</u>	<u>-</u>
Total assets and debit balances of deferred regulatory accounts	<u>797,606,508</u>	<u>775,098,042</u>

Elektra Noreste, S.A. and Subsidiary
(51% Owned by Panama Distribution Group, S.A.)
Statement of financial position (continued)

Equity and liabilities	December 2020	December 2019
Equity		
Issued capital	106,642,962	106,642,962
Treasury stocks	(574,511)	(568,667)
Other accumulated comprehensive loss	(636,662)	(662,847)
Retained earnings	72,069,409	42,281,707
Net profit for the period	<u>20,235,417</u>	<u>33,110,400</u>
Total equity	<u>197,736,615</u>	<u>180,803,555</u>
Non-current liabilities		
Credits and loans	179,315,480	282,179,173
Other financial liabilities	46,221,114	54,914,944
Employee benefits	358,121	323,078
Lease liabilities	292,337	1,396,569
Other liabilities	<u>1,913,371</u>	<u>2,089,911</u>
Total non-current liabilities	<u>228,100,423</u>	<u>340,903,675</u>
Current liabilities		
Credits and loans	103,352,676	25,000,000
Other financial liabilities	255,171,677	194,115,781
Employee benefits	22,066	23,625
Income tax payable	348,303	22,884,197
Provisions	12,468,965	5,511,038
Lease liabilities	242,477	211,872
Other liabilities	<u>163,306</u>	<u>173,981</u>
Total current liabilities	<u>371,769,470</u>	<u>247,920,494</u>
Total liabilities	<u>599,869,893</u>	<u>588,824,169</u>
Regulatory deferral account credit balance	-	7,814,740
Deferred tax assets related to the balance of deferred regulatory accounts	-	<u>(2,344,422)</u>
Total liabilities and regulatory deferral account credit balance	<u>599,869,893</u>	<u>594,294,487</u>
Total equity and liabilities	<u>797,606,508</u>	<u>775,098,042</u>

Elektra Noreste, S.A. and Subsidiary
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Statement of profit or loss and other comprehensive income

	Twelve months ended		Three months ended	
	December 2020	December 2019	December 2020	December 2019
Continuing operations				
Rendering of services	552,531,663	729,172,720	130,172,421	175,263,978
Sales of goods	-	144,717	-	14,044
Other operating income	7,200,865	8,516,116	3,562,342	(119,364)
Income from continuing operations	559,732,528	737,833,553	133,734,763	175,158,658
Other income	1,662,244	2,922,506	(1,637,257)	2,922,506
Total income	561,394,772	740,756,059	132,097,506	178,081,164
Costs for rendering services	485,574,549	601,215,148	119,025,316	143,913,927
Administrative expenses	22,601,487	22,820,364	5,757,939	6,072,484
Impairment of financial instruments	11,732,004	4,229,644	4,491,615	813,355
Other expenses	1,050,284	1,001,014	744,370	415,149
Finance income	512,439	218,341	173,614	64,679
Finance costs	20,698,337	19,196,911	5,142,850	4,677,880
Profit before tax	20,250,550	92,511,319	(2,890,970)	22,253,048
Income tax expense	5,641,894	29,834,194	(969,806)	8,890,381
Net profit of the period before net movement in deferred regulatory accounts	14,608,656	62,677,125	(1,921,164)	13,362,667
Net movement in balances of regulatory accounts related to gains and losses	8,038,230	(42,238,178)	4,761,354	(15,909,420)
Net movement in deferred tax related to the balances of regulatory accounts	(2,411,469)	12,671,453	(1,428,407)	4,772,826
Net profit of the period after net movement in deferred regulatory accounts	20,235,417	33,110,400	1,411,783	2,226,073
Other comprehensive income (loss), net of tax				
Items which will not be reclassified later to profit or loss of the year:				
Remeasurement of defined benefit obligations	37,407	(374,226)	37,407	(374,226)
Income tax relating to components which will not be reclassified	(11,222)	112,268	(11,222)	112,268
Other comprehensive income (loss), net of tax	26,185	(261,958)	26,185	(261,958)
Total comprehensive income for the period	20,261,602	32,848,442	1,437,968	1,964,115

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Statement of changes in shareholders' equity

	Issued capital	Treasury stocks	Other comprehensive Income	Accumulated results	Total
Balance at January 1, 2019	106,642,962	(544,087)	(400,889)	64,790,933	170,488,919
Adjustment on initial application of IFRS 9	-	-	-	-	-
Balance at January 1, 2019 adjusted	<u>106,642,962</u>	<u>(544,087)</u>	<u>(400,889)</u>	<u>64,790,933</u>	<u>170,488,919</u>
Profit for the period	-	-	-	33,110,400	33,110,400
Other comprehensive income of the period, net of tax	-	-	(261,958)	-	(261,958)
Total comprehensive income for the period	-	-	<u>(261,958)</u>	<u>33,110,400</u>	<u>32,848,442</u>
Declared Dividends	-	-	-	(23,422,919)	(23,422,919)
Share repurchase	-	(24,580)	-	-	(24,580)
Accredited Income tax related to transactions with owners	-	-	-	913,693	913,693
Balance at December 31, 2019	<u>106,642,962</u>	<u>(568,667)</u>	<u>(662,847)</u>	<u>75,392,107</u>	<u>180,803,555</u>
Balance at January 1, 2020	106,642,962	(568,667)	(662,847)	75,392,107	180,803,555
Profit for the period	-	-	-	20,235,417	20,235,417
Other comprehensive income for the year net of income tax	-	-	26,185	-	26,185
Total other comprehensive income	-	-	<u>26,185</u>	<u>20,235,417</u>	<u>20,261,602</u>
Share repurchase	-	(5,844)	-	-	(5,844)
Income tax related to transactions with owners	-	-	-	(3,322,698)	(3,322,698)
Balance at December 31, 2020	<u>106,642,962</u>	<u>(574,511)</u>	<u>(636,662)</u>	<u>92,304,826</u>	<u>197,736,615</u>

Elektra Noreste, S.A. and Subsidiary

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Statement of cash flows as of December 31, 2020

	2020	2019
Cash flows from operating activities:		
Net profit for the period	20,235,417	33,110,400
Adjustments to reconcile net income of the period to net cash used in operating activities:		
Depreciation and amortization of property, plant and equipment and intangible assets	34,566,756	30,331,417
Impairment of financial instruments	11,732,004	4,229,644
Investment property valuation	309,909	50,600
Current income tax	5,641,894	29,834,194
Finance costs, net	20,185,898	18,978,570
Gain / Loss on disposal of fixed assets	1,415,491	3,027,625
Provisions	7,682,474	1,382,784
	<u>101,769,843</u>	<u>120,945,234</u>
Changes in working capital		
Inventories	(255,060)	(5,133,520)
Trade and other receivables	3,285,149	(7,628,225)
Other assets	35,137	(397,161)
Other financial liabilities	51,192,231	(34,587,017)
Employee benefits	(338,443)	(628,018)
Provisions	(515,140)	(2,387,135)
Other liabilities	(187,215)	(175,330)
	<u>154,986,502</u>	<u>70,008,828</u>
Interest paid, including capitalized interest	(19,528,502)	(19,196,911)
Income tax paid	(34,067,339)	(265,399)
	<u>101,390,661</u>	<u>50,546,518</u>
Net cash generated by operating activities before net changes in balances related to deferred regulatory accounts	<u>101,390,661</u>	<u>50,546,518</u>
Change in deferred regulatory accounts	(5,626,761)	29,566,725
Net cash generated by operating activities and changes in balances related to deferred regulatory accounts	<u>95,763,900</u>	<u>80,113,243</u>
Cash flows from investing activities:		
Interest Income	512,439	218,341
Acquisition of property, plant and equipment	(39,302,545)	(51,163,758)
Inventory	(255,110)	(445,565)
Severance fund	(172,014)	(163,540)
	<u>(39,217,230)</u>	<u>(51,554,522)</u>
Net cash flows used in investing activities	<u>(39,217,230)</u>	<u>(51,554,522)</u>
Cash flows from financing activities:		
Short-term debt	72,488,983	181,455,120
Short-term debt payments	(97,000,000)	(168,000,000)
Payment of dividends	-	(23,422,919)
Share repurchase	(5,844)	(24,580)
Lease liability payment	(195,032)	(180,338)
Income tax related to transactions with owners	(3,322,698)	913,693
	<u>(28,034,591)</u>	<u>(9,259,024)</u>
Net cash flows generated by (used in) financing activities	<u>(28,034,591)</u>	<u>(9,259,024)</u>
Net increase (decrease) in cash and cash equivalents	<u>28,512,079</u>	<u>19,299,697</u>
Cash and cash equivalents at the beginning of the period	<u>25,511,109</u>	<u>6,211,412</u>
Cash and cash equivalents at the end of the period	<u><u>54,023,188</u></u>	<u><u>25,511,109</u></u>