Elektra Noreste, S.A. and subsidiary (51% Owned by Panama Distribution Group, S.A.)

Financial Statements March 31, 2019

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

Statement of financial position

Assets	March 2019	December 2018
Non-current assets		
Property, plant and equipment, net	531,159,327	533,491,157
Inventories	2,138,237	2,138,237
Investment property	4,014,309	4,014,309
Other intangible assets	19,770,332	19,719,819
Right-of-use asset - leases	1,631,625	, , <u>-</u>
Deferred tax asset	2,665,881	_
Employee benefits	111,180	81,821
Other assets	784,590	737,022
Cash and cash equivalents	73,880	_
Total non-current assets	562,349,361	560,182,365
Current assets		
Inventories	16,233,727	12,722,073
Trade and other receivables	169,133,118	142,379,434
Prepaid income tax	2,160,076	11,823,323
Other assets	4,236,459	744,895
Cash and cash equivalents	6,448,510	6,211,412
Total current assets	198,211,890	173,881,137
Total assets	760,561,251	734,063,502
Regulatory deferral account debit balance	29,493,042	34,423,438
Deferred tax liability related to the balances of		
deferred regulatory accounts	(8,847,913)	(10,327,031)
Total assets and debit balances of		
deferred regulatory accounts	781,206,380	758,159,909

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

Statement of financial position (continued)

Equity and liabilities	March 2019	December
Equity	2019	2018
Issued capital	106,642,962	106,642,962
Treasury stocks	(544,087)	(544,087)
Other accumulated comprehensive loss	(400,889)	(400,889)
Retained earnings	64,790,933	31,494,671
Net profit for the period	11,344,471	33,296,262
		00,200,202
Total equity	181,833,390	170,488,919
Non-current liabilities		
Credits and loans	281,158,530	281,724,053
Other financial liabilities	58,425,447	56,386,966
Employee benefits	359,996	354,517
Deferred tax liability	-	760,040
Lease liabilities	1,497,637	-
Other liabilities	2,212,753	2,257,042
Total non-current liabilities	343,654,363	341,482,618
Current liabilities		
Credits and loans	10,000,000	12,000,000
Other financial liabilities	238,468,313	227,230,776
Employee benefits	22,585	21,376
Income tax payable	212,091	158,954
Provisions	6,690,873	6,595,086
Lease liabilities	142,585	-
Other liabilities	182,180	182,180
Total current liabilities	255,718,627	246,188,372
Total liabilities	599,372,990	587,670,990
Total equity and liabilities	781,206,380	758,159,909

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

Statement of profit or loss and other comprehensive income

	Three months ended		
	March	March	
	2019	2018	
Continuing operations			
Rendering of services	182,091,972	156,030,261	
Sales of goods	27,482	9,095	
Other income	2,179,753	2,610,552	
Income from continuing operations	184,299,207	158,649,908	
Costs for rendering services	150,138,454	141,699,037	
Administrative expenses	5,498,471	5,403,472	
Impairment of financial instruments	2,730,534	592,429	
Other expenses	(50,314)	168,224	
Finance income	46,029	36,875	
Finance costs	4,941,880	3,832,166	
Profit before tax	21,086,211	6,991,455	
Income tax expense	6,290,463	2,092,669	
Net profit of the period before net movement in deferred regulatory accounts	14,795,748	4,898,786	
Net movement in balances of regulatory accounts	,	1,000,700	
related to gains and losses	(4,930,396)	6,262,736	
Net movement in deferred tax related to the balances			
of regulatory accounts	1,479,119	(1,878,821)	
Total comprehensive income for the period	11,344,471	9,282,701	

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

Statement of changes in shareholders'equity

	Issued capital	Treasury stocks	Other comprehensive Income	Accumulated results	Total
Balance at 1 January 2018 Adjustment on initial application of IFRS 9 Balance at 1 January 2018 adjusted Profit for the period Balance at 31 March 2018	106,642,962	(544,087)	(586,915)	58,133,255 (4,647,991)	163,645,215 (4,647,991)
	106,642,962	(544,087)	(586,915)	53,485,264	158,997,224
	106,642,962	(544,087)	(586,915)	9,282,701 62,767,965	9,282,701 168,279,925
Balance at 1 January 2019 Profit for the period	106,642,962	(544,087)	(400,889)	64,790,933 11,344,471	170,488,919 11,344,471
Balance at 31 March 2019	106,642,962	(544,087)	(400,889)	76,135,404	181,833,390

(51% Owned by Panama Distribution Group, S.A.) Statement of cash flows as of March 31

Net profit for the period	Cash flows from operating activities:	2019	2018
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 Impairment of financial instruments Provisions and defined benefits plans post- employment Deferred income tax Current income atx Cotten on-cash income and expenses Surable S		11 244 474	0 000 704
and intangible assets 6,644,868 7,163,368 Impairment of financial instruments 2,730,534 592,429 Provisions and defined benefits plans post- employment 181,031 241,173 Deferred income tax (3,425,922) (1,354,773) Current income tax 9,716,384 3,447,442 Finance costs, net 4,863,021 53,313,219 Gain / Loss on disposal of fixed assets (50,314) 168,224 Other non-cash income and expenses 93,338 81,183 Changes in working capital (1,860,572) 1,247,429 Decreases (increase) in inventories (29,484,218) (113,70,559) Decrease (increase) in other assets (3,539,131) (38,920) Decrease (increase) in other financial liabilities 12,740,604 9,789,563 Decrease in provision (35,245) (1,271,277) (Decrease) increase in employee benefits (22,671) (37,998) Interest paid, including capitalized interest (5,075,931) (4,845,759) Income tax paid (4,171,117) Net cash generated by operating activities activities and changes in balances relate	Adjustments to reconcile net income of the period to net cash	11,344,471	9,282,701
and intangible assets 6,644,868 7,163,368 Impairment of financial instruments 2,730,534 592,429 Provisions and defined benefits plans post- employment 181,031 241,173 Deferred income tax (3,425,922) (1,354,773) Current income tax 9,716,384 3,447,442 Finance costs, net 4,863,021 168,224 Other non-cash income and expenses 93,338 81,183 Changes in working capital 22,934,966 Decreases (increase) in inventories (1,860,572) 1,247,429 Decrease (increase) in other assets (3,539,131) (38,920) Decrease (increase) in other assets (3,539,131) (38,920) Decrease in provision (85,245) (1,271,277) (Decrease) increase in other financial liabilities 12,740,604 9,799,563 Decrease in provision (85,245) (1,271,277) (Decrease) increase in employee benefits (22,671) (4,845,759) Interest paid, including capitalized interest (5,075,931) 48,267,59 Income tax paid 4,770,247 14,26,328	Depreciation and amortization of property, plant and equipment		
Impairment of financial instruments	and intangible assets	6 644 868	7 162 260
Provisions and defined benefits plans post- employment 181,031 241,173 241,773	Impairment of financial instruments		
Decrease (Income tax 1,3425,922 1,354,773 1,773 1,716,384 3,447,442 1,735 1,73	Provisions and defined benefits plans post- employment		
Current income tax		·	•
Finance costs, net	Current income tax	•	
Gain / Loss on disposal of fixed assets (50,314) 168,224 Other non-cash income and expenses 93,338 81,183 Changes in working capital 32,097,411 24,934,966 Decreases (increase) in inventories (1,860,572) 1,247,429 Decrease (increase) in other assets (29,484,218) (11,370,559) Decrease (increase) in other assets (3,539,131) (36,592) (Decrease) increase in other financial liabilities 12,740,604 9,799,563 Decrease) increase in other financial liabilities (22,671) (37,998) Decrease) increase in employee benefits (5,075,931) (4,845,759) Increast paid, including capitalized interest income tax paid (5,075,931) (4,845,759) Income tax paid 4,770,247 14,246,328 Changes in balances related to deterred regulatory accounts 4,770,247 14,246,328 Change in deterred regulatory accounts 8,221,525 9,862,413 Net cash generated by operating activities and changes in balances related to deterred regulatory accounts 8,221,525 9,862,413 Cash flows from investing activities: 5,925,985 (12,814,556) <tr< td=""><td></td><td></td><td></td></tr<>			
Other non-cash income and expenses 93,338 81,183 Changes in working capital 32,097,411 24,934,966 Decreases (increase) in inventories (1,860,572) 1,247,429 Decrease in trade and other receivables (29,484,218) (11,370,559) Decrease (increase) in other assets (3,539,131) (38,920) Obecrease in provision (85,245) (1,271,277) (Decrease) increase in employee benefits (22,671) (37,998) Interest paid, including capitalized interest Income tax paid (5,075,931) (4,845,759) Income tax paid 4,770,247 14,246,328 Change in deterred by operating activities before net changes in balances related to deterred regulatory accounts 3,451,278 (4,383,915) Net cash generated by operating activities and changes in balances related to deterred regulatory accounts 8,221,525 9,862,413 Cash flows from investing activities: 4,770,247 14,246,328 Cash flows from investing activities: 4,221,525 9,862,413 Cash flows from investing activities: 5,925,985 (12,814,556) Other cash flows from investing activities 51,000,000 99,500,00			
Changes in working capital 32,097,411 24,934,966 Decreases (increase) in inventories (1,860,572) 1,247,429 Decrease in trade and other receivables (29,484,218) (11,370,559) Decrease (increase) in other assets (3,539,131) (38,920) (Decrease) increase in other financial liabilities 12,740,604 9,799,563 Decrease in provision (85,245) (1,271,277) (Decrease) increase in employee benefits (22,671) (37,998) Interest paid, including capitalized interest Income tax paid (5,075,931) (4,845,759) Income tax paid - (4,171,117) Net cash generated by operating activities before net cranges in balances related to deterred regulatory accounts 3,451,278 (4,383,915) Net cash generated by operating activities and changes in balances related to deterred regulatory accounts 8,221,525 9,862,413 Cash flows from investing activities: - (5,925,985) (12,814,556) Other cash flows from investing activities (5,910,547) (12,814,556) Cash flows from financing activities: (5,910,547) (12,814,556) Short-term debt 51,000,000 <td>Other non-cash income and expenses</td> <td></td> <td>·</td>	Other non-cash income and expenses		·
Decreases (increase) in inventories		-	
Decrease in trade and other receivables	- · · · · · · · · · · · · · · · · · · ·		
Decrease in trade and other receivables (29,484,218) (11,370,559) Decrease (increase) in other assets (3,539,131) (38,920) (Decrease) increase in other financial liabilities 12,740,604 9,799,563 Decrease in provision (85,245) (1,271,277) (Decrease) increase in employee benefits (22,671) (37,998) Interest paid, including capitalized interest Income tax paid (5,075,931) (4,845,759) Income tax paid - (4,171,117) Net cash generated by operating activities before net cranges in balances related to deterred regulatory accounts 3,451,278 (4,383,915) Net cash generated by operating activities and changes in balances related to deterred regulatory accounts 8,221,525 9,862,413 Cash flows from investing activities: 8,221,525 9,862,413 Cash flows from investing activities: (5,925,985) (12,814,556) Other cash flows used in investing activities (5,910,547) (12,814,556) Cash flows from financing activities: (5,910,547) (12,814,556) Cash flows from financing activities: (5,900,000) (98,500,000) Short-term debt payments (53,000	Decreases (increase) in inventories	(1,860,572)	1,247,429
Decrease (increase) in other assets (0,3,539,131) (38,920) (Decrease) increase in other financial liabilities (12,740,604 9,799,563) (12,71,277) (Decrease) in provision (85,245) (1,271,277) (Decrease) increase in employee benefits (22,671) (37,998) (1,271,277) (Decrease) increase in employee benefits (22,671) (37,998) (1,845,759) (1,75,931) (4,845,759) (1,75,931) (4,845,759) (1,75,931) (4,845,759) (1,75,931) (4,770,247) (4,771,117) (1,75,931) (4,770,247) (4,771,117) (1,75,931) (4,770,247) (4,771,117) (1,75,931) (4,770,247) (4,771,117) (1,75,931) (4,845,759) (1,75,931) (Decrease in trade and other receivables	· ·	
Decrease in other financial liabilities 12,740,604 9,799,563 Decrease in provision (85,245) (1,271,277) Decrease in employee benefits (22,671) (37,998) Interest paid, including capitalized interest (5,075,931) (4,845,759) Income tax paid - (4,171,117) Net cash generated by operating activities before net changes in balances related to deterred regulatory accounts 4,770,247 14,246,328 Change in deterred regulatory accounts 3,451,278 (4,383,915) Net cash generated by operating activities and changes in balances related to deterred regulatory accounts 8,221,525 9,862,413 Cash flows from investing activities: (5,925,985) (12,814,556) Other cash flows from investing activities (5,910,547) (12,814,556) Cash flows from financing activities: (5,910,547) (12,814,556) Cash flows from financing activities: (5,910,000) (99,500,000) Short-term debt payments (53,000,000) (98,500,000) Net cash flows generated by (used in) financing activities (2,000,000) 1,000,000 Net increase (decrease) in cash and cash equivalentes 310,978 (1,952,143) Cash and cash equivalents at the beginning of the period 6,211,412 4,558,153	Decrease (increase) in other assets	(3,539,131)	· ·
Interest paid, including capitalized interest (5,075,931) (4,845,759) (4,171,117)		12,740,604	• • •
Interest paid, including capitalized interest Income tax paid (5,075,931) (4,845,759) (4,171,117) Net cash generated by operating activities before net changes in balances related to deterred regulatory accounts (4,770,247 14,246,328) Change in deterred regulatory accounts (4,383,915) Net cash generated by operating activities and changes in balances related to deterred regulatory accounts (5,925,985) (12,814,556) Change in deterred regulatory accounts (5,925,985) (12,814,556) Cash flows from investing activities: (5,910,547) (12,814,556) Cash flows from investing activities (5,910,547) (12,814,556) Cash flows from financing activities: (5,910,000) (98,500,000) Short-term debt payments (5,000,000) (98,500,000) Net cash flows generated by (used in) financing activities (2,000,000) 1,000,000 Net increase (decrease) in cash and cash equivalentes 310,978 (1,952,143) Cash and cash equivalents at the beginning of the period 6,211,412 4,558,153		(85,245)	(1,271,277)
Income tax paid - (4,171,117) Net cash generated by operating activities before net changes in balances related to deferred regulatory accounts Change in deferred regulatory accounts Net cash generated by operating activities and changes in balances related to deferred regulatory accounts Net cash generated by operating activities and changes in balances related to deferred regulatory accounts Cash flows from investing activities: Acquisition of property, plant and equipment Other cash flows from investing activities Net cash flows used in investing activities Cash flows from financing activities: Short-term debt Short-term debt payments (5,910,547) (12,814,556) Cash flows generated by (used in) financing activities (5,910,000) (98,500,000) Net cash flows generated by (used in) financing activities (2,000,000) Net increase (decrease) in cash and cash equivalentes 310,978 (1,952,143) Cash and cash equivalents at the beginning of the period Cash and cash equivalents at the beginning of the period	(Decrease) increase in employee benefits	(22,671)	•
Net cash generated by operating activities before net changes in balances related to deterred regulatory accounts Change in deterred regulatory accounts Net cash generated by operating activities and changes in balances related to deterred regulatory accounts Cash flows from investing activities: Acquisition of property, plant and equipment Other cash flows from investing activities Net cash flows used in investing activities Cash flows used in investing activities Short-term debt Short-term debt payments Net cash flows generated by (used in) financing activities Cash flows generated by (used in) financing activities Cash and cash equivalents at the beginning of the period At 770,247 14,246,328 4,770,247 14,246,328 4,383,915) 8,221,525 9,862,413 (12,814,556)		(5,075,931)	
Changes in balances related to deterred regulatory accounts Change in deterred regulatory accounts Net cash generated by operating activities and changes in balances related to deterred regulatory accounts Cash flows from investing activities: Acquisition of property, plant and equipment Other cash flows from investing activities Net cash flows used in investing activities Cash flows from financing activities Short-term debt Short-term debt payments Net cash flows generated by (used in) financing activities Cash flows generated by (used in) financing activities Cash and cash equivalents at the beginning of the period A,770,247 14,246,328 4,383,915) 8,221,525 9,862,413 (12,814,556)			(4,171,117)
Net cash generated by operating activities and changes in balances related to deferred regulatory accounts Cash flows from investing activities: Acquisition of property, plant and equipment (5,925,985) Other cash flows from investing activities 15,438 Net cash flows used in investing activities (5,910,547) (12,814,556) Cash flows from financing activities: Short-term debt 51,000,000 99,500,000 Short-term debt payments (53,000,000) (98,500,000) Net cash flows generated by (used in) financing activities (2,000,000) 1,000,000 Net increase (decrease) in cash and cash equivalentes 310,978 (1,952,143) Cash and cash equivalents at the beginning of the period 6,211,412 4,558,153		4,770,247	14,246,328
Dalances related to deterred regulatory accounts Cash flows from investing activities: Acquisition of property, plant and equipment (5,925,985) Other cash flows from investing activities 15,438 Net cash flows used in investing activities (5,910,547) (12,814,556) Cash flows from financing activities: Short-term debt 51,000,000 99,500,000 (98,500,000) Short-term debt payments (53,000,000) (98,500,000) Net cash flows generated by (used in) financing activities (2,000,000) 1,000,000 Net increase (decrease) in cash and cash equivalentes 310,978 (1,952,143) Cash and cash equivalents at the beginning of the period 6,211,412 4,558,153		3,451,278	(4,383,915)
Acquisition of property, plant and equipment Other cash flows from investing activities Net cash flows used in investing activities Cash flows from financing activities: Short-term debt Short-term debt payments Net cash flows generated by (used in) financing activities Net cash flows generated by (used in) financing activities Cash and cash equivalents at the beginning of the period Cash and cash equivalents at the state of the period (5,925,985) (12,814,556) (12,814,556) (12,814,556) (12,814,556) (12,814,556) (12,814,556) (12,814,556) (12,814,556) (12,814,556) (12,814,556) (12,814,556) (12,814,556) (12,814,556)		8,221,525	9,862,413
Other cash flows from investing activities Net cash flows used in investing activities Cash flows from financing activities: Short-term debt Short-term debt payments Net cash flows generated by (used in) financing activities Net increase (decrease) in cash and cash equivalentes Cash and cash equivalents at the beginning of the period Other cash flows used in investing activities (5,910,547) (12,814,556)			
Net cash flows used in investing activities Cash flows from financing activities: Short-term debt Short-term debt payments Net cash flows generated by (used in) financing activities Net cash flows generated by (used in) financing activities (2,000,000) Net increase (decrease) in cash and cash equivalentes Cash and cash equivalents at the beginning of the period 6,211,412 4,558,153		(5,925,985)	(12,814,556)
Cash flows from financing activities: Short-term debt Short-term debt payments Net cash flows generated by (used in) financing activities Net increase (decrease) in cash and cash equivalentes Cash and cash equivalents at the beginning of the period Cash and cash equivalents at the state of the period Cash and cash equivalents at the state of the period Cash and cash equivalents at the state of the period Cash and cash equivalents at the state of the period Cash and cash equivalents at the state of the period Cash and cash equivalents at the state of the period Cash and cash equivalents at the state of the period Cash and cash equivalents at the state of the period Cash and cash equivalents at the state of the period at th	Other cash flows from investing activities	15,438	
Short-term debt 51,000,000 99,500,000 Short-term debt payments (53,000,000) (98,500,000) Net cash flows generated by (used in) financing activities (2,000,000) 1,000,000 Net increase (decrease) in cash and cash equivalentes 310,978 (1,952,143) Cash and cash equivalents at the beginning of the period 6,211,412 4,558,153	Net cash flows used in investing activities	(5,910,547)	(12,814,556)
Short-term debt payments (53,000,000) (98,500,000) Net cash flows generated by (used in) financing activities (2,000,000) 1,000,000 Net increase (decrease) in cash and cash equivalentes 310,978 (1,952,143) Cash and cash equivalents at the beginning of the period 6,211,412 4,558,153	Cash flows from financing activities:		
Short-term debt payments (53,000,000) (98,500,000) Net cash flows generated by (used in) financing activities (2,000,000) 1,000,000 Net increase (decrease) in cash and cash equivalentes 310,978 (1,952,143) Cash and cash equivalents at the beginning of the period 6,211,412 4,558,153	Short-term debt	51,000,000	99 500 000
Net increase (decrease) in cash and cash equivalentes Cash and cash equivalents at the beginning of the period 6,211,412 4,558,153	Short-term debt payments	•	
Cash and cash equivalents at the beginning of the period 6,211,412 4,558,153	Net cash flows generated by (used in) financing activities	(2,000,000)	1,000,000
Orah and a late of the state of	Net increase (decrease) in cash and cash equivalentes	310,978	(1,952,143)
Cash and cash equivalentes at the end of the period 6,522,390 2,606,010	Cash and cash equivalents at the beginning of the period	6,211,412	4,558,153
	Cash and cash equivalentes at the end of the period	6,522,390	2,606,010