

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

Financial Statements
March 31, 2020



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

Assets	March 2020	December 2019
Non-current assets		
Property, plant and equipment, net	549,802,925	548,933,838
Inventories	3,149,780	2,583,802
Investment property	3,963,709	3,963,709
Other intangible assets	21,684,395	22,305,591
Right-of-use asset - leases	1,509,108	1,565,042
Deferred tax asset	3,637,398	4,331,999
Employee benefits	91,080	35,803
Other assets	921,155	900,955
Cash and cash equivalents	-	-
Total non-current assets	584,759,550	584,620,739
Current assets		
Inventories	16,675,272	18,046,516
Trade and other receivables	125,588,515	145,778,015
Prepaid income tax	-	-
Other assets	2,814,333	1,141,663
Cash and cash equivalents	54,061,716	25,511,109
Total current assets	199,139,836	190,477,303
Total assets	783,899,386	775,098,042
Regulatory deferral account debit balance	-	-
Deferred tax liability related to the balances of deferred regulatory accounts	-	-
Total assets and debit balances of deferred regulatory accounts	783,899,386	775,098,042

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

Equity and liabilities	March 2020	December 2019
Equity		
Issued capital	106,642,962	106,642,962
Treasury stocks	(574,511)	(568,667)
Other accumulated comprehensive loss	(662,847)	(662,847)
Retained earnings	75,392,107	42,281,707
Net profit for the period	<u>9,403,882</u>	<u>33,110,400</u>
Total equity	<u>190,201,593</u>	<u>180,803,555</u>
Non-current liabilities		
Credits and loans	281,326,951	282,179,173
Other financial liabilities	53,737,442	54,914,944
Employee benefits	326,651	323,078
Deferred tax liability	-	-
Lease liabilities	1,396,569	1,396,569
Other liabilities	<u>2,047,762</u>	<u>2,089,911</u>
Total non-current liabilities	<u>338,835,375</u>	<u>340,903,675</u>
Current liabilities		
Credits and loans	57,000,000	25,000,000
Other financial liabilities	155,300,392	194,115,781
Employee benefits	24,905	23,625
Income tax payable	27,471,108	22,884,197
Provisions	5,796,865	5,511,038
Lease liabilities	164,702	211,872
Other liabilities	<u>173,981</u>	<u>173,981</u>
Total current liabilities	<u>245,931,953</u>	<u>247,920,494</u>
Total liabilities	<u>584,767,328</u>	<u>588,824,169</u>
Regulatory deferral account credit balance	12,757,807	7,814,740
Deferred tax assets related to the balance of deferred regulatory accounts	<u>(3,827,342)</u>	<u>(2,344,422)</u>
Total liabilities and regulatory deferral account credit balance	<u>593,697,793</u>	<u>594,294,487</u>
Total equity and liabilities	<u>783,899,386</u>	<u>775,098,042</u>

Elektra Noreste, S.A. and Subsidiary

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

Statement of profit or loss and other comprehensive income

	Three months ended	
	March 2020	March 2019
Continuing operations		
Rendering of services	161,341,585	182,091,972
Sales of goods	24,662	27,482
Other operating income	2,013,558	2,081,471
Income from continuing operations	<u>163,379,805</u>	<u>184,200,925</u>
Other income	2,168,381	98,282
Total income	<u>165,548,186</u>	<u>184,299,207</u>
Costs for rendering services	133,919,283	150,138,454
Administrative expenses	7,008,970	5,498,471
Impairment of financial instruments	1,359,996	2,730,534
Other expenses	538,412	(50,314)
Finance income	81,689	46,029
Finance costs	4,658,572	4,941,880
Profit before tax	<u>18,144,642</u>	<u>21,086,211</u>
Income tax expense	5,280,613	6,290,463
Net profit of the period before net movement in deferred regulatory accounts	12,864,029	14,795,748
Net movement in balances of regulatory accounts related to gains and losses	(4,943,067)	(4,930,396)
Net movement in deferred tax related to the balances of regulatory accounts	1,482,920	1,479,119
Net profit of the period after net movement in deferred regulatory accounts	<u>9,403,882</u>	<u>11,344,471</u>
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	-	-
Income tax relating to components which will not be reclassified	-	-
Other comprehensive income (loss), net of tax	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>9,403,882</u>	<u>11,344,471</u>

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

Statement of changes in shareholders' equity

	<u>Issued capital</u>	<u>Treasury stocks</u>	<u>Other comprehensive Income</u>	<u>Accumulated results</u>	<u>Total</u>
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	-	-	-	9,403,882	9,403,882
Other comprehensive income for the year net of income tax	-	-	-	-	-
Total other comprehensive income	-	-	-	<u>9,403,882</u>	<u>9,403,882</u>
Share repurchase	-	(5,844)	-	-	(5,844)
Dividends declared	-	-	-	-	-
Income tax related to transactions with owners	-	-	-	-	-
Balance at march 31, 2019	<u>106,642,962</u>	<u>(574,511)</u>	<u>(662,847)</u>	<u>84,795,989</u>	<u>190,201,593</u>

Elektra Noreste, S.A. and Subsidiary
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Statement of cash flows as of March 31,

	2020	2019
Cash flows from operating activities:		
Net profit for the period	9,403,883	11,344,471
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	7,589,675	6,644,868
Impairment of financial instruments	1,359,997	2,730,534
Investment property valuation	-	-
Current income tax	5,281,512	6,290,462
Finance costs, net	4,576,881	4,895,852
Gain / Loss on disposal of fixed assets	600,802	8,139
Provisions	353,988	251,743
	<u>29,166,738</u>	<u>32,166,069</u>
Changes in working capital		
Inventories	1,371,186	(1,903,587)
Trade and other receivables	18,829,504	(29,484,218)
Other assets	(1,672,670)	(3,491,564)
Other financial liabilities	(40,096,295)	13,516,770
Employee benefits	(118,527)	(91,740)
Other liabilities	(42,149)	(129,534)
	<u>7,437,787</u>	<u>10,582,196</u>
Interest paid, including capitalized interest	(5,493,238)	(5,826,725)
Interest paid on lease	(15,929)	(16,804)
Income tax paid	-	-
	<u>-</u>	<u>-</u>
Net cash generated by operating activities before net changes in balances related to deferred regulatory accounts	1,928,620	4,738,667
Change in deferred regulatory accounts	3,460,147	3,451,278
Net cash generated by operating activities and changes in balances related to deferred regulatory accounts	<u>5,388,767</u>	<u>8,189,945</u>
Cash flows from investing activities:		
Interest Income	81,690	46,029
Acquisition of property, plant and equipment	(8,382,435)	(5,925,985)
Inventory	(565,978)	-
Severance fund	(20,200)	(47,175)
	<u>(8,886,923)</u>	<u>(5,927,131)</u>
Net cash flows used in investing activities	<u>(8,886,923)</u>	<u>(5,927,131)</u>
Cash flows from financing activities:		
Short-term debt	42,101,777	51,093,338
Short-term debt payments	(10,000,000)	(53,000,000)
Payment of dividends	-	-
Other cash flows from financing activities	-	-
Share repurchase	(5,844)	-
Lease liability payment	(47,170)	(45,174)
	<u>32,048,763</u>	<u>(1,951,836)</u>
Net cash flows generated by (used in) financing activities	<u>32,048,763</u>	<u>(1,951,836)</u>
Net increase (decrease) in cash and cash equivalentes	<u>28,550,607</u>	<u>310,978</u>
Cash and cash equivalentes at the beginning of the period	<u>25,511,109</u>	<u>6,211,412</u>
Cash and cash equivalentes at the end of the period	<u><u>54,061,716</u></u>	<u><u>6,522,390</u></u>