Elektra Noreste, S.A. and subsidiary

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

Consolidated financial statements for the year ended on December 31, 2024 and Independent Auditor's Report dated February 20, 2025.

"This document has been prepared with the knowledge that its contents will be made available to the investing and general public."

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

Independent Auditor's Report and Consolidated Financial Statements 2024

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Annex I – Consolidating information on the consolidated statement of financial position.

Annex II – Consolidating information on the consolidated statement of income and other comprehensive results

Independent Auditor’s Report

To the Board of Directors and Shareholders of
Elektra Noreste, S.A. and subsidiary

Opinion

We have audited the accompanying consolidated financial statements of **Elektra Noreste, S. A. and subsidiary** (the Group), which comprise the consolidated statement of financial position as of December 31, 2024, and the consolidated statements of income and other comprehensive results of changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the information on material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024, its consolidated financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

Basis for the opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Professional Ethics for Certified Public Accountants in Panama (Decree No. 26 of May 17, 1984) and the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (“IESBA”), and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion**.**

Key Audit Matters

Key audit matters are those that, based on our professional judgment, have been among the most significant in our audit of the consolidated financial statements for the current period. These matters were considered in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon, and we do not express a separate opinion on these matters. For each key issue detailed below, we describe how that issue has been addressed in the context of our audit.

We have fulfilled the responsibilities described in the “Auditor's Responsibilities for the Audit of the Consolidated Financial Statements” section of our report, including those related to the key audit matter. Accordingly, our audit included performing procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the key audit matter detailed below, provide the basis for our audit opinion of the accompanying consolidated financial statements.

Estimate for expected credit losses

The estimate for expected credit losses is considered a key audit issue because it requires the application of important judgments by Management, which involve a certain degree of subjectivity. The criteria for recognizing the impairment of accounts receivable are described in notes 3 and 8 to the consolidated financial statements. As of December 31, 2024, the Group's estimate for expected credit losses is $26,413,219 and the account receivable balance is $175,776,459.

The calculation of the estimate is based on the recognition of credit losses, estimating the probability of default of each obligation. This probability is determined through a model that considers specific portfolio variables and payment behavior, integrating historical loss data by portfolio type with relevant macroeconomic factors to project future growth. The resulting prospective factor is segmented by portfolio type.

Our audit procedures in relation to the estimate for expected credit losses included, but were not limited to, the following:

- Understand and evaluate the methodology used by the Group to determine expected credit losses, which included a review of the assumptions and criteria used in the analyses prepared by Management.

- We obtained the analysis prepared by management, and checked the assumptions used in the analysis against the current portfolio, historical data, economic factors and their source.

- We performed detailed tests to validate the aging of accounts receivable and to test the integrity of the information used for the calculation.

Other information

The other information consists of data included in the annual update report on Form IN-A filed with the Superintendency of the Securities Market other than the consolidated financial statements and our audit report thereon. The administration is responsible for the other information. Group Form IN-A is expected to be available to us after the date of this audit report.

Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information set forth above as it becomes available and, in doing so, to consider whether the other information is materially inconsistent with the consolidated financial statements or with our knowledge obtained in the audit or appears to be materially misstated.

Other matter – supplementary information

Management is responsible for the supplementary information. Supplementary information comprises consolidation information, which is presented for the purpose of additional analysis of the consolidated financial statements, not to present the financial position and results of operations of individual companies and is not required as part of the consolidated financial statements.

Our opinion on the consolidated financial statements does not cover the supplementary information and we do not express an opinion or any other form of assurance conclusion on it.

In connection with our audit of the consolidated financial statements, our responsibility is to read it and, in doing so, consider whether there is a significant deviation between that other information and the consolidated financial statements, or with our knowledge obtained during the course of the audit. If we determine that the other information contains significant deviations, we are required to report that fact. We have nothing to report with reference to the rest of the other information.

Other Matters

The consolidated financial statements of Elektra Noreste, S. A. and subsidiary for the year ended on December 31, 2023, were audited by other auditors who expressed a clean (unmodified) opinion on such consolidated financial statements dated March 15, 2024.

Responsibilities of Management and those charged with governance of the Group for the consolidated financial statements.

Management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Administration is also responsible for assessing the Bank's ability to continue as a going concern, disclosing, as appropriate, going concern matters and using the going concern basis of accounting, except if management intends to liquidate the Bank or to terminate its operations, or if there is no realistic alternative but to do so.

Those in charge of Corporate Governance are responsible for overseeing the Group's financial reporting process.

Responsibilities of the auditor in relation to the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material when, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism during the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than in the case of a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, intentional misstatements, or the circumvention of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate that the accounting policies used are adequate, as well as the reasonableness of accounting estimates and disclosures made by the Administration.

- We concluded on the Administration's appropriate use of the going concern basis of accounting and, based on the audit evidence obtained, concluded on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to express a modified opinion. Our findings are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group not to continue as a going concern.

- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves reasonable presentation.

- We obtain sufficient appropriate evidence regarding the financial information of the entities or business activities that comprise the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group's audit. We are solely responsible for our audit opinion.

We communicate with those charged with governance of the Company regarding, among other matters, the scope and timing of the planned conduct of the audit and significant audit findings, as well as any significant differences from internal control that we identify in the course of the audit.

We also provide those charged with governance with a statement that we have complied with applicable ethics requirements regarding independence and disclose to them all relationships and other matters that may reasonably be expected to affect our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless statutory or regulatory provisions prohibit public disclosure of the matter or, in extremely rare circumstances, we determine that a matter should not be disclosed in our report because it can reasonably be expected that the adverse consequences of doing so would outweigh the public interest benefits of such disclosure.

Other Legal and Regulatory Requirements

In accordance with Law 280 of December 30, 2021, which regulates the profession of Authorized Public Accountant in the Republic of Panama, we declare:

- That the management and supervision, as well as the execution of the audit of the activities that the Group maintains in Panama, have been physically carried out in Panamanian territory.
- The team that participated in the audit referred to in this report is composed of Aurora Díaz G., partner, and María Guillén, senior manager.

The partner in charge of the audit that has prepared this report of the independent auditors is Aurora Díaz G.

Panama, Republic of Panama.	Aurora Díaz G
February 20, 2025	C.P.A. No. 2105

Elektra Noreste, S.A. and subsidiary
(51% owned by Panama Distribution Group, S. A.)
Consolidated balance sheet
December 31, 2024

(In balboas)

	Notes	2024	2023
Assets			
Non-current assets			
Property, plant and equipment, net	4	**B/. 611,959,117**	B/. 589,472,233
Inventories	12	**3,412,270**	3,354,607
Investment property	5	**3,806,200**	3,957,600
Other intangible assets	7	**30,765,645**	25,775,652
Deferred tax assets, net	29	**-**	426,098
Right-of-use assets	9	**425,109**	590,875
Other assets	11	**5,547,034**	4,937,053
Total non-current assets		**655,915,375**	628,514,118
Current assets			
Inventories	12	**29,776,034**	26,518,589
Trade and other receivables	8	**149,363,240**	174,384,457
Current income tax assets	29	**2,360,007**	-
Other assets	11	**5,952,688**	5,507,206
Cash and cash equivalents	13	**12,719,037**	9,554,212
Total current assets		**200,171,006**	215,964,464
Total assets		**856,086,381**	844,478,582
Deferred regulatory account debit balances	23	**69,856,699**	36,075,659
Deferred tax liabilities related to deferred regulatory account balances	23	**(20,957,009)**	(10,822,698)
Total assets and debit balances of deferred regulatory accounts		**B/. 904,986,071**	B/. 869,731,543

The accompanying notes are an integral part of the financial statements

Elektra Noreste, S.A. and subsidiary
(51% owned by Panama Distribution Group, S. A.)
Consolidated balance sheet
For the period ended on 31 December

(In balboas)

	Notes	2024	2023
Equity and liabilities			
Commitments and contingencies	20		
Equity			
Issued capital	14	**B/. 106,642,962**	B/. 106,642,962
Treasury stock	14	**(617,270)**	(574,511)
Accumulated other comprehensive income	15	**(525,175)**	(401,813)
Retained earnings	14	**72,886,616**	73,426,252
Net income for the year and net movement in deferred regulatory account balances	14	**74,025,589**	52,997,021
Total equity		**252,412,722**	232,089,911
Non-current liabilities			
Receivables and loans	16	**378,392,932**	229,967,354
Creditors and other accounts payable	17	**33,553,774**	33,634,956
Other financial liabilities	18	**364,216**	490,987
Employee benefits	19	**2,399,123**	2,479,929
Deferred tax liabilities, net	29	**2,881,210**	-
Other liabilities	21	**1,326,492**	1,463,312
Total non-current liabilities		**418,917,747**	268,036,538
Current liabilities			
Receivables and loans	16	**76,000,000**	199,813,882
Creditors and other accounts payable	17	**150,623,306**	151,987,331
Other financial liabilities	18	**135,162**	126,679
Employee benefits	19	**15,419**	21,726
Income taxes payable	29	**-**	5,318,828
Provisions	20	**6,744,898**	12,192,640
Other liabilities	21	**136,817**	144,008
Total current liabilities		**233,655,602**	369,605,094
Total liabilities		**652,573,349**	637,641,632
Total liabilities and credit balances of deferred regulatory accounts		**652,573,349**	637,641,632
Total equity and liabilities		**B/. 904,986,071**	869,731,543

The accompanying notes are an integral part of the financial statements

Elektra Noreste, S.A. and subsidiary
(51% owned by Panama Distribution Group, S. A.)
Consolidated Statement of Income and Other Comprehensive Results
for the period ended on December 31, 2024

(In balboas)

	Notes	2024	2023
Provision of services	24	**B/. 800,335,506**	B/. 703,572,599
Other operating income	24	**9,760,458**	9,467,946
Total revenues from ordinary activities		**810,095,964**	713,040,545
Other income	24	**3,689,993**	2,808,176
Total revenues	24	**813,785,957**	715,848,720
Cost of services rendered and sale of goods	25	**667,447,381**	600,623,174
Administrative expenses	26	**34,857,881**	34,422,308
Impairment of accounts receivable	8	**4,140,460**	5,087,994
Other expenses	27	**7,916,980**	4,143,626
Financial income	28	**(812,223)**	(442,195)
Financial expenses	28	**27,828,040**	20,954,809
Income for the year before income taxes		**72,407,438**	51,059,004
Income Taxes	29	**22,028,577**	15,148,893
Net income for the year before the net change in deferred regulatory account balances		**50,378,861**	35,910,111
Net movement in regulatory account balances related to gains and losses	23	**33,781,040**	24,409,871
Net movement in deferred tax arising from regulatory account balances related to gains and losses	23	**(10,134,312)**	(7,322,961)
Net income for the year and net movement in deferred regulatory account balances		**74,025,589**	52,997,021
Other comprehensive income, net of tax:			
Items that will not be reclassified subsequently to profit or loss for the year:			
New defined benefit plan remeasurements	15, 29	**(174,781)**	236
Income taxes related to components that will not be reclassified	15, 29	**51,419**	628
Other comprehensive income, net of tax		**(123,362)**	864
Total comprehensive income for the year		**B/. 73,902,227**	B/. 52,997,885

The accompanying notes are an integral part of the financial statements

Elektra Noreste, S.A. and subsidiary
(51% owned by Panama Distribution Group, S. A.)
Consolidated statement of changes in equity
for the period ended on December 31, 2024

(In balboas)

	Note	Issued Capital	Treasury Shares	Other accumulate comprehensive income	Accumultaed results	Total
Balance as of January 1, 2023		B/. 106,642,962	B/. (574,511)	B/. (402,677)	B/. 111,075,506	B/. 216,741,280
Comprehensive income for the year						
Net income for the year and net change in deferred regulatory account balances		-	-	-	52,997,021	52,997,021
Other comprehensive income (loss) for the year, net of income tax		-	-	864	-	864
Total comprehensive income for the year		-	-	864	52,997,021	52,997,885
Transactions with Group owners						
Contributions and distributions						
Dividends declared		-	-	-	(37,869,779)	(37,869,779)
Share repurchases		-	-	-	-	-
Income tax related to						
Complementary tax		-	-	-	220,525	220,525
Total transactions with Group owners		-	-	-	(37,649,254)	(37,649,254)
Balance as of December 31, 2023		B/. 106,642,962	B/. (574,511)	B/. (401,813)	B/. 126,423,273	B/. 232,089,911
Balance as of January 1, 2024		B/. 106,642,962	B/. (574,511)	B/. (401,813)	B/. 126,423,273	B/. 232,089,911
Comprehensive income for the year						
Application of changes in Group accounting policies		-	-	-	(415,924)	(415,924)
Net income for the year and net movement in deferred regulatory account balances		-	-	-	74,025,589	74,025,589
Other comprehensive income (loss) for the year, net of income taxes		-	-	(123,362)	-	(123,362)
Total comprehensive income for the year		-	-	(123,362)	73,609,665	73,486,303
Transactions with Group owners						
Contributions and distributions						
Dividends declared	14	-	-	-	(52,997,021)	(52,997,021)
Share repurchases		-	(42,759)	-	-	(42,759)
Income tax related to						
Complementary tax		-	-	-	(123,712)	(123,712)
Total transactions with Group owners		-	(42,759)	-	(53,120,733)	(53,163,492)
Balance as of December 31, 2024		B/. 106,642,962	B/. (617,270)	B/. (525,175)	B/. 146,912,205	B/. 252,412,722

The accompanying notes are an integral part of the financial statements

Elektra Noreste, S.A. and subsidiary
(51% owned by Panama Distribution Group, S. A.)
Consolidated statement of cash flows
For the period ended on 31 December

(In balboas)

	Notes		2024		2023
Net income for the year and net movement of in deferred regulatory account balances		B/.	**74,025,589**	B/.	52,997,021
Adjustments for:					
Depreciation and amortization of property, plant and equipment,	4, 7, 9		**40,746,570**		45,967,993
intangible assets, and right-of-use assets.	8		**4,140,460**		5,087,994
Impairment of accounts receivable	5		**151,400**		(60,802)
Income tax	29.3		**22,028,577**		15,148,893
Interest expense, net			**27,015,817**		20,512,614
Gain or loss on disposal of property, plant and equipment	4		**9,625,553**		4,854,485
Provisions			**2,946,761**		117,332
Other non-cash income and expenses			**(415,924)**		-
			180,264,803		144,625,530
Changes in:					
Inventories			**(3,282,761)**		(4,667,033)
Trade and other receivables			**20,880,756**		(6,323,572)
Other assets			**(444,187)**		(869,257)
Trade and other accounts payable			**(7,500,411)**		(22,063,993)
Employee benefits			**(869,793)**		(292,771)
Provisions			**(7,818,951)**		(936,140)
Other liabilities			**(144,012)**		(148,670)
			181,085,444		109,324,094
Interest paid			**(28,022,728)**		(21,067,173)
Income taxes paid			**(26,348,685)**		(20,147,285)
Net cash flows provided by operating activities before net changes in deferred regulatory account balances			**126,714,031**		68,109,636
Changes in deferred regulatory accounts			**(23,646,728)**		(17,086,909)
Net cash flows provided by (used in) operating activities and net changes in balances of deferred regulatory accounts			**103,067,303**		51,022,727
Cash flows from investing activities:					
Interest received	28		**812,223**		442,195
Acquisition of property, plant and equipment and intangible assets	4, 7		**(71,578,942)**		(55,783,775)
Sale of furniture and equipment			**145,601**		(28,571)
Severance fund			**(611,276)**		(504,804)
Net cash flows used for investing activities			**(71,232,394)**		(55,874,955)
Cash flows from financing activities:					
Proceeds from financing	22		**795,467,197**		832,777,302
Debt and cash payments	22		**(770,855,501)**		(785,957,008)
Dividends paid	22		**(52,997,021)**		(37,869,779)
Complementary taxes paid	22		**(123,712)**		220,525
Share repurchases	22		**(42,759)**		-
Payment of lease liabilities	22		**(118,288)**		(184,078)
Net cash flows provided by financing activities			**(28,670,084)**		8,986,962
Net decrease in cash and cash equivalents			**3,164,825**		4,134,734
Cash and cash equivalents at the beginning of the year			**9,554,212**		5,419,478
Cash and cash equivalents at the end of the year	13	**B/.**	**12,719,037**	B/.	9,554,212
Non-cash transactions					
Accounts payable and other payables		**B/.**	**6,249,893**	B/.	3,330,667
Acquisition of property, plant and equipment	7	**B/.**	**(6,249,893)**	B/.	(3,330,667)

The accompanying notes are an integral part of the financial statements

(In balboas)

1. Reporting Entity

Elektra Noreste, S.A. (the "Company" or "ENSA") is a corporation formed as a result of the privatization of the Institute of Hydraulic Resources and Electrification ("IRHE"). The Company was incorporated by Public Deed No. 143 of January 19, 1998 and began operations in January 1998, a structured company, with presence in the provision of public services in Panama, its main address is Santa Maria Business District, PH ENSA Juan Diaz, Panama, whose majority shareholder is Panama Distribution Group, SA ("PDG"). The authorized share capital of the Company consists of fifty million common shares with no par value. To date, Panama Distribution Group, S.A. ("PDG"), owns 51% of the authorized, issued and outstanding common shares of ENSA, while the Panamanian government and ex-employees of the IRHE own 48.25% and 0.42% of the common shares, respectively. The rest of the shares are held as treasury shares. These consolidated financial statements comprise the Company and its subsidiary, collectively referred to as “the Group”.

The Company's activities include the purchase of energy in blocks and its transport through the distribution networks to customers. In addition, ENSA performs the transformation of linked voltage, delivery of energy to consumers, and the measurement, reading, billing and collection of energy. Likewise, the Company is responsible for installing, operating and maintaining public lighting in the concession area. In addition, ENSA is authorized to carry out energy generation activities up to a limit of 15% of the maximum demand and energy in the concession area. Additionally, it provides technical, commercial and any other complementary services to the provision of the public service.

ENSA Servicios, S.A., (the "subsidiary") was incorporated by Public Deed No. 19,217 of November 29, 2017 and began operations in March 2018, as a subsidiary 100% owned by Elektra Noreste, S.A. The authorized share capital of the subsidiary consists of five hundred common shares without par value.

The Group offers its services through the following segments, whose activities are described in Note 34 Operating segments: Provision of services and sale of goods.

The purpose of the subsidiary is the provision of technical, commercial and any other complementary services to the provision of the electricity service, including other similar, related and/or compatible services that constitute an added value to the activities described.

1.1 Legal and Regulatory Framework

The electricity sector in Panama is divided into three areas of activity: generation, transmission and distribution. The country has established a regulatory structure for the electricity industry, based on legislation that was passed between 1996 and 1998. This framework creates an independent regulator, the National Utilities Authority (ASEP), and also creates a transparent pricing process for the sale of energy to regulated customers.

The regulatory regime is mainly composed of the following rules:

- Law No. 6 of February 3, 1997: Dictate the regulatory and institutional framework for the provision of public electricity service. It establishes the regime to which the activities of distribution, generation, transmission and commercialization of electrical energy will be subject.

- Law No. 57 of October 13, 2009: Several amendments are made to Law No. 6 of 1997, including: the obligation of generating companies to participate in the processes of purchasing energy or power, the obligation of the Empresa de Transmisión Eléctrica, S.A. (ETESA) to purchase energy on behalf of the distributors, and the increase in fines that may be imposed by the regulator up to 20 million balboas, while establishing the right of customers to refrain from paying for the portion they claim and granting a period of 30 days to complain to the regulator in case they are not satisfied with the response given by the distributor.
- Law No. 58 of May 30, 2011: The articles related to rural electrification are modified, among which are: the modification of the calculation of the subsidy to be paid by the Office of Rural Electrification (OER) to the distributors for a period of 4 years and the creation of a rural electrification fund for 4 years, which will be made up of the contributions of market agents that sell electricity and will not exceed 1% of their net profit before taxes.
- Law No.67 of December 9, 2016: Modifies and adds articles to Law 6 of 1997, the Rural Electrification Fund is created, which will be administered by the Office of Rural Electrification and establishes that the annual contribution by energy market agents will not exceed 1% of their net income before income tax. This tax will be for a period of 4 years from the modification of this article.

1.2 Regulatory Entities

Some of the main regulatory bodies at the energy level in Panama are:

- The Energy Secretariat: its mission is to formulate, propose and promote the national energy policy in order to ensure supply security, rational and efficient use of resources and energy in a sustainable manner, according to the National Development Plan. It is currently negotiating with ETESA the creation of an energy matrix with more and more varied renewable and cleaner resources (wind, gas, among others).

- The National Authority for Public Services (ASEP): established in accordance with the Public Services Regulatory Authority Act 1996. It is an autonomous entity of the Government with responsibility for regulating, controlling and overseeing the provision of water and sanitary sewerage services, telecommunications, radio and television, electricity and natural gas.
  On February 22, 2006, by Decree Law No. 10, the Public Services Regulatory Entity (ERSP) was restructured and renamed, so that since April 2006 it is known as the ASEP, with the same responsibilities and functions as the regulatory entity, but with a general administrator and an executive director, each appointed by the President of the Republic of Panama and ratified by the National Assembly. It also has three national directors under the authority of the general administrator, one for the electricity and water sector, one for the telecommunications sector and one for the customer service sector. National directors are responsible for issuing rulings related to their respective industries and appeals to them are resolved by the general manager as the final stage of the administrative process.

- The ETESA Planning Unit: prepares the reference expansion plans and projects the global energy requirements and the ways to meet such requirements, including the development of alternative sources and establishing programs to conserve and optimize energy use. Utility companies are called upon to prepare and submit their expansion plans to ETESA.

- The National Dispatch Center (CND): is operated by ETESA. They plan, supervise and control the integrated operation of the National Interconnected System. Receives offers from generators participating in the energy sales market (spot), determines spot energy prices, manages the transmission network and provides settlement values between suppliers, producers and consumers, among others.

- The Office of Rural Electrification (OER): is responsible for promoting electrification in unserved, unprofitable, and unlicensed rural areas.

1.3 Concession Contract

According to the concession contract, the Group has the exclusivity for the distribution and commercialization of electricity to customers located in the geographical areas of Eastern Panama, Colon, the Bay of Panama, the Guna Yala Region and Darien. Exclusivity in the distribution phase also includes "large consumers", which are defined by Law No.6, of February 3, 1997, as those customers with a maximum demand greater than 100 KW per site, who are allowed to buy energy directly from other agents in the electricity market.

On August 9, 2013, the act of submission of bids in which PDG won the concession for 15 more years was verified. This concession period began on October 22, 2013.

The concession contract establishes provisions related to the obligations of the concessionaire in terms of service provision, the separation of the majority package of shares is prohibited, and it is obliged to send technical and financial information periodically to the ASEP, to comply with technical quality standards, (quality standards, measurement standards and operating regulations of the National Dispatch Center ("CND"), and to pay the ASEP control, surveillance and control fee, which may not be transferred to users through the tariff.

2. Material Accounting Policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except as noted in Note 2.21.

2.1 Basis of Preparation of the Consolidated Financial Statements

The consolidated financial statements of the Group are prepared in accordance with the IFRS Accounting Standards (hereinafter, "IFRS") in force issued by the International Accounting Standards Board (hereinafter, IASB), as well as the interpretations issued by the Interpretations Committee (hereinafter, IFRIC).

Presentation of the consolidated financial statements in accordance with IFRS requires estimates and assumptions to be made that affect the amounts reported and disclosed in the consolidated financial statements, without impairing the reliability of the financial information. Actual results may differ from such estimates. Estimates and assumptions are constantly reviewed. The revision of accounting estimates is recognized in the period in which the estimates are revised if the revision affects that period or in the period of the revision and future periods, if it affects both the current and the future period. The estimates made by Management, in the application of IFRS, that have a material effect on the consolidated financial statements, and those that involve significant judgments for the annual consolidated financial statements, are described in greater detail in Note 3, Significant accounting judgments, estimates and causes of uncertainty in the preparation of the consolidated financial statements.

ENSA and the subsidiary submit separate or individual financial statements to the Board of Directors, as appropriate, for compliance with control bodies and for the purpose of internal administrative monitoring and providing information to investors.

Assets and liabilities are measured at cost or amortized cost, with the exception of investment properties that are measured at fair value. Financial assets and liabilities measured at fair value correspond to those that: are classified in the category of assets and liabilities at fair value through profit or loss, some equity investments at fair value through equity, as well as all financial derivatives assets and recognized liabilities that are designated as hedged items in a fair value hedge, whose book value is adjusted for changes in fair value attributed to the risks subject to hedging.

The consolidated financial statements are expressed in balboas, the monetary unit of the Republic of Panama, in which the Group is incorporated and operates, and their figures are expressed in units. The Balboa is at parity with the United States dollar, which is freely circulated and is the functional currency of the Group. The Republic of Panama does not issue paper money and instead uses the US Dollar as legal tender.

2.2 Consolidation Principles

The consolidated financial statements include the financial statements of Elektra Noreste, S.A. and its subsidiary as of December 31, 2024, over which it exercises control. Using the global integration method, ENSA consolidates the financial results of the company over which it exercises control, which are detailed in Note 6.

Control is obtained when the Group controls the relevant activities of the subsidiary, which are generally the operating and financing activities, is exposed to, or is entitled to, the variable returns of the subsidiary and has the ability to use its power over the subsidiary to influence its returns.

There is generally a presumption that a majority of the voting rights results in control. To support this presumption, and where the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including contractual arrangements with the investee's other voting holders, rights arising from other contractual arrangements, and the Group's voting rights as potential voting rights. The Group reassesses whether or not it controls an investee if the facts and circumstances indicate that there are changes in one or more of the three aforementioned control elements.

Each subsidiary of the Group determines its own functional currency and includes the items in its financial statements using that functional currency.

The information of all Group companies was prepared using the same accounting policies of the Group, according to the adopted IFRS.

For consolidation purposes, the financial statements of the subsidiaries are prepared under the Group's accounting policies and are included in the consolidated financial statements from the acquisition date until the date on which the Group loses its control.

Intragroup assets, liabilities, equity, income, costs, expenses and cash flows are eliminated in the preparation of the consolidated financial statements, i.e. those related to transactions between companies, including unrealized internal results, which are eliminated in their entirety.

Consolidation of a subsidiary begins when the Group gains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, the income and expenses of a subsidiary acquired or sold during the year are included in the consolidated income statement from the acquisition date until the date the Group gains control until the date when the Group ceases to control the subsidiary.

When the Group loses control over a subsidiary, it derecognizes the assets (including trade credit), liabilities, non-controlling interests and other components of equity are derecognized. Any residual interest you retain is measured at fair value, any gains or losses arising from this measurement are recognized in profit or loss for the period.

Non-controlling interests in the net assets of subsidiaries are presented separately from the Group's equity. Profit/loss for the period and other comprehensive income are also attributed to non-controlling and controlling interests.

Changes in the Group's interest in subsidiaries that do not result in loss of control are accounted for as equity transactions. The carrying amount of the Group's controlling interest and non-controlling interest is adjusted to reflect changes in its relative interests in subsidiaries. Any difference between the amount by which the controlling interest, the non-controlling interest and the fair value of the consideration paid or received are adjusted is recognized directly in equity.

When the Group loses control of a subsidiary, the gain or loss is recognized in the consolidated income statement and is calculated as the difference between (i) the aggregate fair value of the consideration received and the fair value of the interest retained and (ii) the previous carrying amount of the assets (including goodwill), and the liabilities of the subsidiary and any non-controlling interests. All amounts related to the subsidiary previously recognized in other comprehensive income are accounted for as if the Group had directly disposed of the subsidiary's related assets or liabilities (i.e. reclassified to profit or loss or transferred to another equity category as permitted by applicable and adopted IFRSs). The fair value of the investment retained in the former subsidiary on the date control is lost is considered to be the fair value at initial recognition for subsequent measurement, either as an investment in a financial instrument or an investment in a joint venture or associate.

2.3 Current/Non-current Assets and Liabilities Classification

An asset is classified as a current asset when it is held primarily for trading purposes or is expected to be realized no later than one year after the reporting period or is cash and cash equivalents that are not subject to restrictions on its exchange or for use in settling a liability at least one year after the reporting period. All other assets are classified as non-current.

A liability is classified as a current liability when it is held primarily for trading purposes or is expected to be settled no later than one year after the reporting period or when the Group does not have an unconditional right to defer settlement for at least one year after the reporting period. All other assets are classified as non-current.

(In balboas)

2.4 Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet Statement and the Cash Flow Statement include cash on hand and banks, highly liquid investments readily convertible into a certain amount of cash and subject to an insignificant risk of changes in value, with a maturity of three months or less from the date of their acquisition. The bank overdrafts payable that are part of the Group's cash management represent a component of cash and cash equivalents in the consolidated statement of cash flows.

2.5 Income from Ordinary Activities

Revenues from ordinary activities basically correspond to the development of the Group's main activity, which is the provision of electricity distribution and marketing services, as well as the provision of technical and commercial services, complementary to the provision of electricity service, and are recognized when the service is provided or at the time of delivery of the goods, to the extent that the Group's performance obligations are satisfied, when the service has been provided and has not been invoiced, the cause of income is made as an estimate. Income is measured at the value of consideration received or receivable, excluding taxes or other obligations. Discounts, customer compensation for quality of service and financial components that are granted are recorded as an adjustment to the value of income. The financing component is only recognized if the contract with customers has a duration of more than one year.

At the time of revenue recognition, the Group evaluates based on specific criteria to identify when it acts as principal or commission agent and thus determine whether revenue should be recognized gross or net for marketing activities.

2.6 Customer Contracts

The Group recognizes revenue when it satisfies a performance obligation by transferring the committed goods or services to the customer. An asset is transferred when the customer obtains control of that asset.

The cost incurred comprises the costs, including borrowing costs, directly related to the contract, until the work has been completed. Administrative costs are recognized in the consolidated result for the period.

For its part, the incremental costs incurred by the Group to obtain or fulfil contracts with customers are recognized as an asset in the consolidated statement of financial position under other assets and are amortized on a straight-line basis over the term of the contract, provided that the term of the contract is longer than one year. Otherwise, the Group recognizes it directly in the profit or loss for the period.

Payments received from the client before the corresponding work has been carried out are recognized as a liability in the consolidated statement of financial position as other liabilities.

The difference between income recognized in profit or loss and turnover is presented as an asset in the consolidated statement of financial position called Trade and other receivables, or as a liability denominated other liabilities.

(In balboas)

2.7 Government Subsidies

Government grants are recognized at fair value when there is reasonable assurance that all conditions attached to them will be received and met. Grants that are intended to offset costs and expenses, already incurred, without related subsequent costs, are recognized in profit or loss for the year in which they become due. When the grant relates to an asset, it is recorded as deferred income and recognized in the consolidated statement of income and other comprehensive income for the year on a systematic basis over the estimated useful life of the corresponding asset.

2.8 Taxes

The tax structure of the country, the regulatory framework and the plurality of operations mean that the Group is subject to national and territorial taxes, fees and contributions, which are obligations that originate with the State, municipalities and other active subjects, once the conditions provided for in the corresponding regulations issued are met.

Among the most relevant taxes, we detail the income tax and the tax on the transfer of movable goods and services.

2.8.1 Income Tax

2.8.1.1 Current

Current assets and liabilities for the period's income tax are measured by the amounts that are expected to be recovered from or paid to the tax authority. The income tax expense is recognized in the current tax in accordance with the adjustment made between the taxable income and the accounting profit or loss affected by the current year's income tax rate and in accordance with the provisions of the country's tax regulations. The tax rates and regulations used to compute such securities are those that are promulgated or substantially approved at the end of the reporting period, in the country in which the Group operates and generates taxable profits.

Taxable income differs from profit reported in profit or loss for the period due to items of taxable or deductible income and expenses in other years and items that will not be taxable or deductible in the future.

Current income tax assets and liabilities are also offset if they relate to the same tax authority, and it is intended to settle them at net worth or to realize the asset and settle the liability simultaneously.

2.8.1.2 Deferred

Deferred income tax is recognized using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability is generally recognized for all taxable temporary differences, while deferred tax asset is recognized for all deductible temporary differences and for future offsetting of tax credits and unused tax losses to the extent that the availability of future taxable income against which they can be imputed is likely. Deferred taxes are not discounted.

(In balboas)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that there is no longer likely to be sufficient taxable income to use all or a portion of the deferred tax asset. Unrecognized deferred tax assets are revalued at each reporting date and recognized to the extent that future taxable income is likely to allow their recovery.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled and taking into account the future tax consequences based on tax rates and regulations that were enacted at the reporting date, or whose enactment is expected to be completed by that date. The measurement of deferred tax assets and liabilities shall reflect the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities shall be presented as non-current.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to do so, and they are with the same tax authority.

Current income tax assets and liabilities are also offset if they relate to the same tax authority, and it is intended to settle them at net worth or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in profit or loss for the period, except that relating to items recognized outside profit or loss; in this case it will be presented in other comprehensive income or directly in equity.

For the purpose of measuring deferred tax liabilities and deferred tax assets for investment property that are measured using the fair value model, the carrying amount of such property is presumed to be fully recovered through the sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is maintained within a business model whose objective is to consume substantially all the economic benefits generated by the investment property over time, and not through the sale.

2.8.2 Tax on the Transfer of Goods and Services - ITBMS

The Group is responsible for the ITBMS as it conducts sales of movable property and provides encumbered services. It is generally understood that ITBMS contributors are merchants, producers or industrialists who transfer movable property and professionals and lessors of goods and service providers in general in the Republic of Panama, but with a limitation based on their monthly and annual income levels. Currently, energy services in Panama are exempt from this tax.

In Panama, the Transfer of Movable Goods and Services Tax (ITBMS) is generated by the transfer of movable tangible property, the provision of services, the lease of movable property located in the country and the import of goods from abroad. The overall tax rate is 7%, but there are also 10% and 15% fees.

(In balboas)

2.9 Property, Plant and Equipment

The items of property, plant and equipment are measured at cost less accumulated depreciation and any impairment loss. The cost includes the acquisition price, costs directly related to the location of the asset on site and the conditions necessary for it to operate in the manner intended by the Group, borrowing costs for projects under construction that take a substantial period to complete, if the recognition requirements are met, and the present value of the expected cost for decommissioning the asset after use, if the recognition criteria for a provision are met.

Construction in progress is measured at cost less any impairment loss recognized and includes those expenditures that are indispensable and that are directly related to the construction of the asset, such as professional fees, supplies, civil works and, in the case of those qualified assets, loan costs are capitalized. Such ongoing constructions are classified into the appropriate categories of property, plant and equipment at the time of completion and when they are ready for use. Depreciation of these assets begins when they are ready for use according to the same criteria as in the case of other items of property, plant and equipment.

The Group capitalizes as the greatest value of the assets, the additions or improvements made to them, provided that they meet any of the following conditions: a) increase the useful life, b) expand the productive capacity and operational efficiency of the same and c) reduce costs to the Group. All other repair and maintenance costs are recognized in the consolidated statement of profit and other comprehensive income as they are incurred.

Spare parts inventories for specific projects, which are expected to have no rotation in one year and which meet the criteria to be capitalized, known as replacement assets, are presented under other property, plant and equipment. They are depreciated according to the technical useful life of the asset once its use begins.

Depreciation begins when the asset is available for use and is calculated on a straight-line basis over the estimated useful life of the asset as follows:

	Estimated useful life in years
Plants, pipelines and tunnels	
Civil Works	35 years
Equipment	12 to 30 years
Networks, lines and cables.	
Electric distribution network	12 to 30 years
Buildings	50 years
Communication and computer equipment	5 to 25 years
Machinery and Equipment	8 to 25 years
Office furniture, implements and equipment	5 to 20 years
Transport equipment and forklifts	5 to 20 years

The useful life is determined considering, among others, technical specifications of the manufacturer, knowledge of the technical personnel who operate and maintain the assets, geographical location and the conditions to which each asset is exposed. Land does not depreciate.

The Group calculates depreciation by components, which implies individually depreciating the parts of the asset that have different useful lives. The depreciation method used is straight line; the residual value that is calculated for the assets is not part of the depreciable amount.

A component of property, plant and equipment or any significant part of it initially recognized is written off at the time of its sale or when it is not expected to obtain future economic benefits by means of its use or sale. The gain or loss at the time of derecognition of the asset, calculated as the difference between the net value of the disposal and the carrying amount of the asset, is included in the consolidated statement of income and other comprehensive income.

Assets temporarily classified out of service continue to be depreciated and tested for impairment within the cash-generating unit to which they are allocated.

Depreciation methods, useful life and residual values are reviewed at each reporting date and adjusted if required.

2.10 Leases

The determination of whether an agreement constitutes or contains a lease is based on the substance of the agreement at its commencement date, considering whether performance of the agreement depends on the use of a specific asset or assets, or whether the agreement grants a right to use the asset for a period of time, in exchange for consideration.

At the commencement date of the lease, the Group acting as lessee recognizes a right-of-use asset and a lease liability, except for leases with a duration of less than 12 months or those whose value of the underlying asset is less than 15 (fifteen) legal minimum wages in force (SMMLV) determined by the Parent Company in its equivalent in approximately US dollars in B/.4,422.

The Group acting as lessor classifies the lease as financial or operating. A lease is classified as a finance lease when substantially all of the risks and rewards of ownership of the leased property are transferred to the lessee; otherwise, it is classified as an operating lease.

2.10.1 The Group as Lessee

Right-of-use assets are recognized and presented as assets in the consolidated statement of financial position at the beginning of the lease, at cost, which includes the value of the lease liability, initial direct costs, payments made in advance, incentives, estimated dismantling costs, among others. The corresponding liability is included in the consolidated statement of financial position as a lease liability, under the item Other financial liabilities, which is measured as the present value of future lease payments discounted using the interest rate implicit in the contract, if it can be easily determined, otherwise, it will use the incremental rate for loans from the Company. Future lease payments comprise fixed payments, variable payments, incentives receivable, residual value guarantees expected to be paid, the purchase option price and the payment of penalties for early termination of the contract.

(In balboas)

Right-of-use assets are amortized over the useful life of the asset using the straight-line method, if at the end of the contract ownership of the underlying asset is transferred or if a call option is exercised. If ownership of the underlying asset is not transferred at the end of the lease term or if no option to purchase the asset is exercised, the asset is amortized only until the end of the useful life or lease term, whichever comes first.

Lease payments are divided between finance expenses and debt repayment. Finance charges are recognized in profit or loss unless they can be directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's policy for borrowing costs. Variable lease payments, which depend on an index or a rate, are included in the valuation of the lease liability. Leases with a duration of less than 12 months or those whose value of the underlying asset is less than 15 (fifteen) SMMLV are recognized as operating leases in profit or loss for the period over the term of the lease.

2.11 Borrowing Costs

Loan costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to prepare for its intended use or sale, are capitalized as part of the cost of the respective assets until the asset is ready for its intended use. The income received from the temporary investment of specific loan balances pending to be consumed in qualified assets is deducted from the costs for loans eligible for capitalization. All other borrowing costs are accounted for as expenses in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. To the extent that funds are derived from generic loans and used to obtain a qualifying asset, the value of costs capable of capitalization is determined by applying a capitalization rate (weighted average of borrowing costs applicable to general loans outstanding during the period) to disbursements made on that asset.

Capitalization of borrowing costs begins on the date on which the following conditions are met:

- It incurs expenditures for the asset;
- Loan costs are incurred, and
- It undertakes activities that are necessary to prepare the asset for its intended use or sale.

The capitalization of borrowing costs is suspended during the periods in which the development of activities of a qualified asset is interrupted for periods greater than one year. However, the capitalization of borrowing costs during a period is not interrupted if important technical or administrative actions are carried out. The capitalization of borrowing costs is also not suspended when a temporary delay is necessary as part of the process of preparing a qualified asset for use or sale.

Capitalization of borrowing costs is finalized when substantially all activities necessary to prepare the qualifying asset for use or sale have been completed. When the asset has components that can be used separately while construction continues, the capitalization of borrowing costs on such components is suspended.

(In balboas)

2.12 Investment Properties

Investment properties are land or buildings, part of buildings or both, held to obtain rents and/or capital appreciation (including investment properties under construction for such purposes). Investment properties are initially measured at cost, including transaction costs. Book value includes the cost of replenishing or replacing a portion of an existing investment property at the time the cost is incurred, if the recognition criteria are met; and excludes the costs of daily maintenance of the investment property.

Subsequent to initial recognition, investment property is measured at fair value reflecting market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are included in the consolidated statement of profit and other comprehensive income in the income section of the period in the period in which they arise.

Investment properties are written off, either at the time of disposal, or when removed from use permanently, and no future economic benefit is expected. The difference between the net produced value of the disposal and the carrying amount of the asset is recognized in profit or loss in the period in which it was derecognized.

Transfers are made to or from investment properties only when there is a change in their use. In the case of a transfer from investment property to property, plant and equipment, the cost taken into account for subsequent accounting is the fair value at the date of the change of use. If property, plant and equipment becomes investment property, it shall be accounted for at fair value; the difference between fair value and carrying amount shall be recorded as a revaluation applying IAS 16 Property, Plant and Equipment.

2.13 Intangible Assets

Intangible assets acquired separately are measured initially at cost. After initial recognition, intangible assets are accounted at cost less any accumulated amortization and any accumulated loss due to impairment of value. Internally generated intangible assets are capitalized as long as they meet the criteria for recognition as an asset and the generation of the asset must be classified into research phase and development phase. If it is not possible to distinguish the research phase from the development phase, the disbursements shall be reflected in the consolidated statement of profit and other comprehensive income in the period in which it is incurred.

The life cycles of intangible assets are evaluated as finite or indefinite. Intangible assets with finite useful lives are amortized by the method of straight line over its economic useful lives and are evaluated to determine if they had any impairment whenever there is an indication that the intangible asset may have suffered such deterioration. The period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life are accounted for by changing the period or the amortization method, as appropriate, and are treated as changes in accounting estimates. Amortization expense of intangible assets with finite useful lives is recognized in the consolidated statement of income and other comprehensive income for the period in the expense category that is consistent with the function of the intangible asset.

(In balboas)

Intangible assets with indefinite useful lives are not amortized but are tested annually to determine if they suffered an impairment, either individually or at the level of the cash-generating unit. The evaluation of indefinite life is reviewed on an annual basis to determine if such indefinite life remains valid. If it is not, the change in useful life from indefinite to finite is made prospectively.

Estimated useful lives of the intangibles are as follows:

Software and applications	5 to15 years
Licenses	5 years
Rights	3 to 5 years
Other intangible assets	5 to 20 years
Easements.	Indefinite

An intangible asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The profits or losses that arise are measured by the difference between the value obtained in the provision and the carrying amount of the asset and are recognized in the consolidated statement of income and other comprehensive income, income section of the period.

2.13.1 Other Intangible Assets

Other intangible assets are composed of existing assets that, as a result of decisions issued by Government Institutions or for technical and urban improvement reasons whose Replacement Plan is approved by ASEP, require replacement and exit from service, even if they have not reached their expected useful life. These assets, although not part of the property, plant and equipment of the Company, for the Regulatory Entity, are maintained as part of the gross and net capital base.

Assets classified as other intangible assets are initially measured with the balance on the books at the time of write-off. After initial recognition, intangible assets are accounted at cost less any accumulated amortization and any accumulated loss due to impairment of value. The useful life of this type of asset is established based on the remaining period of the asset at the time of being discharged.

2.14 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset in an entity and, simultaneously, to a financial liability or equity instrument in another entity.

Financial assets and liabilities are recognized in the consolidated statement of financial position when the Group becomes part of an agreement with the contractual terms of the instrument.

Financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and liabilities (other than financial assets and liabilities designated at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities, where appropriate, at the time of initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities designated at fair value through profit or loss are immediately recognized in the consolidated statement of income and other comprehensive income.

(In balboas)

2.14.1 Financial Assets

The Group classifies at initial recognition its financial assets for subsequent measurement at amortized cost or fair value depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the instrument.

A financial asset is subsequently measured at amortized cost using the effective interest rate if the asset is held within a business model whose objective is to hold the asset to obtain cash flows and the contractual terms of the asset provide, on specified dates, cash flows that are solely payments of principal and interest on the principal amount outstanding. Notwithstanding the foregoing, the Group may irrevocably designate a financial asset as measured at fair value through profit or loss.

For subsequent measurement, financial assets are classified at amortized cost or fair value (through other comprehensive income or through profit or loss) depending on the Group's business model for managing financial assets and the characteristics of the instrument's contractual cash flows.

2.14.2 Impairment of Financial Instruments

At each reporting date the Group recognizes value adjustment for expected credit losses on financial assets that are measured at amortized cost or at fair value through other comprehensive income, including accounts receivable from customers, assets from loan contracts or commitments and financial guarantee contracts to which impairment requirements are applied over the life of the asset.

Expected credit losses are estimated by considering the probability that an uncollectible loss may or may not occur and are recognized as a gain or loss in profit or loss for the period against a decrease in the value of the financial asset. The Group assesses the credit risk of accounts receivable on a monthly basis.

For assets at amortized cost, impairment is assessed at the reporting date, if there is evidence of impairment. Where there is objective evidence that an impairment loss has been incurred on the value of financial assets at amortized cost, the value of the loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the original effective interest rate of the investment. Impairment losses are recognized in the Consolidated Income Statement.

The Group first assesses whether there is individual objective evidence of impairment for financial assets or collectively for financial assets that are not individually significant or when there is no objective evidence of impairment for a financial asset that has been individually assessed. When the collective impairment assessment is performed, accounts receivable are grouped by similar credit risk characteristics, which allow us to identify the debtor's ability to pay, in accordance with the contractual terms of negotiation of the account receivable.

The Group determines that the credit risk of a customer increases significantly when there is a breach of the financial agreements by the counterparty, or when internal information or information obtained from external sources indicates that the debtor's payment is unlikely, without taking into account the guarantees maintained.

Objective evidence that an asset or group of assets is impaired includes:

- Significant financial difficulties of the issuer or borrower;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The lender grants you concessions or advantages that you would not have granted under other circumstances;
- The borrower is likely to enter bankruptcy or other form of financial reorganization; or
- The disappearance of an active market for the financial asset in question, due to financial difficulties.

Impaired financial assets may continue to be subject to collection enforcement activities under the Group's recovery procedures, taking into account legal collection where applicable. Recoveries made are recognized in profit or loss for the period.

2.14.3 Derecognition of Financial Assets

A financial asset, or a part of it, is derecognized from the consolidated statement of financial position when it is sold, transferred, expires or the Group loses control over the contractual rights or cash flows of the instrument.

The Group derecognizes a financial asset when there is information indicating that the counterparty is in severe financial difficulties and there is no realistic prospect of recovery, when the counterparty has been put into liquidation or has commenced bankruptcy proceedings or, in the case of accounts receivable, when the amounts exceed two years past due, whichever is earlier.

If the Group does not transfer or retain substantially all of the risks and rewards of ownership and continues to retain control of the transferred asset, the Group recognizes its interest in the asset and the associated obligation for the amounts it would have to pay, and if the Group retains substantially all of the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a loan collaterally secured by the proceeds received.

In the total derecognition of a financial asset measured at fair value through profit or loss, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognized in profit or loss for the period. For financial assets measured at fair value through other comprehensive income, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognized in profit or loss for the period, and the gain or loss that would have been recognized in other comprehensive income is reclassified to retained earnings.

2.14.4 Financial Liabilities

On initial recognition, the Group measures financial liabilities at fair value. Transaction costs directly attributable to the acquisition or acquisition of the financial liability are deducted from its fair value if these are subsequently measured at amortized cost or are recognized in profit or loss if the liabilities are measured at their fair value. Subsequently, financial liabilities are measured as follows:

- Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in profit or loss for the period. On initial recognition, the Group designated financial liabilities as at fair value through profit or loss.

- At amortized cost, they are measured using the effective interest rate. The financial component is recognized directly in profit or loss for the period.

2.14.5 Derecognition of Financial Liabilities

A financial liability or a part of it is derecognized from the consolidated statement of financial position when the contractual obligation has been liquidated or has expired.

If the Group does not transfer or retain substantially all of the risks and rewards of ownership and continues to retain control of the transferred asset, the Company will recognize its interest in the asset and the associated obligation for the amounts it would have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group will continue to recognize the financial asset and will also recognize a loan collaterally secured by the income received.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of income and other comprehensive income.

Conditions will be substantially different if the present value of the cash flows under the new conditions, including any commission paid net of any commission received, discounted at the original effective interest rate, differs by at least 10% from the present value of the cash flows still remaining from the original financial liability.

In determining commissions paid net of commissions received, the Group includes only commissions paid or received between the Group and the lender, including those paid or received by one on behalf of the other or vice versa.

In the event that the changes are not substantial, the Group recalculates the gross carrying amount of the financial liability and recognizes a gain or loss due to modification in the profit or loss for the period. The gross carrying amount of the financial liability is recalculated as the present value of modified or renegotiated contractual cash flows that are discounted at the original effective interest rate of the financial liability or, where applicable, the revised effective interest rate. Any costs or commissions incurred adjust the carrying amount of the modified financial liability and are amortized over the remaining duration of the modified financial liability.

2.14.6 Offsetting Financial Instruments

Financial assets and financial liabilities are offset in a way that the net value is reported in the consolidated statement of financial position, only if (i) there is, at the present time, a legally enforceable right to offset the recognized values, and (ii) there is an intention to settle them for the net value, or to realize the assets and settle the liabilities simultaneously.

2.15 Inventories

Goods acquired with the intention of consuming them in the process of providing services are classified as inventories.

Inventories are valued at cost or net realizable value, whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to effect the sale.

Inventories include goods in stock that do not require transformation, such as energy meters, transformers, street lighting equipment and supply goods. In addition, they include materials such as minor spare parts and accessories for the provision of services and goods in transit and held by third parties.

Inventories are valued using the weighted average method and their cost includes costs directly related to the acquisition and those incurred to give them their current condition and location.

2.16 Value Impairment of Non-Financial Assets.

At each reporting date, the Group assesses whether there is any indication that a tangible or intangible asset may be impaired in value. The Group estimates the recoverable value of the asset or cash-generating unit, at the time it detects an indication of impairment, or annually (as of September 30 and it is reviewed whether there are relevant or significant facts presented in December that merit analysis and inclusion in the calculation of impairment) for intangible assets with an indefinite useful life and those that are not yet in use.

The recoverable value of an asset is the greater of the fair value less costs to sell of either an asset or a cash-generating unit and its value in use and is determined for an individual asset, unless the asset does not generate cash flows that are substantially independent of those of other assets or groups of assets; in this case the asset shall be grouped into a cash-generating unit. When the carrying amount of an asset or cash-generating unit exceeds its recoverable value, the asset is considered impaired, and the value is reduced to its recoverable amount.

When calculating value in use, estimated cash flows from either an asset or a cash-generating unit are discounted to their present value using a pre-tax discount rate that reflects market considerations of the time value of money and asset-specific risks. An appropriate valuation model is used to determine fair value less costs to sell.

Impairment losses from continuing operations are recognized in the consolidated statement of income and other comprehensive income in the section profit or loss for the period in those expense categories that correspond to the function of the impaired asset. Impairment losses attributable to a cash-generating unit are allocated proportionately based on the carrying amount of each asset to the non-current assets of the cash-generating unit. The CGU is the smallest identifiable group of assets that generates cash inflows for the Group that are largely independent of the cash flows derived from other assets or groups of assets. The Group defined CGUs considering: 1) the existence of revenues and costs for each group of assets, 2) the existence of an active market for the generation of cash flows and 3) the way in which operations are managed and monitored. For the purpose of assessing impairment losses, the assets are grouped in the following energy distribution and marketing CGU.

For assets in general, at each reporting date an assessment is made as to whether there is any indication that previously recognized impairment losses no longer exist or have decreased. If there is such an indication, the Group makes an estimate of the recoverable value of the asset or cash-generating unit. A previously recognized impairment loss for an asset is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss is recognized. The reversal is limited such that the carrying amount of the asset does not exceed its recoverable amount, nor does it exceed the carrying amount that would have been determined, net of depreciation, had an impairment loss not been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income and other comprehensive income in the income section of the period.

2.17 Provisions

Provisions are recorded when the Group has a present obligation, legal or constructive, as a result of a past event, it is likely that the Group will have to dispose of resources that incorporate economic benefits to cancel the obligation, and a reliable estimate of the value of the obligation can be made. In cases where the company expects the provision to be reimbursed in whole or in part, the reimbursement is recognized as a separate asset, but only in cases where such reimbursement is practically real. A provision should be used only for expenditures for which the provision was originally recognized.

Provisions are measured by management's best estimate of the disbursements required to settle the present obligation, at the end of the reporting period, taking into account the corresponding risks and uncertainties. Provisions are determined by discounting the expected future cash flows using a pre-tax rate that reflects the assessments corresponding to the time value of the money that the market quotes, as well as the specific risk of the corresponding liability.

The expense corresponding to any provision is presented in the consolidated statement of income and other comprehensive income in the result of the period net of any reimbursement. The increase in provision due to the passage of time is recognized as a financial expense.

2.17.1 Provision for Stripping

The Group recognizes as part of the cost of a particular fixed asset, provided that there is a legal or constructive obligation to decommission or restore, the estimate of future costs that the Group expects to incur to carry out the decommissioning or restoration and its counterpart recognizes it as a provision for decommissioning or restoration costs. Decommissioning cost depreciates over the estimated useful life of the fixed asset.

Decommissioning or restoration costs are recognized at the present value of the costs expected to settle the obligation using estimated cash flows. Cash flows are discounted at a pre-tax rate, which must be determined by reference to the market returns of bonds issued by the National Government.

Future estimated costs for decommissioning or restoration are reviewed annually. Changes in future estimated costs, in the estimated dates of disbursements or in the discount rate applied are added to or deducted from the cost of the asset, without exceeding the carrying amount of the asset, any excess is immediately recognized in profit or loss for the period. The change in the value of the provision associated with the passage of time is recognized as a financial expense in the consolidated statement of income and other comprehensive income.

2.17.2 Contingent Liabilities

Possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not entirely under the control of the Group, or present obligations that arise from past events, but which are not likely, but possible, that an outflow of resources that includes economic benefits is required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability, are not recognized in the consolidated statement of financial position; instead, they are disclosed as contingent liabilities unless the possibility of a disbursement of resources is remote.

(In balboas)

2.17.3 Contingent Assets

Assets of a possible nature, arising as a result of past events, the existence of which must be confirmed only by the occurrence, or where appropriate by the non-occurrence, of one or more uncertain events in the future, which are not entirely under the control of the Group, are not recognized in the consolidated statement of financial position; instead, they are disclosed as contingent assets when their occurrence is likely. When the contingent event is true, the asset and associated income are recognized in the result of the period.

2.18 Pensions and other post-employment benefits

2.18.1 Defined Contribution Plans

Contributions to defined contribution plans are recognized as expenses in the consolidated statement of income and other comprehensive income in the results of the period at the time the employee has rendered the service that gives him the right to make the contributions.

2.18.2 Defined Benefit Plans

Post-employment benefit plans are those in which the Group has the legal or implicit obligation to respond for the payments of the benefits that were in its charge.

For defined benefit plans, the difference between the fair value of plan assets and the present value of the plan obligation is recognized as an asset or liability in the consolidated statement of financial position. The cost of providing benefits under defined benefit plans is determined separately for each plan, using the actuarial valuation method of the projected credit unit, using actuarial assumptions as of the reporting date. Plan assets are measured at fair value, which is based on market price information and, in the case of listed securities, constitutes the published purchase price.

Actuarial gains or losses, return on plan assets, and changes in the effect of the asset ceiling, if any, excluding values included in net interest on the net defined benefit liability (asset), are recognized in other comprehensive income. Actuarial gains or losses comprise the effects of changes in actuarial assumptions as well as experience adjustments.

Net interest on the net defined benefit liability (asset) comprises interest income on plan assets, interest costs on the defined benefit obligation and interest on the effect of the asset ceiling and is recognized in profit or loss for the period.

Current service cost, past service cost, and any plan settlement or reduction are immediately recognized in the consolidated statement of profit and other comprehensive income in the period in which they arise.

2.18.2.1Short-term benefits

The Group classifies as short-term employee benefits those obligations with employees, which it expects to settle within twelve months following the end of the accounting period in which the obligation or service has been generated. Some of these benefits are generated by current labor regulations, collective agreements or non-formalized practices that generate implicit obligations.

(In balboas)

The Group recognizes short-term benefits at the time the employee has rendered his/her services as follows:

A liability for the value that will be paid to the employee, deducting the values already paid previously, and its counterpart as an expense of the period, unless another agreement obliges or allows to include the payments in the cost of an asset or inventory; for example, if the payment corresponds to employees whose services are directly related to the construction of a work, these will be capitalized to that asset.

The amounts already paid previously correspond, for example, to salary advances and travel advances, among others, which in the event that they exceed the corresponding liability, the Group must recognize the difference as an asset in the expense account paid in advance, to the extent that the advance payment results in a reduction in payments to be made in the future or a cash reimbursement.

In accordance with the above, the accounting recognition of short-term benefits is made at the time the transactions occur, regardless of when they are paid to the employee or to third parties to whom the Group has entrusted the provision of certain services.

2.18.2.2 Long-Term Benefits

The Group classifies as long-term employee benefits those obligations that it expects to settle after twelve months following the end of the accounting year or the period in which the employees provide the related services, that is, from the thirteenth month onwards; they are different from short-term benefits, post-employment benefits and termination benefits.

The Group measures long-term benefits in the same way as post-employment defined benefit plans, although their measurement is not subject to the same degree of uncertainty. The same methodology will be applied for its measurement as follows:

- The Group shall measure the surplus or deficit in a long-term employee benefit plan, using the technique that is applied for post-employment benefits for both the estimation of the obligation and the assets of the plan.
- The Group shall determine the value of the net long-term employee benefit (liability or asset) by finding the deficit or surplus of the obligation and comparing the asset ceiling.
- Changes in the measurement of long-term employee benefits are recognized in the income statement.

The benefits that employees receive year after year, throughout their working lives, should not be considered "long-term", if at the end of the accounting year of each year the Group has delivered them in full.

2.18.2.3 Termination Benefits

The Group recognizes as termination benefits, consideration granted to employees, payable as a result of the company's decision to terminate an employee's employment contract before the normal retirement date or an employee's decision to accept voluntary resignation in exchange for those benefits.

(In balboas)

2.19 Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The estimation of the fair value of a non-financial asset will take into account the ability of the market participant to generate economic benefits by using the asset at its maximum and best use or by selling it to another market participant who would use the asset in its maximum and best use.

To determine fair value, the Group takes into account the characteristics of the asset or liability in the same way that market participants take into account those characteristics when valuing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on that basis, except for share-based payment transactions, lease transactions and measurements that have certain similarities to fair value but are not fair value, such as realizable value or value in use. The fair value of all financial assets and liabilities is determined at the reporting date, for recognition or disclosure in the Notes to the consolidated financial statements.

Fair value is determined by:

- Based on quoted prices in active markets for identical assets or liabilities that the Group can access at the measurement date (level 1).
- Based on valuation techniques commonly used by market participants that use variables other than quoted prices that are observable for the assets or liabilities, directly or indirectly (level 2).
- Based on internal valuation techniques of discounted cash flow or other valuation models, using variables estimated by the Group that are not observable for the asset or liability, in the absence of variables observed in the market (level 3).

Note 33 - Fair value measurement provides an analysis of the fair values of financial instruments, non-financial assets and liabilities and further details of their measurement.

2.20 Cash Dividends Distributed to Group Shareholders

The Group recognizes a liability to make distributions to the Group's shareholders in cash when the distribution is authorized and is no longer at the Group's discretion. The corresponding amount is recognized directly in consolidated equity.

2.21 Changes in Accounting Policies, Estimates and Errors

2.21.1 Changes in accounting estimates

During 2024, the Group revised its accounting estimates, without significant change in the current or future period.

2.21.2 Changes in accounting policies

As of December 31, 2024, the accounting policies applied in the consolidated financial statements are consistent with those of 2023, except for the following changes:

(In balboas)

New Standards Implemented

During 2024, the Group implemented changes to IFRS (new standards, amendments or interpretations), issued by the International Accounting Standards Board (IASB), which are mandatory for the annual period commencing on or after 1 January 2024.

IFRS 16 - Leases - Lease liability in a sale with subsequent lease

It is intended to establish the accounting for a sale and leaseback asset sale after the transaction date of the sale.

The amendment specifies the requirements that a seller-lessee should use to quantify the lease liability arising on sale and leaseback, with the objective that the seller-lessee does not recognize any gain or loss related to the right of use it retains. The amendment is intended to improve the sale and leaseback recording requirements under IFRS 16, since the latter did not specify the measurement of the liability arising in a sale and leaseback transaction.

This modification will not change the accounting for leases that do not arise in a subsequent lease sale transaction.

The amendment adds paragraphs 102A, C1D and C20E and paragraph C2 is amended. A new header is added before paragraph C20E.

The Group identified no impacts from the adoption of this standard.

IAS 1 Presentation of Financial Statements

Non-current liabilities with agreed conditions. This amendment was issued in October 2022 with the purpose of improving the information that companies provide on long-term debt with financial conditions, also known as "covenants", in such a way that the investor can understand the risk they face when a company has liabilities with agreed conditions and that are classified as non-current, but that for breach of the covenants, the debt must be repaid within a period of twelve months, for which a company is required to disclose information about these agreements in the notes to the financial statements, improving the information provided on long-term debt with agreed conditions, allowing investors to understand the risk that said debt may become repayable in advance. Accordingly, this amendment requires an entity to review its loan agreements to determine whether the classification of the loan agreements will change at the date of presentation, in accordance with the circumstances, data and contexts that exist at that time, under an informed judgment, and not to the expectations of management as is clear from paragraphs 74 and 75A.

The amendment adds paragraphs 72B, 76ZA and 139W and amends paragraphs 60, 71, 72A, 74 and 139U. It makes adjustments to the previous amendment to IAS 1 published in January 2020 with the title "Classification of Liabilities as Current or Non-Current" and requires a simultaneous application of these last two amendments in the same period.

(In balboas)

If an entity applies those amendments for a prior period after the issuance of covenanted non-current liabilities (see paragraph 139W), it will also apply covenanted non-current liabilities for that period. If an entity applies the classification of Liabilities as Current or Non-Current for a prior period, it shall disclose that fact.

Amendments are effective for annual periods beginning on or after January 1, 2024 retroactively in accordance with IAS 8, with early adoption permitted.

The Group identified no impacts from the adoption of this standard.

IAS 7 and IFRS 7 - Supplier Financing Agreements

Amendment published in May 2023 with the purpose of allowing users to obtain from the financial statements the information they need to understand the effects of supplier financing agreements on an entity's financial statements and compare entities to each other.

The disclosure is intended to provide users with information that enables them to assess how an entity's liabilities and cash flows affect supplier financing arrangements and to understand the effect of supplier financing arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.

Supplier financing agreements are characterized in that one or more financing providers offer to pay the amounts that an entity owes to its suppliers and the entity undertakes to pay according to the terms and conditions of the agreements on the same date on which the suppliers are paid or at a later date.

The amendment states that agreements that are solely credit enhancements for the entity (for example, financial guarantees, including letters of credit used as guarantees) or instruments used by the entity to settle amounts owed directly with a supplier (for example, an entity uses a credit card to settle the amount owed to a supplier and will instead have an obligation to pay the issuing bank) are not supplier financing agreements.

This amendment requires entities to provide information on these financial obligations arising from specific agreements with suppliers, which includes details such as expected time frames for their settlement, important contractual conditions and any other relevant elements related to these agreements.

The application of the amendment had no impact on the Group since it does not have implemented or use the financing modality under the supplier financing agreement scheme (also called supply chain financing, accounts payable financing or reverse factoring agreements).

(In balboas)

2.21.3 Application of New and Revised Standards

The changes to IFRS (new standards, amendments and interpretations), which have been issued but are not yet effective, are detailed below:

Standard	**Date of mandatory application**	**Exchange rate**
IAS 21 - The Effects of Changes in Foreign Exchange Rates - Lack of Interchangeability	January 1, 2025	Modification
IFRS 18 - Presentation and disclosure in the financial statements	January 1, 2027	New
IFRS 19 - Subsidiaries without Public Liability	January 1, 2027	New
IFRS 9 and IFRS 7 - Modifications to the Classification and Measurement of Financial Instruments	January 1, 2026	Modification
Annual improvements volume 11 – IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	January 1, 2026	Modification
IFRS 9 - IFRS 7 Contracts Relating to Nature-Dependent Electricity	January 1, 2026	Modification

<u>IAS 21 - The Effects of Changes in Foreign Exchange Rates - Lack of Interchangeability</u>

This amendment, issued in August 2023, aims to establish a consistent approach when assessing whether a currency is convertible to another currency and if not, what procedure to apply when the conversion does not occur and what type of disclosures should be provided in order to provide useful financial information.

The amendment establishes that a currency is convertible to another currency if there is an exchange for another currency in an administratively normal delay, under a market or exchange mechanism that allows us to generate enforceable rights or obligations, and its amount is not insignificant.

Currency conversion occurs at the time of measurement or for a specific purpose, for which two steps are applied: evaluating whether the currency is convertible and estimating the spot exchange rate. This is given through an evaluation question whether the currency is convertible, which, if so, applies to the requirements established in IAS 21 and otherwise, a cash exchange rate estimate is applied, which represents the exchange rate used in an immediate delivery transaction and between market participants.

The amendment to IAS 21 is mandatory for the annual periods beginning on or after January 1, 2025. It does not apply the restatement of comparative information, which rather provides guidelines for its replacement and allows its early application.

The Group is assessing the impacts that the application of this amendment could generate, although it is estimated that the future adoption will not have an impact on the financial statements.

(In balboas)

IFRS 18 - Presentation and Disclosure in the Financial Statements

This standard issued in April 2024 will provide users of financial statements with more transparent and comparable information about companies' financial performance, helping them make better investment decisions.

This new standard introduces three sets of new requirements to improve companies' information about their financial performance and provide information users with a better basis for analyzing and comparing companies: Improved comparability of income statement - introduces three defined categories of income and expenses (operation, investment and financing) to improve the structure of the income statement, and requires all companies to submit new defined subtotals, including operating result. Increased transparency of management-defined performance measures - requires companies to disclose explanations about specific measures related to the income statement, called management-defined performance measures. The new requirements will improve the discipline and transparency of these management-defined performance measures and, if the financial statements are subject to audit, these measures will be as well. A more useful grouping of information in the financial statements - sets out more detailed guidance on how to organize information and whether it should be provided in the main financial statements or notes. It also requires companies to be more transparent about operating expenses, to help investors find and understand the information they need.

The new standard goes into effect for annual accounting periods beginning on or after January 1, 2027, but companies can apply it earlier. IFRS 18 should be applied retroactively.

The Group is assessing the impacts that the application of this new standard could generate.

IFRS 19 - Subsidiaries without Public Liability

Disclosure is intended to allow subsidiaries to disclose reduced information, rather than disclosing information in accordance with other IFRSs. Thus, the application of this standard will reduce the costs of preparing the financial statements of subsidiaries, while maintaining the usefulness of the information for users of their financial statements. This ensures that non-publicly liable subsidiaries maintain a single set of accounting records to meet the needs of both their parent company and users of their financial statements and reduces disclosure requirements and is better tailored to the needs of users of their financial statements. Companies can choose whether to implement this standard.

The new standard will take effect for annual periods beginning on or after January 1, 2027, although implementation before that date is permitted.

The Group is evaluating the impacts that the application of this new standard could have, although it is estimated that the future adoption will not have an impact on the financial statements.

(In balboas)

IFRS 9 and IFRS 7 - Modifications to the Classification and Measurement of Financial Instruments

Its purpose is to: Clarify the classification for measurement of financial assets originated in loans linked to ESG - environmental, social, and corporate governance objectives or similar according to the characteristics of their contractual cash flow. The trend is that loans with ESG-related characteristics are increasingly frequent globally; the settlement of financial assets/liabilities through electronic payment systems or electronic cash transfers, for which it determines the date on which they must be derecognized and allows, meeting certain specific criteria, to derecognize a financial liability before delivering cash on the settlement date and include new additional disclosure requirements to improve the transparency of investments in equity instruments at fair value with changes in the ORI and for financial instruments with contingent characteristics such as those linked to ESG.

The amendment will take effect for annual periods beginning on or after January 1, 2026, although implementation prior to that date is permitted.

The Group is assessing the impacts that the application of this amendment could generate, although it is estimated that the future adoption will not have an impact on the financial statements.

Annual Improvements Volume 11 – IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

It aims to make clarifications, simplifications, corrections, and changes aimed at improving consistency. Annual improvements are limited to changes that clarify the wording of a standard or correct relatively minor unforeseen consequences, oversights, or conflicts between the requirements of the standards. The following are included in this volume:

- IFRS 1 First-time Adoption of International Financial Reporting Standards: Paragraphs B5 and B6 are amended to improve their consistency with the requirements of IFRS 9 Financial Instruments and to add cross-references to improve the accessibility and comprehensibility of the standards.

- IFRS 7 Financial Instruments: Disclosures: Paragraph B38 is amended to update an obsolete cross-reference. Likewise, paragraphs GI1, GI14 and GI20B of the Implementation Guide are modified in order to clarify, improve their consistency and simplify the drafting.

- IFRS 9 Financial Instruments: paragraph 2.1(b)(ii) is amended to add a cross-reference to paragraph 3.3.3 of the same standard in order to resolve possible confusion for a lessee applying derecognition requirements. Paragraph 5.1.3 and Appendix A are also amended to clarify the use of the term “transaction price”.

- IFRS 10 Consolidated Financial Statements: An inconsistency with paragraph B73 is removed from paragraph B74.

- IAS 7 Statement of Cash Flows: Paragraph 37 is amended to remove a reference to the “cost method” that is no longer defined in the standards.

The amendments will take effect for annual periods beginning on or after January 1, 2026.

The Group is evaluating the impacts that the implementation of these improvements could have, although it is estimated that future adoption will not have an impact on the financial statements.

(In balboas)

IFRS 9 - IFRS 7 Contracts Relating to Nature-Dependent Electricity

It aims to provide better information on the financial effects of nature-dependent electricity contracts (solar and wind, for example), which are often structured as power purchase agreements (PPAs) and weather-dependent. The amendments aim to clarify the application of “own use” requirements, allow hedge accounting if these contracts are used as hedging instruments, and add new disclosure requirements to allow investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendment will take effect for annual periods beginning on or after January 1, 2026, although implementation prior to that date is permitted.

The Group is assessing the impacts that the application of this amendment could generate, although it is estimated that the future adoption will not have an impact on the financial statements.

2.22 Prior Period Errors

During the 2024 period, there was a change in accounting practice in relation to the recognition of insurance policies according to the time of coverage, where basically the change is that only those purchased insurances, whose coverage exceeds twelve (12) months will be recognized as assets and will be amortized, consequently, the other insurances will be recognized as cost/expense of the period at the time they are acquired.

2.23 Deferred regulated activities

The Group, through ENSA, is subject to regulation by the National Authority for Public Services (ASEP). This Entity is responsible for regulating and establishing the rates that the Company invoices to its customers. Regulated assets represent probable future income associated with certain costs that are expected to be recovered from customers through the fee process. Regulated liabilities represent likely reductions in future revenues associated with amounts expected to be credited to customers through the rate process. The standard allowed the Group as an entity that adopted IFRS for the first time to continue to use, in its consolidated financial statements in accordance with IFRS, its accounting policies according to previous generally accepted accounting principles for the recognition, measurement, impairment and derecognition of the balances of the deferred accounts for regulated activities. In accordance with these requirements, the Group presents the deferred account balances of regulated activities as separate items in the consolidated statement of financial position, as well as presents the net movements in regulatory account balances, including deferred income tax, as an addition to the net income for the year in the consolidated statement of income and other comprehensive income, as well as the changes in deferred regulatory accounts separately and in addition to the cash flows arising from operating activities in the consolidated statement of cash flows. In addition, IFRS 14 Regulated Activity Deferral Accounts requires disclosure of specific information to identify the nature and risks associated with the regulation of fees that have resulted in the recognition of regulatory deferred account balances in accordance with this standard.

(In balboas)

2.24 Information by segments

An operating segment is a component of the Group that is engaged in business activities from which it may derive revenue and incur expenses, including revenue and expenses that relate to transactions with any of the other components of the Group. All operating results of operating segments are regularly reviewed by the Group Chief Executive to make decisions on the resources to be allocated to the segment and evaluate its performance, and for which financial information is available.

Segment results that are reported to the Group Chief Executive include items directly attributable to a segment as well as those that can be reasonably allocated.

3. Significant accounting judgments, estimates, and causes of uncertainty in the preparation of the consolidated financial statements.

The following are significant judgments and assumptions, including those involving accounting estimates used by the administration of the company in the application of IFRS accounting policies, and which have a significant effect on the values recognized in the consolidated financial statements.

Estimates are based on historical experience and based on the best available information about the facts analyzed as of the filing date. These estimates are used to determine the value of the assets and liabilities in the financial statements when it is not possible to obtain such value from other sources. The Group evaluates its estimates on a regular basis. Actual results may differ from such estimates.

The estimates and significant judgments made by the Group are described below:

3.1 Assessment of the existence of impairment indicators for assets and valuation of assets to determine the existence of impairment losses

At each reporting date, the status of the assets is reviewed to determine if there are indications that any have suffered an impairment loss. If there is an impairment loss, the recoverable amount of the asset is affected, if the estimated recoverable amount is lower, it is reduced to its recoverable value and the impairment loss is immediately recognized in profit or loss for the period.

The assessment of the existence of impairment indicators is based on external and internal factors, and in turn on quantitative and qualitative factors. Evaluations are based on financial results, the legal, social and environmental environment and market conditions; significant changes in the scope or manner in which the asset or cash-generating unit (CGU) in which the asset operates is used or expected to be used; and evidence of obsolescence or physical impairment of an asset or CGU, among others.

The calculation of the value in use requires the entity to determine the future cash flows that should arise from the cash-generating units and an appropriate discount rate to calculate the present value. When actual future cash flows are lower than expected, an impairment loss may arise.

a. The assumptions used in the actuarial calculation of post-employment obligations to employees

The assumptions and hypotheses used in actuarial studies include: demographic assumptions and financial assumptions. The former refer to the characteristics of current and past employees, which are related to the mortality rate and employee turnover rates. The latter are related to the discount rate, future salary increases and changes in future benefits.

(In balboas)

b. Useful life of property, plant and equipment and intangible assets

The assumptions and hypotheses used to determine the useful lives consider technical aspects such as: periodic maintenance and inspections carried out on the assets, failure statistics, environmental conditions and operational environment, protection systems, replacement processes, obsolescence factors, manufacturer recommendations, weather and geographical conditions and experience of technicians knowledgeable about the assets. For the determination of the residual value, aspects such as market values, reference journals and historical sales data are considered. (See Note 4 Property, plant and equipment, net and Note 7 other intangible assets).

c. The probability of occurrence and the value of liabilities of uncertain value or contingent

The assumptions used for uncertain or contingent liabilities include the qualification of the legal process by the "expert judgment" of the professionals in the areas, the type of contingent liability, possible legislative changes and the existence of jurisprudence of the high courts that applies to the specific case, the existence within the Group of similar cases, the study and analysis of the merits of the matter, and the guarantees existing at the time of the occurrence of the facts. The Group will disclose, but not recognize in the consolidated financial statements, those obligations classified as possible. Obligations classified as remote are not disclosed or recognized in the financial statements. (See Note 20: Provisions, contingent assets and liabilities).

d. Future disbursements for decommissioning and asset retirement obligations

In the assumptions and assumptions that are used for the determination of future disbursements for decommissioning and asset retirement obligations, aspects such as: estimation of future disbursements that the Group must incur for the execution of the activities associated with decommissioning of the assets on which legal or implicit obligations have been identified, the initial date of decommissioning or restoration, the estimated date of completion and discount rates were considered.
(See Note 20: Provisions, contingent assets and liabilities).

e. Determination of the existence of financial or operating leases based on the transfer of risks and benefits of the leased assets.

Significant assumptions that are considered for the determination of the existence of a lease include the assessment of the conditions if the right to control the use of the asset for a period of time in exchange for consideration is conveyed, i.e. the existence of an identified asset is assessed; the right to obtain substantially all economic benefits from the use of the asset throughout the period of use; the right to direct how and for what purpose the asset is used throughout the period of use; the right to operate the asset throughout the use of the period without there being any changes to the operating instructions. (See Note 9 Leases).

f. Impairment of Portfolio

By adopting IFRS 9, ENSA uses the expected credit loss method for the calculation of portfolio impairment over the life of financial assets, including trade receivables arising from transactions under IFRS 15. A model is used based on the collective probability assigned to the portfolio, considering real historical data of the portfolio, default rates and their correlation with macroeconomic variables of the country. This approach incorporates forward-looking analyses that integrate possible future economic scenarios, improving the estimation and management of credit risks.

(In balboas)

The entity has carried out a historical data analysis process in order to obtain reliable and relevant information for the determination of historical loss rates, in this sense it has data from December 31, 2015 to the present date. The macroeconomic data selected by the entity correspond to data that are expected to have a loss-level influence on the different portfolios. The following indicators have been chosen:

i. Quarterly Gross Domestic Product
ii. Monthly Economic Activity Index
iii. Consumer Price Index
iv. Total Oil and Fuel Imports
v. Unemployment Rate
vi. Inflation Index
vii. International Price at the End of the Month
viii. Value of Imports in Goods and Services
ix. Interest Rates (Consumption)

Once the analyses have been carried out, the macroeconomic variables that will result in a greater correlation with the historical data of the loss rate in general, segmented by the average default of the last 12 months of the different types of portfolios, are used. In the analysis of the "Forward Looking" factor, different scenarios of weighted occurrences (base, optimistic and pessimistic) are considered, based on our judgment.
With this information, the expected credit loss (EP) is calculated as follows:

PE = Σ (PI x SE), where:

Probability of Default (PI): corresponds to the probability of default, which results from the adjustment of the segmented future projection, by the product of the historical average loss by range of the analyzed portfolio.

Exposed Asset Balance (SE): corresponds to the capital balance and other current charges of the obligations for a certain portfolio segment.

The amount of the impairment is recognized as an expense in the consolidated statement of income and other comprehensive income under the caption “Impairment of accounts receivable”. When recovery is not possible through enforcement, coercive jurisdiction or ordinary channels, the write-off of accounts receivable is applied to recognize the extinguishment of the account receivable in favor of the Group. The portfolio write-off does not release the Group from continuing with the collection efforts leading to its recovery. In the event of an eventual recovery, a debt recovery income is recorded (See Note 8: Trade and other receivables).

g. Recoverability of deferred tax assets

Deferred tax assets have been generated by temporary differences, which generate future tax consequences in the Group's consolidated financial position. These differences are mainly represented in the balances of assets for tax purposes that exceed the assets under IFRS, and in the balances of liabilities for tax purposes, lower than the liabilities under IFRS, as is the case of the components of the liability for pension plans, amortized cost of bonds, finance lease and other miscellaneous and contingency provisions.

The Group's deferred tax asset is recovered in the net income taxed on the current income tax generated (See Note 29: Income tax).

(In balboas)

4. Property, plant and equipment, net

The following is the detail of the book value of property, plant and equipment:

	2024	**2023**
Cost	**1,009,576,080**	976,652,549
Accumulated depreciation and impairment losses	**(397,616,963)**	(387,180,316)
Total	**611,959,117**	589,472,233

The movement in cost, depreciation and impairment of property, plant and equipment is detailed below:

<u>2024</u>	Network, lines and cables	Plants, ducts and tunnels	Constructions in progress	Land and buildings	Machinery and equipment	Equipment of communication and computing	Office furniture fixtures and equipment	Other properties plants and equipment	Total
Cost opening balance	502,139,748	243,416,570	35,546,572	47,771,701	114,658,707	19,034,993	6,094,598	7,989,660	976,652,549
Additions	-		75,778,835	2,050,000	-	-	-	-	77,828,835
Transfers	30,639,642	3,501,741	(55,089,310)	1,006,689	15,255,458	2,750,173	306,462	1,629,145	-
Disposals and retirements	(11,686,664)	(3,415,264)	-	(1,060,468)	(14,102,020)	(5,635,909)	(1,339,188)	(508,767)	(37,748,280)
Reclassifications	-	-	(7,157,024)	-	-	-	-	-	(7,157,024)
Cost closing balance	521,092,726	243,503,047	49,079,073	49,767,922	115,812,145	16,149,257	5,061,872	9,110,038	1,009,576,080
Accumulated depreciation									
Beginning balance of accumulated depreciation	196,039,077	109,740,795	-	10,182,044	48,908,780	12,628,292	4,640,722	5,040,606	387,180,316
Depreciation for the year	17,696,380	7,198,814	-	867,020	7,752,657	1,536,953	453,279	413,092	35,918,195
Disposals and write-offs	(5,664,250)	(3,023,635)	-	(988,854)	(8,433,565)	(5,615,772)	(1,338,881)	(416,591)	(25,481,548)
Accumulated depreciation ending balance	208,071,207	113,915,974	-	10,060,210	48,227,872	8,549,473	3,755,120	5,037,107	397,616,963
Total ending balance of property, plant and equipment, net	313,021,519	129,587,073	49,079,073	39,707,712	67,584,273	7,599,784	1,306,752	4,072,931	611,959,117
Cost opening balance	479,093,035	239,025,458	34,201,343	45,658,188	104,985,606	17,358,030	5,959,822	7,372,753	933,654,235
Additions	973,171	-	58,112,729	-	-	-	-	-	59,085,900
Transfers	29,649,674	4,461,815	(52,931,499)	1,183,987	14,942,441	1,766,576	137,876	789,130	-
Disposals and retirements	(7,576,132)	(70,703)	-	-	(5,269,340)	(89,613)	(3,100)	(172,223)	(13,181,111)
Reclassifications			(3,836,001)	929,526					(2,906,475)
Cost closing balance	502,139,748	243,416,570	35,546,572	47,771,701	114,658,707	19,034,993	6,094,598	7,989,660	976,652,549
Accumulated depreciation									
Beginning balance of accumulated depreciation	182,551,386	102,747,679	-	8,924,241	43,961,030	11,226,243	4,139,298	4,794,867	358,344,744
Depreciation for the year	17,210,337	7,049,649	-	828,277	7,604,305	1,491,662	504,524	392,129	35,080,883
Disposals and write-offs	(3,722,646)	(56,533)	-	-	(2,656,555)	(89,613)	(3,100)	(146,390)	(6,674,837)
Transfers	-	-	-	429,526	-	-	-	-	429,526
Accumulated depreciation ending balance	196,039,077	109,740,795	-	10,182,044	48,908,780	12,628,292	4,640,722	5,040,606	387,180,316
Total ending balance of property, plant and equipment, net	306,100,671	133,675,775	35,546,572	37,589,657	65,749,927	6,406,701	1,453,876	2,949,054	589,472,233

Construction in progress includes purchases, capitalizable disbursements that meet the recognition criterion and goods received from third parties. The transfers presented correspond to the additions of intangible assets. (See Note 7)

(In balboas)

The dispositions and derecognition of assets include luminaires removed from the electricity grid by decision of the ASEP due to the change of sodium technology to led that is part of the Replacement Plan. These luminaires are presented as other intangible assets. (See Note 7)

The constructions in progress correspond to the following:

	2024	**2023**
Project		
Network growth	**18,052,538**	14,100,289
Substations and high voltage lines	**928,995**	482,822
Other minor projects	**21,093,906**	11,074,676
Loss reduction and reliability improvements	**5,752,061**	4,795,424
Technological application replacement	**2,824,000**	2,443,948
Prepaid and postpaid meters	**427,573**	2,649,413
	49,079,073	35,546,572

The other minor projects include the associated costs for the construction of the new operational building at the headquarters of Cerro Viento B/.7,476,871 (2023: B/.3,009,936), in addition, the execution of the projects of replacement of luminaires to led, remodeling of the service centers, reconduction of medium voltage lines in Davis - Colón and renovation of communication equipment RTU S/E France Field.

As of December 31, 2024, an impairment test was carried out on the assets linked to the CGU (Energy Distribution and Marketing), which in turn has intangibles with an indefinite useful life. No signs of impairment in long-lived assets were identified.

As of December 31, 2024, constructions in progress include capitalization of borrowing costs by B/.55,069 (2023: B/.5,694). The average rate used to determine the amount of borrowing costs was 6.22% (2023: 5.47%), which is the effective interest rate specific to this type of loan.

5. Investment properties

The fair value of investment properties is based on valuations made by experts who have recognized professional capacity and recent experience in the category of real estate investments subject to valuation; this value has been determined by Panamericana de Avalúos S.A. Each year in determining the fair value of investment properties, updated market price assumptions are used. See Note 33 - Measurement of fair value on a recurring and non-recurring basis (Level 3).

	2024	**2023**
Opening balance	**3,957,600**	4,374,600
Net result from fair value adjustment (Note 24.1)	**(151,400)**	60,802
Transfers (Note 4)	**-**	(500,000)
Other changes	**-**	22,198
Closing balance	**3,806,200**	3,957,600

(In balboas)

Investment properties consist of land held for the following purposes:

- Land and buildings for commercial use: lots that were acquired from the government and in which investments have been made in infrastructure and buildings in order to generate income in the future as investment properties.
- For the period 2023, the Sabanita branch ceased to be investment property to become use property.

The fair value of investment properties as of December 31, 2024 is B/.3,806,200 (2023: B/.3,957,600) and has been recognized as Level 3 fair value based on the inputs used in valuation techniques.

The valuation obtained has been adjusted in order to be used in the consolidated financial statements, as shown in the following reconciliation:

Concept	**2024**	**2023**
Market value estimated by independent appraiser	**3,806,200**	3,957,600
Fair value for financial reporting purposes	**3,806,200**	3,957,600

The Group carries out a review of the fair value supplied by the independent assessors, through the Finance department, including:

- Review of property detail used by external evaluators.
- Analysis of the reasonableness of the input data used by the external evaluators, such as lease fees and value of properties similar to the projects developed by the Group.
- Analysis of the change in the fair value of the properties at the date of the study.
- Approval of the results obtained by the Vice President of Finance.

(In balboas)

Valuation technique and significant unobservable variables

The table below shows the valuation technique used to measure the fair value of investment properties, as well as the significant unobservable variables used:

Valuation technique	Significant unobservable variables	Interrelation between unobservable variables and fair value
Comparative method: The comparative method considers sales of similar or substitute goods, as well as data obtained from the market, and establishes an estimate of value using processes that include comparison. In general, a good that is valued is compared to sales of similar goods that have been traded on the open market. Ads and offers may also be considered.	Homogenization factors: • Location factor (between -15% and 15%). • Marketing factor (between -15% and 15%). • Influence of the extension of the land (between -20% and 2%). • Factor by market absorption time (between -20% and 0%). • Influence of the Source (between -5% and 0%). • Influence of accessibility and commercial expo (-15% and 0%). • Influence of development potential (between -10% and 0%). • Influence of improvements (between -15% and -0%). • Influence of topography (between -0% and 3%).	Estimated fair value would increase (decrease) if: • The expected growth of the lease quota according to the average inflation rate was higher (lower); • The risk-adjusted discount rate was lower (higher).

6. Investments in subsidiaries and associates

The breakdown of the subsidiaries of "Grupo Sura" at the date of the reporting period is as follows:

Name of subsidiary	Location (country)	Main activity	Percentage of ownership and voting rights 2024	2023
ENSA Servicios, S.A.	Panamá	Provision of technical, commercial and any other services complementary to the provision of electric service.	100%	100%

(In balboas)

7. Other intangible assets

The following is a breakdown of the book value of intangible assets:

	2024	**2023**
Cost	**68,089,640**	67,648,421
Accumulated amortization and impairment	**(37,323,995)**	(41,872,769)
Ending balance	**30,765,645**	25,775,652

The change in cost of intangible assets is detailed below:

2024	Software and technological applications	Licences	Easements	Other intangible assets	Total
Opening balance cost	49,637,200	12,048,060	2,080,392	3,882,769	67,648,421
Additions	-	-	-	-	-
Transfers	-	-	-	2,520,725	2,520,725
Disposals	(6,016,033)	(3,220,497)	-	-	(9,236,530)
Reclassifications (Note 4)	2,560,566	4,596,458	-	-	7,157,024
Closing balance cost	46,181,733	13,424,021	2,080,392	6,403,494	68,089,640
Beginning balance accumulated amortization	33,938,322	7,594,012	-	340,435	41,872,769
Amortization for the year	1,498,815	2,863,366	-	300,428	4,662,609
Disposals	(6,016,033)	(3,195,350)	-	-	(9,211,383)
Final Balance Amortization	29,421,104	7,262,028	-	640,863	37,323,995
Net Final Balance Intangible Assets	16,760,629	6,161,993	2,080,392	5,762,631	30,765,645

2023	Software and technological applications	Licences	Easements	Other intangible assets	Total
Opening balance cost	47,802,589	10,011,754	2,080,392	2,230,979	62,125,714
Additions	57,114		-	-	57,114
Transfers	-	-	-	1,651,790	1,651,790
Disposals	1,777,497	2,036,306	-	-	3,813,803
Reclassifications (Note 4)	49,637,200	12,048,060	2,080,392	3,882,769	67,648,421
Beginning balance accumulated amortization	25,163,132	5,856,727	-	153,578	31,173,437
Amortization for the year	8,775,190	1,737,285	-	186,857	10,699,332
Disposals	33,938,322	7,594,012	-	340,435	41,872,769
Closing balance accumulated amortization	15,698,878	4,454,048	2,080,392	3,542,334	25,775,652

(In balboas)

Additions include capitalizable purchases and disbursements that meet the recognition criterion.

The other intangible assets include luminaires transferred from property, plant and equipment that have been removed from the electricity grid by decision of the ASEP due to the change of sodium technology to led that is part of the Replacement Plan.

As of December 31, 2024, an impairment test was carried out on assets for having recorded intangible assets with indefinite useful lives. No signs of impairment in long-lived assets were identified.
Amortization of intangibles is recognized as costs and expenses in the consolidated statement of income and other comprehensive income.

The book value as of December 31, 2024 and 2023 and the remaining amortization period for the largest assets are:

		Remaining	Carrying Value	
	Useful Life	Amortization Period	2024	2023
Commercial System (SAP)	Finite	6 years	**3,313,226**	3,826,692
Maximum System	Finite	5 a 14 years	**779,249**	819,282
Choice System	Finite	10 years	**581,151**	672,393
SCADA System	Finite	0 months	**-**	2,605
ERP System (SAP)	Finite	6 years	**1,930,041**	1,795,745
Field Service System	Finite	13 years	**1,263,587**	1,389,389
Other Software and Licenses	Finite	1 a 12 years	**10,209,191**	6,861,577
ADMS System	Finite	10 a 14 years	**4,846,178**	4,785,245
Other intangible assets	Finite	5 a 25 years	**5,762,630**	3,542,332
Easement	Indefinite	N/A	**2,080,392**	2,080,392
			30,765,645	25,775,652

For the period 2023, the Group had planned to replace the commercial SAP system and the SAP EPR so the useful life of the systems was adjusted having an impact of B/.5,696,473; however, for the period 2024 the project of the entry of the new systems was suspended.

At the end of the periods, an impairment test was carried out on the assets for those intangibles with an indefinite useful life, which showed no impairment.

Amortization of intangibles is recognized as costs and expenses in the consolidated statement of income and other comprehensive income, income section of the period.

An easement is the real, perpetual or temporary right over a property of others, by virtue of which it can be used, or exercise certain rights of disposition, or prevent the owner from exercising some of his property rights. In the Group, easements are not treated individually, since they are constituted for public service projects, where the general interest prevails over the individual, considering that the objective is to improve the quality of life of the community; the aforementioned projects do not have a defined temporality, so they are constituted in perpetuity supported in their use.

	2024	2023
Intangible assets with indefinite useful lives		
Other intangible assets:		
Easement	**2,080,392**	2,080,392
Total intangible assets with indefinite useful lives	**2,080,392**	2,080,392

(In balboas)

8. Trade and other accounts receivable

The breakdown of trade and other receivables is as follows:

	2024	**2023**
Current:		
Utility accounts receivable	**163,736,196**	187,899,870
Impairment losses, utilities and others	**(26,413,219)**	(25,712,754)
Other	**12,040,263**	12,197,341
Total current	**149,363,240**	174,384,457

Accounts receivable from utility debtors generate interest on delinquent balances which are recognized as income up to the date of termination of the customer's account, which occurs 60 days after the suspension of the electricity supply.

Impairment of Portfolio

The calculation of this impairment corresponds to a recognition of expected credit losses that projects the probability of default (non-payment).

Each obligation is assigned an individual probability of non-payment that is calculated from a probability model involving variables of the product and its payment behavior. The model calculates a percentage of historical loss by type of portfolio, which is related to a macroeconomic data looking for a correlation to project a behavior according to the best estimate of the country's economic growth.

The projection will be applied to the product of the displacement averages by portfolio range according to the historical default, which reflects the evolution of the behavior of the balances of the client portfolio and allows establishing the percentages of loss on historical events.

The amount of the impairment is recognized as an expense in the consolidated statement of income and other comprehensive income in the item "impairment of accounts receivable". When recovery is not possible by executive means, coercive jurisdiction or ordinary means, portfolio punishment operates to recognize the extinction of the account receivable in favor of the Group. The portfolio punishment does not release the Group from continuing with the collection procedures that are conducive to its recovery. In the event of an eventual recovery, a debt recovery income is recorded.

(In balboas)

The seniority analysis of accounts receivable from customers is as follows:

	2024		2023	
	Gross book value	Value of expected lifetime credit losses	Gross book value	Value of expected lifetime credit losses
Utility debtors				
No Delinquency	**112,629,909**	**938,106**	135,337,641	1,276,840
Less than 30 days	**16,779,686**	**663,973**	17,213,410	948,126
30-60 days	**7,250,260**	**735,035**	8,055,171	944,704
61-90 days	**2,142,669**	**703,039**	2,936,438	823,124
91-120 days	**1,353,872**	**727,591**	2,059,960	823,775
121-180 days	**2,862,694**	**1,478,646**	3,560,181	1,865,551
181-360 days	**5,131,468**	**4,668,643**	3,696,114	3,501,384
Over 360 days	**15,585,638**	**15,585,638**	15,040,955	15,040,955
Total receivables from utilities	**163,736,196**	**25,500,671**	187,899,870	25,224,459
Other debtors				
No delinquency	**9,867,551**	**157,945**	11,600,675	230,829
Less than 30 days	**1,183,408**	**83,723**	272,414	20,548
30-60 days	**313,318**	**80,025**	76,776	21,236
61-90 days	**89,886**	**38,018**	36,566	15,900
91-120 days	**36,025**	**19,354**	14,996	8,682
121-180 days	**66,991**	**50,399**	51,352	46,538
181-360 days	**253,494**	**253,494**	41,049	41,049
Over 360 days	**229,590**	**229,590**	103,513	103,513
Total other debtors	**12,040,263**	**912,548**	12,197,341	488,295
Total debtors	**175,776,459**	**26,413,219**	200,097,211	25,712,754

The reconciliation of the expected credit losses of the portfolio is as follows:

	2024	2023
Value at beginning of year	**25,712,754**	22,406,811
Charges against the allowance	**(3,439,995)**	(1,782,051)
Impairment of accounts receivable	**4,140,460**	5,087,994
Balance at end of year	**26,413,219**	25,712,754

The Group writes off, against the impairment recognized in an allowance account, the values of impaired financial assets when the accounts have been finalized both in the field and in the billing system after the supply cut-off for pending debt, and after applying the security deposit (if available) to the last invoice upon finalization.

(In balboas)

Responsible instances for write-off

The portfolio write-off is presented when required by the Credit and Portfolio Unit or the Vice Presidency of Finance. Retired clients who are candidates for write-off will be evaluated, after the evaluation the Vice Presidency of Finance must approve or reject the write-off of the accounts suggested by the Credit and Portfolio Unit. These assessments are conducted on a quarterly basis.

To determine the clients to be written off, the following criteria should be considered:

- Customers in "LOW" status and withdrawal date (final disconnection) in the commercial management system, for a minimum of 6 months.
- Customers who hold the debt for more than 1 year (365 days) in accordance with the provisions of the Panama Tax Code in force according to Executive Decree No.170 of 1993.

9. Leases

9.1 Leases that originate right-of-use assets as lessee

At the reporting date the carrying amount of the right-of-use assets is as follows:

	Right to use buildings	
	2024	**2023**
Cost		
Opening balance of cost	**1,241,414**	825,370
Additions	**-**	435,164
Retirements	**-**	(19,778)
Other changes	**-**	658
Closing balance of cost	**1,241,414**	1,241,414
Accumulated depreciation		
Amortization beginning balance	**(650,539)**	(482,539)
Amortization for the year	**(165,766)**	(188,392)
Retirements	**-**	19,778
Other changes	**-**	614
Amortization ending balance	**(816,305)**	(650,539)
Right-of-use assets, net	**425,109**	590,875

For the period 2023, the Group reviewed the calculations to establish the right-of-use asset originated by the lease agreements of the customer service branches. The effect of this change is shown in modifications to the contracts within the costs for B/.658 and other changes in the accumulated amortization B/.614.

(In balboas)

At the filing date the minimum future payments and the present value of the minimum lease payments are distributed as follows:

	2024		2023	
Capital leases	**Minimal Payments**	**Present value of minimum payments**	**Minimal Payments**	**Present value of minimum payments**
One year	161,650	151,827	114,896	108,362
More than one year and up to five years	376,452	353,576	595,104	537,968
Total leases	538,102	505,403	710,000	646,330
Less: value of unaccrued interest	17,647	16,575	16,502	15,563
Present value of minimum lease payments	520,455	488,828	693,498	630,767

The most significant lease agreements are six premises that the Group maintains as customer service branches:

- Los Andes, valid for six (6) years from the first (1) of December 2023 until the thirtieth (30) of November 2029. Payments must be made per month in advance and within the first 15 days of each month of the term of the contract. Contract lease payments are updated every two (2) years. The contract may be terminated for non-payment of two (2) monthly lease payments, or any expense stipulated in the contract without prejudice to the right of the Lessor to seek compensation for damages caused. The lessee and/or lessor may terminate the contract by giving notice to the lessor one hundred and twenty (120) days in advance of the scheduled date for the eviction of the leased premises.

- Plaza Toledano, agree to a new contract with a term of (4) years counted from June five (05), 2023. The lease payments are updated in accordance with the provisions of the contract. The term of the contract may be extended if both the lessor and the lessee agree to it by means of a written document before its expiration. The contract may be terminated by the lessor for: a) the non-payment of the price within the term of the contract for two (2) consecutive monthly payments; b) the use of the property for illicit purposes or contrary to good customs or that represent a danger to the property or the health of its inhabitants; c) when the property must be rebuilt or repaired with necessary works that cannot be executed without delivery or vacancy or demolished due to its state of ruin or for the construction of a new work; the others provided for in the Law. By the Lessee if: a) the property is expropriated, confiscated or in any other way intervened by any legal act ordered by any authority; b) In the event that the Lessor is declared in liquidation, bankruptcy or suspension of payment; c) if the property cannot be used by the Group for reasons attributable to the Lessor or due to unforeseeable circumstances or force majeure for a period equal to or greater than one (1) month. This contract contains no purchase option.

(In balboas)

- Los Pueblos, valid for five (5) years from the first (1) of November 2021 until the thirty-first (31) of October 2026. The contract maintains a renewal option and could be renegotiated by the parties four (4) months before the expiration date of the contract, the new term and fee that would be in force. The contract may be terminated by both parties as follows; The Lessee (1): The Lessee may terminate this contract once the two (2) years of validity of the contract have elapsed with notice to the Lessor one hundred and twenty (120) days prior to the effective date of termination, with the obligation to pay the Lessor the monthly payments for the period in which the Lessee actually used or had possession of the premises. (2) : The Lessee may terminate the contract at any time without liability to the Lessor and without the need to pay any sum, provided that such termination is with just cause or derived from any breach of the contract by the Lessor otherwise the Lessee must pay the Lessor an additional lease fee as compensation; by the Lessor: (1): The Lessor may terminate the contract after two (2) years of validity of the contract by notifying the Lessee one hundred and twenty (120) days in advance of the effective date of termination, in which case it will return to the Lessee the amount equivalent to the deposit and an additional lease fee as compensation, provided that such termination is with just cause or not derived from any breach of the contract by the Lessee. (2): The Lessor may terminate this contract at any time without liability to the Lessee and without the need to pay any sum, provided that such termination is with just cause or derived from any breach of the contract by the Lessor giving written notice to the Lessee indicating the date chosen for termination. This contract contains no purchase option.

- Las Cumbres, valid from March 1, 2022 to February 28, 2027. It is established that the lease rent is paid from the month of March 2022 for a fixed amount during the term of the contract. The contract has no purchase option.

  The parties agree that in the event that the Lessee intends to vacate the previously agreed premises, it must give 90 days' notice. The Lessee will be obliged to cancel the corresponding to a monthly lease in accordance with the amount agreed for the year in force for the breach and early resignation of the contract, as well as adding to this compensation, the deposit consigned to the Ministry of Housing, as the sole, total and definitive compensation to be received by the Lessor, without the right to any claim by the Lessee.

- Villa Lucre, effective October 1, 2022 through September 30, 2027. It is established that the lease rent is paid from the month of October 2022 for a fixed amount during the term of the contract. The contract has no purchase option. The parties agree that the lease contract will be extendable at the option of the lessee for which it will announce said decision to the lessor, in a minimum term of (60) calendar days prior to the termination of the validity of this lease contract, it being the sole decision of the lessor to extend the lessor's lease contract.

- Pacora, valid from June 1, 2022 to November 30, 2027 (with four months of thanks). It is established that the lease rent is paid from the month of October 2022 for a fixed amount during the term of the contract. The contract has no purchase option. The parties agree that the lease contract will be extendable at the option of the lessee for which it will announce said decision to the lessor, in a minimum term of (60) calendar days prior to the termination of the validity of this lease contract, it being the sole decision of the lessor to extend the lessor's lease contract.

(In balboas)

Lease liabilities are included in the other financial liabilities of the consolidated statement of financial position.

Interest originated by the lease liability amounts to B/.33,578 (2023: B/.16,502) (Note 28 financial income and expenses).

Total cash disbursements from leases during the year are B/.210,539 (2023: B/.200,280).

9.2 Leases that do not originate right-of-use assets as lessee

The most significant operating lease agreement is a physical space that corresponds to an area of 14mts2 within a premises that functions as a customer service branch:

- Distribuidora Xtra S.A., sublease with a validity of one year counted from August 15, 2014 automatically extendable for additional successive periods of one year each unless either party communicates in writing to the other, at least 30 calendar days before the expiration of the original term of the contract or one of its extensions of its intention that the corresponding extension does not occur.

As of the filing date, future short-term lease commitments are B/.12,000 (2023: B/.12,000).

Total cash outflows from leases during the year are B/.12,000 (2023: B/.12,000).

10. Guarantees

The Group has granted the following financial assets as guarantees:

- Performance bond to guarantee compliance with the obligations contracted in the Concession Contract in favor of the National Authority of Public Services B/.15,000,000 (2023: B/.15,000,000).
- Letters of credit, granted to Empresa de Transmisión Eléctrica, S.A., as a guarantee of the payment of energy purchase costs in the occasional market for B/.4,933,979 (2023: B/.4,933,979).
- Letters of credit, granted to Ente Operador Regulador de El Salvador, as a guarantee of the payment of energy purchase costs in the occasional market for B/.345,451 (2023: B/.345,451).
- Bank guarantee granted to Empresa de Transmisión Eléctrica, S.A. to guarantee the payment of one month's billing of the Transmission System for B/.1,843,341 (2023: B/.2,649,532).
- Compliance guarantees to provide credit security and fulfillment of the obligations contracted under the power purchase contracts, granted to the generating companies for B/.55,481,890 (2023: B/.40,214,429).
- Bank guarantee granted to Empresa de Transmisión Eléctrica, S.A. to guarantee the payment of one month of billing of the Occasional Market B/.14,634,887 (2023: B/.12,196,913.)

The Group has not received guarantees as of 31 December 2024 and 2023, in which it is authorized to sell or pledge them without a breach by the owner of the guarantee having occurred.

(In balboas)

11. Other assets

The breakdown of other assets at the end of the reporting periods is as follows:

Concept	2024	2023
Non-current		
Employee benefits	**5,286,048**	4,693,973
Other advances	**260,986**	243,080
Total other non-current assets	**5,547,034**	4,937,053
Current		
Projects in process	**4,647,402**	4,344,049
Advances to suppliers	**58,205**	173,623
Other advances	**1,247,081**	989,534
Total other current assets	**5,952,688**	5,507,206
Total other assets	**11,499,722**	10,444,259

As of December 31, 2024, the projects in process include the incremental costs of obtaining or fulfilling contracts with clients amounting to B/.4,647,402 (2023: B/.4,344,049).

The other advances include, among others, maintenance of the IT area and commissions paid in advance that are amortized according to the period they cover.

Advances to suppliers were mainly granted to service providers for hiring crews to cut services.

12. Inventories

Inventories at the end of the period were represented as follows:

	2024	2023
Non-current		
Materials for services rendered	**3,412,270**	3,354,607
Total non-current inventories	**3,412,270**	3,354,607
Current		
Materials for services rendered	**28,389,427**	24,317,925
Goods in transit	**1,386,607**	2,200,664
Total current inventories	**29,776,034**	26,518,589
Total inventories	**33,188,304**	29,873,196

The materials for the provision of non-current services correspond to the rotation classification that indicates that the materials had no demand records within a period of more than 12 months.

(In balboas)

Materials for the provision of current services, including materials for internal use and for the provision of services, are those delivered to contractors who perform activities related to the provision of services.

During the year ended December 31, 2024, inventories were recognized for B/.2,869,849 (2023: B/.2,964,139) as a cost for the provision of the service during the period. In 2024, B/.21,426 (2023: B/.42,104) has been recognized as an expense resulting from write-downs of inventories. As of December 31, 2024, there were reversals of inventory reductions for B/.32,347 (2023: B/.38,960).

The Group has no committed inventories to guarantee its liabilities.

13. Cash and cash equivalents

The breakdown of cash and cash equivalents is as follows:

	2024	**2023**
Cash on hand and in banks	**12,424,771**	9,254,197
Restricted cash 1	**294,266**	300,015
Total cash and cash equivalents presented in the consolidated statement of financial position and in the consolidated statement of cash flows	**12,719,037**	9,554,212

14. Heritage

The share capital of the Group is made up of 50,000,000 shares, the breakdown is presented below:

	Value		**No. of Shares**	
	2024	**2023**	**2024**	**2023**
Authorized capital	106,642,962	106,642,962	50,000,000	50,000,000
Treasury stock	(617,270)	(574,511)	(170,918)	(164,946)
Subscribed and paid-in capital	106,025,692	106,068,451	49,829,082	49,835,054

(In balboas)

14.1 Accumulated results

The movement of the accumulated results during the period was:

	2024	2023
Accumulated results		
Beginning balance	**126,423,273**	111,075,506
Surplus or dividends declared	**(52,997,021)**	(37,869,779)
Complementary tax	**(123,712)**	220,525
Other (Adjustment in application due to change in the Group's policy)	**(415,924)**	-
Total retained earnings before net income (loss) for the year	**72,886,616**	73,426,252
Net income for the year	**74,025,589**	52,997,021
Total retained earnings	**146,912,205**	126,423,273

Dividends declared and paid during the year amounted to B/.52,997,021 (2023: B/.37,869,779), corresponding to retained earnings from prior years.

15. Other comprehensive accumulated income

The breakdown of each component of component of comprehensive income of the consolidated statement of financial position and the corresponding tax effect is as follows:

	Gross	Tax Effect	Net	Gross	Tax Effect	
New defined benefit plan measures	752,061	(226,886)	525,175	577,280	(175,467)	401,813

A reconciliation of the opening and closing balances at the reporting date is presented below for the comprehensive income component:

(In balboas)

Component of new measurements of defined benefit plans

The defined benefit plan remeasurement component represents the cumulative value of actuarial gains or losses, excluding values included in net interest on the net defined benefit liability (asset). The net value of the new measurements is transferred to the accumulated results and is not reclassified to the results of the period.

	2024	**2023**
Opening balance	**401,813**	402,677
Comprehensive income for the year from remeasurement of defined benefit plans	**174,781**	(236)
Associated income tax	**(51,419)**	(628)
Total	**525,175**	401,813

16. Credits and loans

The following is the breakdown of the book value of credits and loans measured at amortized cost:

Non-current:		
Bonds and bank debt	**378,392,932**	229,967,354
Total non-current receivables and payables	**378,392,932**	229,967,354
Current:		
Commercial bank loans	**76,000,000**	199,813,882
Total current loans and credits	**76,000,000**	199,813,882
Total loans and credits	**454,392,932**	429,781,236

As of December 31, 2024, the Company maintains contracts for facilities of credit lines for a total amount of B/.292,384,450 (2023: B/.301,884,450). Credit lines are not subject to collateral and are available for a maximum period of one year.

These credit facilities have a "pari passu" priority order with other unsecured and non-subordinated "senior" obligations of the Company.

The Company's new credits and loans were acquired in order to finance the execution of ENSA's investment program. The details of the loans are as follows:

(In balboas)

The breakdown of the long- and short-term loans is as follows:

Entity	Type	Original Currency	Start Date	Term	Interest Rate	2024 IFRS	Nominal Value	2024 Short-Term Amortized Cost	Total Value	2023 IFRS	Nominal Value	2023 Short-Term Amortized Cost	Total Value
SCOTIABANK	Loan	USD	17-Oct-24	0.33	5.95%	5.95%	13,000,000	-	13,000,000	-	-	-	-
SCOTIABANK	Loan	USD	6-Nov-24	0.33	5.95%	5.95%	20,000,000	-	20,000,000	-	-	-	-
SCOTIABANK	Loan	USD	10-Dec-24	0.50	6.00%	6.00%	8,000,000	-	8,000,000	-	-	-	-
SCOTIABANK	Loan	USD	16-Dec-24	0.50	6.00%	6.00%	17,000,000	-	17,000,000	-	-	-	-
BANESCO	Loan	USD	6-Nov-24	0.50	6.00%	6.00%	15,000,000	-	15,000,000	-	-	-	-
DAVIVIENDA	Loan	USD	16-Dec-24	0.30	6.00%	6.00%	3,000,000	-	3,000,000	-	-	-	-
BANESCO	Loan	USD	20-Oct-23	1.00	6.00%		-	-	-	6.00%	15,000,000	-	15,000,000
CITIBANK	Loan	USD	19-Dec-23	0.01	6.00%		-	-	-	6.00%	15,000,000	-	15,000,000
SCOTIABANK	Loan	USD	3-Oct-23	0.30	6.00%		-	-	-	6.00%	15,000,000	-	15,000,000
SCOTIABANK	Loan	USD	5-Dec-23	0.50	6.00%		-	-	-	6.00%	30,000,000	-	30,000,000
SCOTIABANK	Loan	USD	2-Aug-23	1.00	6.41%		-	-	-	6.41%	50,000,000	-	50,000,000
SCOTIABANK	Loan	USD	3-Oct-23	1.00	6.60%		-	-	-	6.60%	75,000,000	(186,118)	74,813,882
Total							76,000,000	-	76,000,000		200,000,000	(186,118)	199,813,882

As of December 31, 2024, interest payments were made for short-term credit operations of B/.8,966,375 (2023: B/.10,378,720).

The breakdown of the long- and short-term loans is as follows:

Entity	Type	Original Currency	Initial Date	Term	Nominal Interest Rate	2024 IFRS	Nominal Value	2024 Amortized Cost Value	Total Value	2023 IFRS	Nominal Value	2023 Amortized Cost Value	Total Value
Banco General (Administrative Agent)	Syndicated Loan	USD	17-Jun-24	5	7.69%	7.69%	200,000,000	(1,967,063)	198,032,937	-	-	-	-
Senior Notes 2027	International Bond	USD	13-Dec-12	15	4.73%	4.73%	80,000,000	1,963,189	81,963,189	4.73%	80,000,000	1,963,188	81,963,188
Senior Notes 2036	International Bond	USD	1-Jul-21	15	3.87%	3.87%	100,000,000	(1,603,194)	98,396,806	3.87%	100,000,000	(1,797,874)	98,202,126
Inter-American Development Bank (IDB)	Loan	USD	2-Aug-23	2	6.46%	6.46%	-	-	-	6.46%	50,000,000	(197,960)	49,802,040
Total							380,000,000	(1,607,068)	378,392,932		180,000,000	165,314	180,165,314

Senior Notes 2027

On December 6, 2012, the Group signed a Note Purchase Agreement with a group of investors who individually agreed to purchase from the Group a total of US$ 80,000,000 in Senior Notes. The bonds were settled at 4.73% fixed rate interest, payable semi-annually, maturing on December 13, 2027 and were issued in accordance with the Indenture Agreement signed between the Company and The Bank of New York Mellon in its capacity as fiduciary agent dated December 11, 2012.

With reference to the Note Purchase Agreement and the Issuance Agreement, the Company signed on December 13, 2012, a Bridge Financing Agreement where the Company agrees to issue promises of lien-free payment (“Bridge Notes”) to the order of each of the purchasers for a total of US$80,000,000. For their part, each of the buyers agrees to transfer the respective funds corresponding to each of these Bridge Notes to the Group. The Agreement provides that the Bridge Notes shall accrue an annual interest of 4.73% accruing from the date of the transfer of the funds, maturing on February 1, 2013 or on the date of termination of the Financing Agreement, whichever occurs first. The Financing Agreement may be terminated by mutual agreement of the parties or in the event of non-issuance of the preferred bonds. The Financing Agreement requires the Company to maintain and guarantee that it has borrowing capacity in funds available under its facilities of lines of credit together with their cash equivalents for an amount in excess of the amount to be cancelled by the termination of this Agreement.

(In balboas)

On January 17, 2013, the Note purchase agreement was closed, with which the preferred bonds were delivered to the buyers. On the same date, the Company and the buyers confirmed that the conditions of the Note purchase agreement had been met, to their satisfaction, and the Group was released from its payment obligations under the Bridge Notes and the financing agreement. The payment of the price subscribed under the issue of the senior bonds must be satisfied with the cancellation of the Bridge Notes and the payment obligations set out in the Financing Agreement without any additional payment by the buyers to the Group.

During the time of the issuance agreement the Company shall comply with the terms of the agreement, some of which are indicated below:

- Prohibition from granting lien on any of the Company's property or assets.
- Not to permit any subsidiary, in one or more transactions, to consolidate, merge with or combine with any company or to transfer, assign or transferring or substantially all of its assets, assets or revenues to any company (other than a subsidiary of the Company) or to permit any company (other than a subsidiary of the Company) to merge with or into it.
- Do not allow the Debt to EBITDA Ratio after four continuous fiscal quarters to exceed 3.50 times. The Debt to EBITDA Ratio may exceed 3.50 times during an Equity Investment period no more than twice during the term of the bonds, provided that during such period the Debt to EBITDA Ratio does not exceed 4.0 times.

In the event of an event of default under the terms and conditions of the Issuance Agreement, the Trustee shall, at the request of the holders of the Notes holding not less than 25% in principal amount and provided that such event of default is maintained, declare all Notes immediately due and payable for which it shall pay to the Trustee an amount equal to the sum of the principal amount of the Notes outstanding, all interest accrued thereon, the additional amounts and the sum of restitution (the “Redemption Amount for Events of Default”), calculated by the Company and notified to the Trustee in writing. For purposes of the amortization amount for events of default, the “Sum of Restitution” shall be equal to the difference between (i) the sum of (a) the present value of the future principal and the interest cash flows of the expected bonds (less any accrued interest), discounted at an annual rate equal to the yield on the then-current Treasury bonds closest to the remaining weighted average life of the bonds calculated at the time of payment of the amortization for events of default and (b) 0.50% per annum and (ii) the principal amount of the outstanding bonds.

Syndicated Loan 2029

The Group signed on June 5, 2024 a syndicated loan agreement with Banco General as Administrative Agent, structurer, original creditor and other financial institutions as original creditors for the sum of two hundred million balboas (B/.200,000,000) which was disbursed in two parts, one, on June 17, 2024 and the next was disbursed on July 3, 2024. The loan has variable interest at the rate of SOFR 3 months plus a spread of 2.75% per annum, minimum 5.50% per annum, payable quarterly, maturing on June 17, 2029. The principal payment is made at maturity. The Company may partially or fully repay the loan in advance as long as certain conditions stipulated by the bank are met from the third year of the loan. This credit facility has, at least, the same degree of priority or preference "pari passu" as all other credits that third parties have, except for those privileged credits exclusively by virtue of the law.

(In balboas)

While the loan granted to the Group is in force, the Group must comply with the terms of the contract, some of which are indicated below:

- Preserve and maintain in full force its corporate existence and legal structure as a company ("Sociedad Anónima") under the laws of Panama.

- Not to be dissolved, merged, spun off, consolidated, redomiciled or combined, without the prior consent of the majority of creditors, which consent shall not be required if on merging, consolidated or combined (a) the debtor is the surviving entity, and (b) there is no default or cause for early maturity under this Agreement.

- Comply at all times with a total debt/consolidated EBITDA ratio of no more than 4.0 times. This condition will be measured quarterly, based on the interim consolidated financial statements and the audited annual consolidated financial statement. This indicator will be subject to the fact that there is no current debt with a Debt to EBITDA Ratio lower than that established in this bond.

Preferred bonds 2036

The Group has bonds payable under the Issuance Agreement ("Senior Notes") with a nominal value of US$100,000,000. The bonds have interest at a fixed rate of 3.87%, payable semi-annually, maturing in 2036. The principal payment is made at maturity. Bonds are not guaranteed and are not subordinated. The Company may redeem the bonds, in part or in full, at any time prior to their maturity provided that it complies with certain conditions including the payment of a premium.

During the time of the issuance agreement the Company shall comply with the terms of the agreement, some of which are indicated below:

- Prohibition from granting lien on any of the Company's property or assets.
- Not to permit any subsidiary, in one or more transactions, to consolidate, merge with or combine with any company or to transfer, assign or transferring or substantially all of its assets, assets or revenues to any company (other than a subsidiary of the Company) or to permit any company (other than a subsidiary of the Company) to merge with or into it.
- Do not allow the Debt to EBITDA Ratio after the four continuous fiscal quarters to exceed 4.00 times. The EBITDA Indebtedness Ratio may exceed 4.00 times during an eligible acquisition or Equity Investment period not more than twice during the term of the bonds, provided that during such period the EBITDA Indebtedness Ratio does not exceed 4.50 times.

Upon the occurrence of an event of default under the terms and conditions of the Issuance Agreement, the Trustee shall, at the request of bondholders holding not less than 25% of the principal amount and provided that such event of default is maintained, declare all bonds immediately due and payable for which the Company shall pay to the Trustee an amount equal to the sum of the principal amount of the outstanding bonds, all interest accrued thereon, the additional amounts and the sum of restitution (the "Redemption Amount for Events of Default"), calculated by the Company and notified to the Trustee in writing.

The Company deferred costs related to the issuance of long-term debt. These costs include commission costs and other costs such as: legal, registration and stamp duty. Debt issuance costs are amortized based on the term of the debt instrument using the effective interest method and are presented net of long-term debt in the consolidated statement of financial position of the Company.

(In balboas)

As of December 31, 2024, the result of the indicator (*Covenant*) Debt / EBITDA is 2.51 times. For the measurement of EBITDA, and consistent with the accounting policy in force since the issuance of the bonds, the Group considers the profit for the year including the net movement of regulatory accounts related to profits and losses, as presented below:

	2024	**2023**
Net income for the year before net change in deferred regulatory account balances	**50,378,861**	35,910,111
Net movement in regulatory account balances related to gains and losses	**33,781,040**	24,409,871
Net movement in deferred tax arising from regulatory account balances related to gains and losses	**(10,134,312)**	(7,322,961)
Net income for the year and net movement in deferred regulatory account balances	**74,025,589**	52,997,021
Depreciation and amortization	**40,746,570**	45,967,992
Interest expense, net	**27,015,817**	20,512,614
Disposal of assets and other costs	**7,766,980**	4,143,626
Income taxes	**32,162,889**	22,471,854
EBITDA	**181,717,845**	146,093,107
Contracted debt		
Short-term debt	**76,000,000**	200,000,000
Long-term debt	**200,000,000**	50,000,000
Long-term 2027 senior notes	**80,000,000**	80,000,000
Long-term 2036 senior notes	**100,000,000**	100,000,000
Total net debt	**456,000,000**	430,000,000
Debt to EBITDA (times)	**2.51**	2.94

A reconciliation of the opening and closing balances as of the reporting date is presented below for the component of other comprehensive income.

(In balboas)

17. Creditors and Other Accounts Payable

Creditors and other accounts payable are measured at amortized cost and are composed of:

	2024	2023
Non-current		
Deposits received in guarantee	**6,122,464**	6,164,332
Construction contracts	**26,426,938**	27,226,567
Acquisition of goods and services	**1,004,372**	244,057
Total non-current financial liabilities	**33,553,774**	33,634,956
Current		
Energy suppliers	**85,632,026**	96,544,771
Acquisition of goods and services	**51,659,798**	43,991,953
Deposits received in guarantee	**2,973,831**	2,734,664
Other accounts payable	**6,297,417**	6,511,933
Construction contracts	**4,060,234**	2,204,010
Total current financial liabilities	**150,623,306**	151,987,331

The item of construction contracts includes advances received from developers mainly for the construction of electrical infrastructure of the projects. Once these works have been transferred to ENSA, reimbursement agreements are formalized for 4 years (aerial works) or 7 years (underground works) according to current regulations.

The term for payment to suppliers is generally 30 days.

During the year, the Group has not defaulted on payments from creditors and other accounts payable.

18. Other financial liabilities

The other financial liabilities are composed of:

	2024	2023
Non-current		
Lease (see note 9)	**364,216**	490,987
Total non-current financial liabilities	**364,216**	490,987
Current		
Lease (see note 9)	**135,162**	126,679
Total current financial liabilities	**135,162**	126,679

During the year, the Group has not defaulted on the payment of principal and interest.

(In balboas)

19. Employee benefits

The item of employee benefits recognized at the reporting date has the following composition:

	2024	2023
Non-current		
Post-employment benefits (assets)	**-**	-
Post-employment benefits (liability)	**2,399,123**	2,479,929
Total non-current employee benefits	**2,399,123**	2,479,929
Current		
Post-employment benefits (liability)	**15,419**	21,726
Total employee benefits current	**15,419**	21,726
Total	**2,414,542**	2,501,655

19.1 Post-employment benefits

It includes the defined benefit plans detailed below:

Defined Benefit Plans	Other defined benefit plans		Seniority premium		Total	
	2024	2023	2024	2023	2024	2023
Present value of defined benefit obligations						
Opening balance	(239,292)	(231,271)	(2,262,363)	(2,214,495)	(2,501,655)	(2,445,766)
Present service cost	(23,854)	(10,080)	(402,935)	(345,697)	(426,789)	(355,777)
Interest income or (expense)	(13,861)	(12,193)	(14,203)	4,633	(28,064)	(7,560)
Actuarial gains or losses from changes in:						
Experience assumptions	21,075	(47,073)	(357,302)	(64,163)	(336,227)	(111,236)
Financial assumptions	15,133	3,486	175,512	89,373	190,645	92,859
Payments made by the plan	18,000	39,000	656,687	267,986	674,687	306,986
Other changes due to remeasurements	12,861	18,839		-	12,861	18,839
Present value of obligations at year-end	(209,938)	(239,292)	(2,204,604)	(2,262,363)	(2,414,542)	(2,501,655)

The Group has three post-employment defined benefit plans:

Benefit	2024		2023	
	From	To	From	To
Seniority bonus and severance fund	Indefinite	Indefinite	Indefinite	Indefinite
Discount on electricity billings	Indefinite	Indefinite	Indefinite	Indefinite
Retirement bonus	Indefinite	Indefinite	Indefinite	Indefinite

(i) Seniority Premium and Severance Fund

According to the Labor Code of the Republic of Panama, upon termination of any indefinite-time contract, whatever the cause, the worker is entitled to a seniority bonus at the rate of one week's salary for each year of work, from the beginning of the employment relationship. Seniority premium represents 1.92% of salaries paid.

(In balboas)

The Labor Code, as amended by Law No. 44 of August 12, 1995, specifies that employers shall establish a severance fund to cover the seniority bonus and compensation for unjustified dismissal or justified resignation. The Group maintains a trust through an authorized entity called Pro-Futuro, S.A., which acts as a trustee to insure the severance fund liability.

(ii) Other defined benefit plans

a) Discount on electricity billing to a group of IRHE retirees

The benefit grants a 50% discount on the billing for electrical services to a closed group of former IRHE collaborators, regardless of the service provider they use.

b) Retirement Bonus

Current employees of the Group have the benefit of a bonus of B/.3,000 when taking advantage of the retirement by age granted by the Social Security Fund. The normal retirement age refers to the ages provided for in social security legislation to date, the minimum age for this retirement is: 57 years for women and 62 years for men. The ages of early retirement provided for in the Law are: 55 to 56 years 11 months for women and 60 to 61 years 11 months for men.

The Group made contributions for defined benefits during the year for B/.400,405 (2023: B/.306,862) and expects to make contributions for the next year for B/.320,000.

In accordance with Executive Decree No. 106 of 1995, the Company maintains the assets of the plan, managed by Pro-Futuro, S.A. It invests mainly in fixed terms and bonds. The maximum fair value of the asset is the amount contributed by the Group (employees do not make contributions), the returns on the change in the market value of the investments correspond to ENSA.

The principal actuarial assumptions used to determine the obligations by the defined benefit plans are as follows:

	Description	
Assumptions	**2024**	**2023**
Discount rate		
Seniority premium (%) ENSE	5.37	5.78
Seniority premium (%)	5.51	5.80
Retirement bonus	5.40	5.79
Retiree electricity discount (%)	4.83	5.59
Electric bill		
Rate of annual salary increase (%) ENSE	3.50	3.80
Rate of annual salary increase (%)	4.50	5
Increase rate to electricity bill discount (%)	3.49	1.84
Survival tables	Mortality table of the urban population of the Republic of Panama 2010-2015 (adjusted)	

(In balboas)

The following table shows the effect of a variation of plus 1% and minus 1% in the salary increase, in the discount rate and in the increase in the benefit on the obligation for defined post-employment benefit plans:

Assumptions	Increase in the discount rate by +1%	Decrease in discount rate by -1%	Increase in salary increase by +1%	Decrease in salary increase by -1%	Increase in profit increase by +1%	Decrease in profit increase by -1%
Seniority premium ENSE	(1,508)	1,845	1,490	(1,251)	Not applicable	Not applicable
Seniority premium	(243,654)	293,627	253,957	(216,203)	Not applicable	Not applicable
Utility allowance	3,642	(3,980)	Not applicable	Not applicable	(3,778)	3,513
Retirement bonus	(10,545)	12,558	Not applicable	Not applicable	Not applicable	Not applicable
Total post-employment benefits	(252,065)	304,050	255,447	(217,454)	(3,778)	3,513

There have been no changes in the methods and assumptions used to prepare the sensitivity analysis from the period prior to the current one. Defined benefit plans expose ENSA to actuarial risks such as: investment, longevity and salary risk.

Investment Risk

Currently, the seniority premium plan asset has relatively balanced investments mainly in fixed term deposits, securities and debt instruments.

Longevity Risk:

The current value of the electric light discount liability is calculated in reference to the best estimate of the mortality of the plan participants. An increase in the life expectancy of plan participants would increase the plan's liability.

Salary risk:

The present value of the seniority premium liability is estimated by considering the future salaries of plan participants. In this way, an increase in the salary of the participants of the plan would increase the liabilities of the plan.

(In balboas)

20. Provisions, Contingent Liabilities and Contingent Assets

20.1 Provisions

The reconciliation of the rate is the following one:

2024	Dismantling or restoration	Litigations	Others	Total
Opening Balance	140,426	445,000	11,607,214	12,192,640
Additions	186,031	-	2,335,177	2,521,208
Utilizations (-)	(14,445)	-	(7,786,265)	(7,800,710)
Reversals, unused amounts	-	(150,000)	(18,240)	(168,240)
Saldo final	312,012	295,000	6,137,886	6,744,898

To mitigate the conditions of uncertainty that may arise with respect to the estimated date of payment and the estimated value to be paid of a litigation qualified as probable, the Group evaluates each case in a particular way together with its external legal advisors for which the average duration of similar processes is taken into consideration. The estimated value payable of a litigation qualified as probable is determined based on the amount of the claim of the plaintiff and an analysis of the specific condition that motivates the claim to be able to determine the recognition of a possible damage. For this we have the appreciation of external legal advisors of the Group and in certain cases with the support of insurance advisors in case an actuarial valuation is required.

20.1.1 Decommissioning

The Group is obliged to incur costs of dismantling or restoring its facilities and assets related to transformers where it is confirmed or estimated to contain Poly Chlorinated Bi-Phenol ("PCB") whether in use or out of service. The Group has committed to the decommissioning of these assets from 2002 to 2025, the maximum period indicated by the Stockholm Convention. The provision is recognized at the present value of the costs expected to settle the obligation using estimated cash flows. Cash flows are discounted at a pre-tax rate, using the market yield of government-issued bonds as a reference. The main assumptions considered in the calculation of the provision are:

a. It was determined that 93 transformers should be discarded for being suspicious in PCB content.
b. The present value of the obligation was determined using a discount rate of 4.93%, which is the cost of market yields on bonds issued by the National Government.
c. The (implicit) legal obligation to dismantle transformers arose for the first time in ENSA in 2002 with the signing of the Rotterdam Convention by the Republic of Panama.

20.1.2 Litigation

This provision covers the estimated probable losses related to labor, administrative, civil and fiscal litigation (administrative and governmental) that arise in the operation. The main assumptions considered in the calculation of the provision are:

a. The cases are examined by the legal advisors to determine, according to their development, the probability or not of incurring an outflow of resources.
b. Legal advisors provide the probability of loss to make the litigation reservation.
c. The estimated date of payment is provided by the legal technicians.

(In balboas)

The following are the recognized litigations:

Claim	Value
Civil lawsuit for the development of the Llano Bonito substation project	295,000
	295,000

20.1.3 Other provisions

The Group maintains other provisions for B/.6,137,886 (2023: B/.11,607,214) to cover compensation to customers for breaches of regulations regulated by the National Public Services Authority (ASEP). The amounts of these compensations are provided by the Group's technical area which makes calculations based on indicators provided by the system.

Estimated Payments

The estimate of the dates on which the Group considers that it will have to face the payments related to the provisions included in the consolidated statement of financial position at the reporting date is as follows:

Estimated Payments	Decommissioning or Restoration	Litigations	Others	Total
2025	312,012	-	-	312,012
Other	-	295,000	6,137,886	6,432,886
Total	312,012	295,000	6,137,886	6,744,898

20.2 Contingent Liabilities

The breakdown of the other financial liabilities is as follows:

Types of contigencies	Contingent Liabilities
Litigations	310,659
Total	**310,659**

The Group has litigation or proceedings that are currently pending before jurisdictional, administrative and arbitration bodies. Taking into consideration the reports of the legal advisors, it is reasonable to appreciate that such litigation will not significantly affect the financial situation or solvency, even in the event of an unfavorable conclusion of any of them.

Contingent liabilities:

Claim	Value
Civil lawsuit for damages for contract cancellation	295,000
Labor lawsuits	15,659
Total contingent liabilities	**310,659**

20.3 Commitments

The purchase rules for the contract market, established by Resolution AN No.991-Elec of July 11, 2007 and its amendments, establish minimum medium and long-term contracting obligations in both power and energy to distribution companies. The power must be contracted to cover the Maximum Generation Demand of ENSA, and the energy must be contracted based on the Required Associated Energy. ETESA must make the calls for the Acts of Concurrence to meet the power and energy needs of the final customers of the electricity distribution companies and ensure that the calls it manages comply with the minimum contracting levels of the electricity distribution companies. ENSA routinely enters into purchase contracts that have different quantity and duration requirements as part of its obligation to distribute and sell electricity to its regulated customers. ENSA must recover the costs related to these obligations in future rates to customers. In addition, all energy supply contracts signed by ENSA are to comply with its obligations to distribute energy to customers.

In compliance with the 1997 Electricity Law, ENSA negotiated the long-term power purchase contract with the generating companies.

Empresa de Transmisión Eléctrica, S.A. (ETESA) is responsible for preparing tenders for the purchase of energy by distribution companies. Tenders are received, evaluated and awarded by ETESA. They are then assigned to each distribution company based on their requirements. Distribution companies are obliged to sign contracts based on the awarded bids.

ENSA has several long-term unconditional contractual obligations related to the purchase of energy capacity. The incremental amounts of payments required for such obligations are presented below:

Year	**Payment Obligations.**
2025	182,901,000
2026	176,278,000
2027	174,982,000
2028	188,169,000
Hereinafter	693,840,000
Total	1,416,170,000

The Group made disbursements of B/.163,778,000 (2023: B/.116,839,988), in unconditional contracts, related to the purchase of long-term energy capacity.

(In balboas)

21. Other liabilities

The composition of other financial liabilities is as follows:

	2024	2023
Non-current		
Income received in advance	**78,534**	109,757
Government grants	**1,247,958**	1,353,555
Total other current liabilities	**1,326,492**	1,463,312
Current		
Income received in advance	**31,221**	38,413
Government grants	**105,596**	105,595
Total other non-current liabilities	**136,817**	144,008
Total other liabilities	**1,463,309**	1,607,320

21.1 The change in income received in advance is as follows:

Opening Balance	**148,170**	191,244
Recognized in profit or loss	**(38,415)**	(43,074)
Closing Balance	**109,755**	148,170

21.2 The movement of government grants is as follows:

	2024	2023
Opening Balance	**1,459,150**	1,564,746
Recognized in profit or loss	**(105,596)**	(105,596)
Closing Balance	**1,353,554**	1,459,150

(In balboas)

22. Changes in liabilities from financing activities

The reconciliation of liabilities arising from financing activities is as follows:

Conciliation of liabilities arising from financing activities 2024	2024			
	Opening Balance	Cash Flow		Total
Loans and borrowings (see note 16)	429,781,236	795,467,197	(770,855,501)	454,392,932
Lease liabilities (see note 18)	617,666	-	(118,288)	499,378
Shares held in trust (see note 14)	(574,511)	-	(42,759)	(617,270)
Dividends or surplus paid and Complementary Tax (see note 14)	-	-	(53,120,733)	(53,120,733)
Total liabilities from financing activities	429,824,391	795,467,197	(824,137,281)	401,154,307

Conciliation of liabilities arising from financing activities 2024	2023				
	Opening Balance	Cash Flow		Other Changes	Total
Loans and borrowings (see note 16)	382,960,943	832,777,302	(785,957,009)		429,781,236
Lease liabilities (see note 18)	365,923	-	(184,078)	435,821	617,666
Dividends or surplus paid and Complementary Tax (see note 14)	-	220,525	(37,869,779)		(37,649,254)
Total liabilities from financing activities	383,326,866	832,997,827	(824,010,866)	435,821	392,313,827

23. Deferred regulatory accounts

ENSA is subject to regulation by ASEP. This entity is responsible for regulating and establishing the rates that the Company invoices its customers. The Company maintains its accounting records in accordance with the uniform system of accounts established by the ASEP for electricity companies.

The regulated system under which the Company operates allows any excess or deficiency between the estimated cost of energy considered in the tariff and the current cost incurred by the Company to be included as a compensatory adjustment, to be recovered or returned to customers, in the next tariff review in which it is carried out every six months. Any excess in the cost of energy charged to customers is accumulated as a credit balance in the deferred regulatory account in the consolidated statements of financial position of the Company and entails a reduction in the next tariff revision to be applied to customers. In the same way, any deficit in the cost of energy charged to customers is accumulated as a debit balance in the deferred regulatory account in the consolidated statements of financial position of the Company and leads to an increase in the next tariff revision to be recovered from customers.

(In balboas)

Deferred regulatory accounts with debit balance represent probable future revenue associated with certain costs that are expected to be recovered from customers through the fee process. Deferred regulatory accounts with a credit balance represent likely reductions in future revenues associated with amounts expected to be credited to customers through the fee process.
The change of accounts of provisions is as follows:

	Assets (Liabilities)	
	2024	**2023**
Regulatory Accounts		
Opening Balance	**36,075,659**	11,665,788
Recognized in other comprehensive income	**33,781,040**	24,409,871
Ending Balance	**69,856,699**	36,075,659

The increase in regulatory assets was mainly due to the increase in the monomic related to the cost of energy, which generated a reserve receivable in the coming tariff periods. This rate reserve is adjusted every 6 months to recognize the fluctuation in energy costs.

Cash flows used by the regulatory accounts decreased to B/.23,646,728 (2023: B/.17,086,909), which, by Group policy, are classified as operating activities in the consolidated statement of cash flows.

The movement of the deferred tax associated with the regulatory accounts is as follows:

	Assets (Liabilities)	
	2024	**2023**
Deferred tax related to regulatory accounts		
Opening Balance	**(10,822,697)**	(3,499,736)
Increases	**(10,134,312)**	(7,322,961)
Ending Balance	**(20,957,009)**	(10,822,697)

Balances associated with regulatory accounts deferred according to the regulation must be recovered or returned in the following two semesters.

(In balboas)

24. Income from ordinary activities

The Group, for presentation purposes, disaggregates its income for the services it provides, according to the business lines in which it participates and the way in which management analyzes them. The breakdown of commission income is presented below:

	2024	2023
Provision of services		
Energy distribution service	**800,335,506**	703,572,599
Fees	**4,266,709**	2,791,505
Connection / reconnection	**1,732,569**	1,956,816
Late payment charge	**1,787,974**	1,988,686
Other services	**1,429,885**	2,246,515
Fines and penalties	**543,321**	484,423
Total revenues from ordinary activities	**810,095,964**	713,040,544
Other income (note 24.1)	**3,689,993**	2,808,176
Total income	**813,785,957**	715,848,720

In the Group, performance commitments are fulfilled as follows:

Power Distribution Service: The performance obligation is satisfied when the electric power service is supplied to the customer according to their request.

The Group recognizes all its revenues from the satisfaction of performance obligations. The Group has no pledged revenue, nor firm commitments to clients, for the provision of future services.

24.1 Other income

Other income	2024	2023
Valuation of investment properties (Note 5)	**(151,400)**	60,802
Government grants	**105,596**	105,595
Recoveries	**456,065**	221,328
Other ordinary income	**1,225,502**	1,920,960
Other income	**2,054,230**	499,491
Total other income	**3,689,993**	2,808,176

(In balboas)

25. Costs for provision of services and sale of goods

The detail of the costs for services rendered is as follows:

	2024	2023
Cost of services rendered		
Other costs of public goods and services for sale	**559,468,176**	502,972,399
Use of lines, networks and pipelines	**29,988,419**	27,074,887
Depreciation (notes 4 and 7)	**35,530,777**	34,429,443
Orders and contracts for other services	**21,425,022**	18,924,851
Personal services	**11,861,778**	8,843,718
Maintenance and repair orders and contracts	**4,709,350**	4,561,487
General	**1,857,574**	1,621,238
Taxes and fees	**1,231,909**	1,007,869
Leases	**865,684**	567,160
Amortization of right-of-use assets (Note 9)	**165,766**	187,778
Other	**342,926**	432,344
Total cost of services rendered	**667,447,381**	600,623,174

During the year ended December 31, 2024, other costs of public goods and services for sale were recognized by B/.559,468,176 (2023: B/.502,972,399) detailed as: purchase of energy B/.549,281,820 (2023: B/.497,638,953) and costs of sales B/.10,186,356 (2023: B/.5,333,446).

(In balboas)

26. Administrative Expenses

The detail of the administrative expenses is as follows:

	2024	2023
Personnel expenses:		
Wages and salaries	**9,526,272**	7,921,827
Social security expenses	**1,305,386**	1,220,986
Collective bargaining agreement benefits	**108,520**	96,783
Other	**1,433,819**	1,032,267
Total personnel expenses	**12,373,997**	10,271,863
General expenses:		
Depreciation of property, plant, and equipment and amortization of intangibles (Notes 4 and 7).	**5,050,027**	11,350,770
Commissions, fees, and services	**4,530,750**	3,494,658
Taxes, contributions, and fees	**2,896,204**	2,217,853
Maintenance	**4,781,873**	2,235,570
Utility services	**1,522,629**	1,323,322
General insurance	**1,076,823**	869,020
Fuel and lubricants	**439,570**	460,265
Printed matter, publications, subscriptions, and memberships	**137,367**	164,400
Advertising and publicity	**365,447**	277,148
Per diem and travel expenses	**195,858**	172,698
Provision for contingencies	**(150,000)**	
Cleaning and cafeteria supplies	**23,147**	27,235
Leases	**1,018**	1,230
Security equipment	**216,466**	149,704
Photocopies	**45,028**	38,738
Legal expenses	**372,159**	491,304
Other	**979,518**	876,530
Total general expenses	**22,483,884**	24,150,445
Total	**34,857,881**	34,422,308

For the period 2023, the Group had planned to replace the commercial SAP system and the SAP EPR so the useful life of the systems was adjusted having an impact of B/.5,696,473; however, for the period 2024 the project of the entry of the new systems was suspended.

The operating lease installments recognized in the result of the year are for B/.866,702 (2023: B/.568,390), included in the costs for the provision of services and administrative expenses.

(In balboas)

27. OTHER EXPENSES

The breakdown of other expenses is as follows:

	2024	2023
Loss on disposal of assets	**7,910,701**	3,850,868
Sale of furniture and equipment	**(145,601)**	(28,571)
Loss on disposal of inventories	**151,880**	321,329
Total	**7,916,980**	4,143,626

The loss of fixed asset disposal occurs due to the withdrawal of damaged meters, defective transformers, burned luminaires and other assets to a lesser extent.

28. Financial income and expenses

28. Financial Income

The breakdown of financial income is as follows:

	2024	2023
Financial income		
Interest income:		
Bank deposits	**450,527**	265,904
Other financial income	**361,696**	176,291
Total	**812,223**	442,195

28.2 Financial expenses

The breakdown of financial expenses is as follows:

	2024	2023
Interest expenses:		
Loans and bonds	**27,550,322**	21,049,710
Interest on leases	**33,578**	16,502
Less: capitalized interest on qualifying assets	**(55,069)**	(5,694)
Other financial expenses (income)	**299,209**	(105,709)
Total	**27,828,040**	20,954,809

(In balboas)

29. Income Taxes

29.1 Tax provisions

Income tax returns, including those for the year ended December 31, 2024, are subject to review by the tax authorities for the last three fiscal years, according to current regulations.
As of January 1, 2010, with the entry into force of Law No. 8 of March 15, 2010, Article 699 of the Tax Code indicates that legal entities whose taxable income exceeds one million five hundred thousand balboas (B/.1,500,000) per year must pay income tax at a rate of 25%.

In addition, the Tax Code indicates that companies that the State has a shareholding greater than forty percent (40%) of the shares will pay income tax at the rate of 30%.

The income tax rate will be applied on the higher of: (1) the net taxable income calculated by the traditional method established in Title I of the Fourth Book of the Tax Code, or (2) the net taxable income resulting from applying four-point sixty-seven percent (4.67%) to the total taxable income.

On August 29, 2012, Law No. 52 entered into force modifying the rules on the Transfer Pricing regime with the aim of regulating prices, for tax purposes on transactions carried out between related parties, with the consideration that such transactions are similar to those carried out with independent parties. Under these rules, taxpayers who conduct transactions with related parties that have an impact on income, costs, and deductions in determining taxable income for income tax purposes for the period in which a transaction is reported or conducted must prepare an annual report on the transactions conducted within six months of the end of the applicable tax period (Form 930).

Such transactions must undergo a study in order to establish compliance with the assumption contemplated by the Law. At the date of these consolidated financial statements, the Group is in the process of completing such analysis; however, according to Management, it is not expected to have a material impact on the estimate of income tax for the year.

(In balboas)

29.2 Reconciliation between financial profit before income tax and taxable income

The reconciliation between the applicable tax rate and the effective rate and the composition of income tax expense for the periods 2024 and 2023 is as follows:

Elektra Noreste, S. A.

	2024	%	2023	%
Income before taxes	**69,584,259**		47,107,515	
Income tax rate	**30%**		30%	
Nominal income tax rate	**20,875,278**	30.0	14,132,255	30.0
Effect of permanent and temporary tax differences:				
Provision for bad debts	**1,359,575**		1,543,550	
Obsolete inventory	**(32,347)**		(38,959)	
Non-deductible portion of depreciation	**455,792**		455,792	
Allowance for offsets	**(5,469,329)**		(923,882)	
Litigation reserve	**(150,000)**		(150,000)	
Provision for bonus	**879,665**		(188,395)	
Provision for seniority premium	**(519,881)**		(244,317)	
Replacement asset depreciation	**2,265**		2,265	
Decommissioning provision	**171,587**		(54,860)	
Provision for retired light discount	**(4,843)**		(12,291)	
Provision for retirement bonus	**(3,297)**		(23,276)	
Investment property	**151,400**		170,273	
Non-taxable income adjustment CVC	**(6,464,817)**		16,324,491	
Accounting adjustments	**(81)**		(16,948)	
Surcharge and penalties	**3,315**		43,084	
Non-deductible expenses	**24,904**		20,805	
Inventories	**(12,014)**		(862)	
Interest on bank deposits	**(439,346)**		(261,117)	
Decrease/disallowance of loss	**-**		(1,774,811)	
Net taxable income for the year	**59,536,807**		61,978,057	
Income tax at effective rate	**17,861,041**		18,593,416	
Prior year income adjustment	**273,047**		80,891	
Detail of current and deferred expense				
Current tax	**18,134,088**		18,674,307	
Deferred income tax	**3,160,160**		(4,525,673)	
Income tax	**21,294,248**	30.6	14,148,634	30.0

(In balboas)

ENSA Servicios, S. A.	2024	%	2023	%
Income before taxes	**2,872,663**		4,049,930	
Income tax rate	**25%**		25%	
Nominal income tax rate	**718,166**	25.0	1,012,483	25.0
Effect of permanent and temporary tax differences:				
Provision for bad debts	**23,243**		(12,015)	
Provision for seniority premium	**(62,250)**		9,635	
Finance lease	**-**		-	
Average cost	**-**		997	
Surcharge and penalties	**-**		5	
Non-deductible expenses	**76,192**		75,142	
Pro rata non-taxable income	**(115,540)**		(185,355)	
Interest on bank deposits	**(11,181)**		(4,787)	
Adjustment of non-taxable income account receivable	**(755,253)**		(4,787)	
Net taxable income for the year	**2,027,874**		3,928,765	
Income tax at effective rate	**506,969**		982,191	
Adjustment to previous year's tax return	**28,794**		13,987	
Current tax	**535,763**		996,178	
Detail of current and deferred expense				
Current tax	**535,763**		997,375	
Deferred income tax	**198,566**		2,884	
Income tax	**734,329**	25.6	1,000,259	24.6

29.3 Income tax recognized in profit or loss

The most significant components of income tax expense at the reporting date are:

	2024	2023
Current income tax		
Current income tax expense	**18,294,714**	19,576,804
Adjustments recognized in the current period related to current income taxes of prior periods	**375,136**	94,878
Total de impuesto sobre la renta corriente	**18,669,850**	19,671,682
Total current income tax		
Deferred income tax		
Net deferred tax expense (income) related to the origin and reversal of temporary differences	**3,358,727**	(4,522,789)
Total deferred income tax	**3,358,727**	(4,522,789)
Income tax	**22,028,577**	15,148,893

(In balboas)

The value of the current income tax asset or liability is as follows:

	2024	2023
Current income tax asset (liability), net	**(5,318,828)**	(5,794,431)
Income tax	**(18,669,850)**	(19,671,682)
Credit balances	**26,348,685**	20,147,285
Total income tax assets (or liabilities), net	**2,360,007**	(5,318,828)

29.4 Income tax recognized in other comprehensive income

The breakdown of the tax effect corresponding to each component of the "other comprehensive income" of the statement is as follows:

Other integral result of the statement of comprehensive income	2024			2023		
	Gross	Effect	Net	Gross	Effect	Net
Items that will not be subsequently reclassified to profit or loss for the period						
New measurements of defined benefit plans - Elektra Noreste,S.A.	(154,477)	46,343	(108,134)	(13,744)	4,123	(9,621)
New defined benefit plan remeasurement - Ensa Servicios, S.A.	(20,304)	5,076	(15,228)	13,980	(3,495)	10,485
Total	(174,781)	51,419	(123,362)	236	628	864

29.5 Deferred tax

The detail of the deferred taxes is as follows:

	2024	2023
Net deferred tax assets	**-**	426,098
Net deferred tax liability	**(2,881,210)**	-
Total net deferred tax	**(2,881,210)**	426,098

(In balboas)

The deferred tax item recognized in assets of the consolidated statement of financial position as of December 31, 2024 has the following composition:

	Opening Balance	Net changes included in income	Changes included in ORI	Closing Balance
Current assets:				
Accounts receivable (i)	(1,655,958)	(1,525,761)	-	(3,181,719)
Inventories	33,754	(9,704)	-	24,050
Non-current assets:				
Property, plant and equipment	(866,165)	(51,396)	-	(917,561)
Other	(167,063)	(13,019)	-	(180,082)
Investment property	(812,409)	45,420	-	(766,989)
Current liabilities:				
Employee benefits	1,377	(1,453)	-	(76)
Provisions	3,638,739	(1,710,354)	-	1,928,385
Other liabilities	503,369	(990)	-	502,379
Non-current liabilities:				
Employee benefits	(249,548)	(91,470)	51,419	(289,599)
Unused tax losses and credits	2		-	2
Total deferred tax assets/liabilities	426,098	(3,358,727)	51,419	(2,881,210)

The deferred tax item recognized in assets of the consolidated statement of financial position as of December 31, 2023 has the following composition:

	Opening Balance	Net changes included in profit or loss	Changes included in ORI	Closing Balance
Current assets:				
Accounts receivable (i)	(7,013,367)	5,357,409	-	(1,655,958)
Inventories	45,442	(11,688)	-	33,754
Non-current assets:				
Property, plant and equipment	(1,003,582)	137,417	-	(866,165)
Other	(150,983)	(16,080)	-	(167,063)
Investment property	(863,491)	51,082	-	(812,409)
Current liabilities:				
Employee benefits	5,064	(3,687)	-	1,377
Provisions	3,960,904	(322,165)	-	3,638,739
Other liabilities	559,888	(56,519)	-	503,369
Non-current liabilities:				
Employee benefits	(169,641)	(80,535)	628	(249,548)
Unused tax losses and credits	532,446	(532,444)	-	2
Total deferred tax assets/liabilities	(4,097,320)	4,522,789	628	426,098

(In balboas)

30. Related party disclosures

ENSA is a commercial company, whose owners are Panama Distribution Group, S.A. (PDG), which owns 51% of the authorized, issued and outstanding common shares; the Panamanian government, and former employees of IRHE who own 48.25% and 0.42%, respectively. Related parties of ENSA, subsidiaries, associates, joint ventures and companies that resulted after the restructuring of Panama's electricity sector, in which the Panamanian government has a stake and key management personnel can exercise control or joint control and post-employment benefit plans for the benefit of employees, are considered.

On June 20, 2017, ENSA signed with Hidroecológica del Teribe, S.A., a company that belongs to the EPM business group, a contract for legal and IT services, as well as the lease of a physical space in the Group's corporate building. As of December 31, 2024, the amount recognized as income is B/.228,877 (2023: B/.225,886) and the account receivable B/.20,067 (2023: B/.20,094) proceeds of this agreement.

In the normal course of business, ENSA buys electricity from generators and other distribution companies, sells energy to government institutions, and makes payments to the transmission company.

Below is the total value of the transactions carried out by the Group with its related parties during the corresponding year:

Related party transactions and balances	Income	Cost/Expenses	Values receivable	Amounts payable
Parent company				
2024	-	37,049		7,543
2023	-	86,301	-	6,315
Entities with joint control or significant influence over the Company:				
2024	106,502,954	-	21,681,679	-
2023	98,635,569	-	22,440,631	-
Key management personnel:				
2024	-	2,735,295	-	-
2023	-	3,296,912	-	-
Other related parties:				
2024	661,353	176,808,821	479,441	11,348,600
2023	661,077	160,624,096	394,866	12,099,990

The breakdown of the income obtained by the Group from its related parties is as follows:

	Incomes	2024	2023
Entities with joint control or significant influence over the Group	Sale of goods and services	**106,502,954**	98,635,569
Other related parties	Sale of goods and services	**661,353**	661,077
ncurred with related parties		**107,164,307**	99,296,646

The breakdown of the costs and expenses incurred by the Group with its related parties is as follows:

Costs and Expenses		2024	2023
Parent company	Acquisition of goods and services	**37,049**	86,301
Key management personnel	Fees	**2,735,295**	3,296,912
Other related parties	Acquisition of goods and services	**176,808,821**	160,624,096
Total costs and expenses incurred with related parties		**179,581,165**	164,007,309

(In balboas)

Transactions and balances with related Government entities

ENSA is obliged by law to guarantee through contracts the coverage of 100% of the demand of its regulated clients within the following 24 months. The power purchase strategy is based on entering into medium and long-term contracts to protect customers from sharp fluctuations in tariff generation charges. In addition, ENSA pays Empresa de Transmisión Eléctrica, S.A. (ETESA), a company 100% owned by the Panamanian State, a fee regulated by the connection and use of the transmission system.

Remuneration to the Board of Directors and key Group personnel:

Key management staff members in the Group include the General Manager, Vice Presidents and members of the Group Executive Committee. The amounts disclosed are those recognized as cost or expense during the reporting period for compensation of key management personnel.

Concept	2024	2023
Salaries, other short term employee benefits and fees	**2,735,295**	3,296,912
Remuneration to key management personnel	**2,735,295**	3,296,912

31. Capital management

The Group's capital consists of debt (short-term and long-term loans and senior bonds) and equity (composed of equity capital, other comprehensive income and retained earnings). The main objective of the Group's capital management is to ensure that a strong credit rating and healthy capital ratios are maintained in order to support the sustainability of the business and maximize the return for shareholders.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and as required by financial agreements. To maintain or adjust the capital structure, the Group may adjust the payment of dividends to shareholders and agree on adjustments to the payment terms with its suppliers. No changes were made to these objectives during the years ended December 31, 2024 and 2023.

The Group tracks capital using a debt ratio, which is debt divided by EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization), in accordance with the requirements of the current financial agreements, which share the ceiling of 3.5 to 1.0 and foreseeing that violations of the financial clauses would allow bondholders to call immediately for early cancellation. For the calculation of EBITDA, the Group considers net income including the net movement of regulatory deferred accounts, consistent with the accounting policy in force when issuing the bonds and reported periodically to the respective entities. The Group's policy is to maintain this debt ratio at levels below 3.50 times its EBITDA and a financial debt ratio below 200%.

(In balboas)

To achieve this general objective, the Group's capital management, among other things, first optimizes the management of current financial assets and liabilities and, if required, adopts long-term structural decisions. During the years ended December 31, 2024 and 2023 there have been no breaches of the financial clauses of bond issues and bank debt.

	2024	**2023**
Short-term debt	**76,000,000**	200,000,000
Long-term debt	**200,000,000**	50,000,000
Senior notes 2027	**80,000,000**	80,000,000
Senior notes 2036	**100,000,000**	100,000,000
Cash and cash equivalents	**(12,719,037)**	(9,554,212)
Total net debt	**443,280,963**	420,445,788
Common stock, including treasury stock	**106,025,692**	106,068,451
Comprehensive income or loss	**(525,175)**	(401,813)
Retained earnings	**146,912,205**	126,423,273
Total shareholders' equity	**252,412,722**	232,089,911
Debt to EBITDA ratio	**176%**	181%
Indebtedness to EBITDA (times)	**2.51**	2.94

32. Financial risk management objectives and policies

The Group is exposed to financial risk, which is defined as the possibility of an event that negatively affects financial results, including market risk, interest rate risk, exchange rate risk, credit risk, and liquidity risk.

Risks are described in each of the following sections:

The Group is exposed to financial risks that are part of the business line, so it seeks to establish the measurement, impact and monitoring parameters that allow the necessary prevention and control measures to be taken in the event of a risk situation. The risks are reviewed by Management periodically with the purpose of updating their status and addressing them in a timely manner in the event of an eventuality, if applicable.

32.1 Market risk

Risk is defined as the possibility that the fair value or future cash flows of a financial instrument could fluctuate as a result of variations in market prices. The Group has determined that it has no financial instruments significantly affected by market risk. Although thermal generation contracts involve a price adjustment depending on the price fluctuations of the "bunker" fuel, which generates variations in cash flow expenditures, these variations in energy purchase costs due to regulatory provisions are transferred in their entirety to customers through semi-annual adjustments to the rate.

(In balboas)

32.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate as a result of changes in market interest rates. The Group is exposed to interest rate risk because it incurs short-term debt. The risk is managed by the Group by maintaining an appropriate balance between long-term and short-term debt. In order to minimize the impact of interest rate fluctuations on our cash flows, the Group has a practice of negotiating margins with preferred banking institutions and entering into short-term transactions with fixed rates established at the time of placement.

The Group also has credit lines available with financial institutions that allow it to withstand potential cash shortfalls to meet its short-term commitments, if required.

As of December 31, 2024, the Group holds 44% (2023: 41%) of the debt contracted at a floating interest rate and 56% (2023: 59%) at a fixed interest rate. The Administration's position regarding its financing structure, and given the liquidity of the market, has been to contract short-term debt until it accumulates representative levels, at which point it migrates to long-term indebtedness.

Interest rate sensitivity analysis

The following table indicates the sensitivity to a possible reasonable change in the interest rates of financial instruments exposed to this risk. Keeping the other variables constant, the profit/loss before taxes and the equity of the Group would be affected by changes in variable interest rates as follows:

			Financial effect	
2024	**Increase/ decrease in basis points**	**Value at risk**	**Income before taxes**	**In Equity**
Financial liabilities measured at amortized cost				
Loans and receivables	100	456,000,000	(4,406,896)	(1,322,069)
	(100)	456,000,000	4,406,896	1,322,069
2023				
Financial liabilities measured at amortized cost				
Loans and receivables	100	430,000,000	(3,901,653)	(1,170,496)
	(100)	430,000,000	3,901,653	1,170,496

32.1.2 Exchange rate risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate as a result of changes in exchange rates. Our revenues are denominated in balboas, and loans and other obligations are denominated in balboas and U.S. dollars. We do not face any exchange rate risk due to the adoption of the U.S. dollar as legal tender and functional currency of Panama and the parity of the value of the balboa and the U.S. dollar. We do not use exchange rate swaps as hedges against foreign currency risks.

(In balboas)

32.1.3 Credit risk

Credit risk is the risk that one of the counterparties does not comply with the obligations derived from a financial instrument or purchase contract and this translates into a financial loss. Financial instruments that are potentially subject to credit risk for the Group are cash and cash equivalents, trade receivables, accounts receivable from related parties and other financial assets.

Customer credit risk is managed in part by requiring the equivalent of one month's billing as a security deposit for all new customers (See Note 17). Existing customers with good payment history can open additional accounts without this escrow. The Group considers that it has no significant concentration of credit risk with respect to non-governmental accounts.

The concentration of credit risk is limited because the Group is mainly engaged in the distribution and marketing of electricity to customers located in its concession area. The Group does not believe that there is a significant risk of loss, as a result of the concentration of credit, given that a large number of its clients that make up the portfolio are geographically dispersed.

Industrial and commercial customers generally provide bank deposits or guarantees equivalent to one month's estimated cost of service in order to be able to connect to electricity services. These deposits or guarantees can be offset against past due debt for this category of customers. Past due government accounts may vary depending on the budget approval processes of each governmental entity. These accounts tend to be paid after their initial due date, mostly due to complications in the governmental processes of submitting accounts for cancellation. ENSA charges interest on late payments. However, once these government budgets are approved and the process is completed, the Group is mainly able to recover the entire overdue government receivable.

The Electricity law of 1997 allows electricity distribution companies to interrupt service to any customer whose bill is not cancelled within 60 days of billing. The Group's policy is to actively contact commercial and industrial customers whose invoices are overdue. If a satisfactory agreement is not reached, the service is suspended until late collection is obtained or a satisfactory payment agreement is obtained. Outages are routinely handled for our residential customers after they have been given a notice of termination on a subsequent invoice, a notification letter, a phone call, or any other means of notification at our disposal to inform them of their outstanding balance and termination of service. Most severed customers reconnect after the customer cancels the overdue invoice or signs a satisfactory financing agreement. The Electricity Act 1997 allows distribution companies to charge interest on overdue debt from 30 days after the billing date. The Group currently uses a regulated interest rate based on the average rate available at local banks. Service is restored once payment of overdue debt and interest is made. Regular monitoring of accounts receivable and daily outage service actions are used to limit the risk of providing ongoing service to delinquent customers.

In addition, the Group considers that its potential credit risk is adequately covered by the provision for impairment of accounts receivable for utilities.

(In balboas)

With respect to credit risk arising from the Group's other financial assets, which comprise cash and cash equivalents, other receivables, and other financial assets, the Group's exposure to credit risk arises from the counterparty's default, with a maximum exposure equal to the carrying amount of these instruments. The Group limits counterparty credit risk on these assets by dealing commercially only with highly rated financial institutions with an investment grade of at least between AA and BBB-. The Group considers that the value that best represents its exposure to credit risk at the end of the year, without considering any collateral taken or other credit enhancements is:

	2024	**2023**
Cash and cash equivalents	**12,424,771**	9,254,197
Restricted cash	**294,266**	300,015
Trade and other receivables	**149,363,240**	174,384,457
Other non-current assets	**5,547,034**	4,937,053
Maximum exposure to credit risk	**167,629,311**	188,875,722

32.1.4 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities that are settled through the delivery of cash or another financial asset. The Group monitors its risk of funds shortage by monitoring its debt ratio and the maturity dates of its existing debt and other accounts payable.

The Group has adopted liquidity risk management practices that are intended to maintain sufficient cash and liquid financial assets. Because the Group invests its operating funds to support the annual investment program, it does not routinely hold significant amounts of surplus cash for additional investments. The main source of liquidity is the funds generated by operations and, to a lesser extent, by short-term financing lines. The Group considers that its sources of liquidity are sufficient to meet the needs.

The concentration of liquidity risk is managed by the Group negotiating credit facilities with different financial institutions in Panama that allow it to access funds in an expeditious and reliable manner.

The following table shows the remaining contractual maturity analysis for non-derivative financial liabilities:

	On books	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	More than 4 years	Total contractual obligation
2024							
Non-derivative financial liabilities							
Credits and loans	454,392,932	77,245,130	24,042,318	24,042,318	103,845,342	357,373,341	586,548,449
Creditors and other accounts payable	184,177,080	150,367,148	5,433,291	1,807,810	4,479,425	38,309,284	200,396,958
Other financial liabilities	499,378	135,161	165,817	132,042	89,567	85,273	607,860
Employee benefits	2,414,542	24,849	33,041	35,893	38,990	3,467,452	3,600,225
Other liabilities	1,463,309	136,817	180,577	187,589	195,527	1,178,512	1,879,022
Total	642,947,241	227,909,105	29,855,044	26,205,652	108,648,851	400,413,862	793,032,514

(In balboas)

	On books	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	More than 4 years	Total contractual obligation
2023							
Non-derivative financial liabilities							
Credits and loans	429,781,236	216,423,079	33,520,728	7,654,000	87,457,025	133,038,137	478,092,969
Creditors and other accounts payable	185,622,287	151,791,880	3,837,532	3,597,439	7,983,764	33,728,428	200,939,043
Other financial liabilities	617,666	126,679	125,084	136,253	141,590	227,905	757,511
Employee benefits	2,501,655	24,476	32,057	34,301	36,702	3,328,331	3,455,867
Other liabilities	1,607,320	144,008	208,495	218,994	230,440	1,002,793	1,804,730
Total	620,130,164	368,510,122	37,723,896	11,640,987	95,849,521	171,325,594	685,050,120

The values included in the table above for non-derivative financial liabilities may change upon changes in the variable interest rate relative to the estimated interest rate at the end of the reporting period. The Group considers that cash flows cannot occur earlier than indicated above.

33. Fair value measurement on a recurring and non-recurring basis

The methodology set out in IFRS 13 - Fair Value Measurement specifies a hierarchy in valuation techniques based on whether the variables used in determining fair value are observable or unobservable. The Group determines fair value on a recurring and non-recurring basis, as well as for disclosure purposes:

- Based on quoted prices in active markets for identical assets or liabilities that the Group can access at the measurement date (level 1).
- Based on valuation techniques commonly used by market participants that use variables other than quoted prices that are observable for the assets or liabilities, directly or indirectly (level 2).
- Based on internal valuation techniques of discounted cash flow or other valuation models, using variables estimated by the Group that are not observable for the asset or liability, in the absence of variables observed in the market (level 3).

There have been no transfers between the levels of the fair value hierarchy, given that there have been no transfers of inputs and outputs.

Valuation techniques and variables used by the Group in the measurement of fair value for recognition and disclosure:

The fair value for fixed rate long-term debt instruments has been determined with Tier 1 input data using quoted prices in active markets for identical liabilities that the Group can access at the measurement date.

The fair value for variable interest rate long-term debt instruments has been determined with level 3 input data, using a discounted cash flow methodology based on available market information.

Trade receivables, payables and short-term debt; the accumulated amount approximates fair value due to the short maturity of these instruments.

(In balboas)

All financial liabilities detailed below except employee benefits are measured at cost or amortized cost, but their fair value is required to be disclosed.

	2024			
	Value in Books	Level 2	Reasonable Value Level 3	Total
Liabilities				
Debt instrument - fixed rate	256,359,995	153,175,600	76,000,000	229,175,600
Debt instrument - variable rate	198,032,937	198,032,937	-	198,032,937
Accounts payable and other accounts payable	184,177,080	-	174,913,081	174,913,081
Other financial liabilities	499,378	-	418,050	418,050
Employee benefits	2,414,542	-	2,399,123	2,399,123
Other liabilities	1,463,309	-	1,095,601	1,095,601
Total	642,947,241	351,208,537	254,825,855	606,034,392

	2023			
	Value in Books	Level 2	Reasonable Value Level 3	Total
Liabilities				
Debt instrument - fixed rate	255,165,314	156,337,600	75,000,000	231,337,600
Debt instrument - variable rate	174,615,922	174,615,921	-	174,615,921
Accounts payable and other accounts payable	185,622,287	-	179,287,201	179,287,201
Other financial liabilities	617,666	-	511,158	511,158
Employee benefits	2,501,655	-	2,501,655	2,501,655
Other liabilities	1,607,320	-	1,290,694	1,290,694
Total	620,130,164	330,953,521	258,590,708	589,544,229

34. Operating Segments

The Group has two reportable segments, as described below, which are strategic business units of the Group. Strategic business units offer different products and services and are managed separately because they require different marketing strategies. For each of the strategic business units, the Group Chief Executive reviews the internal management reports, at least on a quarterly basis.

The following summary describes the operations of each reportable segment:

Segment to be reported on	**Operations**
Provision of Services	Purchase of energy in blocks and its transport through the distribution networks to customers. In addition, ENSA performs the transformation of linked voltage, delivery of energy to consumers, measurement, reading, billing and collection of energy. Likewise, the Company is responsible for installing, operating and maintaining public lighting in the concession area.
Sale of goods	Sale of spare parts and provision of technical, commercial and any other complementary services to the provision of electricity service.

(In balboas)

Information on the results of each reportable segment is included below:

2024	**Energy Distribution and Commercialization**	**Other Sale of Goods**	**Total Segments**	**Intersegment eliminations**	**Consolidated**
Provision of services	785,380,458	16,347,098	801,727,556	(1,392,050)	800,335,506
Other income	8,604,408	1,156,050	9,760,458	-	9,760,458
Total revenues from ordinary activities	793,984,866	17,503,148	811,488,014	(1,392,050)	810,095,964
Other income	5,082,862	-	5,082,862	(1,392,869)	3,689,993
Total revenues	799,067,728	17,503,148	816,570,876	(2,784,919)	813,785,957
Cost of services rendered and sale of goods	656,616,776	13,320,028	669,936,804	(2,489,423)	667,447,381
Administrative expenses	33,698,633	1,405,260	35,103,893	(246,012)	34,857,881
Impairment of accounts receivable	4,066,231	74,229	4,140,460	-	4,140,460
Other expenses	7,916,980	-	7,916,980	-	7,916,980
Financial income	(626,366)	(185,857)	(812,223)	-	(812,223)
Financial expenses	27,811,215	16,825	27,828,040	-	27,828,040
Income for the period before income tax	69,584,259	2,872,663	72,456,922	(49,484)	72,407,438
Income tax	21,294,249	734,328	22,028,577	-	22,028,577
Net income for the year before net change in deferred regulatory account balances	48,290,010	2,138,335	50,428,345	(49,484)	50,378,861
Net movement in regulatory account balances related to gains and losses	33,781,040	-	33,781,040	-	33,781,040
Net movement in deferred tax arising from balances			-		-
of regulatory accounts	(10,134,312)	-	(10,134,312)	-	(10,134,312)
Net income for the period and net movement			-		-
in deferred regulatory account balances	71,936,738	2,138,335	74,075,073	(49,484)	74,025,589
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans	(154,477)	(20,304)	(174,781)	-	(174,781)
Income taxes related to components that will not be reclassified	46,343	5,076	51,419	-	51,419
Other comprehensive income, net of taxes	(108,134)	(15,228)	(123,362)	-	(123,362)
Total comprehensive income for the year	71,828,604	2,123,107	73,951,711	(49,484)	73,902,227
Total assets	837,657,303	18,744,155	856,401,458	(315,077)	856,086,381
Deferred regulatory account debit balances	69,856,699	-	69,856,699	-	69,856,699
deferred tax liabilities related to deferred regulatory account balances	(20,957,009)	-	(20,957,009)	-	(20,957,009)
Total liabilities and credit balances of deferred regulatory accounts	886,556,993	18,744,155	905,301,148	(315,077)	904,986,071
Total liabilities and credit balances of deferred regulatory accounts	886,556,993	18,744,155	905,301,148	(315,077)	904,986,071

(In balboas)

2023	**Energy Distribution and Commercialization**	**Other Sale of Goods**	**Total Segments**	**Intersegment eliminations**	**Consolidated**
Provision of services	693,257,163	12,028,332	705,285,495	(1,712,896)	703,572,599
Other income	7,240,236	2,326,149	9,566,385	(98,440)	9,467,945
Total revenues from ordinary activities	700,497,399	14,354,481	714,851,880	(1,811,336)	713,040,544
Other income	5,279,539	-	5,279,539	(2,471,363)	2,808,176
Total revenues	705,776,938	14,354,481	720,131,419	(4,282,699)	715,848,720
Cost of services rendered and sale of goods	595,554,950	9,010,902	604,565,852	(3,942,678)	600,623,174
Administrative expenses	33,427,722	1,236,167	34,663,889	(241,581)	34,422,308
Impairment of accounts receivable	5,036,187	51,807	5,087,994	-	5,087,994
Other expenses	4,143,626	-	4,143,626	-	4,143,626
Financial income	(434,166)	(8,029)	(442,195)	-	(442,195)
Financial expenses	20,941,104	13,705	20,954,809	-	20,954,809
Income for the period before income tax	47,107,515	4,049,929	51,157,444	(98,440)	51,059,004
Income tax	14,148,634	1,000,259	15,148,893	-	15,148,893
Net income for the year before net change			-		-
in deferred regulatory account balances	32,958,881	3,049,670	36,008,551	(98,440)	35,910,111
			-		-
Net movement in regulatory account balances			-		-
related to gains and losses	24,409,871	-	24,409,871	-	24,409,871
Net movement in deferred tax arising from balances			-		-
of regulatory accounts	(7,322,961)	-	(7,322,961)	-	(7,322,961)
Net income for the period and net movement			-		-
in deferred regulatory account balances	50,045,791	3,049,670	53,095,461	(98,440)	52,997,021
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently					
to profit or loss					
Remeasurements of defined benefit plans	(13,744)	13,980	236	-	236
Income taxes related to components					
that will not be reclassified	4,123	(3,495)	628	-	628
Other comprehensive income, net of taxes	(9,621)	10,485	864	-	864
Total comprehensive income for the year	50,036,170	3,060,155	53,096,325	(98,440)	52,997,885
			-		-
Total assets	830,586,915	14,344,828	844,931,743	(453,161)	844,478,582
Deferred regulatory account debit balances	36,075,659	-	36,075,659	-	36,075,659
deferred tax liabilities related to deferred regulatory account balances	(10,822,698)	-	(10,822,698)	-	(10,822,698)
Total liabilities and credit balances of deferred regulatory accounts	855,839,876	14,344,828	870,184,704	(453,161)	869,731,543
			-		-
Total liabilities and credit balances of deferred regulatory accounts	634,269,189	3,677,164	637,946,353	(304,721)	637,641,632

(In balboas)

35. Events occurring after the reporting period

The Group evaluated all events and transactions that took place between the date of the consolidated statement of financial position and the date on which the consolidated financial statements were issued and determined that no additional disclosures are required.

36. Approval of the financial statements

The consolidated financial statements for the year ended December 31, 2024, were approved for issue by the Group's Board of Directors on February 20, 2025.

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Elektra Noreste, S.A. and subsidiary
Annex I
(51% owned by Panama Distribution Group, S. A.)
Appendix of Consolidation - information on the Consolidated Statement of Financial Position, continued
December 31, 2024

(In balboas)

	Notes	2024	Eliminations	Sub-total	Elektra Noreste, S. A.	ENSA Servicios, S. A.
Assets						
Non-current assets						
Property, plant and equipment, net	4	611,959,117	(248,727)	612,207,844	610,160,206	2,047,638
Inventories	12	3,412,270	-	3,412,270	3,412,270	-
Investment property	5	3,806,200	-	3,806,200	3,806,200	-
Other intangible assets	7	30,765,645	-	30,765,645	30,765,645	-
Deferred tax assets, net	29	-	-	-	-	-
Right-of-use assets	9	425,109	-	425,109	425,109	-
Other assets	11	5,547,034	-	5,547,034	5,424,190	122,844
Investment in subsidiary		-	(50,000)	50,000	50,000	-
		655,915,375	(298,727)	656,214,102	654,043,620	2,170,482
Current assets						
Inventories						
Trade and other receivables	12	29,776,034	-	29,776,034	27,233,365	2,542,669
Current income tax assets	8	149,363,240	(16,350)	149,379,590	142,373,291	7,006,299
Other assets	29	2,360,007	-	2,360,007	1,854,792	505,215
Cash and cash equivalents	11	5,952,688	-	5,952,688	1,248,168	4,704,520
Total current assets	13	12,719,037	-	12,719,037	10,904,067	1,814,970
Total assets		200,171,006	(16,350)	200,187,356	183,613,683	16,573,673
		856,086,381	(315,077)	856,401,458	837,657,303	18,744,155
Deferred regulatory account debit balances	23	69,856,699	-	69,856,699	69,856,699	-
deferred tax liabilities related to deferred regulatory account balances	23	(20,957,009)	-	(20,957,009)	(20,957,029)	-
Total assets and deferred regulatory account debit balances		904,986,071	(315,077)	905,301,148	886,556,993	18,744,155

(Continua)

Elektra Noreste, S.A. and subsidiary
Annex I
(51% owned by Panama Distribution Group, S. A.)
Appendix of Consolidation - information on the Consolidated Statement of Financial Position, continued
December 31, 2024

(In balboas)

	Notes	2024	Eliminations	Sub-total	Elektra Noreste, S. A.	ENSA Servicios, S. A.
Equity and liabilities						
Equity						
Issued capital	14	106,642,962	**(50,000)**	106,692,962	106,642,962	50,000
Treasury stock	14	(617,270)	-	(617,270)	(617,270)	-
Accumulated other comprehensive income	15	(525,175)	-	(525,175)	(544,946)	19,771
Retained earnings	14	72,886,616	(98,440)	72,985,056	62,526,102	10,458,954
Net income for the period and net movement in deferred regulatory account balances	14	74,025,589	(49,484)	74,075,073	71,936,738	2,138,335
Total equity		252,412,722	(197,924)	252,610,646	239,943,586	12,667,060
Non-current liabilities						
Receivables and loans	16	378,392,932	-	378,392,932	378,392,932	-
Creditors and other accounts payable	17	33,553,774	-	33,553,774	33,553,774	-
Other financial liabilities	18	364,216	-	364,216	364,216	-
Employee benefits	19	2,399,123	-	2,399,123	2,385,318	13,805
Deferred tax liabilities, net	29	2,881,210	-	2,881,210	2,669,567	211,643
Other liabilities	21	1,326,492	-	1,326,492	1,326,492	-
Total non-current liabilities		418,917,747	-	418,917,747	418,692,299	225,448
Current liabilities						
Receivables and loans	16	76,000,000	-	76,000,000	76,000,000	-
Creditors and other accounts payable	17	150,623,306	(117,153)	150,740,459	144,888,812	5,851,647
Other financial liabilities	18	135,162	-	135,162	135,162	-
Employee benefits	19	15,419	-	15,419	15,419	-
Other liabilities	20	6,744,898	-	6,744,898	6,744,898	-
Total current liabilities	21	136,817	-	136,817	136,817	-
Total liabilities		233,655,602	(117,153)	233,772,755	227,921,108	5,851,647
		652,573,349	(117,153)	652,690,502	646,613,407	6,077,095
Total liabilities and deferred regulatory account receivable balances		652,573,349	(117,153)	652,690,502	646,613,407	6,077,095
Total equity and liabilities		904,986,071	(315,077)	905,301,148	886,556,993	18,744,155

Elektra Noreste, S.A. and subsidiary
Annex II
(51% owned by Panama Distribution Group, S. A.)
Consolidation Information on Consolidated Statement of Income and Other Comprehensive Income
December 31, 2024

(In balboas)

	Notes	2024	Eliminations	Sub-total	Elektra Noreste, S. A.	ENSA Servicios, S. A.
Provision of services		800,335,506	(1,392,050)	801,727,556	785,380,458	16,347,098
Other operating income		9,760,458	-	9,760,458	8,604,408	1,156,050
Total revenues from ordinary activities		810,095,964	(1,392,050)	811,488,014	793,984,866	17,503,148
Other income		3,689,993	(1,392,869)	5,082,862	5,082,862	-
Total revenues	24	813,785,957	(2,784,919)	816,570,876	799,067,728	17,503,148
				-		
Cost of services rendered and sale of goods	25	667,447,381	(2,489,423)	669,936,804	656,616,776	13,320,028
Administrative expenses	26	34,857,881	(246,012)	35,103,893	33,698,633	1,405,260
Impairment of accounts receivable	8	4,140,460	-	4,140,460	4,066,231	74,229
Other expenses	27	7,916,980	-	7,916,980	7,916,980	-
Financial income	28	(812,223)	-	(812,223)	(626,366)	(185,857)
Financial expenses	28	27,828,040	-	27,828,040	27,811,215	16,825
Profit for the year before income tax		72,407,438	(49,484)	72,456,922	69,584,259	2,872,663
Income tax	29	22,028,577	-	22,028,577	21,294,249	734,328
Net income for the year before net change in deferred regulatory account balances		50,378,861	(49,484)	50,428,345	48,290,010	2,138,335
Net movement in regulatory account balances related to gains and losses	23	33,781,040	-	33,781,040	33,781,040	-
Net movement in deferred tax arising from balances of regulatory accounts related to gains and losses	23	(10,134,312)	-	(10,134,312)	(10,134,312)	-
Net income for the year and net movement in deferred regulatory account balances		74,025,589	(49,484)	74,075,073	71,936,738	2,138,335
Other comprehensive income, net of tax						
Items that will not be subsequently reclassified to income for the year:						
New defined benefit plan remeasurements.	15	(174,781)	-	(174,781)	(154,477)	(20,304)
Income taxes related to components that will not be reclassified	15, 29	51,419	-	51,419	46,343	5,076
Other comprehensive income, net of taxes		(123,362)	-	(123,362)	(108,134)	(15,228)
Total comprehensive income for the year		73,902,227	(49,484)	73,951,711	71,828,604	2,123,107