

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

Financial Statements
June of 2018

Elektra Noreste, S.A.

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

Statement of financial position

Assets	June 2018	December 2017
Non-current assets		
Property, plant and equipment, net	513,763,691	502,455,031
Investment property	3,162,609	3,162,609
Other intangible assets	19,065,345	19,875,032
Trade and other receivables	9,700,000	9,700,000
Deferred tax asset	4,603,353	2,813,876
Other assets	744,969	679,162
Total non-current assets	<u>551,039,967</u>	<u>538,685,710</u>
Current assets		
Inventories	17,402,419	18,624,213
Trade and other receivables	101,496,402	107,693,795
Prepaid income tax	1,443,219	-
Other assets	994,378	800,384
Cash and cash equivalents	4,912,525	4,558,153
Total current assets	<u>126,248,943</u>	<u>131,676,545</u>
Total assets	<u>677,288,910</u>	<u>670,362,255</u>
Regulatory deferral account debit balance	<u>31,229,597</u>	<u>16,368,097</u>
Total assets and debit balances of deferred regulatory accounts	<u>708,518,507</u>	<u>686,730,352</u>

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Statement of financial position (continued)

Equity and liabilities	June 2018	December 2017
Equity		
Issued capital	106,642,962	106,642,962
Treasury stocks	(544,087)	(544,087)
Other accumulated comprehensive loss	(586,915)	(586,915)
Retained earnings	52,395,203	25,743,192
Net profit for the period	16,966,168	32,390,063
Total equity	174,873,331	163,645,215
Non-current liabilities		
Credits and loans	181,623,428	181,424,837
Other financial liabilities	26,008,946	21,981,249
Employee benefits	472,531	626,448
Other liabilities	2,529,505	2,621,402
Total non-current liabilities	210,634,410	206,653,936
Current liabilities		
Credits and loans	114,000,000	128,000,000
Other financial liabilities	195,153,661	174,199,120
Employee benefits	42,446	37,840
Income tax payable	-	4,003,087
Provisions	4,445,780	5,280,725
Total current liabilities	313,641,887	311,520,772
Total liabilities	524,276,297	518,174,708
Deferred tax liability related to the balance of deferred regulatory accounts	9,368,879	4,910,429
Total liabilities and regulatory deferral account credit balance	533,645,176	523,085,137
Total equity and liabilities	708,518,507	686,730,352

Elektra Noreste, S.A.

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Statement of profit or loss and other comprehensive income

	Six months ended		Three months ended	
	June	June	June	June
	2018	2017	2018	2017
Continuing operations				
Rendering of services	317,749,140	321,103,443	161,411,004	164,449,535
Other income	5,272,305	4,815,733	2,652,658	2,413,826
Income from continuing operations	323,021,445	325,919,176	164,063,662	166,863,361
Costs for rendering services	277,891,743	281,671,804	142,147,567	142,777,386
Administrative expenses	11,413,861	10,469,918	5,929,550	6,090,951
Impairment of financial instruments	1,236,657	1,222,162	644,228	744,618
Other expenses	638,866	510,230	470,642	360,159
Finance income	55,543	49,452	18,668	21,369
Finance costs	7,663,987	7,187,962	3,912,660	3,585,287
Profit before tax	24,231,874	24,906,552	10,977,683	13,326,329
Income tax expense	7,265,706	7,597,599	3,294,216	4,132,637
Net profit	16,966,168	17,308,953	7,683,467	9,193,692
Other comprehensive income (loss), net of tax				
Items which will not be reclassified later to profit or loss of the year:				
Remeasurement of defined benefit obligations	-	-	-	-
Income tax relating to components which will not be reclassified	-	-	-	-
Other comprehensive income (loss), net of tax	-	-	-	-
Total comprehensive income for the year	16,966,168	17,308,953	7,683,467	9,193,692

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Statement of changes in shareholders' equity

	Issued capital	Treasury stocks	Accumulated results	Other comprehensive income Defined benefits plan	Total
Balance at 1 January 2017	106,642,962	(544,087)	40,823,336	(416,369)	146,505,842
Profit for the period	-	-	17,308,953	-	17,308,953
Other comprehensive income of the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	106,642,962	(544,087)	58,132,289	(416,369)	163,814,795
Accredited income tax related to transactions with owners	-	-	(678,242)	-	(678,242)
Balance at 30 June 2017	106,642,962	(544,087)	57,454,047	(416,369)	163,136,553
 Balance at 31 December 2017	 106,642,962	 (544,087)	 58,133,255	 (586,915)	 163,645,215
Profit for the period	-	-	16,966,168	-	16,966,168
Adjustment on initial application of IFRS 9	-	-	(4,647,991)	-	(4,647,991)
Total other comprehensive income	106,642,962	(544,087)	70,451,432	(586,915)	175,963,392
Income tax related to transactions with owners	-	-	(1,090,061)	-	(1,090,061)
Balance at 30 June 2018	106,642,962	(544,087)	69,361,371	-586,915	174,873,331

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Statement of cash flows as of June 30

	2018	2017
Cash flows from operating activities:		
Net profit for the period	16,966,168	17,308,953
Adjustments to reconcile net income of the period to net cash used in operating activities:		
Depreciation and amortization of property, plant and equipment and intangible assets	14,410,476	13,359,816
Impairment of financial instruments	1,236,657	1,222,162
Provisions and defined benefits plans post- employment	472,805	606,248
Deferred income tax	4,660,969	(3,518,562)
Current income tax	2,604,737	11,116,161
Finance costs	7,664,019	7,187,962
Loss on disposal of fixed assets	598,058	510,230
Other non-cash income and expenses	198,592	157,223
	<u>48,812,481</u>	<u>47,950,193</u>
Changes in working capital		
Decreases (increase) in inventories	1,467,349	3,261,778
Decrease in trade and other receivables	(1,679,252)	(23,675,580)
Decrease (increase) in deferred regulatory accounts	(14,861,500)	11,332,988
Decrease (increase) in other assets	(259,801)	(336,631)
(Decrease) increase in other financial liabilities	24,795,078	(13,859,950)
Decrease in provision	(1,307,750)	(208,652)
(Decrease) increase in employee benefits	(149,311)	196,180
	<u>(8,051,043)</u>	<u>-</u>
Net cash generated by operating activities	<u>48,766,251</u>	<u>24,660,326</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(25,662,476)	(30,649,140)
Other cash flows from investing activities	88,201	22,425
	<u>(25,574,275)</u>	<u>(30,626,715)</u>
Net cash flows used in investing activities	<u>(25,574,275)</u>	<u>(30,626,715)</u>
Cash flows from financing activities:		
Short-term debt, net	(14,000,000)	12,600,000
Interest paid, including capitalized interest	(7,747,543)	(7,369,916)
Other cash flows from financing activities	(1,090,061)	(678,242)
	<u>(22,837,604)</u>	<u>4,551,842</u>
Net cash flows generated by (used in) financing activities	<u>(22,837,604)</u>	<u>4,551,842</u>
Net increase (decrease) in cash and cash equivalents	<u>354,372</u>	<u>(1,414,547)</u>
Cash and cash equivalents at the beginning of the period	<u>4,558,153</u>	<u>3,620,659</u>
Cash and cash equivalents at the end of the period	<u><u>4,912,525</u></u>	<u><u>2,206,112</u></u>