

Elektra Noreste, S.A. and subsidiary

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

Financial Statements

December 31, 2019



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

Assets	December 2019	December 2018
Non-current assets		
Property, plant and equipment, net	548,933,838	533,491,157
Inventories	2,583,802	2,138,237
Investment property	3,963,709	4,014,309
Other intangible assets	22,305,591	19,719,819
Right-of-use asset - leases	1,565,042	-
Deferred tax asset	4,331,999	-
Employee benefits	30,702	81,821
Other assets	900,955	737,022
Cash and cash equivalents	-	-
Total non-current assets	584,615,638	560,182,365
Current assets		
Inventories	18,046,516	12,722,073
Trade and other receivables	145,778,015	142,379,434
Prepaid income tax	-	11,823,323
Other assets	1,141,663	744,895
Cash and cash equivalents	25,511,109	6,211,412
Total current assets	190,477,303	173,881,137
Total assets	775,092,941	734,063,502
Regulatory deferral account debit balance	-	34,423,438
Deferred tax liability related to the balances of deferred regulatory accounts	-	(10,327,031)
Total assets and debit balances of deferred regulatory accounts	775,092,941	758,159,909

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

Equity and liabilities	December 2019	December 2018
Equity		
Issued capital	106,642,962	106,642,962
Treasury stocks	(568,667)	(544,087)
Other accumulated comprehensive loss	(662,847)	(400,889)
Retained earnings	42,281,707	31,494,671
Net profit for the period	33,110,400	33,296,262
Total equity	180,803,555	170,488,919
Non-current liabilities		
Credits and loans	282,179,173	281,724,053
Other financial liabilities	54,914,944	56,386,966
Employee benefits	317,977	354,517
Deferred tax liability	-	760,040
Lease liabilities	1,396,569	-
Other liabilities	2,089,911	2,257,042
Total non-current liabilities	340,898,574	341,482,618
Current liabilities		
Credits and loans	25,000,000	12,000,000
Other financial liabilities	194,115,781	227,230,776
Employee benefits	23,625	21,376
Income tax payable	22,884,197	158,954
Provisions	5,511,038	6,595,086
Lease liabilities	211,872	-
Other liabilities	173,981	182,180
Total current liabilities	247,920,494	246,188,372
Total liabilities	588,819,068	587,670,990
Regulatory deferral account credit balance	7,814,740	-
Deferred tax liability related to the balance of deferred regulatory accounts	(2,344,422)	-
Total liabilities and regulatory deferral account credit balance	594,289,386	587,670,990
Total equity and liabilities	775,092,941	758,159,909

Elektra Noreste, S.A. and Subsidiary

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

Statement of profit or loss and other comprehensive income

	Twelve months ended		Twelve months ended	
	December	December	December	December
	2019	2018	2019	2018
Continuing operations				
Rendering of services	729,172,720	671,377,380	175,263,978	174,614,475
Sales of goods	144,717	342,207	14,044	34,086
Other operating income	8,516,116	10,053,674	(119,364)	2,297,476
Income from continuing operations	737,833,553	681,773,261	175,158,658	176,946,037
Other income	2,922,506	2,128,731	2,922,506	2,128,731
Total income	740,756,059	683,901,992	178,081,164	179,074,768
Costs for rendering services	601,215,148	613,112,231	143,913,927	160,605,792
Administrative expenses	22,820,364	24,242,301	6,072,484	7,339,057
Impairment of financial instruments	4,229,644	1,888,532	813,355	99,870
Other expenses	1,001,014	1,381,375	415,149	358,988
Finance income	218,341	259,782	64,679	51,745
Finance costs	19,196,911	16,951,580	4,677,880	4,904,208
Profit before tax	92,511,319	26,585,755	22,253,048	5,818,598
Income tax expense	29,834,194	5,928,232	8,890,381	(244,676)
Net profit of the period before net movement in deferred regulatory accounts	62,677,125	20,657,523	13,362,667	6,063,274
Net movement in balances of regulatory accounts related to gains and losses	(42,238,178)	18,055,341	(15,909,420)	3,889,808
Net movement in deferred tax related to the balances of regulatory accounts	12,671,453	(5,416,602)	4,772,826	(1,166,942)
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	374,226	265,751	374,226	265,751
Income tax relating to components which will not be reclassified	(112,268)	(79,725)	(112,268)	(79,725)
Other comprehensive income (loss), net of tax	261,958	186,026	261,958	186,026
Total comprehensive income for the period	33,372,358	33,482,288	2,488,031	8,972,166

Elektra Noreste, S.A. and Subsidiary

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

Statement of changes in shareholders' equity

	Issued capital	Treasury stocks	Other comprehensive income	Accumulated results	Total
Balance at January 1, 2018	106,642,962	(544,087)	(586,915)	58,133,255	163,645,215
Adjustment on initial application of IFRS 9	-	-	-	(5,386,670)	(5,386,670)
Balance at January 1, 2018 adjusted	106,642,962	(544,087)	(586,915)	52,746,585	158,258,545
Profit for the period	-	-	-	33,296,262	33,296,262
Other comprehensive income of the period, net of tax	-	-	186,026	-	186,026
Total comprehensive income for the period	106,642,962	(544,087)	(400,889)	86,042,847	191,740,833
Declared Dividends	-	-	-	(21,000,000)	(21,000,000)
Accredited Income tax related to transactions with owners	-	-	-	(251,914)	(251,914)
Balance at December 31, 2018	106,642,962	(544,087)	(400,889)	64,790,933	170,488,919
Balance at January 1, 2019	106,642,962	(544,087)	(400,889)	64,790,933	170,488,919
Profit for the period	-	-	-	33,110,400	33,110,400
Other comprehensive income for the year net of income tax	-	-	(261,958)	-	(261,958)
Total other comprehensive income	106,642,962	(544,087)	(662,847)	97,901,333	203,337,361
Share repurchase	-	(24,580)	-	-	(24,580)
Dividends declared	-	-	-	(23,422,919)	(23,422,919)
Income tax related to transactions with owners	-	-	-	913,693	913,693
Balance at December 31, 2018	106,642,962	(568,667)	(662,847)	75,392,107	180,803,555

Elektra Noreste, S.A. and Subsidiary
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Statement of cash flows as of December 30,

	2019	2018
Cash flows from operating activities:		
Net profit for the period	33,110,400	33,296,262
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	30,331,418	29,878,633
Impairment of financial instruments	4,229,644	1,888,532
Investment property valuation	50,600	(851,700)
Provisions and defined benefits plans post-employment	(374,226)	265,751
Deferred income tax	-	-
Current income tax	29,834,194	3,637,628
Finance costs, net	18,978,569	16,691,763
Gain / Loss on disposal of fixed assets	1,001,014	4,396,340
Other non-cash income and expenses	(1,084,048)	1,314,361
	<u>116,077,565</u>	<u>90,517,570</u>
Changes in working capital		
Inventories	(3,349,874)	4,266,629
Trade and other receivables	(7,628,225)	(32,260,841)
Other assets	(560,701)	(2,371)
Other financial liabilities	(37,247,122)	87,437,373
Employee benefits	16,828	(370,216)
Other liabilities	(175,330)	(182,180)
	<u>67,133,141</u>	<u>149,405,964</u>
Interest paid, including capitalized interest	(16,298,331)	(16,951,545)
Income tax paid	(264,801)	(15,810,893)
	<u>(16,563,132)</u>	<u>(32,342,538)</u>
Net cash generated by operating activities before net changes in balances related to deferred regulatory accounts	50,570,009	116,643,526
Change in deferred regulatory accounts	29,566,725	(12,638,739)
Net cash generated by operating activities and changes in balances related to deferred regulatory accounts	80,136,734	104,004,787
Cash flows from investing activities:		
Interest Income	218,342	259,782
Acquisition of property, plant and equipment	(51,153,277)	(65,155,886)
Inventory	(445,565)	(502,726)
Other cash flows from investing activities	52,688	-
	<u>(51,327,812)</u>	<u>(65,398,830)</u>
Net cash flows used in investing activities	(51,327,812)	(65,398,830)
Cash flows from financing activities:		
Short-term debt	181,000,000	112,299,216
Short-term debt payments	(168,000,000)	(128,000,000)
Payment of dividends	(23,422,919)	(21,000,000)
Other cash flows from financing activities	913,694	(251,914)
	<u>(9,509,225)</u>	<u>(36,952,698)</u>
Net cash flows generated by (used in) financing activities	(9,509,225)	(36,952,698)
Net increase (decrease) in cash and cash equivalents	19,299,697	1,653,259
Cash and cash equivalents at the beginning of the period	6,211,412	4,558,153
Cash and cash equivalents at the end of the period	25,511,109	6,211,412