

**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**

	<b>December 2019</b>	<b>December 2018</b>
<b>Assets</b>		
<b>Non-current assets</b>		
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
 <b>Current assets</b>		
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
 <b>Total assets</b>	 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)
 <b>Total assets and debit balances of deferred regulatory accounts</b>	 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)**

<b>Equity and liabilities</b>	<b>December 2019</b>	<b>December 2018</b>
<b>Equity</b>		
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
<b>Total equity</b>	<b>180,803,555</b>	<b>170,488,919</b>
<b>Non-current liabilities</b>		
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
<b>Total non-current liabilities</b>	<b>340,898,574</b>	<b>341,482,618</b>
<b>Current liabilities</b>		
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
<b>Total current liabilities</b>	<b>247,920,494</b>	<b>246,188,372</b>
<b>Total liabilities</b>	<b>588,819,068</b>	<b>587,670,990</b>
Regulatory deferral account credit balance	7,814,740	-
Deferred tax liability related to the balance of deferred regulatory accounts	(2,344,422)	-
<b>Total liabilities and regulatory deferral account credit balance</b>	<b>594,289,386</b>	<b>587,670,990</b>
<b>Total equity and liabilities</b>	<b>775,092,941</b>	<b>758,159,909</b>

**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
<b>Continuing operations</b>				
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
<b>Income from continuing operations</b>	<b>737,833,553</b>	<b>681,773,261</b>	<b>175,158,658</b>	<b>176,946,037</b>
Other income	2,922,506	2,128,731	2,922,506	2,128,731
<b>Total income</b>	<b>740,756,059</b>	<b>683,901,992</b>	<b>178,081,164</b>	<b>179,074,768</b>
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
<b>Profit before tax</b>	<b>92,511,319</b>	<b>26,585,755</b>	<b>22,253,048</b>	<b>5,818,598</b>
Income tax expense	29,834,194	5,928,232	8,890,381	(244,676)
<b>Net profit of the period before net movement in deferred regulatory accounts</b>	<b>62,677,125</b>	<b>20,657,523</b>	<b>13,362,667</b>	<b>6,063,274</b>
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)
<b>Other comprehensive income (loss), net of tax</b>				
<b>Items which will not be reclassified later to profit or loss of the year:</b>				
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)
<b>Other comprehensive income (loss), net of tax</b>	<b>261,958</b>	<b>186,026</b>	<b>261,958</b>	<b>186,026</b>
<b>Total comprehensive income for the period</b>	<b>33,372,358</b>	<b>33,482,288</b>	<b>2,488,031</b>	<b>8,972,166</b>

**Elektra Noreste, S.A. and Subsidiary**  
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**Statement of changes in shareholders' equity**

	<b>Issued capital</b>	<b>Treasury stocks</b>	<b>Other comprehensive income</b>	<b>Accumulated results</b>	<b>Total</b>
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
<b>Total comprehensive income for the period</b>	<b>106,642,962</b>	<b>(544,087)</b>	<b>(400,889)</b>	<b>86,042,847</b>	<b>191,740,833</b>
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
<b>Cash flows from operating activities:</b>		
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>
<b>Changes in working capital</b>		
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></u>	<u></u>
<b>Net cash generated by operating activities before net changes in balances related to deferred regulatory accounts</b>	50,570,009	116,643,526
Change in deferred regulatory accounts	29,566,725	(12,638,739)
<b>Net cash generated by operating activities and changes in balances related to deferred regulatory accounts</b>	<u>80,136,734</u>	<u>104,004,787</u>
<b>Cash flows from investing activities:</b>		
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>
<b>Cash flows from financing activities:</b>		
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 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
<b>Cash and cash equivalents at the end of the period</b>	<u>25,511,109</u>	<u>6,211,412</u>