

# **Elektra Noreste, S.A. and subsidiary**

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

Financial Statements

December 31, 2020

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

| <b>Assets</b>                                                                     | <b>December<br/>2020</b> | <b>December<br/>2019</b> |
|-----------------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>Non-current assets</b>                                                         |                          |                          |
| Property, plant and equipment, net                                                | 551,583,594              | 548,933,838              |
| Inventories                                                                       | 2,838,912                | 2,583,802                |
| Investment property                                                               | 3,653,800                | 3,963,709                |
| Other intangible assets                                                           | 23,129,265               | 22,305,591               |
| Right-of-use asset - leases                                                       | 533,315                  | 1,565,042                |
| Deferred tax asset                                                                | 2,390,979                | 4,331,999                |
| Employee benefits                                                                 | 251,637                  | 35,803                   |
| Other assets                                                                      | 1,070,998                | 900,955                  |
| Total non-current assets                                                          | <u>585,452,500</u>       | <u>584,620,739</u>       |
| <b>Current assets</b>                                                             |                          |                          |
| Inventories                                                                       | 18,285,669               | 18,046,516               |
| Trade and other receivables                                                       | 130,760,862              | 145,778,015              |
| Prepaid income tax                                                                | 7,819,349                | -                        |
| Other assets                                                                      | 1,108,497                | 1,141,663                |
| Cash and cash equivalents                                                         | <u>54,023,188</u>        | <u>25,511,109</u>        |
| Total current assets                                                              | <u>211,997,565</u>       | <u>190,477,303</u>       |
| <b>Total assets</b>                                                               | <u>797,450,065</u>       | <u>775,098,042</u>       |
| Regulatory deferral account debit balance                                         | 223,490                  | -                        |
| Deferred tax liability related to the balances of<br>deferred regulatory accounts | <u>(67,047)</u>          | <u>-</u>                 |
| <b>Total assets and debit balances of<br/>deferred regulatory accounts</b>        | <u>797,606,508</u>       | <u>775,098,042</u>       |

**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<br/>2020</b> | <b>December<br/>2019</b> |
|-------------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>Equity</b>                                                                 |                          |                          |
| Issued capital                                                                | 106,642,962              | 106,642,962              |
| Treasury stocks                                                               | (574,511)                | (568,667)                |
| Other accumulated comprehensive loss                                          | (636,662)                | (662,847)                |
| Retained earnings                                                             | 72,069,409               | 42,281,707               |
| Net profit for the period                                                     | 20,235,417               | 33,110,400               |
| <b>Total equity</b>                                                           | <b>197,736,615</b>       | <b>180,803,555</b>       |
| <b>Non-current liabilities</b>                                                |                          |                          |
| Credits and loans                                                             | 179,315,480              | 282,179,173              |
| Other financial liabilities                                                   | 46,221,114               | 54,914,944               |
| Employee benefits                                                             | 358,121                  | 323,078                  |
| Lease liabilities                                                             | 292,337                  | 1,396,569                |
| Other liabilities                                                             | 1,913,371                | 2,089,911                |
| <b>Total non-current liabilities</b>                                          | <b>228,100,423</b>       | <b>340,903,675</b>       |
| <b>Current liabilities</b>                                                    |                          |                          |
| Credits and loans                                                             | 103,352,676              | 25,000,000               |
| Other financial liabilities                                                   | 255,171,677              | 194,115,781              |
| Employee benefits                                                             | 22,066                   | 23,625                   |
| Income tax payable                                                            | 348,303                  | 22,884,197               |
| Provisions                                                                    | 12,468,965               | 5,511,038                |
| Lease liabilities                                                             | 242,477                  | 211,872                  |
| Other liabilities                                                             | 163,306                  | 173,981                  |
| <b>Total current liabilities</b>                                              | <b>371,769,470</b>       | <b>247,920,494</b>       |
| <b>Total liabilities</b>                                                      | <b>599,869,893</b>       | <b>588,824,169</b>       |
| Regulatory deferral account credit balance                                    | -                        | 7,814,740                |
| Deferred tax assets related to the balance of<br>deferred regulatory accounts | -                        | (2,344,422)              |
| <b>Total liabilities and regulatory deferral account<br/>credit balance</b>   | <b>599,869,893</b>       | <b>594,294,487</b>       |
| <b>Total equity and liabilities</b>                                           | <b>797,606,508</b>       | <b>775,098,042</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 |                    | Three months ended |                    |
|-------------------------------------------------------------------------------------|---------------------|--------------------|--------------------|--------------------|
|                                                                                     | December<br>2020    | December<br>2019   | December<br>2020   | December<br>2019   |
| <b>Continuing operations</b>                                                        |                     |                    |                    |                    |
| Rendering of services                                                               | 552,531,663         | 729,172,720        | 130,172,421        | 175,263,978        |
| Sales of goods                                                                      | -                   | 144,717            | -                  | 14,044             |
| Other operating income                                                              | 7,200,865           | 8,516,116          | 3,562,342          | (119,364)          |
| <b>Income from continuing operations</b>                                            | <u>559,732,528</u>  | <u>737,833,553</u> | <u>133,734,763</u> | <u>175,158,658</u> |
| Other income                                                                        | 1,662,244           | 2,922,506          | (1,637,257)        | 2,922,506          |
| <b>Total income</b>                                                                 | <u>561,394,772</u>  | <u>740,756,059</u> | <u>132,097,506</u> | <u>178,081,164</u> |
| Costs for rendering services                                                        | 485,574,549         | 601,215,148        | 119,025,316        | 143,913,927        |
| Administrative expenses                                                             | 22,601,487          | 22,820,364         | 5,757,939          | 6,072,484          |
| Impairment of financial instruments                                                 | 11,732,004          | 4,229,644          | 4,491,615          | 813,355            |
| Other expenses                                                                      | 1,050,284           | 1,001,014          | 744,370            | 415,149            |
| Finance income                                                                      | 512,439             | 218,341            | 173,614            | 64,679             |
| Finance costs                                                                       | 20,698,337          | 19,196,911         | 5,142,850          | 4,677,880          |
| <b>Profit before tax</b>                                                            | <u>20,250,550</u>   | <u>92,511,319</u>  | <u>(2,890,970)</u> | <u>22,253,048</u>  |
| Income tax expense                                                                  | 5,641,894           | 29,834,194         | (969,806)          | 8,890,381          |
| <b>Net profit of the period before net movement in deferred regulatory accounts</b> | <u>14,608,656</u>   | <u>62,677,125</u>  | <u>(1,921,164)</u> | <u>13,362,667</u>  |
| Net movement in balances of regulatory accounts related to gains and losses         | 8,038,230           | (42,238,178)       | 4,761,354          | (15,909,420)       |
| Net movement in deferred tax related to the balances of regulatory accounts         | (2,411,469)         | 12,671,453         | (1,428,407)        | 4,772,826          |
| <b>Net profit of the period after net movement in deferred regulatory accounts</b>  | <u>20,235,417</u>   | <u>33,110,400</u>  | <u>1,411,783</u>   | <u>2,226,073</u>   |
| <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                                        | 37,407              | (374,226)          | 37,407             | (374,226)          |
| Income tax relating to components which will not be reclassified                    | (11,222)            | 112,268            | (11,222)           | 112,268            |
| <b>Other comprehensive income (loss), net of tax</b>                                | <u>26,185</u>       | <u>(261,958)</u>   | <u>26,185</u>      | <u>(261,958)</u>   |
| <b>Total comprehensive income for the period</b>                                    | <u>20,261,602</u>   | <u>32,848,442</u>  | <u>1,437,968</u>   | <u>1,964,115</u>   |



**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, 2019                                | 106,642,962           | (544,087)              | (400,889)                         | 64,790,933                 | 170,488,919  |
| Adjustment on initial application of IFRS 9               | -                     | -                      | -                                 | -                          | -            |
| Balance at January 1, 2019 adjusted                       | 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 of the period, net of tax      | -                     | -                      | (261,958)                         | -                          | (261,958)    |
| <b>Total comprehensive income for the period</b>          | -                     | -                      | (261,958)                         | 33,110,400                 | 32,848,442   |
| Declared Dividends                                        | -                     | -                      | -                                 | (23,422,919)               | (23,422,919) |
| Share repurchase                                          | -                     | (24,580)               | -                                 | -                          | (24,580)     |
| Accredited Income tax related to transactions with owners | -                     | -                      | -                                 | 913,693                    | 913,693      |
| Balance at December 31, 2019                              | 106,642,962           | (568,667)              | (662,847)                         | 75,392,107                 | 180,803,555  |
| Balance at January 1, 2020                                | 106,642,962           | (568,667)              | (662,847)                         | 75,392,107                 | 180,803,555  |
| Profit for the period                                     | -                     | -                      | -                                 | 20,235,417                 | 20,235,417   |
| Other comprehensive income for the year net of income tax | -                     | -                      | 26,185                            | -                          | 26,185       |
| <b>Total other comprehensive income</b>                   | -                     | -                      | 26,185                            | 20,235,417                 | 20,261,602   |
| Share repurchase                                          | -                     | (5,844)                | -                                 | -                          | (5,844)      |
| Income tax related to transactions with owners            | -                     | -                      | -                                 | (3,322,698)                | (3,322,698)  |
| Balance at December 31, 2020                              | 106,642,962           | (574,511)              | (636,662)                         | 92,304,826                 | 197,736,615  |

**Elektra Noreste, S.A. and Subsidiary**

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

**Statement of cash flows as of December 31, 2020**

|                                                                                                                          | 2020                     | 2019                     |
|--------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>Cash flows from operating activities:</b>                                                                             |                          |                          |
| Net profit for the period                                                                                                | 20,235,417               | 33,110,400               |
| 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                                     | 34,566,756               | 30,331,417               |
| Impairment of financial instruments                                                                                      | 11,732,004               | 4,229,644                |
| Investment property valuation                                                                                            | 309,909                  | 50,600                   |
| Current income tax                                                                                                       | 5,641,894                | 29,834,194               |
| Finance costs, net                                                                                                       | 20,185,898               | 18,978,570               |
| Gain / Loss on disposal of fixed assets                                                                                  | 1,415,491                | 3,027,625                |
| Provisions                                                                                                               | 7,682,474                | 1,382,784                |
|                                                                                                                          | <u>101,769,843</u>       | <u>120,945,234</u>       |
| <b>Changes in working capital</b>                                                                                        |                          |                          |
| Inventories                                                                                                              | (255,060)                | (5,133,520)              |
| Trade and other receivables                                                                                              | 3,285,149                | (7,628,225)              |
| Other assets                                                                                                             | 35,137                   | (397,161)                |
| Other financial liabilities                                                                                              | 51,192,231               | (34,587,017)             |
| Employee benefits                                                                                                        | (338,443)                | (628,018)                |
| Provisions                                                                                                               | (515,140)                | (2,387,135)              |
| Other liabilities                                                                                                        | (187,215)                | (175,330)                |
|                                                                                                                          | <u>154,986,502</u>       | <u>70,008,828</u>        |
| Interest paid, including capitalized interest                                                                            | (19,528,502)             | (19,196,911)             |
| Income tax paid                                                                                                          | (34,067,339)             | (265,399)                |
|                                                                                                                          | <u></u>                  | <u></u>                  |
| <b>Net cash generated by operating activities before net changes in balances related to deferred regulatory accounts</b> | <b>101,390,661</b>       | <b>50,546,518</b>        |
| Change in deferred regulatory accounts                                                                                   | (5,626,761)              | 29,566,725               |
| <b>Net cash generated by operating activities and changes in balances related to deferred regulatory accounts</b>        | <b>95,763,900</b>        | <b>80,113,243</b>        |
| <b>Cash flows from investing activities:</b>                                                                             |                          |                          |
| Interest Income                                                                                                          | 512,439                  | 218,341                  |
| Acquisition of property, plant and equipment                                                                             | (39,302,545)             | (51,163,758)             |
| Inventory                                                                                                                | (255,110)                | (445,565)                |
| Severance fund                                                                                                           | (172,014)                | (163,540)                |
|                                                                                                                          | <u>(39,217,230)</u>      | <u>(51,554,522)</u>      |
| <b>Net cash flows used in investing activities</b>                                                                       | <b>(39,217,230)</b>      | <b>(51,554,522)</b>      |
| <b>Cash flows from financing activities:</b>                                                                             |                          |                          |
| Short-term debt                                                                                                          | 72,488,983               | 181,455,120              |
| Short-term debt payments                                                                                                 | (97,000,000)             | (168,000,000)            |
| Payment of dividends                                                                                                     | -                        | (23,422,919)             |
| Share repurchase                                                                                                         | (5,844)                  | (24,580)                 |
| Lease liability payment                                                                                                  | (195,032)                | (180,338)                |
| Income tax related to transactions with owners                                                                           | (3,322,698)              | 913,693                  |
|                                                                                                                          | <u>(28,034,591)</u>      | <u>(9,259,024)</u>       |
| <b>Net cash flows generated by (used in) financing activities</b>                                                        | <b>(28,034,591)</b>      | <b>(9,259,024)</b>       |
| Net increase (decrease) in cash and cash equivalents                                                                     | <u>28,512,079</u>        | <u>19,299,697</u>        |
| Cash and cash equivalents at the beginning of the period                                                                 | <u>25,511,109</u>        | <u>6,211,412</u>         |
| <b>Cash and cash equivalents at the end of the period</b>                                                                | <b><u>54,023,188</u></b> | <b><u>25,511,109</u></b> |