

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

Financial Statements
June 30, 2020



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

| Assets | June 2020 | December 2019 |
|---|----------------------|--------------------------|
| Non-current assets | | |
| Property, plant and equipment, net | 550,822,605 | 548,933,838 |
| Inventories | 2,923,109 | 2,583,802 |
| Investment property | 3,963,709 | 3,963,709 |
| Other intangible assets | 24,543,626 | 22,305,591 |
| Right-of-use asset - leases | 1,489,940 | 1,565,042 |
| Deferred tax asset | 5,193,698 | 4,331,999 |
| Employee benefits | 114,474 | 35,803 |
| Other assets | 977,482 | 900,955 |
| Total non-current assets | <u>590,028,643</u> | <u>584,620,739</u> |
| Current assets | | |
| Inventories | 18,718,998 | 18,046,516 |
| Trade and other receivables | 129,652,046 | 145,778,015 |
| Other assets | 1,422,357 | 1,141,663 |
| Cash and cash equivalents | <u>38,013,088</u> | <u>25,511,109</u> |
| Total current assets | <u>187,806,489</u> | <u>190,477,303</u> |
| Total assets | <u>777,835,132</u> | <u>775,098,042</u> |
| Regulatory deferral account debit balance | - | - |
| Deferred tax liability related to the balances of deferred regulatory accounts | <u>-</u> | <u>-</u> |
| Total assets and debit balances of deferred regulatory accounts | <u>777,835,132</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)

| Equity and liabilities | June 2020 | December 2019 |
|---|----------------------|--------------------------|
| Equity | | |
| Issued capital | 106,642,962 | 106,642,962 |
| Treasury stocks | (574,511) | (568,667) |
| Other accumulated comprehensive loss | (662,847) | (662,847) |
| Retained earnings | 75,392,107 | 42,281,707 |
| Net profit for the period | 13,444,433 | 33,110,400 |
| Total equity | 194,242,144 | 180,803,555 |
| Non-current liabilities | | |
| Credits and loans | 282,419,276 | 282,179,173 |
| Other financial liabilities | 54,309,659 | 54,914,944 |
| Employee benefits | 328,630 | 323,078 |
| Deferred tax liability | - | - |
| Lease liabilities | 1,422,822 | 1,396,569 |
| Other liabilities | 2,005,620 | 2,089,911 |
| Total non-current liabilities | 340,486,007 | 340,903,675 |
| Current liabilities | | |
| Credits and loans | 30,000,000 | 25,000,000 |
| Other financial liabilities | 192,360,022 | 194,115,781 |
| Employee benefits | 26,185 | 23,625 |
| Income tax payable | 6,807,476 | 22,884,197 |
| Provisions | 5,935,925 | 5,511,038 |
| Lease liabilities | 139,463 | 211,872 |
| Other liabilities | 173,980 | 173,981 |
| Total current liabilities | 235,443,051 | 247,920,494 |
| Total liabilities | 575,929,058 | 588,824,169 |
| Regulatory deferral account credit balance | 10,948,472 | 7,814,740 |
| Deferred tax assets related to the balance of deferred regulatory accounts | (3,284,542) | (2,344,422) |
| Total liabilities and regulatory deferral account credit balance | 583,592,988 | 594,294,487 |
| Total equity and liabilities | 777,835,132 | 775,098,042 |

Elektra Noreste, S.A. and Subsidiary

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

Statement of profit or loss and other comprehensive income

| | Six months ended | | Three months ended | |
|---|--------------------|--------------------|--------------------|--------------------|
| | June | June | June | June |
| | 2020 | 2019 | 2020 | 2019 |
| Continuing operations | | | | |
| Rendering of services | 294,550,431 | 375,723,044 | 133,208,846 | 193,631,072 |
| Sales of goods | 29,734 | 61,026 | 5,072 | 33,544 |
| Other operating income | 3,329,813 | 4,115,213 | 1,316,255 | 2,095,525 |
| Income from continuing operations | 297,909,978 | 379,899,283 | 134,530,173 | 195,760,141 |
| Other income | 1,185,349 | 654,575 | 334,170 | 494,510 |
| Total income | 299,095,327 | 380,553,858 | 134,864,343 | 196,254,651 |
| Costs for rendering services | 248,802,461 | 308,373,590 | 114,883,178 | 158,235,136 |
| Administrative expenses | 11,221,949 | 10,673,464 | 5,530,181 | 5,174,993 |
| Impairment of financial instruments | 7,073,239 | 3,660,104 | 5,713,243 | 929,570 |
| Other expenses | 455,896 | 209,940 | (82,516) | 260,254 |
| Finance income | 197,511 | 94,520 | 115,822 | 48,491 |
| Finance costs | 9,679,744 | 9,809,004 | 5,021,172 | 4,867,124 |
| Profit before tax | 22,059,549 | 47,922,276 | 3,914,907 | 26,836,065 |
| Income tax expense | 6,421,504 | 14,279,555 | 1,140,891 | 7,989,092 |
| Net profit of the period before net movement in deferred regulatory accounts | 15,638,045 | 33,642,721 | 2,774,016 | 18,846,973 |
| Net movement in balances of regulatory accounts related to gains and losses | (3,133,732) | (18,968,532) | 1,809,335 | (14,038,136) |
| Net movement in deferred tax related to the balances of regulatory accounts | 940,120 | 5,690,560 | (542,800) | 4,211,441 |
| Net profit of the period after net movement in deferred regulatory accounts | 13,444,433 | 20,364,749 | 4,040,551 | 9,020,278 |
| 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 period | 13,444,433 | 20,364,749 | 4,040,551 | 9,020,278 |

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

| | Issued capital | Treasury stocks | Other comprehensive Income | Accumulated results | Total |
|--|-----------------------|----------------------------|---|--------------------------------|--------------|
| 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) |
| Total comprehensive income for the period | - | - | (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 | - | - | - | 13,444,433 | 13,444,433 |
| Other comprehensive income for the year net of income tax | - | - | - | - | - |
| Total other comprehensive income | - | - | - | 13,444,433 | 13,444,433 |
| Share repurchase | - | (5,844) | - | - | (5,844) |
| Dividends declared | - | - | - | - | - |
| Income tax related to transactions with owners | - | - | - | - | - |
| Balance at march 31, 2019 | 106,642,962 | (574,511) | (662,847) | 88,836,540 | 194,242,144 |

Elektra Noreste, S.A. and Subsidiary
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Statement of cash flows as of June 30, 2020

| | 2020 | 2019 |
|--|--------------------------|-------------------------|
| Cash flows from operating activities: | | |
| Net profit for the period | 13,444,433 | 20,364,749 |
| 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 | 15,905,952 | 14,888,481 |
| Impairment of financial instruments | 7,073,239 | 3,660,104 |
| Current income tax | 6,422,403 | 14,279,556 |
| Finance costs, net | 9,482,234 | 9,714,691 |
| Gain / Loss on disposal of fixed assets | 602,296 | 269,894 |
| Provisions | 675,288 | 668,346 |
| | <u>53,605,845</u> | <u>63,845,821</u> |
| Changes in working capital | | |
| Inventories | (670,582) | (3,315,786) |
| Trade and other receivables | 8,817,963 | (48,922,088) |
| Other assets | (280,693) | (4,358,101) |
| Other financial liabilities | (3,440,796) | 3,924,786 |
| Employee benefits | (202,613) | (234,878) |
| Provisions | (120,247) | (85,245) |
| Other liabilities | (84,292) | (88,573) |
| | <u>57,624,585</u> | <u>10,765,936</u> |
| Interest paid, including capitalized interest | (8,333,000) | (9,464,191) |
| Interest paid on lease | (32,226) | (176,534) |
| Income tax paid | (23,360,823) | - |
| | <u></u> | <u></u> |
| Net cash generated by operating activities before net changes in balances related to deferred regulatory accounts | 25,898,536 | 1,125,211 |
| Change in deferred regulatory accounts | <u>2,193,612</u> | <u>13,277,973</u> |
| Net cash generated by operating activities and changes in balances related to deferred regulatory accounts | 28,092,148 | 14,403,184 |
| Cash flows from investing activities: | | |
| Interest Income | 197,511 | 94,313 |
| Acquisition of property, plant and equipment | (20,512,152) | (18,734,509) |
| Inventory | (339,307) | (638,298) |
| Severance fund | (76,527) | (87,449) |
| | <u>(20,730,475)</u> | <u>(19,365,943)</u> |
| Net cash flows used in investing activities | (20,730,475) | (19,365,943) |
| Cash flows from financing activities: | | |
| Short-term debt | 72,240,102 | 104,223,395 |
| Short-term debt payments | (67,000,000) | (99,000,000) |
| Payment of dividends | - | - |
| Other cash flows from financing activities | - | - |
| Share repurchase | (5,844) | - |
| Lease liability payment | (93,952) | (90,763) |
| Income tax related to transactions with owners | - | (21,145) |
| | <u></u> | <u></u> |
| Net cash flows generated by (used in) financing activities | 5,140,306 | 5,111,487 |
| Net increase (decrease) in cash and cash equivalents | <u>12,501,979</u> | <u>148,728</u> |
| Cash and cash equivalents at the beginning of the period | <u>25,511,109</u> | <u>6,211,412</u> |
| Cash and cash equivalents at the end of the period | <u>38,013,088</u> | <u>6,360,140</u> |