

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

Financial Statements
June 30, 2020

A handwritten signature in black ink, appearing to read "John Doe".

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

	June 2020	December 2019
Assets		
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	 590,028,643	 584,620,739
 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	38,013,088	25,511,109
 Total current assets	 187,806,489	 190,477,303
 Total assets	 777,835,132	 775,098,042
 Regulatory deferral account debit balance	-	-
Deferred tax liability related to the balances of deferred regulatory accounts	-	-
 Total assets and debit balances of deferred regulatory accounts	 777,835,132	 775,098,042



Elektra Noreste, S.A. and Subsidiary
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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 2020	June 2019	June 2020	June 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	<u>(23,360,823)</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)
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)
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>

