

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

Financial Statements
June 30, 2023

ANNEX 1
TO QUARTERLY REPORT

1. Consolidated Net Worth ((A) less (B) below):	\$237,336,415
A. consolidated stockholders' equity	\$237,336,415
B. Disqualified Capital Stock	\$0
2. Consolidated Tot ((A) less (B) below):	\$374,000,000
A. Total Indebtedness (consolidated with any Subsidiaries):	
1. clause (i) of definition of Indebtedness (principal amount of borrowed money)	
2. clause (ii) of definition of Indebtedness (principal amount of bonds, debentures)	\$374,000,000
3. clause (iii) of definition of Indebtedness (Capitalized Lease Obligations)	\$0
4. clause (iv) of definition of Indebtedness (obligations as deferred purchase price)	\$0
5. clause (v) of definition of Indebtedness (letters of credit, banker's acceptances)	\$0
6. clause (vi) of definition of Indebtedness (Guarantees)	\$0
7. clause (vii) of definition of Indebtedness (Indebtedness in (i) through (vi) secured by Lien)	\$0
8. clause (viii) of definition of Indebtedness (Hedging Obligations)	\$0
9. clause (ix) of definition of Indebtedness (Receivables Transaction Amounts outstanding)	\$0
10. clause (x) of definition of Indebtedness (Disqualified Capital Stock)	\$0
B. the sum of clauses (iv), (vi), (v) (to the extent such Indebtedness is between Subsidiaries or between the Issuer and a Subsidiary where the Subsidiary is the obligor), (vii), (x), (xi), (xiii) and (xiv)(to the extent relating to any Indebtedness in clauses (iv), (vi), (vii), (x) and (xiii)) of the definition of Permitted Indebtedness	\$0
3. Consolidated EBITDA ((A) plus ((B) less (C)) below):	\$117,399,327
A. Consolidated Net Income	\$38,058,178
B. A sum of the following (clauses refer to those in the definition of Consolidated EBITDA):	\$79,341,149
1. clause (i) (Consolidated Income Tax Expense for such period)	\$16,181,212
2. clause (ii) (Consolidated Interest Expense)	\$17,528,540
3. clause (iii) Consolidated Non-cash Charges	\$39,080,290
4. clause (iv) (net after-tax loss from Asset Sale Transactions)	\$6,551,107
5. clause (v) (any income or loss from extraordinary transactions)	\$0
6. clause (vi) (the portion of the net income of any Subsidiary deducted as a result of minority interest in such Subsidiary)	\$0
7. clause (vii) (the portion of net income of any Subsidiary excluded pursuant to clause (iv) of definition of Consolidated Net Income due to corporate law requirements)	\$0
8. clause (viii) (all fees, costs and expenses incurred in connection with offering of the Notes)	\$0
9. clause (ix) (any income or loss from discontinued operations)	\$0
C. All other non-cash credits and gains increasing Consolidated Net Income, as set forth in the definition of Consolidated EBITDA	\$0



CONSOLIDATED BALANCE SHEET, STATEMENT OF INCOME, STATEMENT OF CHANGES IN
STOCKHOLDERS' EQUITY AND STATEMENT OF CASH FLOWS

A handwritten signature in black ink, appearing to be 'A. M. M.', is written over the text 'CONSOLIDATED BALANCE SHEET, STATEMENT OF INCOME, STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY AND STATEMENT OF CASH FLOWS'.

ATTACHED AUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2023

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

	June 2023	December 2022
Assets		
Non-current assets		
Property, plant and equipment, net	579,680,428	575,309,491
Inventories	3,286,655	2,603,548
Investment property	4,374,600	4,374,600
Other intangible assets	30,668,132	30,952,277
Right-of-use asset - leases	288,211	342,831
Deferred tax asset	1,553	-
Other assets	4,765,596	4,426,703
Total non-current assets	<u>623,065,175</u>	<u>618,009,450</u>
Current assets		
Inventories	23,150,553	22,563,655
Trade and other receivables	165,872,735	173,148,879
Other assets	5,638,535	4,643,496
Cash and cash equivalents	<u>6,403,277</u>	<u>5,419,478</u>
Total current assets	<u>201,065,100</u>	<u>205,775,508</u>
Total assets	<u>824,130,275</u>	<u>823,784,958</u>
Regulatory deferral account debit balance	20,947,979	11,665,788
Deferred tax liability related to the balances of deferred regulatory accounts	<u>(6,284,394)</u>	<u>(3,499,736)</u>
Total assets and debit balances of deferred regulatory accounts	<u>838,793,860</u>	<u>831,951,010</u>



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

Equity and liabilities	June 2023	December 2022
Equity		
Issued capital	106,642,962	106,642,962
Treasury stocks	(574,511)	(574,511)
Other accumulated comprehensive loss	(402,677)	(402,677)
Retained earnings	109,787,381	73,205,727
Net profit for the period	21,883,260	37,869,779
Total equity	237,336,415	216,741,280
Non-current liabilities		
Credits and loans	180,071,184	179,979,129
Other financial liabilities	33,976,775	32,600,680
Employee benefits	2,549,808	2,428,890
Deferred tax liability	8,757	4,097,320
Lease liabilities	215,031	202,946
Other liabilities	1,532,986	1,607,321
Total non-current liabilities	218,354,541	220,916,286
Current liabilities		
Credits and loans	193,993,683	202,981,814
Other financial liabilities	169,017,159	171,867,295
Employee benefits	19,673	16,876
Income tax payable	5,781,127	5,794,431
Provisions	14,049,393	13,321,382
Lease liabilities	93,200	162,977
Other liabilities	148,669	148,669
Total current liabilities	383,102,904	394,293,444
Total liabilities	601,457,445	615,209,730
Total liabilities and regulatory deferral account credit balance	601,457,445	615,209,730
Total equity and liabilities	838,793,860	831,951,010



Elektra Noreste, S.A. and Subsidiary

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

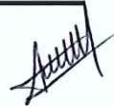
Statement of profit or loss and other comprehensive income

	Six months ended		Three months ended	
	June	June	June	June
	2023	2022	2023	2022
Continuing operations				
Rendering of services	339,058,571	341,240,122	179,692,493	182,977,503
Other operating income	4,826,036	3,602,661	1,999,562	1,877,012
Income from continuing operations	<u>343,884,607</u>	<u>344,842,783</u>	<u>181,692,055</u>	<u>184,854,515</u>
Other income	1,592,034	1,322,107	1,125,543	902,269
Total income	<u>345,476,641</u>	<u>346,164,890</u>	<u>182,817,598</u>	<u>185,756,784</u>
Costs for rendering services	299,491,046	284,286,267	164,260,115	141,328,378
Administrative expenses	11,669,122	13,776,852	5,833,700	7,177,531
Impairment of financial instruments	1,330,869	1,485,269	676,274	744,311
Other expenses	1,384,383	746,148	701,586	338,199
Finance income	237,646	142,171	99,005	49,692
Finance costs	9,849,898	7,551,005	5,188,784	3,639,791
Profit before tax	<u>21,988,969</u>	<u>38,461,520</u>	<u>6,256,144</u>	<u>32,578,266</u>
Income tax expense	6,603,243	11,610,565	1,903,773	9,729,294
Net profit of the period before net movement in deferred regulatory accounts	<u>15,385,726</u>	<u>26,850,955</u>	<u>4,352,371</u>	<u>22,848,972</u>
Net movement in balances of regulatory accounts related to gains and losses	9,282,191	(7,365,848)	9,683,149	(15,266,103)
Net movement in deferred tax related to the balances of regulatory accounts	(2,784,657)	2,209,754	(2,904,944)	4,579,831
Net profit of the period after net movement in deferred regulatory accounts	<u>21,883,260</u>	<u>21,694,861</u>	<u>11,130,576</u>	<u>12,162,700</u>
Total comprehensive income for the period	<u><u>21,883,260</u></u>	<u><u>21,694,861</u></u>	<u><u>11,130,576</u></u>	<u><u>12,162,700</u></u>

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, 2022	106,642,962	(574,511)	(529,624)	105,627,705	211,166,532
Profit for the period	-	-	-	37,869,779	37,869,779
net of income tax	-	-	126,947	-	126,947
Total other comprehensive income	-	-	126,947	37,869,779	37,996,726
Dividends declared	-	-	-	(33,111,774)	(33,111,774)
Income tax related to transactions with owners	-	-	-	689,796	689,796
Balance at December 31, 2022	106,642,962	(574,511)	(402,677)	111,075,506	216,741,280
Balance at January 1, 2023	106,642,962	(574,511)	(402,677)	111,075,506	216,741,280
Other comprehensive income for the year	-	-	-	21,883,260	21,883,260
Total other comprehensive income	-	-	-	21,883,260	21,883,260
Income tax related to transactions with owners	-	-	-	(1,288,125)	(1,288,125)
Balance at March 31, 2023	106,642,962	(574,511)	(402,677)	131,670,641	237,336,415



Elektra Noreste, S.A. and Subsidiary
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Statement of cash flows as of June 30, 2023

	2023	2022
Cash flows from operating activities:		
Net profit for the period	21,883,260	21,694,861
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	19,581,719	18,937,470
Impairment of financial instruments	1,330,568	1,485,269
Current income tax	6,603,241	11,610,565
Finance costs, net	9,612,252	7,408,834
Gain / Loss on disposal of fixed assets	1,674,613	896,112
Provisions	899,682	648,762
	<u>61,585,335</u>	<u>62,681,873</u>
Changes in working capital		
Inventories	(1,223,777)	(1,918,123)
Trade and other receivables	5,945,275	(44,499,188)
Other assets	(995,039)	(147,687)
Other financial liabilities	(3,609,661)	(8,683,931)
Employee benefits	(56,928)	(226,792)
Provisions	(37,257)	(47,021)
Other liabilities	(74,335)	(78,689)
	<u>61,533,613</u>	<u>7,080,442</u>
Interest paid, including capitalized interest	(102,994,499)	(6,556,865)
Income tax paid	(10,706,663)	(1,261,448)
	<u></u>	<u></u>
Net cash generated by operating activities before net changes in balances related to deferred regulatory accounts	40,527,803	(737,871)
Change in deferred regulatory accounts	(6,497,533)	5,156,094
	<u></u>	<u></u>
Net cash generated by operating activities and changes in balances related to deferred regulatory accounts	34,030,270	4,418,223
	<u></u>	<u></u>
Cash flows from investing activities:		
Interest Income	237,646	142,171
Acquisition of property, plant and equipment	(22,664,705)	(28,508,003)
Severance fund	(338,894)	(16,930)
	<u></u>	<u></u>
Net cash flows used in investing activities	(22,765,953)	(28,382,762)
	<u></u>	<u></u>
Cash flows from financing activities:		
Short-term debt	160,092,055	80,117,192
Short-term debt payments	(168,988,130)	(42,700,000)
Lease liability payment	(96,318)	(123,979)
Income tax related to transactions with owners	(1,288,125)	(628,697)
	<u></u>	<u></u>
Net cash flows generated by (used in) financing activities	(10,280,518)	36,664,516
Net (decrease) increase in cash and cash equivalentes	983,799	12,699,977
	<u></u>	<u></u>
Cash and cash equivalentes at the beginning of the period	5,419,478	14,550,687
	<u></u>	<u></u>
Cash and cash equivalentes at the end of the period	6,403,277	27,250,664
	<u></u>	<u></u>
Non - cash transactions		
Other financial liabilities	(2,585,172)	-
Other assets	2,585,172	-
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