

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

Financial Statements  
March 31, 2019

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

|   | <b>March<br/>2019</b> | <b>December<br/>2018</b> |
|---|-----------------------|--------------------------|
| <b>Assets</b>   |                       |                          |
| <b>Non-current assets</b>   |                       |                          |
| Property, plant and equipment, net  | 531,159,327           | 533,491,157              |
| Inventories   | 2,138,237             | 2,138,237                |
| Investment property   | 4,014,309             | 4,014,309                |
| Other intangible assets   | 19,770,332            | 19,719,819               |
| Right-of-use asset - leases   | 1,631,625             | -                        |
| Deferred tax asset  | 2,665,881             | -                        |
| Employee benefits   | 111,180               | 81,821                   |
| Other assets  | 784,590               | 737,022                  |
| Cash and cash equivalents   | 73,880                | -                        |
| <br>Total non-current assets  | <br>562,349,361       | <br>560,182,365          |
| <br><b>Current assets</b>   |                       |                          |
| Inventories   | 16,233,727            | 12,722,073               |
| Trade and other receivables   | 169,133,118           | 142,379,434              |
| Prepaid income tax  | 2,160,076             | 11,823,323               |
| Other assets  | 4,236,459             | 744,895                  |
| Cash and cash equivalents   | 6,448,510             | 6,211,412                |
| <br>Total current assets  | <br>198,211,890       | <br>173,881,137          |
| <br><b>Total assets</b>   | <br>760,561,251       | <br>734,063,502          |
| <br>Regulatory deferral account debit balance                                     | <br>29,493,042        | <br>34,423,438           |
| Deferred tax liability related to the balances of<br>deferred regulatory accounts | (8,847,913)           | (10,327,031)             |
| <br><b>Total assets and debit balances of<br/>deferred regulatory accounts</b>    | <br>781,206,380       | <br>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>March<br/>2019</b> | <b>December<br/>2018</b> |
|--------------------------------------|-----------------------|--------------------------|
| <b>Equity</b>                        |                       |                          |
| Issued capital                       | 106,642,962           | 106,642,962              |
| Treasury stocks                      | (544,087)             | (544,087)                |
| Other accumulated comprehensive loss | (400,889)             | (400,889)                |
| Retained earnings                    | 64,790,933            | 31,494,671               |
| Net profit for the period            | 11,344,471            | 33,296,262               |
| <b>Total equity</b>                  | <b>181,833,390</b>    | <b>170,488,919</b>       |
| <b>Non-current liabilities</b>       |                       |                          |
| Credits and loans                    | 281,158,530           | 281,724,053              |
| Other financial liabilities          | 58,425,447            | 56,386,966               |
| Employee benefits                    | 359,996               | 354,517                  |
| Deferred tax liability               | -                     | 760,040                  |
| Lease liabilities                    | 1,497,637             | -                        |
| Other liabilities                    | 2,212,753             | 2,257,042                |
| <b>Total non-current liabilities</b> | <b>343,654,363</b>    | <b>341,482,618</b>       |
| <b>Current liabilities</b>           |                       |                          |
| Credits and loans                    | 10,000,000            | 12,000,000               |
| Other financial liabilities          | 238,468,313           | 227,230,776              |
| Employee benefits                    | 22,585                | 21,376                   |
| Income tax payable                   | 212,091               | 158,954                  |
| Provisions                           | 6,690,873             | 6,595,086                |
| Lease liabilities                    | 142,585               | -                        |
| Other liabilities                    | 182,180               | 182,180                  |
| <b>Total current liabilities</b>     | <b>255,718,627</b>    | <b>246,188,372</b>       |
| <b>Total liabilities</b>             | <b>599,372,990</b>    | <b>587,670,990</b>       |
| <b>Total equity and liabilities</b>  | <b>781,206,380</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**

|   | Three months ended |                    |
|---|--------------------|--------------------|
|   | March<br>2019      | March<br>2018      |
| <b>Continuing operations</b>  |                    |                    |
| Rendering of services   | 182,091,972        | 156,030,261        |
| Sales of goods  | 27,482             | 9,095              |
| Other income  | 2,179,753          | 2,610,552          |
| <b>Income from continuing operations</b>  | <b>184,299,207</b> | <b>158,649,908</b> |
| Costs for rendering services  | 150,138,454        | 141,699,037        |
| Administrative expenses   | 5,498,471          | 5,403,472          |
| Impairment of financial instruments   | 2,730,534          | 592,429            |
| Other expenses  | (50,314)           | 168,224            |
| Finance income  | 46,029             | 36,875             |
| Finance costs   | 4,941,880          | 3,832,166          |
| <b>Profit before tax</b>  | <b>21,086,211</b>  | <b>6,991,455</b>   |
| Income tax expense  | 6,290,463          | 2,092,669          |
| <b>Net profit of the period before net movement<br/>in deferred regulatory accounts</b> | <b>14,795,748</b>  | <b>4,898,786</b>   |
| Net movement in balances of regulatory accounts<br>related to gains and losses          | (4,930,396)        | 6,262,736          |
| Net movement in deferred tax related to the balances<br>of regulatory accounts          | 1,479,119          | (1,878,821)        |
| <b>Total comprehensive income for the period</b>  | <b>11,344,471</b>  | <b>9,282,701</b>   |

**Elektra Noreste, S.A. and Subsidiary**  
 (51% Owned by Panama Distribution Group, S.A.)  
**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 1 January 2018                   | 106,642,962           | (544,087)              | (586,915)                         | 58,133,255                 | 163,645,215  |
| Adjustment on initial application of IFRS 9 | -                     | -                      | -                                 | (4,647,991)                | (4,647,991)  |
| Balance at 1 January 2018 adjusted          | 106,642,962           | (544,087)              | (586,915)                         | 53,485,264                 | 158,997,224  |
| Profit for the period                       | -                     | -                      | -                                 | 9,282,701                  | 9,282,701    |
| Balance at 31 March 2018                    | 106,642,962           | (544,087)              | (586,915)                         | 62,767,965                 | 168,279,925  |
|   |                       |                        |                                   |                            |              |
| Balance at 1 January 2019                   | 106,642,962           | (544,087)              | (400,889)                         | 64,790,933                 | 170,488,919  |
| Profit for the period                       | -                     | -                      | -                                 | 11,344,471                 | 11,344,471   |
| Balance at 31 March 2019                    | 106,642,962           | (544,087)              | (400,889)                         | 76,135,404                 | 181,833,390  |

**Elektra Noreste, S.A. and Subsidiary**  
 (51% Owned by Panama Distribution Group, S.A.)  
 Statement of cash flows as of March 31

|  | <b>2019</b>        | <b>2018</b>         |
|--|--------------------|---------------------|
| <b>Cash flows from operating activities:</b>   |                    |                     |
| Net profit for the period  | 11,344,471         | 9,282,701           |
| 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                                     | 6,644,868          | 7,163,368           |
| Impairment of financial instruments  | 2,730,534          | 592,429             |
| Provisions and defined benefits plans post- employment   | 181,031            | 241,173             |
| Deferred income tax  | (3,425,922)        | (1,354,773)         |
| Current income tax   | 9,716,384          | 3,447,442           |
| Finance costs, net   | 4,863,021          | 5,313,219           |
| Gain / Loss on disposal of fixed assets  | (50,314)           | 168,224             |
| Other non-cash income and expenses   | 93,338             | 81,183              |
|  | <u>32,097,411</u>  | <u>24,934,966</u>   |
| <b>Changes in working capital</b>  |                    |                     |
| Decreases (increase) in inventories  | (1,860,572)        | 1,247,429           |
| Decrease in trade and other receivables  | (29,484,218)       | (11,370,559)        |
| Decrease (increase) in other assets  | (3,539,131)        | (38,920)            |
| (Decrease) increase in other financial liabilities   | 12,740,604         | 9,799,563           |
| Decrease in provision  | (85,245)           | (1,271,277)         |
| (Decrease) increase in employee benefits   | (22,671)           | (37,998)            |
|  | <u>(5,075,931)</u> | <u>(4,845,759)</u>  |
| Interest paid, including capitalized interest  | -                  | (4,171,117)         |
| Income tax paid  | <u>-</u>           | <u>(4,171,117)</u>  |
| <b>Net cash generated by operating activities before net changes in balances related to deferred regulatory accounts</b> | <u>4,770,247</u>   | <u>14,246,328</u>   |
| Change in deferred regulatory accounts   | 3,451,278          | (4,383,915)         |
| <b>Net cash generated by operating activities and changes in balances related to deferred regulatory accounts</b>        | <u>8,221,525</u>   | <u>9,862,413</u>    |
| <b>Cash flows from investing activities:</b>   |                    |                     |
| Acquisition of property, plant and equipment   | (5,925,985)        | (12,814,556)        |
| Other cash flows from investing activities   | 15,438             | -                   |
|  | <u>(5,910,547)</u> | <u>(12,814,556)</u> |
| <b>Cash flows from financing activities:</b>   |                    |                     |
| Short-term debt  | 51,000,000         | 99,500,000          |
| Short-term debt payments   | (53,000,000)       | (98,500,000)        |
| <b>Net cash flows generated by (used in) financing activities</b>  | <u>(2,000,000)</u> | <u>1,000,000</u>    |
| Net increase (decrease) in cash and cash equivalents   | 310,978            | (1,952,143)         |
| 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>6,522,390</u>   | <u>2,606,010</u>    |