

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

Financial Statements
March 31, 2019

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

Assets	March 2019	December 2018
Non-current assets		
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	-
Total non-current assets	<u>562,349,361</u>	<u>560,182,365</u>
Current assets		
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	<u>6,448,510</u>	<u>6,211,412</u>
Total current assets	<u>198,211,890</u>	<u>173,881,137</u>
Total assets	<u>760,561,251</u>	<u>734,063,502</u>
Regulatory deferral account debit balance	29,493,042	34,423,438
Deferred tax liability related to the balances of deferred regulatory accounts	<u>(8,847,913)</u>	<u>(10,327,031)</u>
Total assets and debit balances of deferred regulatory accounts	<u>781,206,380</u>	<u>758,159,909</u>

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

Equity and liabilities	March 2019	December 2018
Equity		
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
Total equity	181,833,390	170,488,919
Non-current liabilities		
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
Total non-current liabilities	343,654,363	341,482,618
Current liabilities		
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
Total current liabilities	255,718,627	246,188,372
Total liabilities	599,372,990	587,670,990
Total equity and liabilities	781,206,380	758,159,909

Elektra Noreste, S.A. and Subsidiary
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Statement of profit or loss and other comprehensive income

	Three months ended	
	March	March
	2019	2018
Continuing operations		
Rendering of services	182,091,972	156,030,261
Sales of goods	27,482	9,095
Other income	2,179,753	2,610,552
Income from continuing operations	<u>184,299,207</u>	<u>158,649,908</u>
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
Profit before tax	<u>21,086,211</u>	<u>6,991,455</u>
Income tax expense	6,290,463	2,092,669
Net profit of the period before net movement in deferred regulatory accounts	14,795,748	4,898,786
Net movement in balances of regulatory accounts related to gains and losses	(4,930,396)	6,262,736
Net movement in deferred tax related to the balances of regulatory accounts	<u>1,479,119</u>	<u>(1,878,821)</u>
Total comprehensive income for the period	<u>11,344,471</u>	<u>9,282,701</u>

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 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

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Statement of cash flows as of March 31

	2019	2018
Cash flows from operating activities:		
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>
Changes in working capital		
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	(5,075,931)	(4,845,759)
Income tax paid	-	(4,171,117)
	<u>-</u>	<u>(4,171,117)</u>
Net cash generated by operating activities before net changes in balances related to deferred regulatory accounts	<u>4,770,247</u>	<u>14,246,328</u>
Change in deferred regulatory accounts	3,451,278	(4,383,915)
Net cash generated by operating activities and changes in balances related to deferred regulatory accounts	<u>8,221,525</u>	<u>9,862,413</u>
Cash flows from investing activities:		
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>
Net cash flows used in investing activities	<u>(5,910,547)</u>	<u>(12,814,556)</u>
Cash flows from financing activities:		
Short-term debt	51,000,000	99,500,000
Short-term debt payments	(53,000,000)	(98,500,000)
	<u>(2,000,000)</u>	<u>1,000,000</u>
Net cash flows generated by (used in) financing activities	<u>(2,000,000)</u>	<u>1,000,000</u>
Net increase (decrease) in cash and cash equivalentes	<u>310,978</u>	<u>(1,952,143)</u>
Cash and cash equivalentes at the beginning of the period	<u>6,211,412</u>	<u>4,558,153</u>
Cash and cash equivalentes at the end of the period	<u><u>6,522,390</u></u>	<u><u>2,606,010</u></u>