

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

Financial Statements  
September 30, 2018

**Elektra Noreste, S.A.**

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

**Statement of financial position**

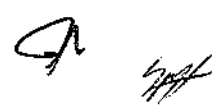
<b>Assets</b>	<b>September 2018</b>	<b>December 2017</b>
<b>Non-current assets</b>		
Property, plant and equipment, net	527,450,723	502,455,031
Investment property	3,162,609	3,162,609
Other intangible assets	19,392,108	19,875,032
Trade and other receivables	9,700,000	9,700,000
Deferred tax asset	-	2,813,876
Employee benefits	185,352	-
Other assets	765,319	679,162
Total non-current assets	560,656,111	538,685,710
<b>Current assets</b>		
Inventories	16,923,158	18,624,213
Trade and other receivables	115,599,829	107,693,795
Prepaid income tax	7,927,881	-
Other assets	966,435	800,384
Cash and cash equivalents	5,741,058	4,558,153
Total current assets	147,158,361	131,676,545
<b>Total assets</b>	707,814,472	670,362,255
Regulatory deferral account debit balance	30,533,630	16,368,097
<b>Total assets and debit balances of deferred regulatory accounts</b>	738,348,102	686,730,352

**Elektra Noreste, S.A.**

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

**Statement of financial position (continued)**

<b>Equity and liabilities</b>	<b>September 2018</b>	<b>December 2017</b>
<b>Equity</b>		
Issued capital	106,642,962	106,642,962
Treasury stocks	(544,087)	(544,087)
Other accumulated comprehensive loss	(586,915)	(586,915)
Retained earnings	32,233,350	25,743,192
Net profit for the period	24,510,122	32,390,063
<b>Total equity</b>	<b>162,255,432</b>	<b>163,645,215</b>
<b>Non-current liabilities</b>		
Credits and loans	180,754,236	181,424,837
Other financial liabilities	24,935,023	21,981,249
Employee benefits	427,813	626,448
Deferred tax liability	1,285,013	-
Other liabilities	2,484,076	2,621,402
<b>Total non-current liabilities</b>	<b>209,886,161</b>	<b>206,653,936</b>
<b>Current liabilities</b>		
Credits and loans	132,000,000	128,000,000
Other financial liabilities	219,091,447	174,199,120
Employee benefits	44,749	37,840
Income tax payable	82,023	4,003,087
Provisions	5,828,201	5,280,725
<b>Total current liabilities</b>	<b>357,046,420</b>	<b>311,520,772</b>
<b>Total liabilities</b>	<b>566,932,581</b>	<b>518,174,708</b>
Deferred tax liability related to the balance of deferred regulatory accounts	9,160,089	4,910,429
<b>Total liabilities and regulatory deferral account credit balance</b>	<b>576,092,670</b>	<b>523,085,137</b>
<b>Total equity and liabilities</b>	<b>738,348,102</b>	<b>686,730,352</b>



**Elektra Noreste, S.A.**

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

**Statement of profit or loss and other comprehensive income**

	Nine months ended		Three months ended	
	September 2018	September 2017	September 2018	September 2017
<b>Continuing operations</b>				
Rendering of services	499,227,110	477,126,800	181,477,970	156,023,357
Other income	7,756,198	7,219,457	2,483,893	2,403,724
<b>Income from continuing operations</b>	<u>506,983,308</u>	<u>484,346,257</u>	<u>183,961,863</u>	<u>158,427,081</u>
Costs for rendering services	440,496,990	419,575,761	162,564,439	137,903,957
Administrative expenses	17,136,480	15,673,231	5,722,619	5,203,313
Impairment of financial instruments	1,788,662	1,756,253	552,005	534,091
Other expenses	1,022,387	827,769	424,329	317,539
Finance income	208,037	73,928	152,494	24,476
Finance costs	11,814,136	10,827,544	4,150,149	3,639,582
<b>Profit before tax</b>	<u>34,932,690</u>	<u>35,759,627</u>	<u>10,700,816</u>	<u>10,853,075</u>
Income tax expense	10,422,568	10,847,726	3,156,862	3,250,127
<b>Net profit</b>	<u>24,510,122</u>	<u>24,911,901</u>	<u>7,543,954</u>	<u>7,602,948</u>
<b>Other comprehensive income (loss), net of tax</b>				
<b>Items which will not be reclassified later to profit or loss of the year:</b>				
Remeasurement of defined benefit obligations	-	-	-	-
Income tax relating to components which will not be reclassified	-	-	-	-
<b>Other comprehensive income (loss), net of tax</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>	<u>24,510,122</u>	<u>24,911,901</u>	<u>7,543,954</u>	<u>7,602,948</u>

**Elektra Noreste, S.A.**

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

**Statement of changes in shareholders' equity**

	Issued capital	Treasury stocks	Accumulated results	Other comprehensive Income Defined benefits plan	Total
<b>Balance at 1 January 2017</b>	106,642,962	(544,087)	40,823,336	(416,369)	146,505,842
Profit for the period	-	-	24,911,901	-	24,911,901
Other comprehensive income of the period, net of tax	-	-	-	-	-
<b>Total comprehensive income for the period</b>	106,642,962	(544,087)	65,735,237	(416,369)	171,417,743
Accredited Income tax related to transactions with owners	-	-	(678,242)	-	(678,242)
<b>Balance at 30 September 2017</b>	106,642,962	(544,087)	65,056,995	(416,369)	170,739,501
<b>Balance at 31 December 2017</b>	106,642,962	(544,087)	58,133,255	(586,915)	163,645,215
Profit for the period	-	-	24,510,122	-	24,510,122
Adjustment on initial application of IFRS 9	-	-	(4,647,991)	-	(4,647,991)
Total other comprehensive income	106,642,962	(544,087)	77,995,386	(586,915)	183,507,346
Dividends declared	-	-	(21,000,000)	-	(21,000,000)
Income tax related to transactions with owners	-	-	(251,914)	-	(251,914)
<b>Balance at 30 September 2018</b>	106,642,962	(544,087)	56,743,472	(586,915)	162,255,432



**Elektra Noreste, S.A.**

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

**Statement of cash flows as of September 30**

	2018	2017
<b>Cash flows from operating activities:</b>		
Net profit for the period	24,510,122	24,911,901
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	22,258,880	20,388,137
Impairment of financial instruments	(15,659,679)	1,756,253
Provisions and defined benefits plans post-employment	1,920,522	1,250,058
Deferred income tax	10,340,544	(2,465,651)
Current income tax	82,023	13,313,377
Finance costs	11,814,169	10,827,544
Loss on disposal of fixed assets	1,022,387	827,769
Other non-cash income and expenses	283,402	220,386
	<u>56,572,370</u>	<u>71,029,774</u>
<b>Changes in working capital</b>		
Decreases (increase) in inventories	1,972,133	2,957,818
Decrease in trade and other receivables	1,113,657	(19,100,374)
Decrease (increase) in deferred regulatory accounts	(14,165,533)	5,153,525
Decrease (increase) in other assets	(252,208)	(304,426)
(Decrease) increase in other financial liabilities	45,806,702	(24,580,160)
Decrease in provision	(1,373,046)	(208,999)
(Decrease) increase in employee benefits	(377,078)	283,793
	<u>(11,930,968)</u>	<u>-</u>
<b>Net cash generated by operating activities</b>	<u>77,366,029</u>	<u>35,230,951</u>
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant and equipment	(46,206,197)	(41,805,871)
Other cash flows from investing activities	88,201	50,525
	<u>(46,117,996)</u>	<u>(41,755,346)</u>
<b>Net cash flows used in investing activities</b>	<u>(46,117,996)</u>	<u>(41,755,346)</u>
<b>Cash flows from financing activities:</b>		
Short-term debt, net	4,000,000	19,000,000
Interest paid, including capitalized interest	(12,813,214)	(11,996,725)
Payment of dividends	(21,000,000)	-
Other cash flows from financing activities	(251,914)	(678,242)
	<u>(30,065,128)</u>	<u>6,325,033</u>
<b>Net cash flows generated by (used in) financing activities</b>	<u>(30,065,128)</u>	<u>6,325,033</u>
Net increase (decrease) in cash and cash equivalents	<u>1,182,905</u>	<u>(199,362)</u>
Cash and cash equivalents at the beginning of the period	<u>4,558,153</u>	<u>3,620,659</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>5,741,058</u></u>	<u><u>3,421,297</u></u>