

Elektra Noreste, S.A. and subsidiary

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

Financial Statements
September 30, 2019

5/10/19

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

Assets	September 2019	December 2018
Non-current assets		
Property, plant and equipment, net	536,658,564	533,491,157
Inventories	2,590,930	2,138,237
Investment property	4,014,309	4,014,309
Other intangible assets	22,970,758	19,719,819
Right-of-use asset - leases	1,524,083	-
Deferred tax asset	4,427,672	-
Employee benefits	322,866	81,821
Other assets	862,793	737,022
Cash and cash equivalents	73,880	-
Total non-current assets	573,445,855	560,182,365
Current assets		
Inventories	18,296,363	12,722,073
Trade and other receivables	167,215,022	142,379,434
Prepaid income tax	-	11,823,323
Other assets	4,043,627	744,895
Cash and cash equivalents	9,321,357	6,211,412
Total current assets	198,876,369	173,881,137
Total assets	772,322,224	734,063,502
Regulatory deferral account debit balance	8,094,680	34,423,438
Deferred tax liability related to the balances of deferred regulatory accounts	(2,428,404)	(10,327,031)
Total assets and debit balances of deferred regulatory accounts	777,988,500	758,159,909

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

Equity and liabilities	September 2019	December 2018
Equity		
Issued capital	106,642,962	106,642,962
Treasury stocks	(568,667)	(544,087)
Other accumulated comprehensive loss	(400,889)	(400,889)
Retained earnings	62,461,216	31,494,671
Net profit for the period	30,884,327	33,296,262
Total equity	199,018,949	170,488,919
Non-current liabilities		
Credits and loans	281,091,102	281,724,053
Other financial liabilities	56,622,473	56,386,966
Employee benefits	331,762	354,517
Deferred tax liability	-	760,040
Lease liabilities	1,497,637	-
Other liabilities	2,124,651	2,257,042
Total non-current liabilities	341,667,625	341,482,618
Current liabilities		
Credits and loans	18,000,000	12,000,000
Other financial liabilities	197,096,134	227,230,776
Employee benefits	26,817	21,376
Income tax payable	16,554,462	158,954
Provisions	5,391,450	6,595,086
Lease liabilities	50,883	-
Other liabilities	182,180	182,180
Total current liabilities	237,301,926	246,188,372
Total liabilities	578,969,551	587,670,990
Total equity and liabilities	777,988,500	758,159,909

Elektra Noreste, S.A. and Subsidiary

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

Statement of profit or loss and other comprehensive income

	Nine months ended		Three months ended	
	September 2019	September 2018	September 2019	September 2018
Continuing operations				
Rendering of services	553,908,742	496,762,905	178,185,698	179,601,300
Sales of goods	130,673	308,121	69,647	120,770
Other income	8,635,480	7,756,198	3,865,692	2,671,244
Income from continuing operations	562,674,895	504,827,224	182,121,037	182,393,314
Costs for rendering services	457,301,221	452,506,439	148,927,631	160,340,731
Administrative expenses	16,747,880	16,903,244	6,074,416	5,646,784
Impairment of financial instruments	3,416,289	1,788,662	(243,815)	552,005
Other expenses	585,865	1,022,387	375,925	383,521
Finance income	153,662	208,037	59,142	152,494
Finance costs	14,519,031	12,047,372	4,710,027	4,225,984
Profit before tax	70,258,271	20,767,157	22,335,995	11,396,783
Income tax expense	20,943,813	6,172,908	6,664,258	3,365,652
Net profit of the period before net movement in deferred regulatory accounts	49,314,458	14,594,249	15,671,737	8,031,131
Net movement in balances of regulatory accounts related to gains and losses	(26,328,758)	14,165,533	(7,360,226)	(695,967)
Net movement in deferred tax related to the balances of regulatory accounts	7,898,627	(4,249,660)	2,208,067	208,790
Total comprehensive income for the period	30,884,327	24,510,122	10,519,578	7,543,954

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, 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 January 1, 2018 adjusted	106,642,962	(544,087)	(586,915)	53,485,264	158,997,224
Profit for the period	-	-	-	24,510,122	24,510,122
Other comprehensive income of the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	106,642,962	(544,087)	(586,915)	77,995,386	183,507,346
Declared Dividends	-	-	-	(21,000,000)	(21,000,000)
Accredited Income tax related to transactions with owners	-	-	-	(251,914)	(251,914)
Balance at September 30, 2018	106,642,962	(544,087)	(586,915)	56,743,472	162,255,432
Balance at January 1, 2019	106,642,962	(568,667)	(400,889)	64,790,933	170,464,339
Profit for the period	-	-	-	30,884,327	30,884,327
Adjustment on initial application of IFRS 9	-	-	-	(2,308,572)	(2,308,572)
Total other comprehensive income	106,642,962	(568,667)	(400,889)	93,366,688	199,040,094
Dividends declared	-	-	-	-	-
Income tax related to transactions with owners	-	-	-	(21,145)	(21,145)
Balance at September 30, 2019	106,642,962	(568,667)	(400,889)	93,345,543	199,018,949

Elektra Noreste, S.A. and Subsidiary

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Statement of cash flows as of September 30,

	2019	2018
Cash flows from operating activities:		
Net profit for the period	30,884,327	24,510,122
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	22,615,707	22,258,880
Impairment of financial instruments	3,416,289	1,788,662
Provisions and defined benefits plans post-employment	755,106	1,920,522
Deferred income tax	(7,496,285)	10,340,544
Current income tax	28,440,098	82,023
Finance costs, net	14,516,923	11,814,169
Gain / Loss on disposal of fixed assets	585,864	1,022,387
Other non-cash income and expenses	321,049	283,402
	<u>94,039,078</u>	<u>74,020,711</u>
Changes in working capital		
Inventories	(6,026,983)	1,972,133
Trade and other receivables	(28,251,877)	(16,334,684)
Other assets	(3,424,503)	(252,208)
Other financial liabilities	(30,725,654)	45,806,702
Provision	(258,359)	(1,373,046)
Employee benefits	(1,958,743)	(377,078)
	<u>(70,745,019)</u>	<u>(12,358,181)</u>
Interest paid, including capitalized interest	(13,228,275)	(12,813,214)
Income tax paid	(220,667)	(11,930,968)
	<u>(13,448,942)</u>	<u>(24,744,182)</u>
Net cash generated by operating activities before net changes in balances related to deferred regulatory accounts	<u>9,944,017</u>	<u>78,718,348</u>
Change in deferred regulatory accounts	18,430,131	(14,165,533)
Net cash generated by operating activities and changes in balances related to deferred regulatory accounts	<u>28,374,148</u>	<u>64,552,815</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(31,190,117)	(46,206,197)
Other cash flows from investing activities	20,938	88,201
	<u>(31,169,179)</u>	<u>(46,117,996)</u>
Net cash flows used in investing activities	<u>(31,169,179)</u>	<u>(46,117,996)</u>
Cash flows from financing activities:		
Short-term debt	146,000,000	270,000,000
Short-term debt payments	(140,000,000)	(266,000,000)
Payment of dividends	-	(21,000,000)
Other cash flows from financing activities	(21,144)	(251,914)
	<u>5,978,856</u>	<u>(17,251,914)</u>
Net cash flows generated by (used in) financing activities	<u>5,978,856</u>	<u>(17,251,914)</u>
Net increase (decrease) in cash and cash equivalents	<u>3,183,825</u>	<u>1,182,905</u>
Cash and cash equivalents at the beginning of the period	<u>6,211,412</u>	<u>4,558,153</u>
Cash and cash equivalents at the end of the period	<u><u>9,395,237</u></u>	<u><u>5,741,058</u></u>