

Elektra Noreste, S.A. and subsidiary

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

Financial Statements

September 30, 2020

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

Assets	September 2020	December 2019
Non-current assets		
Property, plant and equipment, net	549,431,554	548,933,838
Inventories	2,806,694	2,583,802
Investment property	4,302,800	3,963,709
Other intangible assets	23,825,175	22,305,591
Right-of-use asset - leases	1,428,491	1,565,042
Deferred tax asset	5,461,669	4,331,999
Employee benefits	174,605	35,803
Other assets	1,024,087	900,955
Total non-current assets	<u>588,455,075</u>	<u>584,620,739</u>
Current assets		
Inventories	20,138,359	18,046,516
Trade and other receivables	158,270,492	145,778,015
Other assets	1,021,293	1,141,663
Cash and cash equivalents	<u>12,936,932</u>	<u>25,511,109</u>
Total current assets	<u>192,367,076</u>	<u>190,477,303</u>
Total assets	<u>780,822,151</u>	<u>775,098,042</u>
Regulatory deferral account debit balance	-	-
Deferred tax liability related to the balances of deferred regulatory accounts	<u>1,361,359</u>	<u>-</u>
Total assets and debit balances of deferred regulatory accounts	<u>782,183,510</u>	<u>775,098,042</u>

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

Equity and liabilities	September 2020	December 2019
Equity		
Issued capital	106,642,962	106,642,962
Treasury stocks	(574,511)	(568,667)
Other accumulated comprehensive loss	(662,847)	(662,847)
Retained earnings	72,069,409	42,281,707
Net profit for the period	18,823,634	33,110,400
Total equity	196,298,647	180,803,555
Non-current liabilities		
Credits and loans	180,229,261	282,179,173
Other financial liabilities	51,163,428	54,914,944
Employee benefits	331,619	323,078
Lease liabilities	1,422,822	1,396,569
Other liabilities	1,963,897	2,089,911
Total non-current liabilities	235,111,027	340,903,675
Current liabilities		
Credits and loans	101,342,171	25,000,000
Other financial liabilities	235,116,474	194,115,781
Employee benefits	27,465	23,625
Income tax payable	1,803,207	22,884,197
Provisions	7,663,237	5,511,038
Lease liabilities	109,437	211,872
Other liabilities	173,981	173,981
Total current liabilities	346,235,972	247,920,494
Total liabilities	581,346,999	588,824,169
Regulatory deferral account credit balance	4,537,864	7,814,740
Deferred tax assets related to the balance of deferred regulatory accounts	-	(2,344,422)
Total liabilities and regulatory deferral account credit balance	585,884,863	594,294,487
Total equity and liabilities	782,183,510	775,098,042

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 2020	September 2019	September 2020	September 2019
Continuing operations				
Rendering of services	422,359,242	553,908,742	127,808,811	178,185,698
Sales of goods	34,704	130,673	4,970	69,647
Other operating income	3,603,819	6,396,362	274,006	2,281,149
Income from continuing operations	425,997,765	560,435,777	128,087,787	180,536,494
Other income	3,299,501	2,199,620	2,114,152	1,545,045
Total income	429,297,266	562,635,397	130,201,939	182,081,539
Costs for rendering services	366,549,233	457,301,221	117,746,772	148,927,631
Administrative expenses	16,843,548	16,708,382	5,621,599	6,034,918
Impairment of financial instruments	7,240,389	3,416,289	167,150	(243,815)
Other expenses	305,914	585,865	(149,982)	375,925
Finance income	338,825	153,662	141,314	59,142
Finance costs	15,555,487	14,519,031	5,875,743	4,710,027
Profit before tax	23,141,520	70,258,271	1,081,971	22,335,995
Income tax expense	6,611,700	20,943,813	190,196	6,664,258
Net profit of the period before net movement in deferred regulatory accounts	16,529,820	49,314,458	891,775	15,671,737
Net movement in balances of regulatory accounts related to gains and losses	3,276,876	(26,328,758)	6,410,608	(7,360,226)
Net movement in deferred tax related to the balances of regulatory accounts	(983,062)	7,898,627	(1,923,182)	2,208,067
Net profit of the period after net movement in deferred regulatory accounts	18,823,634	30,884,327	5,379,201	10,519,578
Other comprehensive income (loss), net of tax				
Items which will not be reclassified later to profit or loss of the year:				
Remeasurement of defined benefit obligations	-	-	-	-
Income tax relating to components which will not be reclassified	-	-	-	-
Other comprehensive income (loss), net of tax	-	-	-	-
Total comprehensive income for the period	18,823,634	30,884,327	5,379,201	10,519,578

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, 2019	106,642,962	(544,087)	(400,889)	64,790,933	170,488,919
Adjustment on initial application of IFRS 9	-	-	-	-	-
Balance at January 1, 2019 adjusted	106,642,962	(544,087)	(400,889)	64,790,933	170,488,919
Profit for the period	-	-	-	33,110,400	33,110,400
Other comprehensive income of the period, net of tax	-	-	(261,958)	-	(261,958)
Total comprehensive income for the period	-	-	(261,958)	33,110,400	32,848,442
Declared Dividends	-	-	-	(23,422,919)	(23,422,919)
Share repurchase	-	(24,580)	-	-	(24,580)
Accredited Income tax related to transactions with owners	-	-	-	913,693	913,693
Balance at December 31, 2019	106,642,962	(568,667)	(662,847)	75,392,107	180,803,555
Balance at January 1, 2020	106,642,962	(568,667)	(662,847)	75,392,107	180,803,555
Profit for the period	-	-	-	18,823,634	18,823,634
Other comprehensive income for the year net of income tax	-	-	-	(3,322,698)	(3,322,698)
Total other comprehensive income	-	-	-	15,500,936	15,500,936
Share repurchase	-	(5,844)	-	-	(5,844)
Dividends declared	-	-	-	-	-
Income tax related to transactions with owners	-	-	-	-	-
Balance at September 30, 2020	106,642,962	(574,511)	(662,847)	90,893,043	196,298,647

Elektra Noreste, S.A. and Subsidiary
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Statement of cash flows as of September 30, 2020

	2020	2019
Cash flows from operating activities:		
Net profit for the period	18,823,634	30,884,327
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	25,574,642	22,615,707
Impairment of financial instruments	7,240,389	3,416,288
Investment property valuation	(339,091)	-
Current income tax	6,611,700	20,943,813
Finance costs, net	15,216,662	14,365,370
Gain / Loss on disposal of fixed assets	602,296	840,513
Provisions	2,523,918	959,022
	<u>76,254,150</u>	<u>94,025,040</u>
Changes in working capital		
Inventories	(2,089,663)	(5,574,290)
Trade and other receivables	(19,732,866)	(28,251,876)
Other assets	121,170	(3,304,139)
Other financial liabilities	35,047,572	(30,165,402)
Employee benefits	(321,937)	(462,275)
Provisions	(147,674)	(1,958,743)
Other liabilities	(126,015)	(132,391)
	<u>89,004,737</u>	<u>24,175,924</u>
Interest paid, including capitalized interest	(14,259,487)	(15,161,034)
Interest paid on lease	(47,496)	(49,060)
Income tax paid	(28,823,259)	(220,667)
	<u>(28,823,259)</u>	<u>(220,667)</u>
Net cash generated by operating activities before net changes in balances related to deferred regulatory accounts	<u>45,874,495</u>	<u>8,745,163</u>
Change in deferred regulatory accounts	(2,293,813)	18,430,131
Net cash generated by operating activities and changes in balances related to deferred regulatory accounts	<u>43,580,682</u>	<u>27,175,294</u>
Cash flows from investing activities:		
Interest Income	338,825	153,662
Acquisition of property, plant and equipment	(28,040,599)	(29,705,508)
Inventory	(222,892)	(452,693)
Severance fund	(123,931)	(125,379)
	<u>(28,048,597)</u>	<u>(30,129,918)</u>
Net cash flows used in investing activities	<u>(28,048,597)</u>	<u>(30,129,918)</u>
Cash flows from financing activities:		
Short-term debt	72,346,258	146,321,049
Short-term debt payments	(97,000,000)	(140,000,000)
Payment of dividends	-	-
Other cash flows from financing activities	-	-
Share repurchase	(5,844)	(24,580)
Lease liability payment	(123,978)	(136,876)
Income tax related to transactions with owners	(3,322,698)	(21,144)
	<u>(28,106,262)</u>	<u>6,138,449</u>
Net cash flows generated by (used in) financing activities	<u>(28,106,262)</u>	<u>6,138,449</u>
Net increase (decrease) in cash and cash equivalents	<u>(12,574,177)</u>	<u>3,183,825</u>
Cash and cash equivalents at the beginning of the period	<u>25,511,109</u>	<u>6,211,412</u>
Cash and cash equivalents at the end of the period	<u>12,936,932</u>	<u>9,395,237</u>