Elektra Noreste, S.A. and Subsidiary
(51% owned by Panama Distribution Group, S.A.)

Consolidated Financial Statements for the Year Ending December 31, 2025 and Independent Auditors' Report dated February 19, 2026.

"This document has been prepared with the knowledge that its content will be made available to the investing and general public."

Yerhei L. Carreño Q.

Digitally signed by Yerhei L. Carreño Q.
Date: 2026.04.16 12:42:27 -05'00'

Elektra Noreste, S.A. and Subsidiary
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Management Report – Elektra Noreste, S.A.

Content **Page**

Public Accountant's Report	1 - 5
Consolidated Statement of Financial Position	6 - 7
Consolidated Statement of Profit and Other Comprehensive Income	8
Consolidated Statement of Changes In Equity	9
Consolidated Statement of Cash Flows	10
Consolidated Financial Statements Notes	11 – 88

Supplementary Information

Appendix I – Consolidated Statement of Financial Position Consolidation Information

Appendix II – Consolidated Statement of Profit and Other Comprehensive Income Consolidation Information

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and the Shareholders of
Elektra Noreste, S.A. and Subsidiary

Opinion

We have audited the consolidated financial statements of Elektra Noreste, S.A. and Subsidiary (the Group), which comprise the Consolidated Statement of Financial Position as of December 31, 2025, and the Consolidated Statements of Profit and Other Comprehensive Income, changes in equity and cash flows for the year then ended, as well as the notes to the consolidated financial statements, including a summary of information on material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025, its consolidated financial performance, and its consolidated cash flows for the year then ended, in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IASB).

Basis for the Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Professional Ethics for Certified Public Accountants in Panama (Decree No. 26 of May 17, 1984) and with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants, including the International Independence Standards (IESBA Code of Ethics), as applicable to audits of the consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated financial statements of public interest entities in Panama. We have also complied with our other ethical responsibilities in accordance with those requirements and the IESBA Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion **.**

Key Audit Matters

Key Audit Matters are those that, based on our professional judgment, were the most significant in our audit of the consolidated financial statements for the current period. These matters were considered in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon, and we do not express a separate opinion on these matters. For the key matter detailed below, we describe how that matter was addressed in the context of our audit.

We have fulfilled the responsibilities described in the “Auditor's Responsibilities for the Audit of the Consolidated Financial Statements” section of our report, including those related to the Key Audit Matter. Accordingly, our audit included performing procedures designed to respond to our assessment of the risks of material misstatement in the consolidated financial statements.

The results of our audit procedures, including the procedures performed to address the Key Audit Matter detailed below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Estimate for Expected Credit Losses

The estimate for expected credit losses is considered a Key Audit Matter because it requires significant judgment by management, which involves a degree of subjectivity. The criteria for recognizing impairment of receivables are described in Notes 3 and 8 to the consolidated financial statements. As of December 31, 2025, the Group's estimate for expected credit losses is $19,259,469 and the receivables balance is $265,150,555.

The estimate is calculated based on the recognition of credit losses, estimating the probability of default for each obligation. This probability is determined using a model that considers portfolio-specific variables and payment behavior, integrating historical loss data by portfolio type with relevant macroeconomic factors to project future growth. The resulting prospective factor is segmented by portfolio type.

Our audit procedures relating to the estimate for expected credit losses included, but were not limited to, the following:

- Understanding and evaluating the methodology used by the Group to determine expected credit losses, which included reviewing the assumptions and criteria used in the analyses prepared by Management.

- We obtained the analysis prepared by Management, and we compared the assumptions used in that analysis against the current portfolio, historical data, economic factors and their source.

- We perform detailed tests to validate the age of accounts receivable and to test the integrity of the information used for the calculation.

Another Matter – Supplementary Information

Management is responsible for supplemental information. Supplemental information includes consolidation information, which is presented for the purpose of further analysis of the consolidated financial statements, not to present the financial position or results of operations of the individual companies, and is not required as part of the consolidated financial statements.

Our opinion on the consolidated financial statements does not cover the supplementary information and we do not express an opinion or any other form of assurance conclusion on it.

In connection with our audit of the consolidated financial statements, our responsibility is to read this other information and, in doing so, consider whether there is a material deviation between that other information and the consolidated financial statements, or with our knowledge obtained during the course of the audit. If we determine that the other information contains material deviations, we are required to report that fact. We have nothing to report with respect to the rest of the other information.

Responsibilities of Management and Those Charged with Corporate Governance Regarding Consolidated Financial Statements.

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, as well as for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as appropriate, matters relating to the going concern and using the going concern accounting principle, except if Management intends to liquidate the Group or terminate its operations, or has no realistic alternative but to do so.

The Group's corporate governance officers are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities in Relation to the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when one exists. Misstatements can arise from fraud or error and are considered material when, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures to respond to those risks, and obtain sufficient appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, since fraud can involve collusion, forgery, intentional omissions, intentional misrepresentations, or circumvention of internal control.

- We obtain an understanding of internal control relevant to the audit, for the purpose of designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- We assess whether the accounting policies used are appropriate, as well as the reasonableness of the accounting estimates and disclosures made by Management.

- We conclude that Management has appropriately applied the going concern accounting principle and, based on the audit evidence obtained, we conclude whether a significant uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a significant uncertainty exists, we are required to draw attention in our Auditor's Report to the corresponding disclosures in the consolidated financial statements or, if those disclosures are inadequate, to express a modified opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group to cease being a going concern.

- We evaluate the overall presentation, structure, and content of the consolidated financial statements, including disclosures, and whether those consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities that comprise the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and execution of the audit of the Group. We are solely responsible for our audit opinion.

We communicated with the Group's corporate governance officers regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant internal control deficiencies we identified during the course of the audit.

We also provide the Group's corporate governance officers with a statement that we have complied with applicable ethics requirements in relation to independence and communicate to them all relationships and other matters that may reasonably be expected to affect our independence and, where applicable, the corresponding safeguards.

Based on the matters communicated to those charged with governance, we determined those matters that were most significant in the audit of the consolidated financial statements for the current period and that are, therefore, the Key Audit Matters. We describe these matters in our Auditor's Report unless legal or regulatory provisions prohibit public disclosure of the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our Auditor's Report because it could reasonably be expected that the adverse consequences of doing so would outweigh the public interest benefits of its disclosure.

Other Legal and Regulatory Requirements

In compliance with Law 280 of December 30, 2021, which regulates the profession of the authorized public accountant in the Republic of Panama, we declare the following:

- That the direction and supervision, as well as the execution of the audit of the activities that the Group maintains in Panama, have been physically carried out in Panamanian territory.

- The team that participated in the audit referred to in this report consists of Aurora Díaz G., Partner; and María Guillén, Senior Manager.

The Partner in charge of the audit who prepared this independent auditors' report is Aurora Díaz G.

Panama, Republic of Panama
February 19, 2026

Aurora Diaz G.
CPA No. 2105

Elektra Noreste, S.A. and Subsidiary
(51% owned by Panama Distribution Group, S.A.)
Consolidated Statement of Financial Position
December 31, 2025

(In balboas)

	Notes	2025	2024
Assets			
Non-current assets			
Property, plant and equipment, net	4	643,419,018	611,959,117
Inventories	12	4,343,510	3,412,270
Trade receivables and other accounts receivable	8	2,633,887	-
Investment properties	5	4,250,500	3,806,200
Other intangible assets	7	32,102,709	30,765,645
Right-of-use assets	9	285,150	425,109
Other assets	11	4,950,555	5,547,034
Total non-current assets		691,985,329	655,915,375
Current assets			
Inventories	12	29,270,078	29,776,034
Trade receivables and other accounts receivable	8	245,956,683	149,363,240
Current income tax assets	28	-	2,360,007
Other assets	11	1,426,682	5,952,688
Cash and cash equivalents	13	10,126,977	12,719,037
Total current assets		286,780,420	200,171,006
Total assets		978,765,749	856,086,381
Debit balances of deferred regulatory accounts	22	27,105,177	69,856,699
Deferred tax liabilities related to balances of deferred regulatory accounts	22	(8,131,552)	(20,957,009)
Total assets and debit balances of deferred regulatory accounts		997,739,374	904,986,071

Elektra Noreste, S.A. and Subsidiary
(51% owned by Panama Distribution Group, S.A.)
Consolidated Statement of Financial Position
December 31, 2025

(In balboas)

	Notes	2025	2024
Equity and liabilities			
Equity			
Issued capital	14	106,642,962	106,642,962
Treasury shares	14	(617,270)	(617,270)
Other accumulated comprehensive income	15	(328,690)	(525,175)
Retained earnings	14	72,805,059	72,886,616
Net income for the year and net movement in balances of deferred regulatory accounts	14	64,249,007	74,025,589
Total equity		242,751,068	252,412,722
Non-current liabilities			
Loans and borrowings	16	200,433,440	198,585,060
Bonds payable	16	100,580,673	180,359,995
Accounts payable and other payables	17	30,391,962	33,553,774
Other financial liabilities	18	213,713	364,216
Employee benefits	19	2,344,319	2,399,123
Deferred tax liability, net	28	22,042,266	2,881,210
Other liabilities	21	1,192,780	1,326,492
Total non-current liabilities		357,199,153	419,469,870
Current liabilities			
Loans and borrowings	16	226,603,923	76,300,287
Accounts payable and other payables	17	151,730,900	149,770,896
Other financial liabilities	18	158,620	135,162
Employee benefits	19	9,587	15,419
Income tax payable	28	11,919,293	-
Provisions	20	7,233,116	6,744,898
Other liabilities	21	133,714	136,817
Total current liabilities		397,789,153	233,103,479
Total liabilities		754,988,306	652,573,349
Total liabilities and credit balances of deferred regulatory accounts		754,988,306	652,573,349
Total equity and liabilities		997,739,374	904,986,071

The accompanying notes are an integral part of these consolidated financial statements.

Elektra Noreste, S.A. and Subsidiary
(51% owned by Panama Distribution Group, S.A.)
Consolidated Statement of Profit and Other Comprehensive Income
For the year ending December 31, 2025

(In balboas)

	Notes	2025	2024
Rendering of services	23	821,408,290	800,335,506
Other operating income	23	12,557,874	9,760,458
Total revenue from ordinary activities		833,966,164	810,095,964
Other income	23	6,276,803	3,689,993
Total income	23	840,242,967	813,785,957
Cost of services rendered and sale of goods	24	635,200,358	667,447,381
Administrative expenses	25	31,821,125	34,857,881
Impairment of accounts receivable	8	2,811,538	4,140,460
Other expenses	26	5,533,102	7,916,980
Finance income	27	(922,035)	(812,223)
Finance costs	27	29,810,199	27,828,040
Profit for the year before income tax		704,254,287	741,378,519
Income tax	28	41,813,608	22,028,577
Net profit for the year before net movement in balances of deferred regulatory accounts		94,175,072	50,378,861
Net movement in balances of regulatory accounts related to profit or loss	22	(42,751,522)	33,781,040
Net movement in deferred tax arising from balances of regulatory accounts related to profit or loss	22	12,825,457	(10,134,312)
Net profit for the year and net movement in balances of deferred regulatory accounts		64,249,007	74,025,589
Other comprehensive income, net of tax:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans	15, 28	280,114	(174,781)
Income tax related to components that will not be reclassified	15, 28	(83,629)	51,419
Other comprehensive income, net of tax		196,485	(123,362)
Total comprehensive income for the year		64,445,492	73,902,227

The accompanying notes are an integral part of these consolidated financial statements.

Elektra Noreste, S.A. and Subsidiary
(51% owned by Panama Distribution Group, S.A.)
Consolidated Statement of Changes in Equity
For the year ending December 31, 2025

(In balboas)

	Note	Issued capital	Treasury shares	Other accumulated comprehensive income	Retained earnings	Total
Balance as of January 1, 2024		106,642,962	(574,511)	(401,813)	126,423,273	232,089,911
Comprehensive income for the year						
Application of changes in the Group's accounting policies		-	-	-	(415,924)	(415,924)
Net profit for the year and net movement in balances of deferred regulatory accounts		-	-	-	74,025,589	74,025,589
Other comprehensive income for the year, net of income tax		-	-	(123,362)	-	(123,362)
Total comprehensive income for the year		-	-	(123,362)	73,609,665	73,486,303
Transactions with the Group's owners						
Contributions and distributions						
Dividends declared		-	-	-	(52,997,021)	(52,997,021)
Share repurchases		-	(42,759)	-	-	(42,759)
Related income tax with supplementary tax		-	-	-	(123,712)	(123,712)
Total transactions with the Group's owners		-	(42,759)	-	(53,120,733)	(53,163,492)
Balance as of December 31, 2024		106,642,962	(617,270)	(525,175)	146,912,205	252,412,722
Balance as of January 1, 2025		106,642,962	(617,270)	(525,175)	146,912,205	252,412,722
Comprehensive income for the year						
Application of changes in the Group's accounting policies		-	-	-	-	-
Net profit for the year and net movement in balances of deferred regulatory accounts		-	-	-	64,249,007	64,249,007
Other comprehensive income for the year, net of income tax		-	-	196,485	-	196,485
Total comprehensive income for the year		-	-	196,485	64,249,007	64,445,492
Transactions with the Group's owners						
Contributions and distributions						
Dividends declared	14	-	-	-	(74,025,589)	(74,025,589)
Share repurchases		-	-	-	-	-
Related income tax with supplementary tax		-	-	-	(81,557)	(81,557)
Total transactions with the Group's owners		-	-	-	(74,107,146)	(74,107,146)
Balance as of December 31, 2025		106,642,962	(617,270)	(328,690)	137,054,066	242,751,068

The accompanying notes are an integral part of these consolidated financial statements.

Elektra Noreste, S.A. and Subsidiary
(51% owned by Panama Distribution Group, S.A.)
Consolidated Statement of Cash Flows
For the year ending December 31, 2025

(In balboas)

	Notes	2025	2024
Cash flows from operating activities:			
Net profit for the year and net movement in balances of deferred regulatory accounts		64,249,007	74,025,589
Adjustments for:			
Depreciation and amortization of property, plant and equipment, intangible assets and right-of-use assets	4, 7, 9	43,042,159	40,746,570
Impairment of accounts receivable	8	2,811,538	4,140,460
Fair value of investment properties	5	(444,300)	151,400
Income tax	28.3	41,813,608	22,028,577
Finance costs, net		28,888,164	27,015,817
Gain (loss) on disposal of property, plant and equipment	4	6,493,337	9,771,154
Provisions		2,028,675	2,946,761
Other non-cash income and expenses		-	(415,924)
		188,882,188	180,410,404
Changes in:			
Inventories		(406,306)	(3,282,761)
Trade receivables and other accounts receivable		(102,038,868)	20,880,756
Other assets		4,526,006	(444,187)
Accounts payable and other payables		(10,107,533)	(7,500,411)
Employee benefits		(136,814)	(869,793)
Provisions		(1,463,794)	(7,818,951)
Other liabilities		123,839	(144,012)
		79,378,718	181,231,045
Interest paid		(25,925,148)	(28,022,728)
Income tax paid		(8,456,881)	(26,348,685)
Net cash flows generated from operating activities before net changes in balances of deferred regulatory accounts		44,996,689	126,859,632
Changes in deferred regulatory accounts		29,926,065	(23,646,728)
Net cash flows generated from (used in) operating activities and net changes in balances of deferred regulatory accounts		74,922,754	103,212,904
Cash flows from investing activities:			
Interest received	27	922,035	812,223
Acquisition of property, plant and equipment and intangible assets	4, 7	(77,372,183)	(71,433,341)
Sale of furniture and equipment	26	200,352	(145,601)
Severance fund		596,479	(611,276)
Net cash flows used in investing activities		(75,653,317)	(71,377,995)
Cash flows from financing activities:			
Proceeds from borrowings	22	347,372,694	795,467,197
Repayment of debt and treasury	22	(275,000,000)	(770,855,501)
Dividends paid	22	(74,025,589)	(52,997,021)
Supplementary tax paid	22	(81,557)	(123,712)
Share repurchases	22	-	(42,759)
Payments of lease liabilities	22	(127,045)	(118,288)
Net cash flows generated from financing activities		(1,861,497)	(28,670,084)
Net decrease in cash and cash equivalents		(2,592,060)	3,164,825
Cash and cash equivalents at the beginning of the year		12,719,037	9,554,212
Cash and cash equivalents at the end of the year	13	10,126,977	12,719,037
Non-cash transactions			
Accounts payable and other payables		(5,020,671)	6,249,893
Acquisition of property, plant and equipment	7	5,020,671	(6,249,893)

The accompanying notes are an integral part of these consolidated financial statements.

(In balboas)

1. Reporting Entity

Elektra Noreste, S.A. (the “Company” or “ENSA”) is a corporation formed as a result of the privatization of the Institute of Hydraulic Resources and Electrification (“IRHE”). The Company was incorporated by Public Deed No. 143 of January 19, 1998, and commenced operations in January 1998. It is a structured company providing public services in Panama, with its principal place of business at Santa Maria Business District, PH ENSA Juan Diaz, Panama. Its majority shareholder is Panama Distribution Group, SA (“PDG”). The Company’s authorized share capital consists of fifty million common shares with no par value. As of today, Panama Distribution Group, S.A. (“PDG”) owns 51% of ENSA’s authorized, issued, and outstanding common shares, while the Panamanian government and former IRHE employees own 48.26% and 0.40% of the common shares, respectively. The remaining shares are held as treasury shares. These consolidated financial statements comprise the Company and its subsidiary, collectively referred to as “the Group”.

The Company's activities include purchasing energy in bulk and transporting it through distribution networks to customers. In addition, ENSA performs voltage transformation, energy delivery to consumers, and the metering, reading, billing, and collection of energy payments. The Company is also responsible for installing, operating, and maintaining public lighting within its concession area. Furthermore, ENSA is authorized to generate energy up to 15% of the peak demand within its concession area. Finally, it provides technical, commercial, and any other services complementary to the provision of public utility services.

Ensa Servicios, S.A., (the “Subsidiary”), was incorporated by means of Public Deed No. 19,217 of November 29, 2017 and began operations in June 2018, as a wholly owned subsidiary of Elektra Noreste, SA. The authorized share capital of the subsidiary consists of five hundred common shares with no par value.

The Group offers its services through the following segments, whose activities are described in Note 33 Operating Segments: Provision of Services and Sale of Goods.

The purpose of the Subsidiary is to provide technical, commercial and any other complementary services to the provision of electricity service, including other similar, related and/or compatible services that constitute added value to the activities described.

1.1 Legal and Regulatory Framework

The electricity sector in Panama is divided into three areas of activity: generation, transmission, and distribution. The country has established a regulatory framework for the electricity industry, based on legislation passed between 1996 and 1998. This framework created an independent regulator, the National Authority of Public Services (ASEP), and also established a transparent tariff-setting process for the sale of energy to regulated customers.

The regulatory regime is mainly composed of the following rules:

- Law No. 6 of February 3, 1997: Establishes the regulatory and institutional framework for the provision of public electricity service. It establishes the regime to which the activities of distribution, generation, transmission, and marketing of electrical energy will be subject.

(In balboas)

- Law No. 57 of October 13, 2009 : Several modifications are made to Law No. 6 of 1997, including: the obligation of generating companies to participate in the processes of purchasing energy or power, the obligation of Empresa de Transmisión Eléctrica, S. A. (ETESA) to purchase energy on behalf of the distributors, and the increase in the fines that the regulator can impose up to 20 million balboas, while establishing the right of customers to abstain from paying for the portion they claim and granting a period of 30 days to claim before the regulator if they are not satisfied with the response given by the distributor.

- Law No. 58 of May 30, 2011: The articles relating to rural electrification are modified, among which are: the modification of the calculation of the subsidy that the Rural Electrification Office (OER) must pay to the distributors for a period of 4 years and the creation of a rural electrification fund for 4 years, which will be made up of the contributions of the market agents that sell electricity and will not exceed 1% of their net profit before taxes.

- Law No. 67 of December 9, 2016: modifies and adds articles to Law 6 of 1997, creates the Rural Electrification Fund, which will be administered by the Rural Electrification Office, and establishes that the annual contribution by energy market agents will not exceed 1% of their net profit before income tax. This tax will be in effect for a period of 4 years from the date of the modification of this article.

1.2 Regulatory Entities

Some of the main regulatory entities in the energy sector in Panama are:

- The Secretariat of Energy: its mission is to formulate, propose, and promote the national energy policy in order to guarantee security of supply, the rational and efficient use of resources, and sustainable energy, in accordance with the National Development Plan. It is currently working with ETESA to develop an energy matrix with a greater and more varied reliance on renewable and clean resources (wind, gas, among others).

- The National Authority of Public Services (ASEP): established in accordance with the 1996 law of the regulatory body of public services. It is an autonomous entity of the Government with responsibility to regulate, control and oversee the provision of water and sanitation services, telecommunications, radio and television, electricity, and natural gas.

- On February 22, 2006, by Decree Law No. 10, the Public Services Regulatory Entity (ERSP) was restructured and renamed. Since April 2006, it has been known as ASEP, with the same responsibilities and functions as the previous regulatory body, but with a general administrator and an executive director, each appointed by the President of the Republic of Panama and ratified by the National Assembly. ASEP also has three national directors under the authority of the general administrator: one for the electricity and water sector, one for the telecommunications sector, and one for customer service. The national directors are responsible for issuing resolutions related to their respective industries, and appeals against these resolutions are decided by the general administrator as the final stage of the administrative process.

- ETESA's Planning Unit develops reference expansion plans and projects overall energy requirements and ways to meet them, including developing alternative energy sources and establishing programs to conserve and optimize energy use. Public utility companies are required to prepare and submit their expansion plans to ETESA.

(In balboas)

- The National Dispatch Center (CND) is operated by ETESA. It plans, supervises, and controls the integrated operation of the National Interconnected System. It receives bids from generators participating in the spot energy market, determines spot energy prices, manages the transmission network, and provides settlement values between suppliers, producers, and consumers, among other functions.

- The Rural Electrification Office (OER): is responsible for promoting electrification in unserved, unprofitable and non-concessioned rural areas.

1.3 Concession Contract

According to the concession contract, the Group has exclusive rights to distribute and sell electricity to customers located in the geographic areas of East Panama, Colón, Panama Bay, the Guna Yala region, and Darién. This exclusivity in the distribution phase also includes "large consumers," defined by Law No. 6 of February 3, 1997, as customers with a maximum demand exceeding 100 kW per site, who are permitted to purchase electricity directly from other agents in the electricity market.

On August 9, 2013, the bidding process took place, and PDG won the concession for another 15 years. This concession period began on October 22, 2013.

The concession contract establishes provisions related to the concessionaire's obligations regarding service provision, prohibits the separation of the majority share package, and obliges the sending of technical and financial information periodically to ASEP, compliance with technical quality standards (quality standards, measurement standards and operating regulations of the National Dispatch Center (“CND”)), and payment of the ASEP control, surveillance and oversight fee, which may not be transferred to users through the tariff.

2. Material Accounting Policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except as noted in Note 2.21.

2.1 Basis for the Preparation of Consolidated Financial Statements

The Group's consolidated financial statements are prepared in accordance with current IFRS Accounting Standards (hereinafter, “IFRS”) issued by the International Accounting Standards Board (hereinafter, IASB), as well as the interpretations issued by the Interpretations Committee (hereinafter, IFRIC).

The presentation of consolidated financial statements in accordance with IFRS requires estimates and assumptions that affect the amounts reported and disclosed in the consolidated financial statements, without compromising the reliability of the financial information. Actual results may differ from these estimates. Estimates and assumptions are constantly reviewed. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects that period, or in the period of the revision and future periods if it affects both the current and future periods. Estimates made by Management in applying IFRS that have a material effect on the consolidated financial statements, and those that involve significant judgments for the annual consolidated financial statements, are described in greater detail in Note 3, Significant Accounting Judgments, Estimates and Sources of Uncertainty in the Preparation of Consolidated Financial Statements.

ENSA and the Subsidiary present to the Board of Directors separate or individual financial statements, as appropriate, for compliance with the control bodies and for the purpose of internal administrative monitoring and to provide information to investors.

Assets and liabilities are measured at cost or amortized cost, with the exception of investment properties, which are measured at fair value. Financial assets and liabilities measured at fair value include those that are classified as fair value assets and liabilities through profit or loss, certain equity investments at fair value through equity, and all recognized financial derivative assets and liabilities that are designated as hedged items in a fair value hedge, the carrying amount of which is adjusted for changes in fair value attributable to the hedged risks.

The consolidated financial statements are expressed in balboas, the monetary unit of the Republic of Panama, in which the Group is incorporated and operates, and their figures are expressed in units. The balboa is pegged to the United States dollar, which is freely circulating and is the Group's functional currency. The Republic of Panama does not issue paper money and uses the dollar as its legal tender.

2.2 Principles of Consolidation

The consolidated financial statements include the financial statements of Elektra Noreste, S.A. and its Subsidiary as of December 31, 2025, over which it exercises control. Using the full consolidation method, ENSA consolidates the financial results of the company over which it exercises control, which are detailed in Note 6.

Control is obtained when the Group controls the relevant activities of the subsidiary, which are generally the operating and financing activities, is exposed to, or has the right to, the variable returns of the subsidiary, and has the ability to use its power over the subsidiary to influence its returns.

There is generally a presumption that a majority of voting rights results in control. To support this presumption, and when the Group holds less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances to assess whether it has power over the investee, including contractual arrangements with the other voting rights holders of the investee, rights arising from other contractual arrangements, and the Group's own voting rights as potential voting rights. The Group reassesses whether it controls the investee if facts and circumstances indicate changes in one or more of the three elements of control.

Each subsidiary of the Group determines its own functional currency and includes items in its financial statements using that functional currency.

The information for all Group Companies was prepared using the same Group accounting policies, in accordance with the adopted IFRS.

For consolidation purposes, the financial statements of the subsidiaries are prepared under the Group's accounting policies and are included in the consolidated financial statements from the acquisition date until the date the Group loses control of them.

In the preparation of consolidated financial statements, intragroup assets, liabilities, equity, income, costs, expenses, and cash flows are eliminated; that is, those related to transactions between companies, including unrealized internal results, which are eliminated in full.

The consolidation of a subsidiary begins when the Group acquires control over the subsidiary and ends when the Group loses control of the subsidiary. Specifically, the income and expenses of a subsidiary acquired or sold during the year are included in the consolidated statement of profit and other comprehensive income from the date the Group acquires control until the date it ceases to control the subsidiary.

When the Group loses control over a subsidiary, it derecognizes the assets (including goodwill), liabilities, non-controlling interests, and other components of equity. Any residual interest retained is measured at fair value, and any gains or losses arising from this measurement are recognized in profit or loss.

Non-controlling interests in the net assets of subsidiaries are presented separately from the Group's equity. Profit for the period and other comprehensive income are also attributed to non-controlling and controlling interests.

Changes in the Group's holdings in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's controlling and non-controlling interests is adjusted to reflect changes in their respective holdings in subsidiaries. Any difference between the amount by which the controlling interest, the non-controlling interest, and the fair value of the consideration paid or received are adjusted is recognized directly in equity.

When the Group loses control over a subsidiary, the gain or loss is recognized in profit or loss and is calculated as the difference between: the sum of the fair value of the consideration received and the fair value of any retained interest and the previous carrying amount of the subsidiary's assets (including goodwill) and liabilities and any non-controlling interest. All amounts relating to the subsidiary, previously recognized in other comprehensive income, are accounted for as if the Group had directly disposed of the related assets or liabilities (i.e., reclassified to profit or loss or transferred to another equity category as permitted by applicable and adopted IFRS). The fair value of the retained investment in the former subsidiary at the date control is lost is treated as the fair value at initial recognition for subsequent measurement, either as an investment in a financial instrument or an investment in a joint venture or associate.

2.3 Classification of Assets and Liabilities into Current and Non-Current

An asset is classified as a current asset when it is held primarily for trading purposes or is expected to be realized within one year after the reporting period, or is cash and cash equivalents that are not subject to restrictions on exchange or use in settling a liability at least one year after the reporting period. All other assets are classified as non-current assets.

A liability is classified as a current liability when it is held primarily for trading purposes or is expected to be settled within one year after the reporting period, or when the Group does not have an unconditional right to defer settlement for at least one year after the reporting period. All other liabilities are classified as non-current liabilities.

2.4 Cash and Cash Equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position and the Consolidated Statement of Cash Flows include cash on hand and in banks and instruments readily convertible to a known amount of cash and subject to an insignificant risk of changes in value, with a maturity of three months or less from the date of acquisition. Bank overdrafts called as part of the Group's cash management represent a component of cash and cash equivalents in the consolidated statement of cash flows.

2.5 Revenue from Ordinary Activities

Revenue from ordinary activities corresponds primarily to the development of the Group's main activity, which is the provision of electricity distribution and marketing services, as well as the provision of technical and commercial services complementary to the electricity service. Revenue is recognized when the service is provided or upon delivery of the goods, to the extent that the Group's performance obligations are met. When the service has been provided but not yet invoiced, revenue is recognized as an estimate. Revenue is measured at the value of the consideration received or receivable, excluding taxes or other obligations. Discounts, customer compensation for service quality, and any financing components granted are recorded as adjustments to the revenue value. The financing component is only recognized if the contract with customers has a duration of more than one year.

At the time of revenue recognition, the Group assesses based on specific criteria to identify when it acts as a principal or as a commission agent and thus determine whether revenue should be recognized on a gross or net basis for marketing activities.

2.6 Contracts with Clients

The Group recognizes revenue from ordinary activities when it satisfies a performance obligation by transferring the promised goods or services to the customer. An asset is transferred when the customer obtains control of that asset.

The cost incurred comprises all costs, including borrowing costs, directly related to the contract, until the work has been completed. Administrative costs are recognized in the consolidated profit or loss for the period.

For its part, the incremental costs incurred by the Group to obtain or fulfill contracts with customers are recognized as an asset in the consolidated statement of financial position under the heading "Other Assets" and are amortized on a straight-line basis over the term of the contract, provided that the contract term is longer than one year. Otherwise, the Group recognizes it directly in the profit or loss for the period.

Payments received from the customer before the corresponding work has been performed are recognized as a liability in the consolidated statement of financial position as other liabilities.

The difference between the revenue recognized in the period's profit or loss and the billing is presented as an asset in the consolidated statement of financial position called trade debtors and other receivables, or as a liability called other liabilities.

(In balboas)

2.7 Government Subsidies

Government subsidies are recognized at fair value when there is reasonable assurance that they will be received and all associated conditions will be met. Subsidies intended to offset costs and expenses already incurred, without related subsequent costs, are recognized in profit or loss in the year they become receivable. When the subsidy relates to an asset, it is recorded as deferred income and recognized in the consolidated statement of profit or loss and other comprehensive income for the year on a systematic basis over the estimated useful life of the related asset.

2.8 Taxes

The country's tax structure, the regulatory framework, and the plurality of operations make the Group liable for taxes, fees, and contributions at the national and territorial levels, which are obligations that originate with the State, municipal entities, and other active subjects, once the conditions provided for in the corresponding regulations issued are met.

Among the most relevant taxes, we detail the income tax and the tax on the transfer of movable goods and services.

2.9 Income Tax

2.9.1.1 Current

Current income tax assets and liabilities for the period are measured at the amounts expected to be recovered from or payable to the tax authority. Income tax expense is recognized in current income tax based on the adjustment made between taxable income and accounting profit or loss, adjusted by the current year's income tax rate and in accordance with the country's tax regulations. The tax rates and regulations used to calculate these amounts are those enacted or substantially approved at the end of the reporting period in the country where the Group operates and generates taxable income.

Taxable income differs from the profit reported in the period's result due to items of income and expenses that are taxable or deductible in other years and items that will not be taxable or deductible in the future.

Current assets and liabilities for income tax purposes are also offset if they relate to the same tax authority and there is an intention to settle them at net value or to realize the asset and settle the liability simultaneously.

2.9.1.2 Deferred

Deferred income tax is recognized using the liability method, calculated on the temporary differences between the tax bases of assets and liabilities and their carrying amounts. A deferred tax liability is generally recognized for all taxable temporary differences, while a deferred tax asset is recognized for all deductible temporary differences and for the future offsetting of unused tax credits and tax losses to the extent that future taxable income against which they can be applied is probable. Deferred taxes are not discounted.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will exist to utilize all or part of the deferred tax asset. Unrecognized deferred tax assets are reevaluated at each reporting date and recognized to the extent that it is probable that future taxable income will allow their recovery.

Deferred tax assets and liabilities are measured at the tax rates expected to apply in the period in which the asset is realized or the liability is settled, taking into account future tax consequences based on tax rates and rules that were approved at the reporting date, or whose approval process is close to being completed by that date. The measurement of deferred tax assets and liabilities will reflect the tax consequences that would result from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities should be presented as non-current.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to do so and they are with the same tax authority.

Current assets and liabilities for income tax are also offset if they relate to the same tax authority and there is an intention to settle them at net value or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in the profit or loss for the period, except for items recognized outside of profit or loss; in this case it will be presented in other comprehensive income or directly in equity.

For the purpose of measuring deferred tax liabilities and deferred tax assets for investment properties measured using the fair value model, the carrying amount of such properties is presumed to be fully recoverable through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits generated by the investment property over time, rather than through sale.

2.9.2 Tax on the Transfer of Goods and Services - ITBMS

The Group is liable for ITBMS (Transfer Tax on Goods and Services) because it sells movable goods and provides taxable services. Generally, ITBMS taxpayers include merchants, producers, or manufacturers who transfer movable goods, as well as professionals, lessors of goods, and service providers in general in the Republic of Panama, with limitations based on their monthly and annual income levels. Currently, energy services are exempt from this tax in Panama.

In Panama, the Transfer Tax on Goods and Services (ITBMS) is levied on the transfer of tangible movable property, the provision of services, the leasing of movable property located in the country, and the importation of goods from abroad. The general tax rate is 7%, but there are also rates of 10% and 15%.

2.10 Property, Plant, and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, in accordance with IAS 16. Cost includes the purchase price, costs directly related to bringing the asset to the location and condition necessary for it to operate in the manner intended by the Group, borrowing costs for projects under construction that take a substantial period to complete, if the recognition requirements are met, and the present value of the expected cost of dismantling the asset after its use, if the recognition criteria for a provision are met.

Construction in progress is measured at cost less any recognized impairment losses and includes expenditures that are essential and directly related to the construction of the asset, such as professional fees, supplies, civil works, and, in the case of qualifying assets, borrowing costs are capitalized. Such construction in progress is classified into the appropriate property, plant, and equipment categories upon completion and when it is ready for use. Depreciation of these assets begins when they are ready for use, in accordance with the same criteria as for other property, plant, and equipment.

The Group capitalizes, as an increase in the value of assets, any additions or improvements made to them, provided they meet one of the following conditions: a) they increase the useful life, b) they expand the productive capacity and operating efficiency of the assets, and c) they reduce costs for the Group. All other repair and maintenance costs are recognized in the consolidated statement of profit and other comprehensive income as they are incurred.

Inventories of spare parts for specific projects, which are not expected to have a turnover in one year and which meet the criteria to be capitalized, known as replacement assets, are presented in the other property, plant and equipment category. They are depreciated according to the technical useful life of the asset once its use begins.

Depreciation begins when the asset is available for use and is calculated linearly over the estimated useful life of the asset as follows:

	Useful life estimated in years
Plants, pipelines, and tunnels	
Civil works	35 years
Equipment	12 to 30 years
Networks, lines, and cables	
Electricity distribution network	12 to 30 years
Buildings	50 years
Communication and computing equipment	5 to 25 years
Machinery and equipment	8 to 25 years
Furniture, fixtures, and office equipment	5 to 20 years
Transport equipment and forklifts	5 to 20 years

Useful life is determined by considering, among other factors, the manufacturer's technical specifications, the knowledge of the technical personnel who operate and maintain the assets, geographic location, and the conditions to which each asset is exposed. Land is not depreciated.

The Group calculates depreciation by component, which involves individually depreciating parts of the asset that have different useful lives. The depreciation method used is straight-line; the residual value calculated for the assets is not included in the depreciable amount.

A component of property, plant, and equipment, and any significant part initially recognized, is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on derecognition, calculated as the difference between the net proceeds from disposal and the carrying amount of the asset, is included in the consolidated statement of income and other comprehensive income.

Assets temporarily classified as out of service continue to be depreciated and are subject to impairment testing within the cash-generating unit to which they are allocated.

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if required .

2.11 Leases

The determination of whether an agreement constitutes or contains a lease is based on the substance of the agreement at its commencement date, considering whether performance of the agreement depends upon the use of a specific asset or assets, or whether the agreement grants a right to use the asset for a period of time, in exchange for consideration.

On the date the lease agreement begins, the Group acting as lessee recognizes a right-of-use asset and a lease liability, except for leases with a duration of less than 12 months or those whose underlying asset value is less than 15 (fifteen) current legal minimum wages (SMMLV) determined by the Parent Company in its equivalent in US dollars approximately B/.4,422.

The Group acting as lessor classifies the lease as either a finance lease or an operating lease. A lease is classified as a finance lease when substantially all the risks and rewards incidental to ownership of the leased asset are transferred to the lessee; otherwise, it is classified as an operating lease.

2.11.1 The Group as Lessee

Right-of-use assets are recognized and presented as assets in the consolidated statement of financial position at the inception of the lease, at cost, which includes the value of the lease liability, initial direct costs, prepayments, incentives, estimated decommissioning costs, and other related costs. The corresponding liability is included in the consolidated statement of financial position as a lease liability under other financial liabilities. This liability is measured as the present value of future lease payments discounted using the implicit interest rate in the contract, if readily determinable; otherwise, the company's incremental borrowing rate is used. Future lease payments comprise fixed payments, variable payments, incentive receivables, expected residual value guarantees, the purchase option price, and early termination penalties.

Right-of-use assets are amortized over the asset's useful life using the straight-line method if ownership of the underlying asset is transferred at the end of the lease term or if a purchase option is exercised. If ownership of the underlying asset is not transferred at the end of the lease term or if a purchase option is not exercised, the asset is amortized only until the end of its useful life or the lease term, whichever comes first.

Lease payments are divided between finance charges and debt amortization. Finance charges are recognized in profit or loss unless they can be directly attributed to qualifying assets, in which case they are capitalized in accordance with the Group's borrowing costs policy. Variable lease payments, which depend on an index or rate, are included in the valuation of the lease liability. Leases with a term of less than 12 months or those where the value of the underlying asset is less than 15 times the monthly minimum wage (SMMLV), as determined by the Parent Company and equivalent to approximately B/.4,422, are recognized as operating leases in profit or loss over the lease term.

2.12 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction, or production of an asset that necessarily takes a substantial period of time to prepare for its intended use or sale are capitalized as part of the cost of the respective assets until the asset is ready for its intended use. Income earned from the temporary investment of outstanding specific loan balances to be consumed in qualifying assets is deducted from borrowing costs eligible for capitalization. All other borrowing costs are recognized as expenses in the period in which they are incurred. Borrowing costs consist of interest and other costs incurred by the Group in connection with the borrowing of funds. To the extent that funds are derived from general borrowing and used to obtain a qualifying asset, the amount of costs eligible for capitalization is determined by applying a capitalization rate (a weighted average of the borrowing costs applicable to general borrowing outstanding during the period) to the disbursements made for that asset.

The capitalization of borrowing costs begins on the date the following conditions are met:

- Outlays are incurred in relation to the asset.
- Borrowing costs are incurred, and
- The necessary activities are carried out to prepare the asset for its intended use or for sale.

Borrowing cost capitalization is suspended during periods when the development of a qualifying asset is interrupted for more than one year. However, borrowing cost capitalization is not interrupted for a period if significant technical or administrative actions are being undertaken. Borrowing cost capitalization is also not suspended when a temporary delay is necessary as part of the process of preparing a qualifying asset for use or sale.

The capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for use or sale are complete. When the asset has components that can be used separately while construction continues, the capitalization of borrowing costs on those components is suspended.

2.13 Investment Properties

Investment properties are land or buildings, parts of buildings, or both, held to earn rentals and/or capital appreciation (including investment properties under construction for such purposes). Investment properties are initially measured at cost, including transaction costs. The carrying amount includes the cost of replacing a part of an investment property existing at the time the cost is incurred, if the recognition criteria are met; and excludes the costs of day-to-day maintenance of the investment property.

Subsequent to initial recognition, investment properties are measured at fair value reflecting market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are included in the consolidated statement of profit or loss in the period in which they arise.

Investment properties are derecognized either upon disposal or when they are permanently retired from use and no future economic benefits are expected. The difference between the net proceeds from disposal and the asset's carrying amount is recognized in profit or loss in the period in which it is derecognized.

Transfers to or from investment properties are made only when there is a change in their use. In the case of a transfer from investment property to property, plant and equipment, the cost considered for subsequent accounting is the fair value at the date of the change in use. If property, plant and equipment becomes investment property, it is accounted for at its fair value; the difference between the fair value and the carrying amount is recognized as a revaluation in accordance with IAS 16 Property, Plant, and Equipment.

2.14 Intangible Assets

Intangible assets acquired separately are initially measured at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets are capitalized provided they meet the criteria for recognition as an asset, and the generation of the asset must be classified into research and development phases. If it is not possible to distinguish between the research and development phases, the expenditures must be reflected in the consolidated statement of profit or loss and other comprehensive income in the period in which they are incurred.

The useful lives of intangible assets are determined as finite or indefinite. Intangible assets with finite useful lives are amortized over their straight-line economic useful life and are assessed for impairment whenever there are indications that the intangible asset may have suffered such impairment. The amortization period and amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of the asset's future economic benefits are accounted for when the amortization period or method is changed, as appropriate, and are treated as changes in accounting estimates. Amortization expense for intangible assets with finite useful lives is recognized in the consolidated statement of profit or loss and other comprehensive income for the period in the expense category that is consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortized, but are instead subjected to annual testing to determine whether they have suffered impairment, either individually or at the cash-generating unit level. The assessment of an indefinite useful life is reviewed annually to determine whether it remains valid. If it is not, the change from indefinite to finite useful life is made prospectively.

The estimated useful lives for intangible assets are:

Software and technological applications	5 to 15 years
Licenses	5 years
Rights	3 to 5 years
Other intangible assets	5 to 20 years
Servitude	Indefinite

An intangible asset is derecognized upon disposal, or when no future economic benefits are expected from its use or disposal. Any gains or losses arising from such disposal are measured by the difference between the proceeds from disposal and the asset's carrying amount, and are recognized in the consolidated statement of profit or loss and other comprehensive income, profit, or loss for the period.

2.14.1 Other Intangible Assets

Other intangible assets consist of existing assets that, as a result of decisions made by government institutions or for technical and urban improvement reasons, and whose Replacement Plan is approved by ASEP, require replacement and decommissioning, even if they have not reached their expected useful life. These assets, although not part of the company's property, plant, and equipment, are considered by the Regulatory Entity as part of the gross and net capital base.

Assets classified as other intangible assets are initially measured at their carrying amount at the time of derecognition. After initial recognition, other intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The useful life of these assets is determined based on the remaining useful life of the asset at the time of derecognition.

2.15 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset in one entity and, simultaneously, to a financial liability or equity instrument in another entity.

Financial assets and liabilities are recognized in the consolidated statement of financial position when the Group becomes a party to an agreement with the contractual terms of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and liabilities (other than financial assets and liabilities designated at fair value through profit or loss) are added to or subtracted from the fair value of the financial assets or liabilities, as appropriate, at initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities designated at fair value through profit or loss are recognized immediately in the consolidated statement of income and other comprehensive income.

2.15.1 Financial Assets

At initial recognition, the Group classifies its financial assets for subsequent measurement at amortized cost or fair value depending on the Group's business model for managing financial assets and the characteristics of the contractual cash flows of the instrument.

A financial asset is subsequently measured at amortized cost, using the effective interest rate, if the asset is held within a business model whose objective is to hold it to generate cash flows and the contractual terms of the asset provide, on specific dates, cash flows that are solely payments of principal and interest on the outstanding principal. Notwithstanding the foregoing, the Group may irrevocably designate a financial asset as measured at fair value through profit or loss.

For subsequent measurement, financial assets are classified at amortized cost or fair value (through other comprehensive income or through profit or loss) depending on the Group's business model for managing financial assets and the characteristics of the instrument's contractual cash flows.

2.15.2 Impairment of Financial Instruments

At each reporting date, the Group recognizes value adjustments for expected credit losses on financial assets measured at amortized cost or fair value through other comprehensive income, including accounts receivable from customers, assets from loan contracts or commitments, and financial guarantee contracts to which impairment requirements apply over the asset's life.

Expected credit losses are estimated by considering the probability of a loss due to uncollectibility and are recognized as a gain or loss in the period's profit or loss against a reduction in the value of the financial asset. The Group assesses the credit risk of accounts receivable monthly, and any write-offs identified are recorded quarterly.

For amortized cost assets, impairment is assessed at the reporting date if there is evidence of impairment. When there is objective evidence that an impairment loss has been incurred on amortized cost financial assets, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the investment's original effective interest rate. Impairment losses are recognized in the consolidated statement of profit or loss and other comprehensive income.

The Group first assesses whether there is objective evidence of impairment for individual financial assets, or collectively for financial assets that are not individually significant, or when there is no objective evidence of impairment for a financial asset that has been assessed individually. When performing a collective impairment assessment, receivables are grouped by similar credit risk characteristics, allowing for the identification of the debtor's ability to pay, in accordance with the contractual terms of the receivable agreement.

The Group determines that a customer's credit risk increases significantly when there is any breach of financial agreements by the counterparty, or when internal information or information obtained from external sources indicates that payment by the debtor is unlikely, regardless of the guarantees held.

Objective evidence that an asset or group of assets is impaired includes:

- Significant financial difficulties of the issuer or the debtor;
- Infringements of contractual clauses, such as breaches or delays in the payment of interest or principal;
- The lender grants concessions or advantages that it would not have granted under other circumstances;
- The borrower is likely to enter bankruptcy or another form of financial reorganization;
- The disappearance of an active market for the financial asset in question.

Impaired financial assets may continue to be subject to collection enforcement activities under the Group's recovery procedures, taking into account legal collection where applicable. Recoveries are recognized in profit or loss for the period.

(In balboas)

3.15.3 Derecognition of Financial Assets

A financial asset, or a part of it, is derecognized from the consolidated statement of financial position when it is sold, transferred, expires, or the Group loses control over the contractual rights or cash flows of the instrument.

The Group derecognizes a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there are no realistic prospects for recovery, when the counterparty has been placed in liquidation or has initiated bankruptcy proceedings or, in the case of receivables, when the amounts are more than two years overdue, whichever occurs first.

If the Group does not transfer or retain substantially all the risks and rewards incidental to ownership and continues to retain control of the transferred asset, the Group recognizes its interest in the asset and the associated obligation for the amounts it would have to pay. Similarly, if the Group retains substantially all the risks and rewards incidental to ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized loan for the proceeds received.

In the total derecognition of a financial asset measured at fair value through profit or loss, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognized in profit or loss. For financial assets measured at fair value through other comprehensive income, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognized in profit or loss, and any gain or loss that would have been recognized in other comprehensive income is reclassified to retained earnings.

2.15.4 Financial Liabilities

At initial recognition, the Group measures financial liabilities at fair value. Transaction costs directly attributable to the acquisition or raising of the financial liability are deducted from its fair value if it is subsequently measured at amortized cost, or recognized in profit or loss if the liabilities are measured at fair value. Subsequently, financial liabilities are measured as follows:

- At fair value through profit or loss, liabilities held for trading, financial liabilities designated at initial recognition as being at fair value through profit or loss, and derivatives are included. Gains or losses on liabilities held for trading are recognized in profit or loss. At initial recognition, the Group designated financial liabilities as being at fair value through profit or loss.
- At amortized cost, they are measured using the effective interest rate. The financial component is recognized directly in the period's profit or loss.

2.15.5 Write-Off of Financial Liabilities

A financial liability or part of it is derecognized from the consolidated statement of financial position when the contractual obligation has been settled or has expired.

If the Group does not transfer or retain substantially all the risks and rewards incidental to ownership and continues to retain control of the transferred asset, the Company will recognize its interest in the asset and the associated obligation for the amounts it would have to pay. If the Group retains substantially all the risks and rewards incidental to ownership of a transferred financial asset, the Group will continue to recognize the financial asset and will also recognize a collateralized loan for the proceeds received.

(In balboas)

When an existing financial liability is replaced by another from the same lender under substantially different terms, or if the terms of an existing liability are substantially changed, such exchange or change is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of profit and other comprehensive income.

The conditions will be substantially different if the present value of the cash flows under the new conditions, including any fees paid net of any fees received, discounted at the original effective interest rate, differs by at least 10% from the present value of the cash flows still remaining from the original financial liability.

In determining fees paid net of fees received, the Group includes only fees paid or received between the Group and the lender, including those paid or received by one on behalf of the other or vice versa.

If the changes are not substantial, the Group recalculates the gross carrying amount of the financial liability and recognizes a modification gain or loss in profit or loss. The gross carrying amount of the financial liability is recalculated as the present value of the modified or renegotiated contractual cash flows discounted at the financial liability's original effective interest rate or, where applicable, the revised effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial liability and are amortized over its remaining life.

2.15.6 Clearing of Financial Instruments

Assets and financial liabilities are offset so that the net value is reported in the consolidated statement of financial position only if (i) there is, at the present time, a legally enforceable right to offset the recognized values, and (ii) there is an intention to settle them at net value, or to realize the assets and settle the liabilities simultaneously.

2.16 Inventories

Goods acquired with the intention of consuming them in the service provision process are classified as inventories.

Inventories are valued at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to complete and estimated costs necessary to make the sale.

Inventories include goods in stock that do not require transformation, such as energy meters, transformers, street lighting equipment, and supplies. They also include materials such as minor spare parts and accessories for service provision, as well as goods in transit and in the possession of third parties.

Inventories are valued using the weighted average method and their cost includes the costs directly related to the acquisition and those incurred to bring them to their present condition and location.

2.17 Impairment of Non-Financial Assets

At each reporting date, the Group assesses whether there is any indication that a tangible or intangible asset may be impaired. The Group estimates the recoverable amount of the asset or cash-generating unit at the time it detects an indication of impairment, or annually (as of September 30, reviewing whether there are any relevant or significant events occurring in December that warrant analysis and inclusion in the impairment calculation) for intangible assets with indefinite useful lives and those not yet in use.

The recoverable amount of an asset is the higher of its fair value less costs to sell, whether of an asset or a cash-generating unit, and its value in use. It is determined for an individual asset, unless the asset does not generate cash flows that are substantially independent of those of other assets or groups of assets; in this case, the asset must be grouped into a cash-generating unit. When the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount, the asset is considered impaired and its value is reduced to its recoverable amount.

When calculating value in use, the estimated cash flows of either an asset or a cash-generating unit are discounted to their present value using a pre-tax discount rate that reflects market considerations of the time value of money and the asset's specific risks. An appropriate valuation model is then used to determine fair value less costs to sell.

Impairment losses on continuing operations are recognized in the consolidated statement of profit or loss and other comprehensive income in the profit or loss section under those expense categories that correspond to the function of the impaired asset. Impairment losses attributable to a cash-generating unit are allocated proportionally, based on the carrying amount of each asset, to the non-current assets of the cash-generating unit. A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows for the Group, largely independent of cash flows from other assets or asset groups. The CGUs were defined within the Group considering: 1) the existence of revenues and costs for each asset group, 2) the existence of an active market for generating cash flows, and 3) how operations are managed and monitored. For the purpose of assessing impairment losses, the assets are grouped under the following CGU: energy distribution and marketing.

For assets in general, at each reporting date an assessment is made as to whether there is any indication that previously recognized impairment losses no longer exist or have decreased. If such an indication exists, the Group makes an estimate of the recoverable amount of the asset or cash-generating unit. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the recoverable amount of an asset since the last time the impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor does it exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such a reversal is recognized in the consolidated statement of profit or loss in the profit or loss section.

2.18 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where the Group expects the provision to be repaid in whole or in part, the repayment is recognized as a separate asset, but only when such repayment is virtually certain and the amount of the asset can be measured reliably. Within the Group, each provision is used only to cover the expenditures for which it was originally recognized.

Provisions are measured by management's best estimate of the outflows required to settle the present obligation at the end of the reporting period, taking into account the related risks and uncertainties. Provisions are determined by discounting expected future cash flows using a pre-tax rate that reflects relevant market assessments of the time value of money and the specific risk of the related liability.

The expense related to any provision is presented in the consolidated statement of profit or loss and other comprehensive income within the net profit or loss for the period after any reimbursement. Any increase in the provision due to the passage of time is recognized as a finance expense.

2.18.1 Provision for Dismantling

The Group recognizes, as part of the cost of a particular fixed asset, whenever there is a legal or constructive obligation to dismantle or restore it, the estimated future costs that the Group expects to incur to carry out the dismantling or restoration, and recognizes the corresponding provision for dismantling or restoration costs. The dismantling cost is depreciated over the estimated useful life of the fixed asset.

The costs of dismantling or restoring the facility are recognized at the present value of the expected costs to settle the obligation using estimated cash flows. These cash flows are discounted at a pre-tax rate, which should be determined based on market yields for bonds issued by the National Government.

Estimated future costs for dismantling or restoration are reviewed annually. Changes in estimated future costs, estimated disbursement dates, or the discount rate applied are added to or subtracted from the asset's cost, not exceeding the asset's carrying amount. Any excess is recognized immediately in profit or loss. The change in the provision's value due to the passage of time is recognized as a finance expense in the consolidated statement of income and other comprehensive income .

2.18.2 Contingent Liabilities

These are possible obligations arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or present obligations arising from past events, but for which it is not probable, but possible, that an outflow of resources including economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability, are not recognized in the consolidated statement of financial position; instead, they are disclosed as contingent liabilities unless the possibility of an outflow of resources is remote.

2.18.3 Contingent Assets

Assets of a possible nature, arising from past events, whose existence will be confirmed only by the occurrence, or non-occurrence, of one or more uncertain future events not wholly within the Group's control, are not recognized in the consolidated statement of financial position. Instead, they are disclosed as contingent assets when their occurrence is probable. When the contingent event becomes certain, the asset and the associated income are recognized in profit or loss for the period.

2.19 Pensions and Other Post-Employment Benefits

2.19.1 Defined Contribution Plans

Contributions to defined contribution plans are recognized as expenses in the consolidated statement of profit and other comprehensive income in the results of the period at the time the employee has provided the service that entitles him to make the contributions.

2.19.2 Defined Benefit Plans

Post-employment benefit plans are those in which the Group has a legal or implicit obligation to respond for the benefit payments that remained its responsibility.

For defined benefit plans, the difference between the fair value of the plan assets and the present value of the plan obligation is recognized as an asset or liability in the consolidated statement of financial position. The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit actuarial valuation method, based on actuarial assumptions at the reporting date. Plan assets are measured at fair value, which is based on market price information and, in the case of listed securities, is the published purchase price.

Actuarial gains or losses, plan asset performance, and changes in the asset cap effect, if any, excluding amounts included in net interest on net defined benefit liabilities (assets), are recognized in other comprehensive income. Actuarial gains or losses comprise the effects of changes in actuarial assumptions as well as experience adjustments.

Net interest on the defined benefit liability (asset) comprises interest income on plan assets, interest costs on the defined benefit obligation, and interest on the asset cap effect and is recognized in profit or loss for the period.

The current service cost, past service cost, and any plan settlement or reduction are recognized immediately in the consolidated statement of profit and other comprehensive income in the period in which they arise.

2.19.2.1 Short-Term Benefits

The Group classifies as short-term employee benefits those obligations to employees that it expects to settle within twelve months of the close of the accounting period in which the obligation arose or the service was provided. Some of these benefits arise from current labor regulations, collective bargaining agreements, or informal practices that create implicit obligations.

The Group recognizes short-term benefits at the time the employee has rendered their services as follows:

A liability, for the value that will be paid to the employee, deducting the values already paid previously, and its counterpart as an expense of the period, unless another agreement obliges or allows the payments to be included in the cost of an asset or inventory; for example, if the payment corresponds to employees whose services are directly related to the construction of a work, these will be capitalized to that asset.

The amounts already paid correspond, for example, to salary advances and travel allowance advances, among others, which, if they exceed the corresponding liability, the Group must recognize the difference as an asset in the prepaid expense account, to the extent that the advance payment results in a reduction in future payments or a cash refund.

Accordingly, the accounting recognition of short-term benefits is carried out at the time the transactions occur, regardless of when they are paid to the employee or to third parties to whom the Group has entrusted the provision of certain services.

(In balboas)

2.19.2.2 Long-Term Benefits

The Group classifies as long-term employee benefits those obligations that it expects to settle after twelve months from the close of the accounting period or the period in which the employees provide the related services, i.e., from month thirteen onwards; these are different from short-term benefits, post-employment benefits and termination benefits.

post-employment defined benefit plans , although its measurement is not subject to the same degree of uncertainty. The same methodology will be applied for its measurement as follows:

- The Group shall measure the surplus or deficit in a long-term employee benefit plan, using the technique applied for post-employment benefits for both the estimation of the liability and the plan assets.
- The Group shall determine the value of the net long-term employee benefit (liability or asset) by finding the deficit or surplus of the obligation and comparing it to the asset cap.
- Changes in the measurement of long-term employee benefits are recognized in the income statement.

The benefits that employees receive year after year, throughout their working life, should not be considered "long-term" if, at the close of the accounting period of each year, the Group has delivered them in full.

2.19.2.3 Termination Benefits

The Group recognizes as termination benefits the considerations granted to employees, payable as a result of the Company's decision to terminate an employee's employment contract before the normal retirement date or an employee's decision to accept voluntary resignation in exchange for those benefits.

2.20 Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. A fair value measurement of a non-financial asset will take into account the market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant who would use the asset in its highest and best use.

To determine fair value, the Group considers the characteristics of the asset or liability in the same way that market participants consider those characteristics when valuing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on that basis, except for share-based payment transactions, lease transactions, and measurements that have certain similarities to fair value but are not fair value, such as realizable value or value in use. The fair value of all financial assets and liabilities is determined at the reporting date for recognition or disclosure in the Notes to the consolidated financial statements.

(In balboas)

Fair value is determined by:

- Based on quoted prices in active markets for identical assets or liabilities that the Group can access on the measurement date (level 1).
- Based on valuation techniques commonly used by market participants that use variables other than quoted prices that are observable for assets or liabilities, directly or indirectly (level 2).
- Based on internal valuation techniques of discounted cash flows or other valuation models, using variables estimated by the Group that are not observable for the asset or liability, in the absence of variables observed in the market (level 3).

Note 32 - Fair Value Measurement provides an analysis of the fair values of financial instruments, non-financial assets and liabilities and further details of their measurement.

2.21 Cash Dividends Distributed to the Group's Shareholders

The Group recognizes a liability to make cash distributions to Group shareholders when the distribution is authorized and is no longer at the Group's discretion. The corresponding amount is recognized directly in consolidated equity.

2.22 Changes in Estimates, Accounting Policies, and Errors

2.22.1 Changes in Accounting Estimates

During 2025, the Group revised its accounting estimates, with no significant change in the current or future periods.

2.22.2 Changes in Accounting Policies

As of December 31, 2025, the accounting policies applied in the consolidated financial statements are consistent with those of 2024, except for the following changes:

New Rules Implemented

During 2025, the Group implemented the changes in IFRS (new standards, amendments or interpretations), issued by the International Accounting Standards Board (IASB), which are mandatory for the annual period that began on January 1, 2025.

IAs 21 – Effects of Changes in Foreign Exchange Rates - Lack of Interchangeability

This amendment, issued in August 2023, aims to establish a consistent approach to assessing whether a currency is convertible to another currency and, if not, what procedure to apply when conversion does not occur and what type of disclosures should be provided in order to provide useful financial information.

The amendment states that a currency is convertible to another currency if there is an exchange for another currency on an administratively normal delay, under a market or exchange mechanism that allows for the generation of enforceable rights or obligations and its amount is not insignificant.

Currency conversion occurs at the time of measurement or for a specific purpose, and involves two steps: assessing whether the currency is convertible and estimating the spot exchange rate. This is done by asking whether the currency is convertible. If it is, the requirements established in IAS 21 apply; otherwise, an estimated spot exchange rate is used, which represents the exchange rate used in an immediate delivery transaction between market participants.

The amendment to IAS 21 is mandatory for annual periods beginning on or after January 1, 2025; it does not require the restatement of comparative information, but rather provides guidelines for its replacement and allows for early application.

The Company did not identify any impacts from the adoption of this standard.

2.22.3 Application of New and Revised Standards

The changes to IFRS (new standards, amendments and interpretations), which have been issued but are not yet effective, are detailed below:

Rule	Date of mandatory application	Type of change
IFRS 18 - Presentation and disclosure in financial statements.	January 1, 2027	New
IFRS 19 - Non-Publicly Responsible Subsidiaries	January 1, 2027	New
IFRS 19 – Amendment Non-Publicly Accountable Subsidiaries: Disclosures	January 1, 2027	Modification
IAS 21 – Amendment: Conversion to a hyperinflationary presentation currency	January 1, 2027	Modification
IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026	Modification
Annual Improvements Volume 11 – IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	January 1, 2026	Modification
IFRS 9 - IFRS 7 Contracts relating to nature-dependent electricity	January 1, 2026	Modification
IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 - Illustrative Examples - Uncertainties in Financial Statements	Immediate application	Modification

<u>IFRS 18 - Presentation and Disclosure in Financial Statements</u>

This standard, issued in April 2024, will provide users of financial statements with more transparent and comparable information on the financial performance of companies, helping them to make better investment decisions.

This new standard introduces three sets of new requirements to improve companies' reporting on their financial performance and provide users with a better basis for analyzing and comparing companies: Improved comparability of the income statement – introduces three defined categories of income and expenses (operating, investing, and financing) to improve the structure of the income statement and requires all companies to present new defined subtotals, including operating profit. Greater transparency of management-defined performance measures – requires companies to disclose explanations of specific measurements related to the income statement, known as management-defined performance measures. The new requirements will improve the discipline and transparency of these management-defined performance measures, and if the financial statements are subject to audit, these measures will also be audited. More useful grouping of information in the financial statements – provides more detailed guidance on how to organize information and whether it should be presented in the main financial statements or in the notes. It also requires companies to be more transparent about operating expenses, to help investors find and understand the information they need.

(In balboas)

The new standard takes effect for annual accounting periods beginning on or after January 1, 2027, but companies can apply it earlier. IFRS 18 must be applied retrospectively.

The Group is assessing the potential impacts of implementing this new regulation.

IFRS 19 - Non-Publicly Held Subsidiaries : Disclosures aim to allow subsidiaries to disclose reduced information, rather than the information required by other IFRS standards. Applying this standard will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of those financial statements. This enables non-publicly held subsidiaries to maintain a single set of accounting records to meet the needs of both their parent company and the users of their financial statements, and reduces disclosure requirements, better aligning them with the needs of those users. Companies may choose whether to implement this standard.

The new rule will come into force for annual periods beginning on or after January 1, 2027, although implementation before that date is permitted.

The Group has preliminarily concluded that this new rule does not currently apply to it.

IFRS 19 - Amendment - Subsidiaries without Public Responsibility : Disclosure requirements issued in August 2025, aims to update the simplified disclosures, incorporating the changes made to the disclosures in the standards indicated below. This is standard practice, as IFRS 19 is an evolving standard that changes if the disclosures in the standards it contains change. The amendment is applied under the same conditions as IFRS 19.

IFRS 7 – Financial Instruments: Disclosures - contractual features that modify cash flows
IFRS 18 – Presentation and Disclosure in Financial Statements - performance measures and others.
IAS 7 – Statement of Cash Flows - supplier financing arrangements
IAS 12 – Income Taxes - International Tax Reform – Pillar Two Model Rules
IAS 21 – The Effects of Changes in Foreign Exchange Rates - lack of currency interchangeability

Additionally, minor modifications are made to the following rules to harmonize the rules of the game:

IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations
IFRS 17 – Insurance Contracts

The Group has preliminarily concluded that this new rule does not currently apply to it.

IAS 21 – Amendment: Conversion to a Hyperinflationary Presentation Currency :
The IASB has issued a limited-scope amendment in order to reduce the diversity of existing practices and standardize reporting in a hyperinflationary currency, hence it has specified conversion procedures for financial statements from a non-hyperinflationary currency to a currency with a hyperinflationary economy.

The entity applies the modifications if:

a. Its functional currency is that of a non-hyperinflationary economy, and it is translating its results and financial position into the currency of a hyperinflationary economy; or
b. It is translating into the currency of a hyperinflationary economy the results and financial position of an operation abroad whose functional currency is that of a non-hyperinflationary economy.

This modification applies from January 1, 2027.

The Group has preliminarily concluded that this new rule does not currently apply to it.

IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments

Its purpose is to clarify the classification for measurement of financial assets originating from loans linked to ESG objectives (environmental, social, and governance) or similar objectives, according to the characteristics of their contractual cash flow. The trend is that loans with ESG-related characteristics are becoming increasingly common worldwide. The settlement of financial assets/liabilities through electronic payment systems or electronic cash transfers is addressed, for which the date on which they must be derecognized is determined. It also allows, when certain specific criteria are met, the derecognition of a financial liability before the cash is delivered on the settlement date. Furthermore, it includes new additional disclosure requirements to improve the transparency of investments in equity instruments at fair value through other comprehensive income (OCI) and for financial instruments with contingent characteristics, such as those linked to ESG.

The amendment will come into effect for annual periods beginning on or after January 1, 2026, although implementation before that date is permitted.

The Group is assessing the potential impacts of implementing this change, although it is estimated that future adoption will not affect the financial statements.

Annual Improvements Volume 11 – IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

Its objective is to provide clarifications, simplifications, corrections, and changes aimed at improving consistency. Annual improvements are limited to changes that clarify the wording of a standard or correct relatively minor unforeseen consequences, oversights, or conflicts between the requirements of the standards. The following are included in this volume:

- IFRS 1 First-time Adoption of International Financial Reporting Standards: Paragraphs B5 and B6 are amended to improve their consistency with the requirements of IFRS 9 Financial Instruments and cross-references are added to improve the accessibility and understandability of the standards.

- IFRS 7 Financial Instruments: Disclosures: Paragraph B38 is amended to update an obsolete cross-reference. Paragraphs GI1, GI14, and GI20B of the Implementation Guidance are also amended to clarify, improve consistency, and simplify the wording.

- IFRS 9 Financial Instruments: Paragraph 2.1(b)(ii) is amended to add a cross-reference to paragraph 3.3.3 of the same standard in order to resolve potential confusion for a lessee applying the derecognition requirements. Paragraph 5.1.3 and Appendix A are also amended to clarify the use of the term "transaction price".

- IFRS 10 Consolidated Financial Statements: An inconsistency with paragraph B73 is removed from paragraph B74.

- IAS 7 Statement of Cash Flows: Paragraph 37 is amended to remove a reference to the "cost method" which is no longer defined in the standards.

The improvements will take effect for annual periods beginning on or after January 1, 2026.

The Group is assessing the potential impacts of implementing these improvements, although it is estimated that future adoption will not affect the financial statements.

IFRS 9 - IFRS 7 Contracts Relating to Nature-Dependent Electricity

Its purpose is to provide better information on the financial effects of nature-dependent electricity contracts (such as solar and wind power), which are often structured as power purchase agreements (PPAs) and are subject to weather conditions. The amendments aim to: clarify the application of "own use" requirements, allow hedge accounting if these contracts are used as hedging instruments, and add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendment will come into effect for annual periods beginning on or after January 1, 2026, although implementation before that date is permitted.

The Group is assessing the potential impacts of implementing this change, although it is estimated that future adoption will not affect the financial statements.

IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 - Illustrative Examples - Uncertainties in Financial Statements : This section aims to provide better information about uncertainty in financial statements, reflecting these events more accurately. Although the examples relate to climate, environmental issues and decommissioning, they can be applied in other contexts.

The DUFS document - Disclosures about Uncertainties in the Financial Statements - Information to be disclosed about uncertainties in the financial statements, brings modifications to the illustrative examples of IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37.

As these are illustrative examples, they have no application date, since they can be applied immediately to contribute to professional judgment and, if necessary, accounting practices can be adjusted, but they do not change the recognition or measurement requirements of the cited IFRS.

The Group is assessing the potential impacts of implementing this change, although it is estimated that future adoption will not affect the financial statements as these are illustrative examples.

2.23 Errors from Previous Periods

During the period ended December 31, 2025, the Group had no changes in accounting policies, reclassifications, or corrections of errors.

2.24 Deferred Regulated Activities

The Group, through ENSA, is subject to regulation by the National Authority of Public Services (ASEP). This entity is responsible for regulating and establishing the rates that the Company bills its customers. Regulated assets represent probable future revenues associated with certain costs that are expected to be recovered from customers through the tariff process. Regulated liabilities represent probable reductions in future revenues associated with amounts that are expected to be credited to customers through the tariff process. The standard allowed the Group, as a first-time adopter of IFRS, to continue using, in its consolidated financial statements prepared in accordance with IFRS, its previous accounting policies under generally accepted accounting principles for the recognition, measurement, impairment, and derecognition of deferred account balances for regulated activities.

(In balboas)

In accordance with these requirements, the Group presents the balances of deferred regulatory account balances as separate line items in the consolidated statement of financial position. It also presents the net changes in regulatory account balances, including deferred income tax, as an addition to net income for the year in the Consolidated Statement of Profit and Other Comprehensive Income, as well as the changes in deferred regulatory account balances separately and as an addition to cash flows from operating activities in the Consolidated Statement of Cash Flows. Furthermore, IFRS 14 Deferred Regulatory Accounts requires the disclosure of specific information to identify the nature of and risks associated with the tariff regulations that have led to the recognition of deferred regulatory account balances in accordance with this standard.

2.25 Segment Information

An operating segment is a component of the Group that engages in business activities from which it may generate revenue and incur expenses, including revenue and expenses related to transactions with any of the other components of the Group. All operating results of operating segments are regularly reviewed by the Group's Chief Executive Officer to make decisions regarding the resources to be allocated to the segment and to evaluate its performance, for which financial information is available.

The results of the segments that are reported to the Group's Chief Executive include items directly attributable to a segment, as well as those that can be reasonably allocated.

3. Consolidated Financial Statements

The following are the significant judgments and assumptions, including those involving accounting estimates, that Group Management used in applying accounting policies under IFRS, and that have a significant effect on the amounts recognized in the consolidated financial statements.

The estimates are based on historical experience and the best available information regarding the facts analyzed as of the reporting date. These estimates are used to determine the value of assets and liabilities in the consolidated financial statements when it is not possible to obtain such values from other sources. The Group regularly evaluates its estimates. Actual results may differ from these estimates.

The estimates and significant judgments made by the Group are described below:

3.1 Assessment of the Existence of Impairment Indicators for Assets and Valuation of Assets to Determine the Existence of Impairment Losses

At each reporting date, the status of assets is reviewed to determine if there are any indications that any have suffered an impairment loss. If an impairment loss exists, the recoverable amount of the asset is affected; if the estimated recoverable amount is lower, it is reduced to its recoverable amount, and the impairment loss is recognized immediately in the profit or loss for the period.

The assessment of impairment indicators is based on both external and internal factors, as well as quantitative and qualitative factors. These assessments consider financial results, the legal, social, and environmental context, and market conditions; significant changes in the scope or manner in which the asset or cash-generating unit (CGU) in which the asset operates is or is used or expected to be used; and evidence of obsolescence or physical deterioration of an asset or CGU, among other factors.

Calculating value in use requires the entity to determine the future cash flows that should arise from the cash-generating units and an appropriate discount rate to calculate the present value. When actual future cash flows are less than expected, an impairment loss may arise.

(In balboas)

a. Post-Employment Obligations to Employees

The assumptions and hypotheses used in actuarial studies include demographic and financial assumptions. The former relate to the characteristics of current and past employees, such as mortality rates and employee turnover. The latter relate to discount rates, future salary increases, and changes in future benefits.

b. The Useful Life of Property, Plant, and Equipment and Intangible Assets

The assumptions and hypotheses used to determine “useful lives” consider technical aspects such as: periodic maintenance and inspections performed on the assets, failure statistics, environmental and operational conditions, protection systems, replacement processes, obsolescence factors, manufacturers' recommendations, climatic and geographical conditions, and the experience of technicians familiar with the assets. For determining residual value, aspects such as market values, reference publications, and historical sales data are considered. (See Note 4 Property, Plant and Equipment, Net and Note 7 Other Intangible Assets).

c. The Probability of Occurrence and the Value of Liabilities of Uncertain or Contingent Value

The assumptions used for uncertain or contingent liabilities include the assessment of the legal process by the "expert judgment" of professionals in the relevant areas, the type of contingent liability, possible legislative changes and the existence of high court jurisprudence applicable to the specific case, the existence of similar cases within the Group, the study and analysis of the merits of the case, and the guarantees existing at the time the events occurred. The Group will disclose, but not recognize in the consolidated financial statements, those obligations classified as possible. Obligations classified as remote are neither disclosed nor recognized in the financial statements. (See Note 20: Provisions, Contingent Assets and Liabilities).

d. Future Disbursements for Dismantling and Asset Removal Obligations

The assumptions and hypotheses used to determine future disbursements for asset dismantling and removal obligations considered aspects such as: estimates of future expenditures that the Group must incur for the execution of activities associated with the dismantling of assets for which legal or implicit obligations have been identified, the initial date of dismantling or restoration, the estimated completion date, and discount rates.
(See Note 20: Provisions, Contingent Assets and Liabilities).

e. Determination of the Existence of Finance or Operating Leases Based on the Transfer of Risks and Benefits of the Leased Assets

The significant assumptions considered in determining the existence of a lease include assessing whether the right to control the use of the asset is transferred for a period of time in exchange for consideration, i.e., whether an identified asset exists; the right to obtain substantially all the economic benefits from the use of the asset over the period of use; the right to direct how and for what purpose the asset is used over the period of use; and the right to operate the asset throughout the period of use without changes to the operating instructions. (See Note 9 Leases).

f. Determination of Portfolio Impairment

Due to the adoption of IFRS 9, ENSA uses the expected credit loss method to calculate portfolio impairment over the entire life of financial assets, including trade receivables arising from transactions under IFRS 15. A model based on the collective probability assigned to the portfolio is employed, considering actual historical portfolio data, default rates, and their correlation with the country's macroeconomic variables. This approach incorporates forward-looking analyses that integrate possible future economic scenarios, differentiated by segment, improving the estimation and management of credit risks.

The entity has conducted a historical data analysis process to obtain reliable and relevant information for determining historical loss rates. To this end, it has data from December 31, 2018, to the present date. The macroeconomic data selected by the entity corresponds to data expected to influence losses in the various portfolios. The following indicators have been chosen:

i. Quarterly Gross Domestic Product
ii. Monthly Index of Economic Activity
iii. Consumer Price Index
iv. Total imports of oil and fuels
v. Monthly unemployment index
vi. International price at month end
vii. Value of imports of goods and services
viii. Interest rates (consumption)

Once the analyses are completed, the macroeconomic variables that show the greatest correlation with the historical data of the overall loss rate are used, segmented by the average default rate of the last 12 months for the different portfolio types. In the "Forward Looking" factor analysis, different weighted scenarios (baseline, optimistic, and pessimistic) are considered, based on our judgment and applied differently according to the risk profile of each client segment.

With this information, the expected credit loss (PE) is calculated as follows:

$$PCE = \sum EAD_{Buckets} * PI_{Buckets} * FWL_{Segment}$$

PCE: Expected credit loss estimated by delinquency bucket according to the exposed balances of the portfolio.

EAD: Exposure at Default, is the exposed balance of the operation net of guarantee deposits and unbilled credits.

PI: Probability of non-compliance or default, measured from the loss rates estimated by the Roll Rate method.

FWL: Macroeconomic adjustment factor that modifies the expected credit losses of the accounts receivable portfolio by segment.

The impairment loss is recognized as an expense in the consolidated statement of income and other comprehensive income under the heading "Impairment of accounts receivable." When recovery is not possible through enforcement proceedings, coercive jurisdiction, or ordinary legal channels, the accounts receivable are written off to recognize the extinguishment of the receivable in favor of the Company. The write-off does not relieve the Company of the obligation to continue collection efforts aimed at recovery. In the event of recovery, a debt recovery income is recorded. (See Note 8: Trade debtors and other accounts receivable).

(In balboas)

(In balboas)

g. The Recoverability of Deferred Tax Assets

The deferred tax asset has been generated by temporary differences, which will have future tax consequences on the Group's consolidated financial position. These differences are primarily represented by tax assets that exceed IFRS assets, and by tax liabilities that are lower than IFRS liabilities, such as the components of pension plan liabilities, amortized cost of bonds, finance leases, and other miscellaneous and contingency provisions.

The Group's deferred tax asset is recovered in the taxable income generated by current income tax. (See Note 28: Income Tax).

h. Estimated Energy Consumption (Unbilled)

Unbilled corresponds to the estimate of energy consumed but not billed by customers, measured in kWh and amount, from the last billing date to the last calendar day of the month.

The estimate is made using information from advanced metering infrastructure (AMI) meters when available, and statistical methods for customers with conventional meters.

For customers with AMI meters, unbilled consumption is determined from actual readings, calculating the difference between the last billing reading and the reading on the last day of the month. The amount is obtained by applying the average billing price to the estimated consumption.

For customers without an AMI meter, unbilled consumption is estimated using daily adjustment factors derived from the behavior of customers with AMI meters, applied by tariff and considering the conventional reading day criterion.

4. Property, Plant, and Equipment, Net

The following is a breakdown of the book value of property, plant and equipment:

	2025	2024
Cost	1,061,946,136	1,009,576,080
Accumulated depreciation and impairment	(418,527,118)	(397,616,963)
Total	643,419,018	611,959,117

(In balboas)

The movement of cost, depreciation and impairment of property, plant and equipment is detailed below:

2025	**Networks, lines and cables**	**Plants, ducts and tunnels**	**Construction in progress**	**Land and buildings**	**Machinery and equipment**	**Communication and computer equipment**	**Furniture, fixtures and office equipment**	**Other property, plant and equipment**	**Total**
Opening balance of cost	521,092,726	243,503,047	49,079,073	49,767,922	115,812,145	16,149,257	5,061,872	9,110,038	1,009,576,080
Additions			81,860,864	204,765	213,558	-	62,585	51,082	82,392,854
Transfers	46,890,075	3,722,141	(84,031,016)	10,528,728	18,181,706	3,631,296	784,703	292,367	-
Disposals and write-offs	(16,326,247)	(146,170)	-	-	(7,016,590)	(85,434)	(451,278)	(837,620)	(24,863,339)
Reclassifications (Note 7)	-	-	(5,159,459)	-	-	-	-	-	(5,159,459)
Closing balance of cost	551,656,554	247,079,018	41,749,462	60,501,415	127,190,819	19,695,119	5,457,882	8,615,867	1,061,946,136
Accumulated depreciation									
Opening balance of accumulated depreciation	208,071,207	113,915,974	-	10,060,210	48,227,872	8,549,473	3,755,120	5,037,107	397,616,963
Depreciation for the year	18,845,177	7,186,444	-	978,530	7,927,936	1,907,843	411,208	470,932	37,728,070
Disposals and write-offs	(11,615,262)	(97,002)	-	-	(3,884,912)	(83,459)	(451,278)	(686,002)	(16,817,915)
Closing balance of accumulated depreciation	215,301,122	121,005,416	-	11,038,740	52,270,896	10,373,857	3,715,050	4,822,037	418,527,118
Total closing balance of property, plant and equipment, net	336,355,432	126,073,602	41,749,462	49,462,675	74,919,923	9,321,262	1,742,832	3,793,830	643,419,018

2024	**Networks, lines and cables**	**Plants, ducts and tunnels**	**Construction in progress**	**Land and buildings**	**Machinery and equipment**	**Communicatio and computer equipment**	**Furniture, fixtures and office equipment**	**Other property, plant and equipment**	**Total**
Opening balance of cost	502,139,748	243,416,570	35,546,572	47,771,701	114,658,707	19,034,993	6,094,598	7,989,660	976,652,549
Additions	-		75,778,835	2,050,000	-	-	-	-	77,828,835
Transfers	30,639,642	3,501,741	(55,089,310)	1,006,689	15,255,458	2,750,173	306,462	1,629,145	-
Disposals and write-offs	(11,686,664)	(3,415,264)	-	(1,060,468)	(14,102,020)	(5,635,909)	(1,339,188)	(508,767)	(37,748,280)
Reclassifications	-	-	(7,157,024)	-	-	-	-	-	(7,157,024)
Closing balance of cost	521,092,726	243,503,047	49,079,073	49,767,922	115,812,145	16,149,257	5,061,872	9,110,038	1,009,576,080
Accumulated depreciation									
Opening balance of accumulated depreciation	196,039,077	109,740,795	-	10,182,044	48,908,780	12,628,292	4,640,722	5,040,606	387,180,316
Depreciation for the year	17,696,380	7,198,814	-	867,020	7,752,657	1,536,953	453,279	413,092	35,918,195
Disposals and write-offs	(5,664,250)	(3,023,635)	-	(988,854)	(8,433,565)	(5,615,772)	(1,338,881)	(416,591)	(25,481,548)
Closing balance of accumulated depreciation	208,071,207	113,915,974	-	10,060,210	48,227,872	8,549,473	3,755,120	5,037,107	397,616,963
Total closing balance of property, plant and equipment, net	313,021,519	129,587,073	49,079,073	39,707,712	67,584,273	7,599,784	1,306,752	4,072,931	611,959,117

Construction in progress includes purchases, capital expenditures that meet the recognition criteria, and assets received from third parties. The transfers presented correspond to additions to intangible assets. (See Note 7).

The disposals and write-offs of assets include light fixtures removed from the electrical grid by decision of ASEP due to the change from sodium to LED technology, which is part of the replacement plan. These light fixtures are presented as other intangible assets. (See Note 7).

(In balboas)

The construction projects currently underway are as follows:

	2025	2024
Project		
Network expansion	16,480,640	18,052,538
Substations and high-voltage lines	928,995	928,995
Other minor projects	15,438,729	21,093,906
Loss reduction and reliability improvements	5,765,092	5,752,061
Replacement of technological applications	3,091,188	2,824,000
Prepaid and postpaid meters	44,818	427,573
Total	41,749,462	49,079,073

The other minor projects include the costs associated with the second phase of the Cerro Viento Modernization project for B/.2,316,510; fiber optic installations in substations for B/. 1,394,897; and the renewal of equipment in the Tocumen substation B/.743,023, Chilibre B/.1,591,477, Bahía Las Minas B/.2,481,300, HE-1 and HE-9 B/.1,129,095, as well as in other substations B/ 782,342. The remainder corresponds to network maintenance and improvement projects for B/.5,000,085.

As of December 31, 2025, an impairment test was performed on the assets related to the Energy Distribution and Marketing Unit (UGE), which in turn has intangible assets with indefinite useful lives. No indications of impairment were identified in the long-lived assets.

As of December 31, 2025, construction in progress includes capitalized borrowing costs of B/.26,532 (2024: B/.55,069). The average rate used to determine the amount of borrowing costs was 6.17% (2024: 6.22%), which is the specific effective interest rate for this type of loan.

5. Investment Properties

The fair value of investment properties is based on appraisals performed by experts with recognized professional qualifications and recent experience in the category of real estate investments being valued. This value has been determined by Panamericana de Avalúos SA each year, using updated market price assumptions. See Note 32 - Fair Value Measurement on a Recurring and Non-Recurring Basis
(Level 3).

	2025	2024
Opening balance	3,806,200	3,957,600
Net result from fair value adjustment (Note 23.1)	444,300	(151,400)
Closing balance	4,250,500	3,806,200

(In balboas)

Investment properties consist of land held for the following purposes :

- Commercial land and buildings: lots that were acquired from the government and in which investments have been made in infrastructure and buildings in order to generate income in the future as investment properties.

The fair value of the investment properties as of December 31, 2025 is B/.4,250,500 (2024: B/.3,806,200) and has been recognized as Level 3 fair value based on the inputs used in the valuation techniques.

The valuation obtained has been adjusted for use in the consolidated financial statements, as shown in the following reconciliation:

Concept	2025	2024
Estimated market value by independent appraiser	4,250,500	3,806,200
Fair value for financial reporting purposes	4,250,500	3,806,200

The Group conducts a review of the fair value provided by the independent appraisers, through the Finance department, including:

- Review of the property details used by external evaluators.
- Analysis of the reasonableness of the input data used by external evaluators, such as lease rates and property values similar to the projects developed by the Group.
- Analysis of the change in the fair value of the properties at the date of the study.
- Approval of the results obtained by the Vice President of Finance.

Valuation Technique and Significant Unobservable Variables

The table below shows the valuation technique used to measure the fair value of investment properties, as well as the significant unobservable variables used:

Assessment technique	Significant unobservable variables	Interrelationship between key unobservable variables and fair value measurement
Comparative method: The comparative method considers sales of similar or substitute goods, as well as market data, and establishes a value estimate using processes that include comparison. Generally, a good being valued is compared to the sales of similar goods that have been traded on the open market. Advertisements and offers may also be considered.	Homogenization factors: ● Location factor (between -10% and 15%). ● Marketing factor (between -2% and 15%). ● Homogenization Factor (between -20% and 18%) ● Influence of land extent (between -5% and 10%). ● Market absorption time factor (between -20% and 0%). ● Source Influence (between -5% and 0%). ● Influence of accessibility and trade fair (-5% and 0%). ● Influence of development potential (between -10% and 0%). ● Influence of improvements (between -15% and 0%). ● Influence of terrain shape (between -0% and 2%).	The estimated fair value would increase (decrease) if: ● The expected growth of the lease payment according to the average inflation rate was higher (lower); ● The risk-adjusted discount rate was lower (higher).

(In balboas)

6. Investments in Subsidiaries

The details of the Group's subsidiary as of the date of the reporting period are as follows:

Name of subsidiary	Location (country)	Main activity	Percentage of ownership and voting rights	
			2025	2024
Ensa Servicios	Panama	Provision of technical, commercial and other services complementary to the provision of electricity services	100%	100%

Ensa Servicios adopted its new commercial name, Elion Energia, starting in February 2025, while maintaining the same corporate name, legal structure, and operational continuity.

7. Other Intangible Assets

The following is a breakdown of the book value of intangible assets:

	2025	2024
Cost	70,180,017	68,089,640
Accumulated amortization and impairment	(38,077,308)	(37,323,995)
Closing balance	32,102,709	30,765,645

The movement of the cost, amortization and impairment of intangible assets is detailed below:

2025	Software and technological applications	Licenses	Easements	Other intangible assets	Total
Opening balance of cost	46,181,733	13,424,021	2,080,392	6,403,494	68,089,640
Transfers	-	-	-	2,024,369	2,024,369
Disposals	(3,889,122)	(1,204,329)	-	-	(5,093,451)
Reclassifications (Note 4)	2,580,116	2,579,343	-	-	5,159,459
Closing balance of cost	44,872,727	14,799,035	2,080,392	8,427,863	70,180,017
Opening balance of accumulated amortization	29,421,104	7,262,028	-	640,863	37,323,995
Amortization for the year	574,038	4,161,505	-	438,587	5,174,130
Disposals	(3,692,959)	(727,858)	-	-	(4,420,817)
Closing balance of accumulated amortization	26,302,183	10,695,675	-	1,079,450	38,077,308
Closing balance of intangible assets, net	18,570,544	4,103,360	2,080,392	7,348,413	32,102,709

(In balboas)

2024	Software and technological applications	Licenses	Easements	Other intangible assets	Total
Opening balance of cost	49,637,200	12,048,060	2,080,392	3,882,769	67,648,421
Additions	-	-	-	-	-
Transfers	-	-	-	2,520,725	2,520,725
Disposals	(6,016,033)	(3,220,497)	-	-	(9,236,530)
Reclassifications (Note 4)	2,560,566	4,596,458	-	-	7,157,024
Closing balance of cost	46,181,733	13,424,021	2,080,392	6,403,494	68,089,640
Opening balance of accumulated amortization	33,938,322	7,594,012	-	340,435	41,872,769
Amortization for the year	1,498,815	2,863,366	-	300,428	4,662,609
Disposals	(6,016,033)	(3,195,350)	-	-	(9,211,383)
Closing balance of accumulated amortization	29,421,104	7,262,028	-	640,863	37,323,995
Closing balance of intangible assets, net	16,760,629	6,161,993	2,080,392	5,762,631	30,765,645

The additions include capitalizable purchases and expenditures that meet the recognition criteria.

Other intangible assets include luminaires transferred from ownership, plant and equipment that have been removed from the electrical grid by decision of ASEP due to the change from sodium to LED technology that is part of the Replacement Plan.

As of December 31, 2025, an impairment test was performed on assets due to the inclusion of intangible assets with indefinite useful lives. No indications of impairment were identified for long-lived assets.

The amortization of intangibles is recognized as costs and expenses in the consolidated statement of profit and other comprehensive income.

The book value as of December 31, 2025 and 2024 and the remaining amortization period for the largest assets are:

	Useful life	Remaining amortization period	Carrying amount 2025	Carrying amount 2024
Commercial System (SAP)	Definite	3 to 5 years	3,070,284	3,313,226
Maximum System	Definite	4 to 10 years	799,514	779,249
Choice System	Definite	5 to 9 years	489,910	581,151
ERP System (SAP)	Definite	4 to 5 years	1,730,952	1,930,041
Field Service System	Definite	9 to 12 years	1,137,787	1,263,587
Other software and licenses	Definite	1 to 12 years	10,127,834	10,209,191
ADMS System	Definite	4 to 11 years	5,317,626	4,846,178
Other intangible assets	Definite	1 to 23 years	7,348,411	5,762,630
Easements	Indefinite	N/A	2,080,392	2,080,392
			32,102,709	30,765,645

At the end of the periods, an impairment test was performed on the assets for those intangibles with an indefinite useful life, which did not show any impairment.

(In balboas)

(In balboas)

The amortization of intangibles is recognized as costs and expenses in the consolidated statement of profit and other comprehensive income, section profit or loss for the period.

An easement is a real right, perpetual or temporary, over another's property, by virtue of which one may use it, exercise certain rights of disposition, or prevent the owner from exercising some of their property rights. In this Group, easements are not treated individually, as they are established for public service projects where the general interest prevails over private interests, considering that the objective is to improve the community's quality of life. These projects do not have a defined duration; therefore, easements are established in perpetuity based on their use.

Intangible assets with indefinite useful lives	**2025**	**2024**
Other intangible assets:		
Easements	2,080,392	2,080,392
Total intangible assets with indefinite useful lives	2,080,392	2,080,392

8. Trade debtors and other accounts receivable

The breakdown of trade debtors and other accounts receivable of the Group as of the reporting date is as follows:

	2025	**2024**
Non-current:		
Other	2,699,484	-
Impairment of other assets	(65,597)	-
Total other	2,633,887	-
Total non-current	2,633,887	-
Current:		
Public utility receivables	251,581,446	163,736,196
Impairment of public utility receivables and others	(19,193,872)	(26,413,219)
Other	13,569,109	12,040,263
Total current	245,956,683	149,363,240

The amount of non-current debtors for the 2025 period corresponds to Ensa Servicios for B/.2,699,484, derived from the recognition in trade receivables associated with long-term contracts, in accordance with the criteria established in IFRS 9.

Accounts receivable from utility debtors generate interest on overdue balances, which are recognized as income until the customer's account is closed, which occurs 60 days after the suspension of electricity supply.

Accounts receivable from utility debtors include the value of unbilled energy, which corresponds to the estimated energy consumed but not billed by customers, amounting to B/.15,423,645 (2024: B/.14,751,719).

(In balboas)

Portfolio Deterioration

The calculation of this impairment corresponds to a recognition of expected credit losses that projects the probability of default (non-payment).

Each obligation is assigned an individual probability of default, calculated using a probability model that incorporates variables related to the product and its payment history. The model calculates a historical loss percentage for each portfolio type, which is then correlated with a macroeconomic indicator to project future performance based on the best estimate of the country's economic growth.

The projection will be applied to the product of the average displacement by portfolio range according to historical delinquency, which reflects the evolution of the behavior of the balances of the client portfolio and allows establishing the percentages of loss on historical facts.

The impairment loss is recognized as an expense in the consolidated statement of income and other comprehensive income under the heading "impairment of accounts receivable." When recovery is not possible through enforcement proceedings, coercive jurisdiction, or ordinary legal channels, the accounts receivable are written off to recognize the extinguishment of the receivable in favor of the Group. The write-off does not relieve the Group of the obligation to continue collection efforts aimed at recovery. In the event of recovery, a debt recovery income is recorded .

(In balboas)

As of the date of presentation, the aging analysis of accounts receivable is as follows:

	2025		2024	
	Gross carrying amount	Lifetime expected credit losses	Gross carrying amount	Lifetime expected credit losses
Non-current				
Other receivables				
Not past due	2,699,484	65,597	-	-
Total other non-current receivables	2,699,484	65,597	-	-
Current				
Public utility receivables				
Not past due	210,612,810	613,720	112,629,909	938,106
Less than 30 days	16,730,243	608,824	16,779,686	663,973
30–60 days	6,163,695	559,439	7,250,260	735,035
61–90 days	2,459,835	1,210,739	2,142,669	703,039
91–120 days	1,092,409	1,017,276	1,353,872	727,591
121–180 days	1,697,998	1,533,807	2,862,694	1,478,646
181–360 days	3,006,984	2,831,569	5,131,468	4,668,643
More than 360 days	9,817,472	9,817,472	15,585,638	15,585,638
Total public utility receivables	251,581,446	18,192,846	163,736,196	25,500,671
Other receivables				
Not past due	11,610,195	188,575	9,867,551	157,945
Less than 30 days	1,033,217	73,220	1,183,408	83,723
30–60 days	140,307	36,184	313,318	80,025
61–90 days	83,321	38,307	89,886	38,018
91–120 days	79,943	48,077	36,025	19,354
121–180 days	53,064	47,601	66,991	50,399
181–360 days	225,720	225,720	253,494	253,494
More than 360 days	343,342	343,342	229,590	229,590
Total other receivables	13,569,109	1,001,026	12,040,263	912,548
Total current receivables	265,150,555	19,193,872	175,776,459	26,413,219

(In balboas)

The reconciliation of expected credit losses in the portfolio is as follows:

	2025	2024
Balance at the beginning of the year	26,413,219	25,712,754
Charges against the allowance	(9,965,288)	(3,439,995)
Impairment of accounts receivable	2,811,538	4,140,460
Balance at the end of the year	19,259,469	26,413,219

The Group writes off, against the impairment of value recognized in a contra-asset account, the values of impaired financial assets when the accounts have been finalized in the field and in the billing system after going through the supply cut-off for outstanding debt; and having applied the security deposit (if any) to the last invoice after finalizing them.

Authorities Responsible for Punishment

Portfolio write-offs are initiated when requested by the Credit and Portfolio Management Unit or the Vice President of Finance. Clients who have withdrawn their accounts and are candidates for write-off will be evaluated. Following this evaluation, the Vice President of Finance will approve or reject the write-off of the accounts suggested by the Credit and Portfolio Management Unit. As indicated in section 2.14.2, the Group assesses the credit risk of accounts receivable monthly, and any identified write-offs are recorded quarterly.

To determine which customers should be penalized, the following criteria should be considered:

- Customers in "DISAPPLICATION" status and withdrawal date (Final Disconnection) in the commercial management system, for a minimum of 6 months.
- Clients who have outstanding debt for more than 1 year (365 days) in accordance with the provisions of the Panama tax code in force according to Executive Decree No. 170 of 1993.

9. Leases

9.1 Leases that give rise to n assets for the right of use as a lessee

As of the date of presentation, the book value of the right-of-use assets is as follows:

	2025	2024
Cost		
Opening balance of cost	1,241,414	1,241,414
Closing balance of cost	1,241,414	1,241,414
Accumulated amortization		
Opening balance of amortization	(816,305)	(650,539)
Amortization for the year	(139,959)	(165,766)
Closing balance of amortization	(956,264)	(816,305)
Right-of-use assets, net	285,150	425,109

(In balboas)

As of the presentation date, the minimum future lease payments and the present value of the minimum lease payments are distributed as follows:

	2025		2024	
Finance leases	**Minimum payments**	**Present value of minimum payments**	**Minimum payments**	**Present value of minimum payments**
Within one year	159,400	150,137	161,650	151,827
After one year and up to five years	217,052	204,437	376,452	353,576
Total leases	376,452	354,574	538,102	505,403
Less: unearned interest	26,532	24,990	17,647	16,575
Present value of minimum lease payments	349,920	329,584	520,455	488,828

The most significant lease agreements are for six premises that the Group maintains as customer service branches:

- Los Andes, with a term of six (6) years from December 1, 2023, to November 30, 2029. Payments must be made monthly in advance and within the first 15 days of each month during the term of the contract. The lease payments are adjusted every two (2) years. The contract may be terminated for non-payment of two (2) monthly rent installments, or any other expenses stipulated in the contract, without prejudice to the landlord's right to claim compensation for damages. The tenant and/or landlord may terminate the contract by giving the landlord one hundred and twenty (120) days' notice prior to the scheduled date for vacating the leased premises.

- Plaza Toledano, agreed to a new contract with a term of four (4) years, beginning on June 5, 2023. Rent payments will be adjusted according to the terms stipulated in the contract. The contract term may be extended if both the landlord and the tenant agree to it in writing before its expiration. The contract may be terminated by the landlord for: a) failure to pay the rent within the term stipulated in the contract for two (2) consecutive months; b) use of the property for illicit purposes or purposes contrary to public decency, or that pose a danger to the property or the health of its occupants; c) when the property must be reconstructed or repaired with necessary works that cannot be carried out without its surrender or vacating, or demolished due to its state of disrepair, or for the construction of a new building; The other conditions stipulated in the Law. The lessee shall terminate this contract if: a) the property is expropriated, confiscated, or otherwise taken into custody by any legal act ordered by any authority; b) the lessor is declared in liquidation, bankruptcy, or suspension of payments; c) the property cannot be used by the Group due to causes attributable to the lessor or due to unforeseen circumstances or force majeure for a period equal to or greater than one (1) month. This contract does not contain a purchase option.

- The lease agreement for Los Pueblos is valid for five (5) years, beginning on November 1, 2021, and ending on October 31, 2026. The contract includes an option for renewal and may be renegotiated by the parties four (4) months prior to the contract's expiration date, specifying the new term and rent. The contract may be terminated by either party as follows: The lessee (1): The lessee may terminate this contract after the two (2) year term has elapsed by giving the lessor one hundred and twenty (120) days' notice prior to the effective termination date, with the obligation to pay the lessor the monthly rent for the period during which the lessee actually used or possessed the premises. (2):

(In balboas)

The lessee may terminate the contract at any time without liability to the lessor and without having to pay any sum, provided that such termination is for a justified cause or derived from any breach of the contract by the lessor; otherwise, the lessee must pay the lessor an additional rent fee as compensation; by the Lessor: (1): The lessor may terminate the contract once two (2) years of validity of the contract have elapsed by giving the lessee one hundred and twenty (120) days' notice prior to the effective date of termination, in which case he will return to the lessee the amount equivalent to the deposit and an additional rent fee as compensation, provided that such termination is for a justified cause or not derived from any breach of the contract by the lessee. (2): The landlord may terminate this contract at any time without liability to the tenant and without having to pay any sum, provided that such termination is for just cause or arises from a breach of contract by the landlord, giving written notice to the tenant indicating the chosen date for termination. This contract does not contain a purchase option.

- Las Cumbres, valid from June 1, 2022 to February 28, 2027. The lease payment is stipulated to be made starting in June 2022 at a fixed rate for the duration of the contract. The contract does not include a purchase option.

The parties agree that if the tenant intends to vacate the premises, they must provide 90 days' notice. The tenant will be obligated to pay the equivalent of one month's rent, based on the agreed-upon amount for the current year, for breach of contract and early termination of the agreement. In addition to this compensation, the deposit held with the Ministry of Housing will be considered the sole, total, and final indemnity payable by the landlord, without any right to claim reimbursement by the tenant.

- Villa Lucre, effective from October 1, 2022, to September 30, 2027. The lease payment is established as a fixed amount, payable starting in October 2022, for the duration of the contract. The contract does not include a purchase option. The parties agree that the lease may be extended at the lessee's option, provided the lessee notifies the lessor of this decision at least sixty (60) calendar days prior to the expiration of this lease. The lessor has sole discretion to extend the lease.

- Pacora, effective from June 1, 2022, to November 30, 2027 (with a four-month grace period). The lease payment is stipulated to be a fixed amount, payable starting in October 2022, for the duration of the contract. The contract does not include a purchase option. The parties agree that the lease may be extended at the lessee's option, provided the lessee notifies the lessor of this decision at least sixty (60) calendar days prior to the expiration of this lease. The lessor shall have sole discretion to extend the lease.

Lease liabilities are included within the other financial liabilities of the consolidated statement of financial position.

Interest arising from the lease liability amounts to B/.26,532 (2024: B/.33,578). (Note 28 Financial income and expenses).

Total cash outlays for leases during the year are B/.173,654 (2024: B/.210,539).

(In balboas)

9.2 Leases That Do Not Generate Right-Of-Use Assets as a Lessee

The most significant operating lease agreement is for a physical space corresponding to an area of 14m2 within a premises that functions as a customer service branch:

- Distribuidora Xtra SA, sublease valid for one year from August 15, 2014, automatically renewable for successive additional periods of one year each unless either party notifies the other in writing, at least 30 calendar days in advance of the expiry of the original term of the contract or one of its extensions, of its intention that the corresponding extension not take place.

As of the presentation date, future short-term lease commitments are B/.12,000 (2024: B/.12,000).

Total cash outflows for leases during the year are B/.12,000 (2024: B/.12,000).

10. Guarantees

The Group has provided the following financial assets as collateral:

- Performance bond to guarantee compliance with the obligations contracted in the Concession Contract in favor of the National Authority of Public Services B/.15,000,000 (2024: B/.15,000,000).
- Letters of credit, granted to Empresa de Transmisión Eléctrica, SA, as a guarantee of the payment of the costs of purchasing energy in the occasional market for B/.4,933,979 (2024: B/.4,933,979).
- Letters of credit, granted to the Regulatory Operating Entity of El Salvador, as a guarantee of the payment of the costs of purchasing energy in the occasional market for B/.345,451 (2024: B/.345,451).
- Bank guarantee granted to Empresa de Transmisión Eléctrica, SA to guarantee the payment of one month of billing for the Transmission System for B/.1,980,000 (2024: B/.1,843,341).
- Performance guarantees to provide credit security and fulfillment of obligations contracted under energy purchase agreements, granted to generating companies for B/.55,653,549 (2024: B/.55,481,890).
- Bank guarantee granted to Empresa de Transmisión Eléctrica, SA to guarantee the payment of one month of billing from the Occasional Market B/.1,570,362 (2024: B/.14,634,887.)

The Group has not received any guarantees as of December 31, 2025 and 2024, which it is authorized to sell or pledge without a breach by the guarantee owner.

(In balboas)

11. Other Assets

The breakdown of other assets at the end of the reporting periods is as follows:

Concept	2025	2024
Non-current		
Employee benefits	4,706,740	5,286,048
Other advances	243,815	260,986
Total other non-current assets	4,950,555	5,547,034
Current		
Projects in progress	979,026	4,647,402
Advances to suppliers	265,510	58,205
Other advances	182,146	1,247,081
Total other current assets	1,426,682	5,952,688
Total other assets	6,377,237	11,499,722

As of December 31, 2025, projects in process decreased due to the recognition of costs of projects with customer contracts B/.979,026 (2024: B/.4,647,402).

Other advances include, among others, IT maintenance and prepaid commissions that are amortized according to the period they cover.

The advances to suppliers were mainly granted to service providers for hiring crews to cut off services.

12. Inventories

The inventories at the end of the period were represented as follows:

	2025	2024
Non-current		
Materials for service provision	4,343,510	3,412,270
Total non-current inventories	4,343,510	3,412,270
Current		
Materials for service provision	28,211,488	28,389,427
Goods in transit	1,058,590	1,386,607
Total current inventories	29,270,078	29,776,034
Total inventories	33,613,588	33,188,304

Materials for the provision of non-current services correspond to the rotation classification which indicates that the materials had no records of demand within a period of more than 12 months.

Materials for the provision of current services, including materials for internal use and for the provision of services, are those delivered to contractors who perform activities related to the provision of services.

(In balboas)

During the year ended December 31, 2025, inventories of B/.2,216,228 (2024: B/.2,869,849) were recognized as a cost for the provision of the service during the period and B/.1,270,700 (2024: B/.21,426) were recognized as an expense for reductions to the value of inventories.

The Group does not have any inventories pledged as collateral for its liabilities.

13. Cash and Cash Equivalents

The composition of cash and cash equivalents at the end of the period is as follows:

	2025	2024
Cash on hand and in banks	9,834,727	12,424,771
Restricted cash	292,250	294,266
Total cash and cash equivalents presented in the consolidated statement of financial position and in the consolidated statement of cash flows	10,126,977	12,719,037

14. Capital

The Group's share capital consists of 50,000,000 shares, the breakdown of which is presented below:

	Value		Number of shares	
	2025	2024	2025	2024
Authorized capital	106,642,962	106,642,962	50,000,000	50,000,000
Treasury shares	(617,270)	(617,270)	(170,918)	(170,918)
Subscribed and paid-in capital	106,025,692	106,025,692	49,829,082	49,829,082

14.1 Cumulative Results

The movement of accumulated results during the period was:

	2025	2024
Retained earnings		
Opening balance	146,912,205	126,423,273
Surplus or dividends declared	(74,025,589)	(52,997,021)
Supplementary tax	(81,557)	(123,712)
Other (adjustment on application due to change in Group accounting policy)	-	(415,924)
Total retained earnings before net income for the year	72,805,059	72,886,616
Net income for the year	64,249,007	74,025,589
Total retained earnings	137,054,066	146,912,205

The dividends declared and paid during the year were B/.74,025,589 (2024: B/.52,997,021) which corresponds to profits from previous years.

(In balboas)

(In balboas)

15. Other Accumulated Comprehensive Income

The breakdown of each component of other comprehensive income in the consolidated statement of financial position and the corresponding tax effect is as follows:

	Gross	Tax effect	Net	Gross	Tax effect	Net
Remeasurements of defined benefit plans	471,947	(143,257)	328,690	752,061	(226,886)	525,175

The following is a reconciliation of the beginning and ending balances for the comprehensive income component as of the reporting date:

15.1 Component: New Measurements of Defined Benefit Plans

The remeasurement component of defined benefit plans represents the accumulated value of actuarial gains or losses, excluding the amounts included in the net interest on the net defined benefit liability (asset). The net value of the remeasurements is transferred to retained earnings and is not reclassified to profit or loss for the period.

	2025	2024
Opening balance	525,175	401,813
Comprehensive income for the year from remeasurements of defined benefit plans	(280,114)	174,781
Related income tax	83,629	(51,419)
Total	328,690	525,175

16. Credits and Loans

The following is a breakdown of the book value of loans and receivables measured at amortized cost:

	2025	2024
Loans and borrowings		
Non-current:		
Loans and borrowings	200,433,440	198,585,060
Bonds payable	100,580,673	180,359,995
Total non-current loans and borrowings	301,014,113	378,945,055
Current:		
Loans and borrowings	226,603,923	76,300,287
Total current loans and borrowings	226,603,923	76,300,287
Total loans and borrowings	527,618,036	455,245,342

As of December 31, 2025, the Company maintains approved credit lines totaling B/.270,000,000 (2024: B/.292,384,450), of which B/.226,000,000 has been drawn down (2024: B/.76,000,000). The credit lines are unsecured and available for a maximum period of one year.

(In balboas)

These credit facilities have a priority order "pari passu" with other "senior" non-secured and non-subordinated obligations of the Company.

The breakdown of short-term loans and credits by entity is as follows:

Entity	Type	Original currency	Start date	Term	Nominal interest rate	2025 IRR	Nominal value	Interest value	Total value	2024 IRR	Nominal value	Interest value	Total value
							2025						
DAVI(SCOTIABANK)	PRESTAMO	USD	16-dic-24	1.00	6.00%	6.00%	17,000,000	42,500	17,042,500		-	-	-
DAVI(SCOTIABANK)	PRESTAMO	USD	09-dic-25	0.50	6.00%	6.00%	38,000,000	139,333	38,139,333		-	-	-
BANESCO	PRESTAMO	USD	28-ago-25	0.50	5.80%	5.80%	10,000,000	41,889	10,041,889		-	-	-
BANESCO	PRESTAMO	USD	29-dic-25	1.00	5.50%	5.50%	13,000,000	3,972	13,003,972		-	-	-
DAVIVIENDA	PRESTAMO	USD	08-may-25	0.50	5.80%	5.80%	10,000,000	35,444	10,035,444		-	-	-
DAVIVIENDA	PRESTAMO	USD	09-dic-25	0.3	5.85%	5.85%	10,000,000	35,750	10,035,750		-	-	-
CITIBANK	PRESTAMO	USD	10-dic-25	0.1	5.97%	5.97%	15,000,000	52,239	15,052,239		-	-	-
CITIBANK	PRESTAMO	USD	29-dic-25	0.2	5.62%	5.62%	15,000,000	4,683	15,004,683		-	-	-
CITIBANK	PRESTAMO	USD	30-dic-25	0.2	5.62%	5.62%	10,000,000	1,561	10,001,561		-	-	-
BANCO GENERAL	PRESTAMO	USD	26-nov-25	0.3	6.25%	6.25%	30,000,000	5,208	30,005,208		-	-	-
BLADEX	PRESTAMO	USD	03-dic-25	0.4	5.35%	5.35%	58,000,000	241,344	58,241,344		-	-	-
SCOTIABANK	PRESTAMO	USD	17-oct-24	0.33	5.95%	5.95%	-	-	-	5.95%	13,000,000	2,149	13,002,149
SCOTIABANK	PRESTAMO	USD	06-nov-24	0.33	5.95%	5.95%	-	-	-	5.95%	20,000,000	82,639	20,082,639
SCOTIABANK	PRESTAMO	USD	10-dic-24	0.50	6.00%	6.00%	-	-	-	6.00%	8,000,000	28,000	8,028,000
SCOTIABANK	PRESTAMO	USD	16-dic-24	1.20	6.00%	6.00%	-	-	-	6.00%	17,000,000	42,500	17,042,500
BANESCO	PRESTAMO	USD	06-nov-24	0.50	6.00%	6.00%	-	-	-	6.00%	15,000,000	137,500	15,137,500
DAVIVIENDA	PRESTAMO	USD	16-dic-24	0.30	6.00%	6.00%	-	-	-	6.00%	3,000,000	7,500	3,007,500
Total							226,000,000	603,923	226,603,923		76,000,000	300,287	76,300,287

As of December 31, 2025, interest payments were made on short-term credit operations of B/.4,086,107 (2024: B/.8,966,375).

The breakdown of long-term debt loans and credits is as follows:

Entity	Type	Original currency	Start date	Term	Nominal interest rate	2025 IRR	Nominal value	Interest value	Total value	2024 IRR	Nominal valu~	Interest value	Total value
							2025						
Bonos preferentes 2027	Bono internacional	USD	13-dic-12	15.00	4.73%	4.73%	-	-	-	4.73%	80,000,000	(183,832)	79,816,168
Bonos preferentes 2036	Bono internacional	USD	01-jul-21	15.00	3.87%	3.87%	100,000,000	580,673	100,580,673	3.87%	100,000,000	543,827	100,543,827
Banco General (Agente Adm)	Préstamo Sindicado	USD	17-jun-24	5.00	7.05%	6.45%	200,000,000	433,440	200,433,440	7.69%	200,000,000	(1,414,940)	198,585,060
Total							300,000,000	1,014,113	301,014,113		380,000,000	(1,054,945)	378,945,055

Preferred bonds 2027
Resolution No. SMV 432-12 (of December 20, 2012)

On December 6, 2012, the Group entered into a Note Purchase Agreement with a group of investors who individually agreed to purchase a total of US$80,000,000 in Senior Notes from the Group. The notes were issued with a fixed interest rate of 4.73%, payable semi-annually, maturing on December 13, 2027, and were issued pursuant to the Indenture. Agreement (in English) signed between the Company and The Bank of New York Mellon in its capacity as fiduciary agent dated December 11, 2012.

(In balboas)

With reference to the Note Purchase Agreement and the Issuance Agreement, the Company entered into a Bridge Financing Agreement on December 13, 2012, whereby the Company agrees to issue unencumbered promissory notes ("Bridge Notes") to the order of each of the purchasers for a total of US$80,000,000. Each purchaser agrees to transfer the corresponding funds to the Group for each of these Bridge Notes. The Agreement stipulates that the Bridge Notes will accrue annual interest at a rate of 4.73%, compounded from the date of the funds transfer, maturing on February 1, 2013, or on the termination date of the Financing Agreement, whichever occurs first. The Financing Agreement may be terminated by mutual agreement of the parties or if the issuance of the preferred bonds does not take place. The Financing Agreement requires the Company to maintain and guarantee that it has borrowing capacity in available funds under its credit line facilities together with its cash equivalents for an amount in excess of the amount to be paid upon termination of this agreement.

On January 17, 2013, the Note purchase agreement was finalized, and the preferred bonds were delivered to the buyers. On that same date, the Company and the buyers confirmed that the terms of the Note purchase agreement had been satisfactorily met, and the Group was released from its payment obligations under the Bridge Notes and the financing agreement. Payment of the price subscribed under the issuance of the preferred bonds must be satisfied by canceling the Bridge Notes and fulfilling the payment obligations established in the Financing Agreement, without any additional payment from the buyers to the Group.

During the term of the issuance agreement, the Company shall comply with the terms of the agreement, some of which are indicated below:

- Prohibition of granting a lien on any of the Company's properties or assets.
- Do not allow any subsidiary, in one or more transactions, to consolidate, merge with or combine with any company or transfer, assign or convey all or substantially all of its property, assets or revenues to any company (other than a subsidiary of the Company) or allow any company (other than a subsidiary of the Company) to merge with or into it.
- The Debt-to-EBITDA ratio must not exceed 3.50 times after four consecutive fiscal quarters. The Debt-to-EBITDA ratio may exceed 3.50 times during a Qualifying Investment or Capital Investment period no more than twice during the term of the bonds, provided that during such period the Debt-to-EBITDA ratio does not exceed 4.0 times.

In the event of a default under the terms and conditions of the Issuance Agreement, the Trustee, at the request of bondholders holding at least 25% of the principal amount and provided that such default event persists, shall declare all bonds immediately due and payable, for which purpose the holder shall pay the Trustee an amount equal to the sum of the principal amount of the outstanding bonds, all accrued interest thereon, additional amounts, and the restitution sum (the "Default Event Amortization Amount"), calculated by the Company and notified to the Trustee in writing. For the purpose of the amortization amount for default events, the "Restitution Sum" shall be equal to the difference between (i) the sum of (a) the present value of the future principal and expected interest cash flows of the bonds (less any accrued interest), discounted at an annual rate equal to the then corresponding Treasury bond yield nearest to the weighted average remaining life of the bonds calculated at the time of the amortization payment for default events and (b) 0.50% per annum and (ii) the principal amount of the bonds outstanding.

As of December 13, 2025, the Company had redeemed all of the bonds issued and outstanding in advance.

(In balboas)

Syndicated Loan 2029

On June 5, 2024, the Group entered into a syndicated loan agreement with Banco General as Administrative Agent, arranger, and original lender, and other financial institutions as original lenders, for the sum of two hundred million balboas (B/.200,000,000), disbursed in two installments: the first on June 17, 2024, and the second on July 3, 2024. The loan has variable interest at the SOFR 3-month rate plus a spread of 2.75% per annum, with a minimum of 5.50% per annum, payable quarterly, maturing on June 17, 2029. Principal repayment is due at maturity. The Company may prepay the loan partially or in full, provided certain conditions stipulated by the bank are met, starting in the third year of the loan. This credit facility has, at least, the same degree of priority or preference “pari passu” as all other credits that third parties may have, except for those credits privileged exclusively by virtue of the law.

While the loan granted to the Group is in effect, the Group must comply with the terms of the contract, some of which are indicated below:

- To preserve and maintain in full force its corporate existence and legal structure as a company (corporation) under the legislation of Panama
- Not to dissolve, merge, spin off, consolidate, redomiciliate or combine, without the prior consent of the majority of the creditors, which consent will not be required if upon merging, consolidating or combining (a) the debtor is the surviving entity, and (b) no default or cause of early termination under this Agreement occurs or results
- Maintain at all times a total debt-to-EBITDA ratio of no more than 4.00 times. This condition will be measured quarterly, based on the interim consolidated financial statements and the audited annual consolidated financial statement. This indicator is subject to the condition that there is no outstanding debt with a Debt-to-EBITDA ratio lower than that established in this bond.

Preferred Bonds 2036
Resolution No. SMV -330-21 (of June 28, 2021)

The Group has outstanding notes payable under the Indenture (“Senior Notes”) with a face value of US$100,000,000. The notes bear interest at a fixed rate of 3.87%, payable semi-annually, and mature in 2036. Principal repayment is made at maturity. The notes are unsecured and unsubordinated. The Company may redeem the notes, in whole or in part, at any time before maturity, provided it meets certain conditions, including the payment of a premium.

During the term of the issuance agreement, the Company shall comply with the terms of the agreement, some of which are indicated below:

- Prohibition of granting a lien on any of the Company's properties or assets.
- Do not allow any subsidiary, in one or more transactions, to consolidate, merge with or combine with any company or transfer, assign or convey all or substantially all of its property, assets or revenues to any company (other than a subsidiary of the Company) or allow any company (other than a subsidiary of the Company) to merge with or into it.
- The Debt-to-EBITDA ratio must not exceed 4.00 times after four consecutive fiscal quarters. The Debt-to-EBITDA ratio may exceed 4.00 times during an eligible Acquisition or Capital Investment period no more than twice during the term of the bonds, provided that during such period the Debt-to-EBITDA ratio does not exceed 4.5 times.

(In balboas)

In the event of a default on the terms and conditions of the Issuance Agreement, the Trustee, at the request of bondholders holding not less than 25% of the principal amount and provided that such default event persists, shall declare all bonds immediately due and payable, for which the Company shall pay the Trustee an amount equal to the sum of the principal amount of the outstanding bonds, all accrued interest thereon, additional amounts and the restitution sum (the "Default Event Redemption Amount"), calculated by the Company and notified to the Trustee in writing.

The Company defers the costs associated with issuing long-term debt. These costs include commission fees and other costs such as legal, registration, and stamp duties. The debt issuance costs are amortized over the maturity of the debt instrument using the effective interest method and are presented net of long-term debt in the Company's consolidated statement of financial position.

Bonds payable decreased due to the early redemption of the preferred bond maturing in 2027, for an amount of B/.80,000,000. At the end of the period, a balance of B/.100,000,000 remained corresponding to the preferred bond maturing in 2036. The early redemption incurred a payment of B/.1,030,400 corresponding to the calculation of the " make" whole " which indicates the " indenture " of the bonds.

As of December 31, 2025, the Debt/EBITDA ratio (*Covenant*) is 3.08 times. For the measurement of EBITDA, and consistent with the accounting policy in effect since the bond issuance, the Group considers the net income for the year, including the net movement of regulatory accounts related to gains and losses, as presented below:

	2025	2024
Net profit for the year before net movement in balances of deferred regulatory accounts	94,175,072	50,378,861
Net movement in balances of regulatory accounts related to profit or loss	(42,751,522)	33,781,040
Net movement in deferred tax arising from balances of regulatory accounts related to profit or loss	12,825,457	(10,134,312)
Net profit for the year and net movement in balances of deferred regulatory accounts	64,249,007	74,025,589
Depreciation and amortization	43,042,159	40,746,570
Finance costs, net	28,888,164	27,015,817
Asset disposals and other costs	5,661,479	7,766,980
Income tax	28,988,151	32,162,889
EBITDA	170,828,960	181,717,845
Debt incurred		
Short-term debt	226,000,000	76,000,000
Long-term debt	200,000,000	200,000,000
Preferred bonds 2027 (long-term)		80,000,000
Preferred bonds 2036 (long-term)	100,000,000	100,000,000
Total net debt	526,000,000	456,000,000
Debt to EBITDA (times)	3.08	2.51

During 2025, the Group has not defaulted on payments of principal and interest on its loans.

(In balboas)

17. Creditors and Other Accounts Payable

Creditors and other accounts payable are measured at amortized cost and consist of:

	2025	2024
Non-current		
Security deposits received	5,438,284	6,122,464
Construction contracts	21,594,336	26,426,938
Acquisition of goods and services	1,172,486	1,004,372
Customer accounts payable	2,186,856	-
Total non-current financial liabilities	30,391,962	33,553,774
Current		
Energy suppliers	89,664,202	85,632,026
Acquisition of goods and services	46,415,878	51,566,723
Customer accounts payable	556,996	-
Security deposits received	3,310,568	2,973,831
Other accounts payable	5,112,915	5,538,082
Construction contracts	6,670,341	4,060,234
Total current financial liabilities	151,730,900	149,770,896

The construction contracts category includes advance payments received from developers, primarily for the construction of electrical infrastructure for the projects. Once these works are transferred to ENSA, reimbursement agreements are formalized for 4 years (overhead works) or 7 years (underground works), according to current regulations.

The payment term to suppliers is generally 30 days; however, for the period 2025, the energy supplier category shows an increase mainly due to ASEP resolution AN No. 20025, which considers payments corresponding to energy contracts that will be made within 60 days from the invoices issued in March 2025.

During the period, the Group has not defaulted on payments to creditors and other accounts payable.

18. Other Financial Liabilities

The other financial liabilities consist of:

	2025	2024
Non-current		
Leases (see Note 9)	213,713	364,216
Total non-current financial liabilities	213,713	364,216
Current		
Leases (see Note 9)	158,620	135,162
Total current financial liabilities	158,620	135,162

During the period, the Group has not defaulted on the payment of principal and interest.

(In balboas)

19. Employee Benefits

The employee benefits item recognized as of the date of presentation has the following composition:

Employee benefits	2025	2024
Non-current		
Post-employment benefits (liability)	2,344,319	2,399,123
Total non-current employee benefits	2,344,319	2,399,123
Current		
Post-employment benefits (liability)	9,587	15,419
Total current employee benefits	9,587	15,419
Total	2,353,906	2,414,542

19.1 Post-Employment Benefits

It includes the defined benefit plans detailed below:

Defined benefit plans	Other defined benefit plans		Seniority premium		Total	
	2025	2024	2025	2024	2025	2024
Present value of defined benefit obligations						
Opening balance	(209,938)	(239,292)	(2,204,604)	(2,262,363)	(2,414,542)	(2,501,655)
Current service cost	(1,455)	(23,854)	(367,639)	(402,935)	(369,094)	(426,789)
Interest income (expense)	(10,538)	(13,861)	-	(14,203)	(10,538)	(28,064)
Actuarial gains or losses from changes in:	35,989	21,075	-	(357,302)	35,989	(336,227)
Experience assumptions	(10,429)	15,133	-	175,512	(10,429)	190,645
Financial assumptions	-					
Benefits paid by the plan	3,000	18,000	401,694	656,687	404,694	674,687
Other changes from remeasurements	10,014	12,861	-	-	10,014	12,861
Present value of obligations at the end of the period	(183,357)	(209,938)	(2,170,549)	(2,204,604)	(2,353,906)	(2,414,542)

The Group has three defined post-employment benefit plans :

Benefit	2025		2024	
	Since	Until	Since	Until
Seniority premium and severance fund	Indefinite	Indefinite	Indefinite	Indefinite
Electricity billing discount	Indefinite	Indefinite	Indefinite	Indefinite
Retirement bonus	Indefinite	Indefinite	Indefinite	Indefinite

(i) Seniority Bonus and Severance Fund

According to the Labor Code of the Republic of Panama, upon termination of any indefinite-term contract, regardless of the cause, the employee is entitled to a seniority bonus of one week's salary for each year of service, calculated from the start of the employment relationship. The seniority bonus represents 1.92% of the wages paid.

The Labor Code, as amended by Law No. 44 of August 12, 1995, specifies that employers must establish a severance fund to cover seniority bonuses and compensation for unjustified dismissal or justified resignation. The Group maintains a trust through an authorized entity called Pro-Futuro, S.A., which acts as trustee to secure the severance fund liability.

(ii) Other Defined Benefit Plans

a) Discount on Electricity Bills for a Group of IRHE Retirees

The benefit grants a 50% discount on electricity bills to a closed group of former IRHE employees, regardless of the service provider they use.

b) Retirement Bonus

Current employees of the Group are entitled to a bonus of B/.3,000 upon retirement through the Social Security Fund. The standard retirement age refers to the ages stipulated in current social security legislation. The minimum retirement age is 57 for women and 62 for men. Early retirement ages stipulated by law are 55 to 56 years and 11 months for women and 60 to 61 years and 11 months for men.

The Group made defined benefit contributions during the year for B/.407,783 (2024: B/.400,405) and expects to make contributions for the next year for B/.320,000.

In accordance with Executive Decree No. 106 of 1995, the Company maintains the plan's assets, managed by Pro-Futuro, SA. It invests primarily in fixed-term deposits and bonds. The maximum fair value of the assets is the amount contributed by the Group (employees do not contribute), and any returns on changes in the market value of the investments belong to ENSA.

The main actuarial assumptions used to determine the obligations for defined benefit plans are as follows:

	Concept	
	2025	**2024**
Assumptions		
Discount rate		
Seniority bonus (%) ENSE	5.50	5.37
Seniority bonus (%)	5.54	5.51
Retirement bonus	5.41	5.40
Electricity discount for retirees (%)	4.49	4.83
Electricity bill		
Annual salary increase rate (%) ENSE	3.50	3.50
Annual salary increase rate (%)	4.50	4.50
Rate of increase to electricity bill discount (%)	(0.56)	3.49
Survival tables	Mortality table of the urban population of the Republic of Panama 2010-2015 (adjusted)	

(In balboas)

The following table shows the effect of a variation of plus 1% and minus 1% in the salary increase, the discount rate, and the increase in the benefit on the obligation for defined post-employment benefit plans:

Assumptions	Increase in discount rate by +1%	Decrease in discount rate by -1%	Increase in salary growth by +1%	Decrease in salary growth by -1%	Increase in benefit growth by +1%	Decrease in benefit growth by -1%
Seniority premium ENSE	(1,517)	1,810	1,491	(1,276)	No aplica	No aplica
Seniority premium	(227,040)	271,962	234,919	(200,996)	No aplica	No aplica
Public service subsidy	(2,548)	2,791	No aplica	No aplica	(4,326)	5,295
Retirement bonus	(10,979)	12,699	No aplica	No aplica	No aplica	No aplica
Total post-employment benefits	(242,084)	289,262	236,410	(202,272)	(4,326)	5,295

There have been no changes in the methods and assumptions used to prepare the sensitivity analysis for the period prior to the current one. Defined benefit plans expose ENSA to actuarial risks such as investment risk, longevity risk, and salary risk.

Investment Risk:

Currently, the seniority bonus plan's assets have relatively balanced investments mainly in fixed-term deposits, securities, and debt instruments.

Longevity Risk:

The present value of the electricity discount liability is calculated based on the best estimate of the plan participants' mortality. An increase in the life expectancy of the plan participants would increase the plan liability.

Salary Risk:

The present value of the seniority premium liability is estimated by considering the future salaries of the plan participants. Therefore, an increase in the salaries of the plan participants would increase the plan liability.

20. Provisions, Contingent Assets, and Liabilities

20.1 Provisions

The reconciliation of the provisions is as follows:

2025	Dismantling or restoration	Litigation	Other	Total
Opening balance	312,012	355,000	6,137,886	6,804,898
Additions	139,847	70,069	1,629,934	1,839,850
Utilizations (-)	(301,871)	(295,000)	(814,761)	(1,411,632)
Closing balance	149,988	130,069	6,953,059	7,233,116

(In balboas)

To mitigate any uncertainty regarding the estimated payment date and the estimated payable amount in a case deemed probable, the Group evaluates each case individually with its external legal advisors, taking into account the average duration of similar proceedings. The estimated payable amount in a case deemed probable is determined based on the amount of the plaintiff's claim and an analysis of the specific circumstances that prompted the lawsuit, in order to determine the extent of potential damages. This process relies on the assessment of the Group's external legal advisors and, in certain cases, the support of insurance advisors if an actuarial valuation is required.

20.1.1 Dismantling

The Group is obligated to incur costs for dismantling or restoring its facilities and transformer-related assets where Polychlorinated Bisphenol A (“PCB”) is confirmed or estimated to be present, whether in use or out of service. The Group has committed to dismantling these assets from 2002 to 2025, the maximum period stipulated by the Stockholm Convention. The provision is recognized at the present value of the expected costs to settle the obligation using estimated cash flows. The cash flows are discounted at a pre-tax rate, using the market yield on government-issued bonds as a benchmark. The main assumptions considered in calculating the provision are:

a. It was determined that 2 transformers should be discarded due to suspected PCB content.
b. The present value of the obligation was determined using a discount rate of 7.95%, which is the market cost of return on bonds issued by the National Government.
c. The (implicit) legal obligation to dismantle transformers first arose at ENSA in 2002 with the signing of the Rotterdam Convention by the Republic of Panama .

20.1.2 Litigation

This provision covers probable estimated losses related to labor, administrative, civil, and tax litigation (through administrative and governmental channels) arising from operations. The main assumptions considered in calculating the provision are:

a. The cases are examined by legal advisors to determine, according to their development, the probability or not of incurring an outflow of resources.
b. Legal advisors provide the probability of loss to make the litigation reserve.
c. The estimated payment date is provided by the legal technicians.

(In balboas)

The following are the recognized lawsuits:

Provision	Worth
Full Jurisdiction Administrative Litigation Process	130,069
	130,069

20.1.3 Other Provisions

The Group maintains additional provisions of B/.6,953,059 (2024: B/.6,137,886) to cover compensation to customers for non-compliance with regulations set by the National Authority of Public Services (ASEP). The amounts of these compensations are provided by the Group's technical department, which calculates them based on indicators provided by the system.

Estimated Payments

The Group estimates the dates on which it expects to make payments related to the provisions included in the consolidated statement of financial position as of the presentation date:

Estimated payments	Dismantling or restoration	Litigation	Other	Total
2026	149,988	-	-	149,988
Other	-	130,069	6,953,059	7,083,128
Total	149,988	130,069	6,953,059	7,233,116

20.2 Contingent Liabilities

The composition of contingent liabilities is as follows:

Type of Contingency	Liabilities contingents
Litigation	483,924
Total	483,924

The Group has pending litigation or proceedings before judicial, administrative, and arbitration bodies. Based on reports from legal advisors, it is reasonable to conclude that these proceedings will not significantly affect the Group's financial position or solvency, even if any of them are resolved unfavorably.

Contingent liabilities :

Claim	Worth
Civil lawsuit for damages due to contract cancellation	476,000
Labor lawsuits	7,924
Total contingent liabilities	483,924

(In balboas)

2 0.3 Commitments

The purchasing rules for the contract market, established by Resolution AN No. 991-Elec of July 11, 2007, and its amendments, set minimum medium- and long-term contracting obligations for both power and energy for distribution companies. Power must be contracted to cover ENSA's Maximum Generation Demand, and energy must be contracted based on the Associated Energy Required. ETESA must issue calls for competitive bidding to meet the power and energy needs of the distribution companies' end customers and ensure that the calls it manages comply with the minimum contracting levels for the distribution companies. ENSA routinely enters into purchase agreements with varying quantity and duration requirements as part of its obligation to distribute and sell electricity to its regulated customers. ENSA must recover the costs related to these obligations through future customer tariffs. Furthermore, all energy supply contracts signed by ENSA are for the purpose of fulfilling its energy distribution obligations to customers.

In compliance with the Electricity Law of 1997, ENSA negotiated long-term power purchase agreements with generating companies.

The Electric Transmission Company, SA (ETESA) is responsible for preparing tenders for the purchase of energy by distribution companies. ETESA receives, evaluates, and awards bids. These bids are then assigned to each distribution company based on its requirements. The distribution companies are obligated to sign contracts based on the awarded bids.

ENSA has several long-term unconditional contractual obligations related to the purchase of power capacity. The incremental payment amounts required for these obligations are presented below:

Year	Payment obligations
2026	192,294,115
2027	184,375,912
2028	146,532,923
2029	134,204,837
Hereafter	693,999,959
Total	1,351,407,746

The Group made expenditures of B/.192,106,961 (2024: B/.163,778,000), in unconditional contracts, related to the purchase of long-term energy capacity.

(In balboas)

21. Other Liabilities

The composition of other liabilities is as follows:

	2025	2024
Non-current		
Deferred income	50,415	78,534
Government grants	1,142,365	1,247,958
Total other current liabilities	1,192,780	1,326,492
Current	84,110	84,110
Deferred income	28,119	31,221
Government grants	105,595	105,596
Total other non-current liabilities	133,714	136,817
Total other liabilities	1,326,494	1,463,309

21.1 The Movement of Income Received in Advance is as Follows:

	2025	2024
Opening balance	109,755	148,170
Recognized in profit or loss for the year	(31,221)	(38,415)
Closing balance	78,534	109,755

21.2 The Movement of Government Subsidies is as Follows:

	2025	2024
Opening balance	1,353,554	1,459,150
Recognized in profit or loss for the year	(105,594)	(105,596)
Closing balance	1,247,960	1,353,554

(In balboas)

22. Changes in Liabilities from Financing Activities

The reconciliation of liabilities arising from financing activities is as follows:

	2025			
Reconciliation of liabilities arising from financing activities 2025	**Opening balance**	**Cash flow**		**Total**
Loans, borrowings and bonds (see Note 16)	455,245,342	347,372,694	(275,000,000)	527,618,036
Lease liabilities (see Note 18)	499,378	-	(127,045)	372,333
Treasury shares (see Note 14)	(617,270)	-	-	(617,270)
Dividends or surplus paid and supplementary tax (see Note 14)	-	-	(74,107,146)	(74,107,146)
Total liabilities from financing activities	455,127,450	347,372,694	(349,234,191)	453,265,953

	2024			
Reconciliation of liabilities arising from financing activities 2024	**Opening balance**	**Cash flow**		**Total**
Loans, borrowings and bonds (see Note 16)	430,633,646	795,467,197	(770,855,501)	455,245,342
Lease liabilities (see Note 18)	617,666	-	(118,288)	499,378
Treasury shares (see Note 14)	(574,511)	-	(42,759)	(617,270)
Dividends or surplus paid and supplementary tax (see Note 14)	-	-	(53,120,733)	(53,120,733)
Total liabilities from financing activities	430,676,801	795,467,197	(824,137,281)	402,006,717

Deferred regulatory accounts

ENSA is subject to regulation by ASEP. This entity is responsible for regulating and establishing the rates that the company charges. The company invoices its customers. It maintains its accounting records in accordance with the uniform system of accounts established by ASEP for electric companies.

The regulated system under which the Company operates allows any excess or deficiency between the estimated energy cost considered in the tariff and the actual cost incurred by the Company to be included as a compensatory adjustment, to be recovered or refunded to customers in the next tariff review, which is conducted semi-annually. Any excess energy cost charged to customers is accumulated as a credit balance in the deferred regulatory account in the Company's consolidated financial statements and results in a reduction in the next tariff review applied to customers. Similarly, any deficit energy cost charged to customers is accumulated as a debit balance in the deferred regulatory account in the Company's consolidated financial statements and results in an increase in the next tariff review to be recovered from customers.

(In balboas)

Deferred regulatory accounts with a debit balance represent probable future revenues associated with certain costs that are expected to be recovered from customers through the tariff process. Deferred regulatory accounts with a credit balance represent probable reductions in future revenues associated with amounts that are expected to be credited to customers through the tariff process.

The movement of the regulatory accounts is as follows:

	Asset (liability)	
Regulatory accounts	**2025**	**2024**
Opening balance	69,856,699	36,075,659
Recognized in other comprehensive income	(42,751,522)	33,781,040
Closing balance	27,105,177	69,856,699

The 2025 decrease in the regulatory asset is related to ASEP Resolution AN No. 19632-Elec and Cabinet Resolution No. 58, which contemplated the recovery of B/.69 million in reserve at the close of 2024 corresponding to previous periods in which energy costs were not passed on to customers, offset by the usual increase for the period corresponding to 2025.

The 2024 increase in the regulatory asset was primarily due to the rise in the monometric charge related to energy costs, which generated a reserve to be collected in future tariff periods. This tariff reserve is adjusted every six months to account for fluctuations in energy costs.

Cash flows obtained (used) by regulatory accounts decreased to B/.29,926,065 (2024: (B/.23,646,728)), which, by Group policy, are classified as operating activities in the consolidated statement of cash flows.

The movement of deferred tax associated with regulatory accounts is as follows:

	Asset (liability)	
	2025	**2024**
Deferred tax associated with regulatory accounts		
Opening balance	(20,957,009)	(10,822,697)
Increases	12,825,457	(10,134,312)
Closing balance	(8,131,552)	(20,957,009)

Balances associated with deferred regulatory accounts in accordance with the regulation must be recovered or returned within the following two semesters.

(In balboas)

23. Revenue from Ordinary Activities

For presentation purposes, the Group breaks down its revenues by service according to the business lines in which it participates and the way in which management analyzes them. The breakdown of revenues is presented below:

	2025	2024
Rendering of services and sale of goods		
Energy distribution service	821,408,290	800,335,506
Fees	5,785,192	4,266,709
Connection / reconnection	1,899,986	1,732,569
Late payment charges	1,160,069	1,787,974
Other services	2,671,480	1,429,885
Fines and penalties	1,041,147	543,321
Total revenue from ordinary activities	833,966,164	810,095,964
Other income (Note 24.1)	6,276,803	3,689,993
Total income	840,242,967	813,785,957

Within the Group, performance commitments are met as follows:

Energy Distribution Service : the performance obligation is satisfied when the electricity service is supplied to the customer according to their request.

The Group recognizes all its revenue upon fulfillment of performance obligations. The Group has no pledged ordinary revenue, nor does it have firm commitments to customers for the provision of future services.

23.1 Other income

	2025	2024
Other income		
Fair value of investment properties (Note 5)	444,300	(151,400)
Government grants	105,595	105,596
Recoveries	252,225	456,065
Other operating income	3,325,735	1,225,502
Other income	2,148,948	2,054,230
Total other income	6,276,803	3,689,993

(In balboas)

24. Costs for Providing Services and Selling Goods

The breakdown of costs for providing services is as follows:

	2025	2024
Cost of services rendered		
Other costs of goods and public services for sale	522,413,637	559,468,176
Use of lines, networks and ducts – depreciation (Notes 4 and	28,097,080	29,988,419
7)	35,487,537	35,530,777
Orders and contracts for other services	29,591,287	21,425,022
Personnel services	11,006,436	11,861,778
Maintenance and repair orders and contracts	4,060,327	4,709,350
General	1,378,285	1,857,574
Taxes and fees	1,353,639	1,231,909
Leases	738,190	865,684
Amortization of right-of-use assets (Note 9)	139,959	165,766
Other	933,981	342,926
Total cost of services rendered	635,200,358	667,447,381

During the year ended December 31, 2025, other costs of goods and public services for sale were recognized for B/.522,413,637 (2024: B/.559,468,176) detailed as: energy purchase B/.516,982,446 (2024: B/.549,281,820) and sales costs B/.5,431,191 (2024: B/.10,186,356).

(In balboas)

25. Administrative Expenses

The breakdown of administrative expenses is as follows:

	2025	**2024**
Personnel expenses:		
Wages and salaries	7,441,723	9,526,272
Social security expenses	1,236,341	1,305,386
Collective agreement benefits	108,274	108,520
Other	1,155,804	1,433,819
Total personnel expenses	9,942,142	12,373,997
General expenses:		
Depreciation of property, plant and equipment and amortization of intangibles (Notes 4 and 7)	7,414,662	5,050,027
Commissions, fees and services	3,745,796	4,530,750
Taxes, contributions and fees	2,776,073	2,896,204
Maintenance	3,293,891	4,781,873
Public services	1,383,495	1,522,629
General insurance	1,161,368	1,076,823
Fuels and lubricants	300,704	439,570
Printed materials, publications, subscriptions and memberships	154,839	137,367
Advertising and promotion	255,044	365,447
Per diem and travel expenses	211,759	195,858
Provision for contingencies	128,376	(150,000)
Cleaning and cafeteria supplies	28,388	23,147
Leases	850	1,018
Safety equipment	198,413	216,466
Photocopies	42,972	45,028
Legal expenses	(42,109)	372,159
Other	824,462	979,518
Total general expenses	21,878,983	22,483,884
Total	31,821,125	34,857,881

The operating lease payments recognized in the year's result are B/.738,998 (2024: B/.866,702), included in the costs of providing services and administrative expenses.

(In balboas)

26. Other Expenses

The breakdown of other expenses is as follows:

	2025	2024
Other income		
Loss on disposal of assets	4,684,643	7,910,701
Sale of furniture and equipment	(200,352)	(145,601)
Loss on inventory write-offs	1,048,811	151,880
Total	5,533,102	7,916,980

The loss of fixed asset disposal occurs due to the disposal of damaged meters, defective transformers, burned-out light fixtures, and other assets to a lesser extent.

27. Financial income and expenses

27.1 Financial income

The breakdown of financial income is as follows:

Finance income	2025	2024
Interest income:		
Bank deposits	436,674	450,527
Other interest earned	485,361	361,696
Total	922,035	812,223

27.2 Financial expenses

The breakdown of financial expenses is as follows:

	2025	2024
Interest expense:		
Loans and bonds	29,518,174	27,550,322
Interest on leases	26,532	33,578
Less: interest capitalized in qualifying assets	(55,723)	(55,069)
Other finance costs	321,216	299,209
Total	29,810,199	27,828,040

(In balboas)

28. Income Tax

28.1 Tax Provisions

The Group's income tax returns, including that for the year ending December 31, 2025, are subject to review by the tax authorities for the last three tax periods, according to current regulations.

As of January 1, 2010, with the entry into force of Law No. 8 of March 15, 2010, Article 699 of the Tax Code indicates that legal entities whose taxable income exceeds one million five hundred thousand balboas (B/.1,500,000) annually must pay income tax at a rate of 25%.

Additionally, the Tax Code indicates that companies in which the State has a shareholding greater than forty percent (40%) of the shares will pay Income Tax at a rate of 30%.

The income tax rate will be applied to the greater of: (1) the net taxable income calculated by the traditional method established in Title I of Book Four of the Tax Code, or (2) the net taxable income resulting from applying four point sixty-seven percent (4.67%) to the total taxable income.

On August 29, 2012, Law No. 52 came into effect, amending the regulations on the Transfer Pricing regime to regulate prices for tax purposes in transactions between related parties, considering such transactions to be similar to those with unrelated parties. According to these regulations, taxpayers who conduct transactions with related parties that impact income, costs, and deductions in determining taxable income for income tax purposes for the period in which the tax return is filed or the transaction takes place, must prepare an annual report on the transactions within six months following the end of the corresponding tax period (Form 930).

These transactions will be subject to review to determine compliance with the provisions of the Law. As of the date of these consolidated financial statements, the Group is in the process of completing this review; however, according to Management, it is not expected to have a material impact on the estimated income tax for the year.

(In balboas)

2 8.2 Reconciliation Between Financial Profit Before Income Tax and Taxable Income

The reconciliation between the applicable tax rate and the effective tax rate and the composition of income tax expenditure for the periods 2025 and 2024 is as follows:

Consolidated	**2025**	**%**	**2024**	**%**
Results before tax	135,988,680		72,407,438	
Income tax rate	30%		30%	
Income tax at statutory rate	40,796,604		21,722,231	
Effect of permanent tax differences:				
Provision for subsidy income	(17,891,870)		(1,939,445)	
Foreign income, exempt, non-taxable and temporary differences	(1,979,591)		(1,967,421)	
Non-deductible costs and expenses	989,144		582,644	
Prior period adjustments	422,777		301,841	
Subsidiary loss	406,015		-	
Taxable income for the period	22,743,079	16.7	18,699,850	25.8
Detail of current and deferred tax expense				
Current tax	22,743,079		18,699,850	
Deferred tax	19,070,529		3,358,727	
Income tax	41,813,608	30.7	22,058,577	30.5

28.3 Income Tax Recognized in Profits or Losses

The most significant components of income tax expense as of the filing date are:

	2025	**2024**
Current income tax		
Current income tax expense	22,320,302	18,368,009
Adjustments recognized in the current period related to current income tax of prior periods	422,777	301,841
Total current income tax	22,743,079	18,669,850
Deferred tax		
Net deferred tax expense (income) related to the origin and reversal of temporary differences	19,070,529	3,358,727
Total deferred tax	19,070,529	3,358,727
Income tax	41,813,608	22,028,577

(In balboas)

The value of the current income tax asset or liability is as follows:

	2025	2024
Current income tax asset (liability), net	2,360,007	(5,318,828)
Income tax	(22,736,181)	(18,669,850)
Tax credits	8,456,881	26,348,685
Total income tax asset (or liability), net	(11,919,293)	2,360,007

28.4 Income Tax Recognized in Other Comprehensive Income

The breakdown of the tax effect corresponding to each component of the state's "other comprehensive income" is as follows:

Other comprehensive income in the statement of comprehensive income	2025			2024		
	Gross	Effect	Net	Gross	Effect	Net
Items that will not be reclassified subsequently to profit or loss						
Remeasurements of defined benefit plans – Elektra Noreste, S.A.	272,003	(81,601)	190,402	(154,477)	46,343	(108,134)
Remeasurements of defined benefit plans – Ensa Servicios, S.A.	8,111	(2,028)	6,083	(20,304)	5,076	(15,228)
Total	280,114	(83,629)	196,485	(174,781)	51,419	(123,362)

28.5 Deferred Tax

The deferred tax breakdown is as follows:

	2025	2024
Deferred tax liability, net	(22,042,266)	(2,881,210)
Total deferred tax, net	(22,042,266)	(2,881,210)

(In balboas)

The deferred tax item recognized as an asset in the consolidated statement of financial position as of December 31, 2025 has the following composition:

	Opening balance	Net changes included in profit or loss	Changes included in OCI	Closing balance
Current assets:				
Accounts receivable (i)	(3,181,719)	(19,907,074)	-	(23,088,793)
Inventories	24,050	212,340	-	236,390
Non-current assets:				
Property, plant and equipment	(917,561)	137,417	-	(780,144)
Other	(180,082)	202,487	-	22,405
Investment properties	(766,989)	(133,290)	-	(900,279)
Current liabilities:				
Employee benefits	(76)	(1,958)	-	(2,034)
Provisions	1,928,385	195,073	-	2,123,458
Other liabilities	502,379	(24,717)	-	477,662
Non-current liabilities:				
Employee benefits	(289,599)	242,295	(83,629)	(130,933)
Unused tax losses and credits	2	-	-	2
Total deferred tax asset/liability	(2,881,210)	(19,077,427)	(83,629)	(22,042,266)

The deferred tax item recognized in assets of the consolidated statement of financial position as of December 31, 2024 has the following composition:

	Opening balance	Net changes included in profit or loss	Changes included in OCI	Closing balance
Current assets:				
Accounts receivable (i)	(1,655,958)	(1,525,761)	-	(3,181,719)
Inventories	33,754	(9,704)	-	24,050
Non-current assets:				
Property, plant and equipment	(866,165)	(51,396)	-	(917,561)
Other	(167,063)	(13,019)	-	(180,082)
Investment properties	(812,409)	45,420	-	(766,989)
Current liabilities:				
Employee benefits	1,377	(1,453)	-	(76)
Provisions	3,638,739	(1,710,354)	-	1,928,385
Other liabilities	503,369	(990)	-	502,379
Non-current liabilities:				
Employee benefits	(249,548)	(91,470)	51,419	(289,599)
Unused tax losses and credits	2	-	-	2
Total deferred tax asset/liability	426,098	(3,358,727)	51,419	(2,881,210)

(In balboas)

29. Information to Be Disclosed About Related Parties

ENSA is a commercial company owned by Panamá Distribution Group, S.A. (PDG), which holds 51% of the authorized, issued, and outstanding common shares; the Panamanian government; and former employees of IRHE, who own 48.26% and 0.40%, respectively. Related parties of ENSA include subsidiaries, associates, joint ventures, and companies resulting from the restructuring of Panama's electricity sector in which the Panamanian government and key management personnel hold stakes. may exercise control or joint control and post-employment benefit plans for the benefit of employees.

On June 20, 2017, ENSA signed a contract with Hidroecológica del Teribe, S.A., a company belonging to the EPM business group, for legal and IT services, as well as the lease of physical space in the Group's corporate building. As of December 31, 2025, the amount recognized as revenue is B/.256,440 (2024: B/.228,877) and the account receivable is B/.44,918 (2024: B/.20,067) resulting from this agreement.

In the normal course of business, ENSA buys electricity from generators and other distribution companies, sells power to government institutions, and makes payments to the transmission company.

The following shows the total value of transactions carried out by the Group with its related parties during the corresponding period:

Transactions and balances with related parties	Revenue	Costs/expenses	Amounts receivable	Amounts payable
Parent company				
2025	-	81,577		-
2024	-	37,049		7,543
Entities with joint control or significant influence over the Company:				
2025	113,380,420		20,627,743	
2024	106,502,954	-	21,681,679	-
Key management personnel:				
2025		2,782,820		
2024	-	2,735,295	-	-
Other related parties:				
2025	306,218	145,447,205	424,630	10,884,881
2024	661,353	176,808,821	479,441	11,348,600

The breakdown of income obtained by the Group from its related parties is as follows:

	Revenue	2025	2024
Entities with joint control or significant influence over the Group	Sale of goods and services	113,380,420	106,502,954
Other related parties	Sale of goods and services	306,218	661,353
Total revenue from related parties		113,686,638	107,164,307

The breakdown of costs and expenses incurred by the Group with its related parties is as follows:

Costs and expenses		2025	2024
Parent company	Acquisition of goods and services	81,577	37,049
Key management personnel	Fees	2,782,820	2,735,292
Other related parties	Acquisition of goods and services	145,447,205	176,808,821
Total costs and expenses incurred with related parties		148,311,602	179,581,162

(In balboas)

(In balboas)

Transactions and Balances With Related Government Entities

ENSA is legally obligated to guarantee, through contracts, 100% coverage of its regulated customers' demand within the next 24 months. Its energy purchasing strategy relies on medium- and long-term contracts to protect customers from sharp fluctuations in generation charges and tariffs. In addition, ENSA pays a regulated tariff to Empresa de Transmisión Eléctrica, SA (ETESA), a company wholly owned by the Panamanian State, for connection to and use of the transmission system.

Remuneration of the Board of Directors and Key Group Personnel:

Key management personnel within the Group include the CEO, vice presidents, and members of the Group Executive Committee. The amounts disclosed are those recognized as a cost or expense during the reporting period for compensation of key management personnel.

Concept	2025	2024
Wages, other short-term employee benefits, and fees	2,782,820	2,735,292
Remuneration of key management personnel	2,782,820	2,735,292

30. Capital Management

The Group's capital consists of debt (short- and long-term loans and preferred bonds) and equity (comprising share capital, other comprehensive income, and retained earnings). The primary objective of the Group's capital management is to ensure the maintenance of a strong credit rating and healthy capital ratios in order to support the sustainability of the business and maximize shareholder returns.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and as required by financial agreements. To maintain or adjust its capital structure, the Group may adjust dividend payments to shareholders and agree to adjustments in payment terms with its suppliers. No changes were made to these targets for the years ended December 31, 2025 and 2024.

The Group tracks capital using a leverage ratio, which is debt divided by EBITDA (Earnings) Before Interest , Tax, Depreciation, and Amortization (ITD), in accordance with the requirements of the current financial agreements, which share the maximum limit of 4.0 to 1.0, and stipulating that violations of the financial clauses would allow bondholders to immediately call for early redemption. For the calculation of EBITDA, the Group considers net income including the net movement of regulatory deferred accounts, consistent with the accounting policy in effect at the time of issuing the bonds and reported periodically to the respective entities. The Group's policy is to maintain this debt ratio below 4.0 times its EBITDA and a financial debt ratio below 200%.

(In balboas)

To achieve this overall objective, the Group's capital management, among other things, first optimizes the management of current financial assets and liabilities and, where required, adopts long-term structuring decisions. During the years ended December 31, 2025 and 2024, there were no defaults on the financial terms of the bond issues and bank debt.

	2025	**2024**
Short-term debt	226,000,000	76,000,000
Long-term debt	200,000,000	200,000,000
Preferred bonds 2027	-	80,000,000
Preferred bonds 2036	100,000,000	100,000,000
Cash and cash equivalents	(10,126,977)	(12,719,037)
Total net debt	515,873,023	443,280,963
Common shares, including treasury shares	106,025,692	106,025,692
Comprehensive income (loss)	(328,690)	(525,175)
Retained earnings	137,054,066	146,912,205
Total equity	242,751,068	252,412,722
Leverage ratio	213%	176%
Debt to EBITDA (times)	3.08	2.51

31. Objectives and Policies for Managing Financial Risks

The Group is exposed to financial risk, which is defined as the possibility of an event occurring that negatively affects financial results, including market risk, interest rate risk, exchange rate risk, credit risk, and liquidity risk.

The risks are described in each of the following sections:

The Group is exposed to financial risks inherent in its business operations and therefore seeks to establish measurement, impact, and monitoring parameters that allow it to take the necessary preventive and control measures in the event of a risk. These risks are reviewed periodically by Management to update their status and address them promptly should any eventuality arise.

31.1 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate due to changes in market prices. The Group has determined that it does not have any financial instruments significantly affected by market risk. Although thermal generation contracts involve price adjustments depending on fluctuations in bunker fuel prices, which generate variations in cash outflows, these variations in energy purchase costs due to regulatory provisions are fully passed on to customers through semi-annual tariff adjustments.

(In balboas)

3 1.1.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate as a result of changes in market interest rates. The Group is exposed to interest rate risk because it incurs short-term debt. The Group manages this risk by maintaining an appropriate balance between long-term and short-term debt. To minimize the impact of interest rate fluctuations on our cash flows, the Group typically negotiates margins with preferred banking institutions and enters into short-term transactions at fixed rates established at the time of issuance.

The Group also has credit lines available with financial institutions that allow it to withstand potential cash shortfalls to meet its short-term commitments, should the need arise.

As of December 31, 2025, the Group maintains 62% (2024: 44%) of its debt at a floating interest rate and 38% (2024: 56%) at a fixed interest rate. Given market liquidity, Management's approach to its financing structure has been to contract short-term debt until reaching significant levels, at which point it will shift to long-term debt.

Interest Rate Sensitivity Analysis

The following table indicates the sensitivity to a possible reasonable change in interest rates of the financial instruments exposed to this risk. Holding all other variables constant, the profit/loss before tax and the Group's equity would be affected by changes in variable interest rates as follows:

	Increase/ decrease in basis points	Exposed value	Financial effect	
2025			In profit before tax	In equity
Financial liabilities measured at amortized cost				
Loans and borrowings	100	526,000,000	(4,512,111)	(1,353,633)
	(100)	526,000,000	4,512,111	1,353,633
2024				
Financial liabilities measured at amortized cost				
Loans and borrowings	100	456,000,000	(4,406,896)	(1,322,069)
	(100)	456,000,000	4,406,896	1,322,069

31.1.2 Exchange Rate Risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate as a result of changes in exchange rates. Our revenues are denominated in balboas, and our loans and other obligations are denominated in both balboas and US dollars. We do not face any foreign exchange risk due to the adoption of the US dollar as the legal tender and functional currency of Panama and the fixed exchange rate between the balboa and the dollar. We do not use currency swaps to hedge against foreign currency risk.

(In balboas)

3 1.1.3 Credit Risk

Credit risk is the risk that a counterparty will fail to meet its obligations under a financial instrument or purchase agreement, resulting in a financial loss. The financial instruments potentially subject to credit risk for the Group are primarily cash and cash equivalents, trade receivables, receivables from related parties, and other financial assets.

Consumer customer credit risk is managed in part by requiring a security deposit equivalent to one month's billing for all new customers (see Note 17). Existing customers with a good payment history can open additional accounts without this security deposit. The Group considers that it has no significant concentration of credit risk with respect to non-government accounts.

Credit risk concentration is limited because the Group is primarily engaged in the distribution and sale of electricity to customers located within its concession area. The Group does not believe there is a significant risk of loss as a result of credit concentration, given that a large number of its customers are geographically dispersed.

Industrial and commercial customers typically provide deposits or bank guarantees equivalent to one month's estimated service cost in order to connect to electricity services. These deposits or guarantees can be offset against outstanding debt for this customer category. Overdue government accounts can vary depending on each government entity's budget approval processes. These accounts tend to be paid after their initial due date, usually due to complications in the government's account filing procedures. ENSA charges interest on late payments. However, once these government budgets are approved and the process is completed, the Group is generally able to recover the entire outstanding government receivable.

The Electricity Act 1997 allows electricity distribution companies to disconnect service to any customer whose bill is not paid within 60 days of its issuance. It is the Group's policy to actively contact commercial and industrial customers whose bills are overdue. If a satisfactory agreement cannot be reached, service is suspended until the overdue payment is received or a satisfactory payment agreement is obtained. Disconnections are routinely carried out for our residential customers after they have been given a termination notice on a subsequent bill, a notification letter, a phone call, or any other means of notification at our disposal to inform them of their outstanding balance and the termination of service. Most disconnected customers are reconnected after the customer pays the overdue bill or enters into a satisfactory finance agreement. The Electricity Act 1997 allows distribution companies to charge interest on overdue debt starting 30 days after the billing date. The Group currently uses a regulated interest rate based on the average rate available from local banks. Service is restored once the outstanding debt and accrued interest are paid. Regular monitoring of accounts receivable and daily service cutoff actions are used to limit the risk of providing continued service to delinquent customers.

Furthermore, the Group believes that its potential credit risk is adequately covered by the provision for impairment of accounts receivable for utilities.

(In balboas)

With respect to credit risk arising from the Group's other financial assets, comprising cash and cash equivalents, other receivables, and other financial assets, the Group's exposure to credit risk arises from counterparty default, with a maximum exposure equal to the carrying amount of these instruments. The Group limits counterparty credit risk on these assets by dealing commercially only with highly rated financial institutions with an investment grade of at least AA to BBB-. The Group believes that the value that best represents its year-end credit risk exposure, without considering any collateral taken or other credit enhancements, is:

	2025	2024
Cash and cash equivalents	9,834,727	12,424,771
Restricted cash	292,250	294,266
Trade receivables and other accounts receivable	248,590,570	149,363,240
Other non-current assets	4,950,555	5,547,034
Maximum exposure to credit risk	263,668,102	167,629,311

31.1.4 Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities.
which are settled through the delivery of cash or another financial asset. The Group monitors its risk of cash shortages by monitoring its debt ratio and the maturity dates of its existing debt and other accounts payable.

The Group has adopted liquidity risk management practices intended to maintain sufficient cash and liquid financial assets. Because the Group invests its operating funds to support its annual investment program, it does not routinely hold significant amounts of excess cash for additional investments. The primary source of liquidity is funds generated by operations and, to a lesser extent, short-term financing facilities. The Group believes its sources of liquidity are sufficient to meet its needs.

The concentration of liquidity risk is managed by the Group by negotiating credit facilities with different financial institutions in Panama that allow it to access funds in an expeditious and reliable manner.

The following table shows the analysis of remaining contractual maturities for non-derivative financial liabilities:

	Carrying amount	Less than 1 year	From 1 to 2 years	From 2 to 3 years	From 3 to 4 years	More than 4 years	Total contractual obligation
2025							
Non-derivative financial liabilities							
Loans and borrowings	427,037,363	229,543,015	16,388,318	16,388,318	16,433,217	207,901,987	486,654,855
Bonds payable	100,580,673	3,870,000	3,870,000	3,870,000	3,870,000	125,298,137	140,778,137
Accounts payable and other payables	182,122,862	153,765,467	4,597,940	1,366,654	2,145,658	31,712,277	193,587,996
Other financial liabilities	372,333	158,620	108,188	78,199	72,301	-	417,308
Employee benefits	2,353,906	24,467	32,033	34,263	36,647	3,132,270	3,259,680
Other liabilities	1,326,494	133,714	141,796	139,391	137,459	1,000,924	1,553,284
Total	713,793,631	387,495,283	25,138,275	21,876,825	22,695,282	369,045,595	826,251,260

	Carrying amount	Less than 1 year	From 1 to 2 years	From 2 to 3 years	From 3 to 4 years	More than 4 years	Total contractual obligation
2024							
Non-derivative financial liabilities							
Loans and borrowings	274,885,347	77,245,130	16,388,318	16,388,318	16,388,318	224,335,204	350,745,288
Bonds payable	180,359,995	7,654,000	7,654,000	87,457,025	3,870,000	129,168,136	235,803,161
Accounts payable and other payables	183,324,670	150,367,148	5,433,291	1,807,810	4,479,425	38,309,284	200,396,958
Other financial liabilities	499,378	135,161	165,817	132,042	89,567	85,273	607,860
Employee benefits	2,414,542	24,849	33,041	35,893	38,990	3,467,452	3,600,225
Other liabilities	1,463,309	136,817	180,577	187,589	195,527	1,178,512	1,879,022
Total	642,947,241	235,563,105	29,855,044	106,008,677	25,061,827	396,543,861	793,032,514

The values included in the table above for non-derivative financial liabilities may change due to changes in the variable interest rate relative to the interest rate estimated at the end of the reporting period . The Group considers that the cash flows cannot occur earlier than indicated above .

32. Fair Value Measurement On A Recurring And Non-Recurring Basis

The methodology established in IFRS 13 - Fair Value Measurement specifies a hierarchy of valuation techniques based on whether the variables used in determining fair value are observable or unobservable. The Group determines fair value on a recurring and non-recurring basis, as well as for disclosure purposes.

- Based on quoted prices in active markets for identical assets or liabilities that the Group can access on the measurement date (level 1).
- Based on valuation techniques commonly used by market participants that use variables other than quoted prices that are observable for assets or liabilities, directly or indirectly (level 2).
- Based on internal valuation techniques of discounted cash flows or other valuation models, using variables estimated by the Group that are not observable for the asset or liability, in the absence of variables observed in the market (level 3).

No transfers have occurred between the levels of the fair value hierarchy, given that there have been no transfers of inputs and outputs.

(In balboas)

Valuation Techniques and Variables Used by the Group in Measuring Fair Value for Recognition and Disclosure:

The fair value for long-term fixed-rate debt instruments has been determined using Level 1 input data that uses quoted prices in active markets for identical liabilities that the Group can access at the measurement date.

The fair value for long-term debt instruments with variable interest rates has been determined using level 3 input data, employing a discounted cash flow methodology based on available market information.

Trade receivables, payables and short-term debt; the accumulated amount is close to fair value due to the short maturity of these instruments.

All financial liabilities detailed below, except for employee benefits, are measured at cost or amortized cost, but their fair value must be disclosed.

	2025			
	Carrying amount	Level 2	Fair value Level 3	Total
Liabilities				
Debt instruments – fixed rate	327,184,596	75,467,000	226,000,000	301,467,000
Debt instruments – variable rate	200,433,440	200,433,440	-	200,433,440
Accounts payable and other payables	182,122,862	-	175,919,673	175,919,673
Other financial liabilities	372,333	-	335,710	335,710
Employee benefits	2,353,906	-	2,344,319	2,344,319
Other liabilities	1,326,494	-	1,052,251	1,052,251
Total	713,793,631	275,900,440	405,651,953	681,552,393

	2024			
	Carrying amount	Level 2	Fair value Level 3	Total
Liabilities				
Debt instruments – fixed rate	256,660,282	153,175,600	76,000,000	229,175,600
Debt instruments – variable rate	198,585,060	198,032,937	-	198,032,937
Accounts payable and other payables	183,324,670	-	174,913,081	174,913,081
Other financial liabilities	499,378	-	418,050	418,050
Employee benefits	2,414,542	-	2,399,123	2,399,123
Other liabilities	1,463,309	-	1,095,601	1,095,601
Total	642,947,241	351,208,537	254,825,855	606,034,392

33. Operating Segments

The Group has two reportable segments, as described below, which are strategic business units of the Group. These strategic business units offer different products and services and are managed separately because they require different marketing strategies. For each strategic business unit, the Group's Chief Executive reviews the internal management reports at least quarterly.

(In balboas)

The following summary describes the operations of each segment that must be reported on:

Segment that should be reported on	Operations
Provision of services	ENSA purchases energy in bulk and transports it through distribution networks to customers. In addition, ENSA performs voltage transformation, energy delivery to consumers, metering, reading, billing, and collection. The company is also responsible for installing, operating, and maintaining public lighting within its concession area.
Sale of goods	Sale of spare parts and provision of technical, commercial and any other complementary services to the provision of electricity service.

Elektra Noreste, SA and subsidiary
(51% owned by Panama Distribution Group, SA)
Notes to the consolidated financial statements
for the period ending December 31, 2025

(In balboas)

Information on the results for each reportable segment is included below:

2025	Distribution and commercialization of energy	Other sale of goods	Total segments	Intersegment adjustments	Intersegment eliminations	Consolidated
Rendering of services	808,916,226	9,697,935	818,614,161	2,794,129	-	821,408,290
Other income	10,554,788	2,103,889	12,658,677	-	(100,803)	12,557,874
Total revenue from ordinary activities	819,471,014	11,801,824	831,272,838	2,794,129	(100,803)	833,966,164
Other income	6,346,742	50,616	6,397,358	-	(120,555)	6,276,803
Total income	825,817,756	11,852,440	837,670,196	2,794,129	(221,358)	840,242,967
Cost of services rendered and sale of goods	620,556,946	12,166,049	632,722,995	2,477,363	-	635,200,358
Administrative expenses	30,441,083	1,500,597	31,941,680	-	(120,555)	31,821,125
Impairment of accounts receivable	2,721,243	81,245	2,802,488	9,050	-	2,811,538
Other expenses	4,568,133	964,969	5,533,102	-	-	5,533,102
Finance income	(674,038)	(247,997)	(922,035)	-	-	(922,035)
Finance costs	29,799,596	10,603	29,810,199	-	-	29,810,199
Profit for the period before income tax	138,404,793	(2,623,026)	135,781,767	307,716	(100,803)	135,988,680
Income tax	41,974,958	(238,279)	41,736,679	76,929	-	41,813,608
Net profit for the year before net movement in balances of deferred regulatory accounts	96,429,835	(2,384,747)	94,045,088	230,787	(100,803)	94,175,072
Net movement in balances of regulatory accounts related to profit or loss	(42,751,522)	-	(42,751,522)	-	-	(42,751,522)
Net movement in deferred tax arising from balances of regulatory accounts related to profit or loss	12,825,457	-	12,825,457	-	-	12,825,457
Net profit for the period and net movement in balances of deferred regulatory accounts	66,503,770	(2,384,747)	64,119,023	230,787	(100,803)	64,249,007
Other comprehensive income, net of tax						
Items that will not be reclassified subsequently to profit or loss						
Remeasurements of defined benefit plans	272,003	8,111	280,114	-	-	280,114
Income tax related to components that will not be reclassified	(81,601)	(2,028)	(83,629)	-	-	(83,629)
Other comprehensive income, net of tax	190,402	6,083	196,485	-	-	196,485
Total comprehensive income for the year	66,694,172	(2,378,664)	64,315,508	230,787	(100,803)	64,445,492
Total assets	964,762,500	14,940,515	979,703,015	-	(937,266)	978,765,749
Debit balances of deferred regulatory accounts and related	27,105,177	-	27,105,177	-	-	27,105,177
deferred tax liabilities	(8,131,552)	-	(8,131,552)	-	-	(8,131,552)
Total assets and debit balances of deferred regulatory accounts	983,736,125	14,940,515	998,676,640	-	(937,266)	997,739,374
Total liabilities and credit balances of deferred regulatory accounts	751,123,956	4,502,889	755,626,845	-	(638,539)	754,988,306

Elektra Noreste, SA and subsidiary
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Notes to the consolidated financial statements
for the period ending December 31, 2025

(In balboas)

2024	**Distribution and commercialization of energy**	**Other sale of goods**	**Total segments**	**Intersegment eliminations**	**Consolidated**
Rendering of services	785,380,458	16,347,098	801,727,556	(1,392,050)	800,335,506
Other income	8,604,408	1,156,050	9,760,458	-	9,760,458
Total revenue from ordinary activities	793,984,866	17,503,148	811,488,014	(1,392,050)	810,095,964
Other income	5,082,862	-	5,082,862	(1,392,869)	3,689,993
Total income	799,067,728	17,503,148	816,570,876	(2,784,919)	813,785,957
Cost of services rendered and sale of goods	656,616,776	13,320,028	669,936,804	(2,489,423)	667,447,381
Administrative expenses	33,698,633	1,405,260	35,103,893	(246,012)	34,857,881
Impairment of accounts receivable	4,066,231	74,229	4,140,460	-	4,140,460
Other expenses	7,916,980	-	7,916,980	-	7,916,980
Finance income	(626,366)	(185,857)	(812,223)	-	(812,223)
Finance costs	27,811,215	16,825	27,828,040	-	27,828,040
Profit for the period before income tax	69,584,259	2,872,663	72,456,922	(49,484)	72,407,438
Income tax	21,294,249	734,328	22,028,577	-	22,028,577
Net profit for the year before net movement in balances of deferred regulatory accounts	48,290,010	2,138,335	50,428,345	(49,484)	50,378,861
Net movement in balances of regulatory accounts related to profit or loss	33,781,040	-	33,781,040	-	33,781,040
Net movement in deferred tax arising from balances of regulatory accounts related to profit or loss	(10,134,312)	-	(10,134,312)	-	(10,134,312)
Net profit for the period and net movement in balances of deferred regulatory accounts	71,936,738	2,138,335	74,075,073	(49,484)	74,025,589
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans	(154,477)	(20,304)	(174,781)	-	(174,781)
Income tax related to components that will not be reclassified					
Other comprehensive income, net of tax	46,343	5,076	51,419	-	51,419
Total comprehensive income for the year	(108,134)	(15,228)	(123,362)	-	(123,362)
	71,828,604	2,123,107	73,951,711	(49,484)	73,902,227
Total assets	837,657,303	18,744,155	856,401,458	(315,077)	856,086,381
Debit balances of deferred regulatory accounts and related deferred tax liabilities	69,856,699	-	69,856,699	-	69,856,699
	(20,957,009)	-	(20,957,009)	-	(20,957,009)
Total assets and debit balances of deferred regulatory accounts	886,556,993	18,744,155	905,301,148	(315,077)	904,986,071
Total liabilities and credit balances of deferred regulatory accounts	646,613,407	6,077,095	652,690,502	(117,153)	652,573,349

(In balboas)

34. Events That Occurred After the Reporting Period

The Group assessed all events and transactions that took place between the date of the consolidated statement of financial position and the date on which the consolidated financial statements were issued and determined that no additional disclosures are required.

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