

Elektra Noreste, S.A. and subsidiary

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

Financial Statements
June 30, 2019



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

Assets	June 2019	December 2018
Non-current assets		
Property, plant and equipment, net	531,635,577	533,491,157
Inventories	2,776,535	2,138,237
Investment property	4,014,309	4,014,309
Other intangible assets	23,651,008	19,719,819
Right-of-use asset - leases	1,577,854	-
Deferred tax asset	8,191,633	-
Employee benefits	189,167	81,821
Other assets	824,863	737,022
Cash and cash equivalents	73,880	-
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Total non-current assets	572,934,826	560,182,365
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Current assets		
Inventories	17,645,926	12,722,073
Trade and other receivables	187,641,418	142,379,434
Prepaid income tax	-	11,823,323
Other assets	5,102,210	744,895
Cash and cash equivalents	6,286,260	6,211,412
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Total current assets	216,675,814	173,881,137
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Total assets	789,610,640	734,063,502
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Regulatory deferral account debit balance	15,454,906	34,423,438
Deferred tax liability related to the balances of deferred regulatory accounts	(4,636,472)	(10,327,031)
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Total assets and debit balances of deferred regulatory accounts	800,429,074	758,159,909
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Elektra Noreste, S.A. and Subsidiary
(51% Owned by Panama Distribution Group, S.A.)
Statement of financial position (continued)

Equity and liabilities	June 2019	December 2018
Equity		
Issued capital	106,642,962	106,642,962
Treasury stocks	(544,087)	(544,087)
Other accumulated comprehensive loss	(400,889)	(400,889)
Retained earnings	64,769,788	31,494,671
Net profit for the period	<u>20,364,749</u>	<u>33,296,262</u>
Total equity	<u>190,832,523</u>	<u>170,488,919</u>
Non-current liabilities		
Credits and loans	281,947,448	281,724,053
Other financial liabilities	56,400,042	56,386,966
Employee benefits	361,267	354,517
Deferred tax liability	-	760,040
Lease liabilities	1,497,637	-
Other liabilities	<u>2,168,469</u>	<u>2,257,042</u>
Total non-current liabilities	<u>342,374,863</u>	<u>341,482,618</u>
Current liabilities		
Credits and loans	17,000,000	12,000,000
Other financial liabilities	231,487,506	227,230,776
Employee benefits	25,003	21,376
Income tax payable	11,389,725	158,954
Provisions	7,040,278	6,595,086
Lease liabilities	96,996	-
Other liabilities	<u>182,180</u>	<u>182,180</u>
Total current liabilities	<u>267,221,688</u>	<u>246,188,372</u>
Total liabilities	<u>609,596,551</u>	<u>587,670,990</u>
Total equity and liabilities	<u>800,429,074</u>	<u>758,159,909</u>

Elektra Noreste, S.A. and Subsidiary

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

Statement of profit or loss and other comprehensive income

	Six months ended		Three months ended	
	June 2019	June 2018	June 2019	June 2018
Continuing operations				
Rendering of services	375,723,044	317,161,605	193,631,072	161,131,344
Sales of goods	61,026	187,351	33,544	178,256
Other income	4,769,788	5,084,954	2,590,035	2,474,402
Income from continuing operations	<u>380,553,858</u>	<u>322,433,910</u>	<u>196,254,651</u>	<u>163,784,002</u>
Costs for rendering services	308,373,590	292,165,708	158,235,136	150,466,671
Administrative expenses	10,673,464	11,256,460	5,174,993	5,852,988
Impairment of financial instruments	3,660,104	1,236,657	929,570	644,228
Other expenses	209,940	638,866	260,254	470,642
Finance income	94,520	55,543	48,491	18,668
Finance costs	9,809,004	7,821,388	4,867,124	3,989,222
Profit before tax	<u>47,922,276</u>	<u>9,370,374</u>	<u>26,836,065</u>	<u>2,378,919</u>
Income tax expense	14,279,555	2,807,256	7,989,092	714,587
Net profit of the period before net movement in deferred regulatory accounts	33,642,721	6,563,118	18,846,973	1,664,332
Net movement in balances of regulatory accounts related to gains and losses	(18,968,532)	14,861,500	(14,038,136)	8,598,764
Net movement in deferred tax related to the balances of regulatory accounts	5,690,560	(4,458,450)	4,211,441	(2,579,629)
Total comprehensive income for the period	<u>20,364,749</u>	<u>16,966,168</u>	<u>9,020,278</u>	<u>7,683,467</u>

Elektra Noreste, S.A. and Subsidiary
(51% Owned by Panama Distribution Group, S.A.)
Statement of changes in shareholders' equity

	Issued capital	Treasury stocks	Other comprehensive Income	Accumulated results	Total
Balance at January 1, 2018	106,642,962	(544,087)	(586,915)	58,133,255	163,645,215
Adjustment on initial application of IFRS 9	-	-	-	(4,647,991)	(4,647,991)
Balance at January 1, 2018 adjusted	106,642,962	(544,087)	(586,915)	53,485,264	158,997,224
Profit for the period	-	-	-	16,966,168	16,966,168
Balance at June 30, 2018	106,642,962	(544,087)	(586,915)	70,451,432	175,963,392
Balance at January 1, 2019	106,642,962	(544,087)	(400,889)	64,790,933	170,488,919
Profit for the period	-	-	-	20,364,749	20,364,749
Total other comprehensive income	106,642,962	(544,087)	(400,889)	85,155,682	190,853,668
Income tax related to transactions with owners	-	-	-	(21,145)	(21,145)
Balance at June 30, 2019	106,642,962	(544,087)	(400,889)	85,134,537	190,832,523

Elektra Noreste, S.A. and Subsidiary

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Statement of cash flows as of June 30,

	2019	2018
Cash flows from operating activities:		
Net profit for the period	20,364,749	16,966,168
Adjustments to reconcile net income of the period to net cash used in operating activities:		
Depreciation and amortization of property, plant and equipment and intangible assets	14,888,481	14,410,476
Impairment of financial instruments	3,660,104	1,236,657
Provisions and defined benefits plans post-employment	530,436	472,805
Deferred income tax	(8,951,673)	4,660,969
Current income tax	23,231,229	(1,853,713)
Finance costs, net	9,807,563	7,664,019
Gain / Loss on disposal of fixed assets	209,941	598,058
Other non-cash income and expenses	223,395	198,592
	<u>63,964,225</u>	<u>44,354,031</u>
Changes in working capital		
Inventories	(3,911,069)	1,467,349
Trade and other receivables	(48,922,088)	(1,679,252)
Other assets	(4,445,157)	(259,801)
Other financial liabilities	2,422,580	24,795,078
Provision	(96,969)	(149,311)
Employee benefits	(85,245)	(1,307,750)
	<u>(1,038,448)</u>	<u>(1,038,448)</u>
Interest paid, including capitalized interest	(8,139,673)	(7,747,543)
Income tax paid	(176,534)	(8,051,043)
	<u>(8,316,207)</u>	<u>(16,846,334)</u>
Net cash generated by operating activities before net changes in balances related to deferred regulatory accounts	610,070	51,421,758
Change in deferred regulatory accounts	13,277,973	(10,403,050)
Net cash generated by operating activities and changes in balances related to deferred regulatory accounts	<u>13,888,043</u>	<u>41,018,708</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(18,735,109)	(25,662,476)
Other cash flows from investing activities	16,938	88,201
	<u>(18,718,171)</u>	<u>(25,574,275)</u>
Net cash flows used in investing activities	<u>(18,718,171)</u>	<u>(25,574,275)</u>
Cash flows from financing activities:		
Short-term debt	104,000,000	169,500,000
Short-term debt payments	(99,000,000)	(183,500,000)
Other cash flows from financing activities	(21,144)	(1,090,061)
	<u>4,978,856</u>	<u>(15,090,061)</u>
Net cash flows generated by (used in) financing activities	<u>4,978,856</u>	<u>(15,090,061)</u>
Net increase (decrease) in cash and cash equivalentes	<u>148,728</u>	<u>354,372</u>
Cash and cash equivalentes at the beginning of the period	6,211,412	4,558,153
Cash and cash equivalentes at the end of the period	<u><u>6,360,140</u></u>	<u><u>4,912,525</u></u>