

Elektra Noreste, S.A.

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

Financial Statements

March of 2018

Elektra Noreste, S.A.

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

Statement of financial position

Assets	March 2018	December 2017
Non-current assets		
Property, plant and equipment, net	508,957,178	502,455,031
Investment property	3,162,609	3,162,609
Other intangible assets	19,274,028	19,875,032
Trade and other receivables	9,700,000	9,700,000
Deferred tax asset	6,160,645	2,813,876
Employee benefits	-	-
Other assets	712,036	679,162
Total non-current assets	<u>547,966,496</u>	<u>538,685,710</u>
Current assets		
Inventories	17,483,982	18,624,213
Trade and other receivables	111,831,937	107,693,795
Prepaid income tax	-	-
Other assets	806,430	800,384
Cash and cash equivalents	2,606,010	4,558,153
Total current assets	<u>132,728,359</u>	<u>131,676,545</u>
Total assets	<u>680,694,855</u>	<u>670,362,255</u>
Regulatory deferral account debit balance	<u>22,630,833</u>	<u>16,368,097</u>
Total assets and debit balances of deferred regulatory accounts	<u>703,325,688</u>	<u>686,730,352</u>

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Statement of financial position (continued)

Equity and liabilities	March 2018	December 2017
Equity		
Issued capital	106,642,962	106,642,962
Treasury stocks	(544,087)	(544,087)
Other accumulated comprehensive loss	(586,915)	(586,915)
Retained earnings	53,485,264	25,743,192
Net profit for the period	<u>9,282,701</u>	<u>32,390,063</u>
Total equity	<u>168,279,925</u>	<u>163,645,215</u>
Non-current liabilities		
Credits and loans	180,552,019	181,424,837
Other financial liabilities	22,977,296	15,145,420
Employee benefits	586,147	626,448
Other liabilities	<u>2,575,449</u>	<u>2,621,402</u>
Total non-current liabilities	<u>206,690,911</u>	<u>199,818,107</u>
Current liabilities		
Credits and loans	129,000,000	128,000,000
Other financial liabilities	184,995,426	181,034,949
Employee benefits	40,143	37,840
Income tax payable	3,279,412	4,003,087
Provisions	<u>4,250,621</u>	<u>5,280,725</u>
Total current liabilities	<u>321,565,602</u>	<u>318,356,601</u>
Total liabilities	<u>528,256,513</u>	<u>518,174,708</u>
Deferred tax liability related to the balance of deferred regulatory accounts	<u>6,789,250</u>	<u>4,910,429</u>
Total liabilities and regulatory deferral account credit balance	<u>535,045,763</u>	<u>523,085,137</u>
Total equity and liabilities	<u>703,325,688</u>	<u>686,730,352</u>

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Statement of profit or loss and other comprehensive income

	Three months ended	
	March 2018	March 2017
Continuing operations		
Rendering of services	156,338,136	156,653,908
Other income	2,619,647	2,401,907
Income from continuing operations	<u>158,957,783</u>	<u>159,055,815</u>
Costs for rendering services	135,744,176	138,894,418
Administrative expenses	5,484,311	4,378,967
Impairment of financial instruments	592,429	477,544
Other expenses	168,224	150,071
Finance income	36,875	28,083
Finance costs	3,751,327	3,602,675
Profit before tax	<u>13,254,191</u>	<u>11,580,223</u>
Income tax expense	3,971,490	3,464,962
Net profit	<u>9,282,701</u>	<u>8,115,261</u>
Other comprehensive income (loss), net of tax		
Items which will not be reclassified later to profit or loss of the year:		
Remeasurement of defined benefit obligations	-	-
Income tax relating to components which will not be reclassified	-	-
Other comprehensive income (loss), net of tax	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>9,282,701</u>	<u>8,115,261</u>
Earnings per share:		
Basic profits from continuing operations	<u>0.19</u>	<u>0.16</u>

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Statement of changes in shareholders' equity

	Issued capital	Treasury stocks	Accumulated results	Other comprehensive Income Defined benefits plan	Total
Balance at 1 January 2017	106,642,962	(544,087)	40,823,336	(416,369)	146,505,842
Profit for the period	-	-	8,115,261	-	8,115,261
Other comprehensive income of the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	106,642,962	(544,087)	48,938,597	(416,369)	154,621,103
Accredited Income tax related to transactions with owners	-	-	-	-	-
Balance at 31 March 2017	106,642,962	(544,087)	48,938,597	(416,369)	154,621,103
Balance at 31 December 2017	106,642,962	(544,087)	58,133,255	(586,915)	163,645,215
Profit for the period	-	-	9,282,701	-	9,282,701
Adjustment on initial application of IFRS 9	-	-	(4,647,991)	-	(4,647,991)
Total other comprehensive income	106,642,962	(544,087)	62,767,965	(586,915)	168,279,925
Income tax related to transactions with owners	-	-	-	-	-
Balance at 31 March 2018	106,642,962	(544,087)	62,767,965	-586,915	168,279,925

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Statement of cash flows

	March	March
	2018	2017
Cash flows from operating activities:		
Net profit for the period	9,282,701	8,115,261
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	7,163,368	6,598,907
Impairment of financial instruments	592,429	477,545
Provisions and defined benefits plans post-employment	241,173	314,076
Deferred income tax	524,048	(626,471)
Current income tax	3,447,442	4,091,434
Finance costs	5,313,219	3,435,632
Loss on disposal of fixed assets	168,224	150,071
Other non-cash income and expenses	81,183	62,013
	<u>26,813,787</u>	<u>22,618,468</u>
Changes in working capital		
Decreases (increase) in inventories	1,249,665	2,586,043
Decrease in trade and other receivables	(11,370,559)	(22,697,262)
Decrease (increase) in deferred regulatory accounts	(6,262,736)	3,226,980
Decrease (increase) in other assets	(38,920)	(244,396)
(Decrease) increase in other financial liabilities	9,799,563	2,227,148
Decrease in provision	(1,271,277)	(158,027)
(Decrease) increase in employee benefits	(37,998)	287,846
	<u>(4,171,117)</u>	<u>-</u>
Net cash generated by operating activities	<u>14,710,408</u>	<u>7,846,800</u>
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(12,814,556)	(12,103,918)
Other cash flows from investing activities	-	1,400
	<u>(12,814,556)</u>	<u>(12,102,518)</u>
Net cash flows used in investing activities	<u>(12,814,556)</u>	<u>(12,102,518)</u>
Cash flows from financing activities:		
Short-term debt, net	1,000,000	8,000,000
Interest paid, including capitalized interest	(4,845,759)	(4,304,128)
Other cash flows from financing activities	-	-
	<u>(3,845,759)</u>	<u>3,695,872</u>
Net cash flows generated by (used in) financing activities	<u>(3,845,759)</u>	<u>3,695,872</u>
Net increase (decrease) in cash and cash equivalentes	<u>(1,949,907)</u>	<u>(559,846)</u>
Cash and cash equivalentes at the beginning of the period	<u>4,558,153</u>	<u>3,620,659</u>
Cash and cash equivalentes at the end of the period	<u><u>2,608,246</u></u>	<u><u>3,060,813</u></u>