

Unaudited Interim Condensed Consolidated Financial
Statements

Cable Onda, S. A. and its subsidiaries

For the nine months ended September 30, 2021

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Cable Onda, S.A. and Subsidiaries
Unaudited Interim Condensed Consolidated Statement of Financial
Position as of September 30, 2021

(Figures stated in B/. balboas)

<i>Notes</i>		September 2021	December 2020
	Assets		
	Currents Assets		
3	Cash	B/. 78,358,747	B/. 84,847,382
4	Accounts receivable - client, net	91,374,648	83,070,226
	Other accounts receivable	6,537,313	8,370,244
	Contract assets	4,243,175	2,930,918
5	Inventory	27,531,533	24,446,353
	Prepaid expenses	11,836,261	7,496,849
	Prepaid taxes	2,152,278	2,911,538
		<u>222,033,955</u>	<u>214,073,510</u>
	Non-current assets		
	Severance fund, net	2,803,735	630,477
	Guarantee deposits and other assets	553,329	5,604,535
6	Intangible assets, net	166,105,345	166,886,745
	Goodwill	472,268,560	472,268,560
7	Right of use assets, net	119,021,511	102,543,335
8	Property, furniture, equipment and leasehold improvements, net	407,613,653	431,866,424
		<u>1,168,366,133</u>	<u>1,179,800,076</u>
	TOTAL ASSETS	<u>B/. 1,390,400,088</u>	<u>B/. 1,393,873,586</u>

The notes are an integral part of the consolidated financial statements.

Cable Onda, S.A. and Subsidiaries
Unaudited Interim Condensed Consolidated Statement of Financial
Position as of September 30, 2021

(Figures stated in B/. balboas)

<i>Notes</i>		September 2021	December 2020
LIABILITIES AND STOCKHOLDERS' EQUITY			
Currents liabilities			
9	Accounts payable	B/. 51,731,049	B/. 96,843,201
	Lease liabilities	19,205,761	15,811,708
10	Employee benefits	11,641,920	9,846,977
	Customer deposits	4,105,036	4,172,840
12	Deferred income	14,139,858	13,520,489
	Accrued expenses and other liabilities	61,432,136	47,476,561
	Income tax payable	5,104,644	1,923,423
		<u>167,360,404</u>	<u>189,595,199</u>
Non-current liabilities			
	Lease liabilities	107,933,128	91,162,544
11	Long-term loans payable	260,000,000	185,000,000
13	Bonds payable, net	585,980,414	684,247,414
12	Deferred income	15,667,294	20,895,762
19	Deferred income tax	43,449,934	40,614,370
	Obligations for retirement of assets and other liabilities	12,044,037	13,987,983
		<u>1,025,074,807</u>	<u>1,035,908,073</u>
		<u>1,192,435,211</u>	<u>1,225,503,272</u>
Stockholders' equity			
	Issued capital 243,356 common shares with no par value, issued and outstanding	57,648,922	57,648,922
	Additional paid in capital	2,498,125	1,835,860
	Supplemental tax	(3,032,322)	(1,946,463)
	Retained earnings	141,309,402	111,157,885
		198,424,127	168,696,204
	Non-controlling interest	(459,250)	(325,890)
	Total stockholders' equity	197,964,877	168,370,314
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		<u>B/. 1,390,400,088</u>	<u>B/. 1,393,873,586</u>

The notes are an integral part of the consolidated financial statements.

Cable Onda, S.A. and Subsidiaries
Unaudited Interim Condensed Consolidated Statement of Income
For the nine months ended September 30, 2021 and 2020

(Figures stated in B/. balboas)

		Three moths ended Sept 30, 2021	Nine months ended Sept 30, 2021	Three moths ended Sept 30, 2020	Nine months ended Sept 30, 2020
<i>Notes</i>					
Revenue					
	TV subscriptions	B/. 31,005,892	B/. 93,907,701	B/. 31,572,057	B/. 98,277,401
	Data transmission, internet and data center	50,573,831	148,167,425	45,433,144	135,299,817
	Fixed line services	8,544,129	26,496,394	8,903,489	28,705,846
	Mobile services	61,404,487	177,809,618	49,168,205	151,346,587
	Sales of mobile equipment	6,249,296	19,135,196	4,928,766	12,336,300
	Projects and solutions	10,323	594,897	944,719	3,932,625
14	Other services and revenue	921,377	3,218,231	1,653,411	6,136,600
		<u>158,709,335</u>	<u>469,329,462</u>	<u>142,603,791</u>	<u>436,035,176</u>
Costs and expenses					
15	Programming and operating costs	35,847,236	111,274,356	36,584,331	107,583,138
16	Depreciation and amortization	39,761,925	117,754,968	42,978,316	132,937,240
17	Personnel expenses	18,849,579	56,315,473	17,357,243	50,997,202
18	General, sales and administrative expenses	33,168,913	98,652,320	25,021,924	82,035,543
		<u>127,627,653</u>	<u>383,997,117</u>	<u>121,941,814</u>	<u>373,553,123</u>
	Operating income	31,081,682	85,332,345	20,661,977	62,482,053
	Financial expenses, net	12,695,343	36,111,497	13,612,120	41,239,783
	Income before tax	18,386,339	49,220,848	7,049,857	21,242,270
19	Income tax	(7,072,523)	(18,368,517)	(3,096,345)	(9,820,313)
	Net Income	<u>B/. 11,313,816</u>	<u>B/. 30,852,331</u>	<u>B/. 3,953,512</u>	<u>B/. 11,421,957</u>
Attributable to:					
	Equity holders of the parent	B/. 11,377,895	B/. 30,985,669	B/. 4,019,651	B/. 11,517,851
	Non-controlling interest	(64,079)	(133,338)	(66,139)	(95,894)
	Net Income	<u>B/. 11,313,816</u>	<u>B/. 30,852,331</u>	<u>B/. 3,953,512</u>	<u>B/. 11,421,957</u>

Cable Onda, S.A. and Subsidiaries
Unaudited Interim Condensed Consolidated Statement of Changes in Stockholders' Equity
For the nine months ended September 30, 2021 and 2020
(Figures stated in B/. balboas)

	<i>Attributable to the Controlling Interest</i>					<i>Non-controlling interest</i>	<i>Total stockholders' equity</i>
	<i>Issued Capital</i>	<i>Additional paid in capital</i>	<i>Supplemental tax</i>	<i>Retained earnings</i>	<i>Total</i>		
January 1, 2020	B/. 57,648,922	B/. 746,000	B/. (614,227)	B/. 96,537,316	B/. 154,318,011	B/. (246,434)	B/. 154,071,577
Share-based compensation	-	620,908	-	-	620,908	-	620,908
Supplemental tax	-	-	(1,332,256)	72,981	(1,259,275)	-	(1,259,275)
Net Income	-	-	-	11,517,851	11,517,851	(29,754)	11,488,097
September 30, 2020	B/. 57,648,922	B/. 1,366,908	B/. (1,946,483)	B/. 108,128,148	B/. 165,197,495	B/. (276,188)	B/. 164,921,307
January 1, 2021	B/. 57,648,922	B/. 1,835,860	B/. (1,946,463)	B/. 111,157,885	B/. 168,696,204	B/. (325,890)	B/. 168,370,314
Share-based compensation	-	662,265	-	-	662,265	-	662,265
Supplemental tax	-	-	(1,085,859)	(834,152)	(1,920,011)	(22)	(1,920,033)
Net Income	-	-	-	30,985,669	30,985,669	(133,338)	30,852,331
September 30, 2021	<u>B/. 57,648,922</u>	<u>B/. 2,498,125</u>	<u>B/. (3,032,322)</u>	<u>B/. 141,309,402</u>	<u>B/. 198,424,127</u>	<u>B/. (459,250)</u>	<u>B/. 197,964,877</u>

Cable Onda, S.A. and Subsidiaries
Unaudited Interim Condensed Consolidated Statement of Cash Flows
For the nine months ended September 30, 2021 and 2020

(Figures stated in B/. balboas)

	2021	2020
<i>Notes</i>		
Cash flows from operating activities		
Income before income tax	B/. 49,220,848	B/. 21,242,270
Adjustments to reconcile income before tax to net cash flows:		
8 Depreciation and amortization of fixed assets	93,426,351	85,200,309
7 Depreciation on right of use assets	10,477,781	16,197,619
6 Amortization of intangible assets	13,850,836	31,539,312
Reversal of provision for seniority premium	(393,943)	491,806
4 Provisions for expected credit losses	2,374,318	9,324,754
Amortization of deferred financing cost	1,891,108	1,155,380
Interest	36,111,497	41,239,783
Share-based compensation	662,265	620,908
Cash flows before changes in working capital	207,621,061	207,012,141
Accounts receivables - client	(10,678,740)	(25,180,274)
Other accounts receivables	1,832,931	(2,030,676)
Contract assets	(1,312,257)	(282,098)
Inventory	(3,085,180)	(3,109,572)
Prepaid expenses	(4,339,412)	(2,691,739)
Guarantee deposits and other assets	5,051,206	(4,888)
Accounts payable	(45,112,152)	10,606,119
Employee benefits	1,794,943	(2,827,078)
Accrued expenses and other liabilities	(5,489,445)	(13,313,670)
Customer deposits	(67,804)	(133,393)
Deferred income	(4,609,099)	3,807
Other long term liabilities	(1,943,946)	393,417
	139,662,106	168,442,096
Income tax paid	(12,426,646)	(26,970,005)
Interest paid for bonds and loans	(16,666,477)	(18,716,195)
Interest paid for leases	(1,284,197)	(2,946,222)
Net cash flow from operating activities	109,284,786	119,809,674
Continued...	B/. 109,284,786	B/. 119,809,674

Cable Onda, S.A. and Subsidiaries
Unaudited Interim Condensed Consolidated Statement of Cash Flows
For the nine months ended September 30, 2021 and 2020

(Figures stated in B/. balboas)

	Continued...	<u>B/. 109,284,786</u>	<u>B/. 119,809,674</u>
Notes			
	Cash flows from investing activities		
	Contribution to severance fund, net	(1,779,315)	(1,327,479)
	Acquisition of intangible assets, net	(13,069,436)	(3,272,413)
8	Acquisition of tangible assets	<u>(69,173,580)</u>	<u>(59,815,984)</u>
	Net cash flows used in investing activities	<u>(84,022,331)</u>	<u>(64,415,876)</u>
	Cash flows from financing activities		
11	Issuance of new bonds and loans	75,000,000	-
13	Repayment of bonds and loans	(100,000,000)	-
	Financing cost	(158,108)	-
	Supplemental tax	(1,085,859)	(1,332,236)
	Payment of lease liabilities	<u>(5,507,123)</u>	<u>(12,313,870)</u>
	Net cash flows (used in) provided by financing activities	<u>(31,751,090)</u>	<u>(13,646,106)</u>
	Net (decrease) / increase in cash	(6,488,635)	41,747,692
	Cash at beginning of year	<u>84,847,382</u>	<u>60,693,300</u>
	Cash at end of period	<u><u>B/. 78,358,747</u></u>	<u><u>B/. 102,440,992</u></u>

Cable Onda, S.A. and Subsidiaries
Notes to the Unaudited Interim Condensed Consolidated Financial Statements
September 30, 2021

(Figures stated in B/. balboas)

1. Corporate information

Cable Onda, S.A. (“Cable Onda” or the “Group”) was incorporated under the laws of the Republic of Panama, beginning operations in April 1991. The Group’s main offices are located at Costa del Este, Business Park Complex, East Building, 3th floor.

Cable Onda, S.A. and Subsidiaries is primarily engaged in providing cable television services, mobile telecommunication services, high-tech telecommunication services that include the transmission, storage and hosting of data, information backup and retrieval, internet access, application and e-commerce services, cable modem and basic residential and corporate telephone service with both national and international long distance service. These services are under the supervision of the National Public Services Authorities of the Republic of Panama (ASEP).

The interim condensed consolidated financial statements of the Group for the three and nine months ended September 30, 2021 were authorized for issuance by Management on November 25th, 2021.

2. Basis for Preparation and accounting policies

The interim condensed consolidated financial statements as of September 30, 2021 and for the nine months ended September 30, 2021 and 2020 have been prepared in accordance with IAS 34 Interim Financial Reporting. In management's opinion, these interim condensed consolidated financial statements reflect all the adjustments necessary for an adequate presentation of results in interim periods. The Group's operations are not affected by significant cyclical or temporary patterns.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and must be read in conjunction with the Group's annual consolidated financial statements as of December 31, 2020.

COVID-19 - Qualitative and quantitative assessment on business activities, financial situation and economic performance

In March 2020, the World Health Organization (WHO) raised the public health emergency situation caused by the coronavirus (COVID-19) outbreak to a pandemic and during 2020 to date, strong impacts have been generated on the world economy and in the health systems of the countries. Likewise, the Government of Panama has applied various additional health measures to reduce, mitigate and control the spread of the pandemic.

Cable Onda, S.A. and Subsidiaries
Notes to the Unaudited Interim Condensed Consolidated Financial Statements
September 30, 2021

(Figures stated in B/. balboas)

2. Basis for Preparation and accounting policies (Continued)

Impact on our markets and businesses

During the first nine months of 2021, economic activity continued to gradually recover as the government has relaxed restrictive measures related to the pandemic despite a low vaccination rate and a possible third outbreak of coronavirus (COVID-19) infections for the which, the corresponding sanitary measures have been implemented without affecting the economic sector of the country, which has shown a slight improvement. As a result of government action, our local market share has seen increased traffic on our fixed and mobile networks thanks to our ability to sell products and services, including postpaid mobile and residential cable subscriptions and cards prepaid SIMs and recharges.

Impact on accounting matters

Because of this crisis, the Group identified possible significant accounting implications in the following areas in previous quarters:

- *Impairment of accounts receivable / Revenue recognition*

Due to the re-opening of economic activity, our collection levels are returning to normal as of September 30, 2021. However, this area is closely monitored by management. As such, the IFRS 9 provision matrix and loan loss provisions are periodically updated to reflect the probability of collecting accounts receivable.

Finally, as of the date of this report, we have determined that there are no material uncertainties that could cast significant doubts on the Group's ability to continue as a going concern.

2.1. New standards, interpretation and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with that followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but has not yet entered into force.

2.2. New standards, interpretation and amendments adopted by the Group

The following changes to standards have been adopted by the Group and did not have any significant impact on the Group's accounting policies or disclosures and did not require retrospective adjustments:

Cable Onda, S.A. and Subsidiaries

Notes to the Unaudited Interim Condensed Consolidated Financial Statements September 30, 2021

(Figures stated in B/. balboas)

2. Basis for Preparation and accounting policies (Continued)

- Amendment to IFRS 16, 'Leases' - COVID 19 Rent Concessions - effective for annual periods starting on June 1, 2020. While the Group has implemented this amendment already in 2020, the IASB (in March 2021) extended its initial application beyond September 30, 2021, by one additional year.
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform - Phase 2 - effective for annual periods starting on January 1, 2021. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate.

Main reliefs provided by the Phase 2 amendments relate to:

- Changes to contractual cash flows: That is, when changing the basis for determining contractual cash flows for financial assets and liabilities required by the reform this will not result in an immediate gain or loss in the income statement but in an update of the effective interest rate (or an update in the discount rate to remeasure the lease liability as a result of the IBOR reform), and;
- Hedge accounting: That is, allowing hedge relationships that are directly affected by the reform to continue, though additional ineffectiveness might need to be recorded.

The following changes to standards not yet effective are not expected to materially affect the Group:

- Amendments effective for annual periods starting on January 1, 2022:
 - IFRS 3 'Business Combinations' - Reference to Conceptual Framework.
 - IAS 16 'Property, Plant and Equipment' - Proceeds before intended use.
 - IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Cost of fulfilling a contract.
 - Annual improvements to IFRS Standards 2018-2020, affecting IFRS 1, IFRS 9, IFRS 16 and IAS 41.

Cable Onda, S.A. and Subsidiaries
Notes to the Unaudited Interim Condensed Consolidated Financial Statements
September 30, 2021

(Figures stated in B/. balboas)

2. Basis for Preparation and accounting policies (Continued)

- Amendments effective for annual periods starting on January 1, 2023:
 - Amendments to IAS 1, 'Presentation of Financial Statements' : These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The IASB also issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements.
 - IFRS 17, 'Insurance contracts', including amendments.
 - IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates.

The following changes to standards are effective for annual periods starting on January 1, 2023 and their potential impact on the Group consolidated financial statement is currently being assessed by Management:

- Amendments to IAS 12, 'Income Taxes: Deferred tax related to Assets and liabilities arising from a Single Transaction' - These amendments clarify that the initial recognition exception does not apply to the initial recognition of leases and decommissioning obligations. These amendments apply prospectively to transitions that occur on or after the beginning of the earliest comparative period presented. In addition, an entity should apply the amendments for the first time by recognising deferred tax for all temporary differences related to leases and decommissioning obligations at the beginning of the earliest comparative period presented.

2.3. Valuation basis and reporting currency

- The interim condensed consolidated financial statements of Cable Onda, S. A. and Subsidiaries as of September 30, 2021 have been prepared on a historical cost basis of accounting.
- The interim condensed consolidated financial statements are stated in balboas (B/.), the legal tender of the Republic of Panama, which is at par with the US dollar. The Republic of Panama does not issue its own paper money and, instead, the US dollar is used as the functional currency and legal tender.

Cable Onda, S.A. and Subsidiaries**Notes to the Unaudited Interim Condensed Consolidated Financial Statements
September 30, 2021***(Figures stated in B/. balboas)*

2. Basis for Preparation and accounting policies (Continued)**2.4. Judgements, estimations and assumptions**

- Preparation of the interim condensed consolidated financial statements in accordance with IFRS requires that Management make judgments, estimations and assumptions that affect the amounts reported for revenues, expenses, assets, liabilities, and the disclosures of contingent liabilities at the date of the interim condensed consolidated financial statements.
- Due to the uncertainty implicit in these estimations and assumptions, significant adjustments could arise that could affect the amounts recorded or disclosed of future assets and liabilities.

3. Cash

As of September 30, 2021, cash on hand and banks are broken down as follows:

	September 2021	December 2020
Cash on hand	B/. 79,220	B/. 114,214
Banco General	18,273,789	19,262,699
Citibank	40,538,464	32,830,604
Banco Panamá	1,010,386	1,112,335
Banesco	178,110	233,830
Banistmo	1,037,534	959,820
Bac Panamá	5,576,914	1,717,785
Banco Nacional de Panamá	776,187	793,179
Global Bank	156,373	688,016
Caja de Ahorros	611,535	948,695
JP Morgan	8,826,483	22,731,113
The Bank of Nova Scotia	35,867	2,562,394
St Georges Bank	1,257,885	892,698
	<u>B/. 78,358,747</u>	<u>B/. 84,847,382</u>

Cable Onda, S.A. and Subsidiaries**Notes to the Unaudited Interim Condensed Consolidated Financial Statements
September 30, 2021**

*(Figures stated in B/. balboas)***4. Accounts receivable, Net**

As of September 30, 2021, accounts receivable, net, are broken down as follows:

	September 2021	December 2020
Cable, telephone and other services	B/. 99,036,860	B/. 92,355,466
Operators	<u>919,138</u>	<u>690,832</u>
	99,955,998	93,046,298
Less: provisions for expected credit losses	<u>(8,581,350)</u>	<u>(9,976,072)</u>
	<u><u>B/. 91,374,648</u></u>	<u><u>B/. 83,070,226</u></u>

5. Inventory

As of September 30, 2021, the breakdown of inventory is as following.

	September 2021	December 2020
Materials and equipment	B/. 26,466,248	B/. 22,850,433
Inventory in transit	1,191,494	1,715,054
Provision for inventory obsolescence	<u>(126,209)</u>	<u>(119,134)</u>
	<u><u>B/. 27,531,533</u></u>	<u><u>B/. 24,446,353</u></u>

Cable Onda, S.A. and Subsidiaries**Notes to the Unaudited Interim Condensed Consolidated Financial Statements
September 30, 2021***(Figures stated in B/. balboas)***6. Intangible assets**

The movements for intangible assets, net, are as follows:

	September 2021	December 2020
At the beginning of the period, net of accumulated amortization	B/. 166,886,745	B/. 194,096,015
Additions	20,234,090	7,749,668
Disposals, net	(761,753)	-
Transfer	-	2,225,302
Amortization	(20,253,737)	(37,184,240)
At the end of the period, net of accumulated amortization	<u>B/. 166,105,345</u>	<u>B/. 166,886,745</u>
At the beginning of the period		
At Cost	B/. 475,372,430	B/. 244,489,231
Accumulated amortization	(308,485,685)	(50,393,216)
Net Balance	<u>B/. 166,886,745</u>	<u>B/. 194,096,015</u>
At the end of the period		
At Cost	B/. 490,212,751	B/. 475,372,430
Accumulated amortization	(322,336,521)	(308,485,685)
Net Balance	<u>B/. 167,876,230</u>	<u>B/. 166,886,745</u>

Cable Onda, S.A. and Subsidiaries
Notes to the Unaudited Interim Condensed Consolidated Financial Statements
September 30, 2021

(Figures stated in B/. balboas)

7. Right of use assets

Following are the movements of right of use assets:

	September 2021	December 2020
Cost		
At the beginning of the period	B/. 134,794,118	B/. 127,837,164
New contracts	27,945,060	8,252,694
Expired contracts	(1,922,075)	(1,670,055)
Adjustments and reclassifications	-	374,315
At the end of the period	<u>B/. 160,817,103</u>	<u>B/. 134,794,118</u>
Accumulated Depreciation		
At the beginning of the period	(32,250,783)	(12,665,692)
Adjustments and reclassifications	6,263,268	1,071,651
Depreciation of assets for right of use	(15,808,077)	(20,656,742)
At the end of the period	<u>B/. (41,795,592)</u>	<u>B/. (32,250,783)</u>
Net balance	<u>B/. 119,021,511</u>	<u>B/. 102,543,335</u>

Cable Onda, S.A. and Subsidiaries
Notes of the Interim Consolidation of Financial Statements
September 30, 2021

(Figures stated in B/. balboas)

8. Property, furniture, equipment and leasehold improvements, net

Following are the movements of property, furniture, equipment and leasehold improvements, net:

	September 2021	December 2020
At the beginning of the period, net of		
Accumulated depreciation	B/.431,866,424	B/.442,835,276
Capitalized additions	65,551,647	79,394,134
Construction in progress	2,861,407	30,816,868
Disposal, net	-	-
Transfers	(10,972,670)	(47,022)
Depreciation	(81,693,155)	(121,132,832)
At the end of the period, net of accumulated depreciation	<u>B/.407,613,653</u>	<u>B/.431,866,424</u>
At the beginning of the period		
At cost	1,166,581,224	1,056,417,244
Accumulated depreciation	(734,714,800)	(613,581,968)
Net balance	<u>B/.431,866,424</u>	<u>B/.442,835,276</u>
At the end of the period		
Accumulated depreciation	1,224,021,608	1,166,581,224
	(816,407,955)	(734,714,800)
Net balance	<u>B/.407,613,653</u>	<u>B/.431,866,424</u>

Cable Onda, S.A. and Subsidiaries
Notes of the Interim Consolidation of Financial Statements
September 30, 2021

(Figures stated in B/. balboas)

9. Accounts payable

At September 30, 2021, the accounts payable balance amounts to B/.51,731,049 (December 2020 - B/.96,843,201). The terms for payment of accounts payable to commercial suppliers are extended up to 120 days, as from the date of issuance of the respective notes or invoice, are not subject to discount for prompt payment and do not generate interest and are recoverable in the functional currency of the interim condensed consolidated financial statements.

10. Employee benefits payable

Employee benefits are broken down as follows:

	September 2021	December 2020
Employee benefits	B/. 1,569,661	B/. 2,637,850
Labor reserves	<u>10,072,259</u>	<u>7,209,127</u>
	<u>B/. 11,641,920</u>	<u>B/. 9,846,977</u>

11. Long-term loans payable

The term of the long-term loans payable and lines of credit is presented below:

	<u>Interest rate</u>	<u>Expiration</u>	September 2021	December 2020
Scotiabank	2.96%-4.38%	2024 - 2025	B/. 260,000,000	B/. 160,000,000
Banco Nacional	4%-4.45%	2024	<u>-</u>	<u>25,000,000</u>
			<u>B/. 260,000,000</u>	<u>B/. 185,000,000</u>

In November 2020, Cable Onda executed an agreement with Bank of Nova Scotia for B/.110 million, which were disbursed in two tranches. The first tranche of B/.85 million was disbursed in December 2020, and on March 1, 2021 the second and final tranche (B/.25 million) was disbursed to Cable Onda.

On August 31, 2021, Cable Onda executed an agreement with Bank of Scotia for B/.75 million at 3.5% fixed rate. The facility was used to repay Cable Onda's remaining B/.75 million under the 5.75% local bond, which was initially due on September 3, 2025.

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12. Deferred income

As of September 30, 2021, deferred income is broken down as follows:

	September 2021	December 2020
Current portion		
Early cash collections from monthly payments (a)	<u>B/. 14,139,858</u>	<u>B/. 13,520,489</u>
Non-Current portion		
Adaption projects (b)	B/. 13,102,650	B/. 11,825,442
Deferred income from installation services	2,530,629	2,768,988
Deferred income (c)	<u>34,015</u>	<u>6,301,332</u>
	<u>B/. 15,667,294</u>	<u>B/. 20,895,762</u>

- a. Deferred income corresponding to early collection on monthly payments from clients, which are classified as business, residential and corporate.
- b. Adaptation and relocation of wiring and telephony, which includes changes, burying of cables in areas where network changes are made. Once concluded, works are amortized over 180 months.
- c. These are obligations arising from large-scale contracts, which are executed in phases as per the terms and conditions of said contracts

13. Bonds payable, net

As of September 30, 2021, the Group's Management is complying with the financial conditions established in the bond purchase-sale contract.

Bonds are broken as follows:

	September 2021	December 2020
Bonds – Serie A – Interest rate 5.75%	B/. -	B/. 100,000,000
Financial costs	-	(1,389,677)
Bonds – Note Senior – Interest rate 4.50%	600,000,000	600,000,000
Financial costs	<u>(14,019,586)</u>	<u>(14,362,909)</u>
	<u>B/. 585,980,414</u>	<u>B/. 684,247,414</u>

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13. Bonds payable, net (Continued)

On August 31, 2021, Cable Onda, S.A. executed an agreement with Bank of Scotia for B/.75 million at 3.5% fixed rate. The facility was used to repay Cable Onda's remaining B/.75 million under the 5.75% local bond, which was initially due on September 3, 2025.

14. Other services and revenue

	Period ended September 30,	
	2021	2020
Installations	B/. 269,675	B/. 276,648
IT solutions sales	1,331,609	1,415,482
Adaptions project	912,287	924,121
Other income	179,098	2,869,409
Advertising	272,667	307,629
Additional services	252,895	343,311
	<u>B/. 3,218,231</u>	<u>B/. 6,136,600</u>

15. Programming and operating costs

	Period ended September 30,	
	2021	2020
Programming costs	B/. 40,024,892	B/. 39,199,890
Telephony costs	36,352,781	41,760,989
Projects costs	4,387,826	3,690,870
Selling costs of mobile equipment and accesories	23,440,842	14,490,511
Data transmission and internet costs	6,235,764	7,108,928
Sundry costs	832,251	1,331,950
	<u>B/. 111,274,356</u>	<u>B/. 107,583,138</u>

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16. Depreciation and amortization

	Period ended September 30,	
	2021	2020
Depreciation and amortization of fixed asset	B/. 81,693,155	B/. 85,200,309
Depreciation for right of use	15,808,077	16,197,619
Amortization of intangibles assets	<u>20,253,737</u>	<u>31,539,312</u>
	<u>B/. 117,754,969</u>	<u>B/. 132,937,240</u>

17. Employee benefits

Employee benefits form part of general expenses, sales and administrative expenses for the period, as shown in the following breakdown:

	Period ended September 30,	
	2021	2020
Salaries, commissions and other	B/. 34,204,034	B/. 31,789,381
Social security and employer education insurance	6,138,409	5,820,511
Vacation	2,404,543	3,158,471
Bonuses	3,366,973	3,242,957
Net profit sharing	4,916,018	1,597,569
Travel and representation expenses	2,654,470	2,909,230
Profesional risk	604,346	674,831
Shared-based compensations	662,265	-
Seniority premium and indemnities	43,421	1,106,556
Other expenses	<u>1,320,994</u>	<u>697,696</u>
	<u>B/. 56,315,473</u>	<u>B/. 50,997,202</u>

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18. General sales and administrative expenses

General sales and administrative expenses are as follows:

	Period ended September 30,	
	2021	2020
Rent	B/. 4,387,148	B/. 3,731,125
Professional services fees	32,376,346	30,997,793
Services expenses	17,782,512	8,651,724
Repairs and maintenance support	5,562,171	1,659,020
Marketing and advertising	9,217,903	6,528,195
Electricity	7,761,525	4,550,058
Local and municipal taxes	7,786,091	6,793,488
Bad debts	3,802,198	9,361,440
Repairs, maintenance and other operating expenses	4,789,598	5,047,180
Office expenses	1,076,063	422,736
Insurance and bond	324,524	472,206
Other expenses	<u>3,786,241</u>	<u>3,820,578</u>
	<u>B/. 98,652,320</u>	<u>B/. 82,035,543</u>

19. Income tax

Income tax expense is as follows:

	Period ended September 30,	
	2021	2020
Current	B/. 16,316,683	B/. 20,472,092
Deferred tax	<u>2,051,834</u>	<u>(10,651,779)</u>
	<u>B/. 18,368,517</u>	<u>B/. 9,820,313</u>

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20. Fair value of financial instruments

Fair value estimations are conducted at the date of the interim condensed consolidated financial statements, based on the relevant market and other information related to the financial instruments. Those estimations reflect no prize or discount that could result from holding the financial instruments as available for sale, due to the fact that none of them is held for that purpose.

The nature of these estimations is objective and involves uncertain aspects and management's judgment, as a result of which, the amounts thereof cannot be determined with absolute accuracy. Consequently, changes, if any, in the assumptions on which the estimations are based could differ from the final results.

The assumptions used by the Group Management to establish the fair market value of the financial instruments are as follows:

- a. The values of cash and bank, accounts receivable, net clients, other accounts receivable, accounts payable, leases and documents and loans payable approximate their fair market value, as they are financial instruments maturing in the short term.

The table below states the comparison between the book values and fair values of the financial instruments for which carrying values do not approximate their fair values:

	<u>Book Value</u>		<u>Fair Value</u>	
	September 2021	December 2020	September 2021	December 2020
Notes and other long term liabilities	<u>B/. 869,922,510</u>	<u>B/. 869,247,414</u>	<u>B/. 865,355,010</u>	<u>B/. 864,437,414</u>