

UEP Penonome II, S. A.

**Report and Interim Financial Statements
June 30, 2020**

UEP Penonome II, S. A.

Interim Statement of Financial Position

June 30, 2020

(All amounts in US\$ unless otherwise stated)

	Notes	June 30, 2020	December 31, 2019 (Audited)
Assets			
Current assets			
Cash and cash equivalents	2, 5	38,585,892	25,126,029
Restricted cash	2, 5 and 6	51,165,263	51,165,263
Trade and other receivables	2, 7 and 16	8,481,620	6,988,755
Prepaid expenses		<u>353,135</u>	<u>573,720</u>
Total current assets		<u>98,585,910</u>	<u>83,853,767</u>
Non-current assets			
Plant and equipment, net	2, 8 and 9	272,285,257	283,153,978
Restricted cash	6	17,272,000	17,272,000
Goodwill	2 and 10	<u>20,000,000</u>	<u>20,000,000</u>
Total non-current assets		<u>309,557,257</u>	<u>320,425,978</u>
Total assets		<u>408,143,167</u>	<u>404,279,745</u>
Liabilities and Equity			
Current liabilities			
Current portion of long-term debt	2 and 13	12,537,000	12,803,000
Trade and other payables	2, 11 and 16	34,030,053	34,248,298
Other current liabilities and accrued expense	12	<u>51,165,263</u>	<u>51,165,263</u>
Total current liabilities		<u>97,732,316</u>	<u>98,216,561</u>
Non-current liabilities			
Shareholders' loans	13	50,000,000	50,000,000
Lease liabilities long term	9	8,252,995	8,385,098
Deferred income tax	17	1,621,310	622,244
Long-term debt	2 and 13	<u>214,253,062</u>	<u>220,002,710</u>
Total non-current liabilities		<u>274,127,367</u>	<u>279,010,052</u>
Total liabilities		<u>371,859,683</u>	<u>377,226,613</u>
Equity			
Common shares with US\$1.00 par value each; authorized and issued: 1,050 shares	2 and 14	1,050	1,050
Capital contribution	2 and 14	74,998,950	74,998,950
Accumulated deficit		<u>(38,716,516)</u>	<u>(47,946,868)</u>
Total equity		<u>36,283,484</u>	<u>27,053,132</u>
Total liabilities and equity		<u>408,143,167</u>	<u>404,279,745</u>

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

UEP Penonome II, S. A.

Interim Statement of Comprehensive Income For the period of six months ended on June 30, 2020

(All amounts in US\$ unless otherwise stated)

	Notes	June 30, 2020	June 30, 2019 <i>(Unaudited)</i>
Revenues		37,945,299	44,361,021
Costs of goods and services	8 and 15	<u>(11,992,727)</u>	<u>(12,076,714)</u>
Gross profit		<u>25,952,572</u>	<u>32,284,307</u>
Expenses	15		
Administrative expenses		(1,874,689)	(3,364,592)
Operating expenses		<u>(2,708,668)</u>	<u>(2,588,514)</u>
Total expenses		<u>(4,583,357)</u>	<u>(5,953,106)</u>
Operating profit		<u>21,369,215</u>	<u>26,331,201</u>
Finance cost amortization	13	(398,352)	(398,352)
Finance cost, mainly interest on borrowings		<u>(9,469,315)</u>	<u>(11,738,006)</u>
Finance cost, net		<u>(9,867,667)</u>	<u>(12,136,358)</u>
Other income		<u>3,709</u>	<u>-</u>
Profit (loss) before income tax		11,497,839	14,194,843
Income tax	17	<u>(2,267,516)</u>	<u>(3,566,927)</u>
Total comprehensive income (loss) for the year		<u>9,230,323</u>	<u>10,627,916</u>

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

UEP Penonome II, S. A.

Interim Statement of Cash Flows

For the period of six months ended on June 30, 2020

(All amounts in US\$ unless otherwise stated)

	Notes	June 30, 2020	June 30, 2019 (Unaudited)
Cash flows from operating activities			
Profit (loss) before income tax		11,497,839	14,194,843
Adjustments to reconcile profit (loss) before income tax to net cash provided by operating activities:			
Depreciation and amortization	8, 9 and 15	10,906,365	10,685,957
Finance cost amortization	13	398,352	398,352
Finance cost, interest on borrowings		9,099,553	11,738,007
Changes in assets and liabilities:			
Trade and other receivables		(1,492,836)	4,155,413
Trade and other payables		(1,082,848)	4,764,754
Prepaid expenses		220,585	76,463
Interest paid		<u>(9,099,553)</u>	<u>(9,705,333)</u>
Net cash provided by operating activities		<u>20,447,456</u>	<u>34,275,782</u>
Cash flows from investing activities			
Additions of plant and equipment	8	(37,644)	(0)
Restricted cash	6	<u>-</u>	<u>-</u>
Net cash (used in) provided by investing activities		<u>(37,644)</u>	<u>(0)</u>
Cash flows from financing activities			
Repayment of long-term debt and net cash used in financing activities	13	(6,414,000)	(7,238,000)
Finance lease payments	9	(101,210)	(0)
Interest paid	9	<u>(434,739)</u>	<u>(0)</u>
Net cash used in financing activities		<u>(6,949,949)</u>	<u>(7,238,000)</u>
Net increase in cash and cash equivalents		13,459,863	27,037,783
Cash and cash equivalents at the beginning of year		<u>76,291,292</u>	<u>60,837,269</u>
Cash and cash equivalents at the end of year		<u>89,751,155</u>	<u>87,875,052</u>

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