

# 1Q 2021 EARNINGS REPORT

Lima, Peru, April 29, 2021. Corporación Aceros Arequipa S.A. ("the Company" or "Aceros Arequipa") (BVL: CORAREC1 and CORAREI1) announced its unaudited consolidated financial results corresponding to the First Quarter ("1Q 2021") period ended March 31, 2021. Financial figures are reported on a consolidated and individual basis in nominal Peruvian Soles (S/) and are in accordance with International Financial Reporting Standards ("IFRS"). The following consolidated statements should be read in conjunction with the Financial Statements and Notes, published at the Peruvian Securities and Exchange Commission (*Superintendencia del Mercado de Valores - SMV*).

## I. Highlights

- 1 **Revenue** reached S/ 1,127.1 million (+76.9% YoY), mainly due to higher local demand.
- 2 **Gross Profit** totaled S/ 359.5 million (+212.1% YoY) and **Gross Margin** was 31.9%.
- 3 **EBITDA** was S/ 297.2 million (+225.0% YoY); while **EBITDA Margin** reached 26.4%.
- 4 **CAPEX** was S/ 147.3 million, 61.4 million allocated towards the acquisition of Comfer S.A and S/52.2 million towards the new melt shop.
- 5 **Net Profit** reached S/ 195.3 million (+397.0% YoY).
- 6 **Operating Working Capital requirements** reached S/ 682.3 million, mainly due to higher inventories and accounts receivables.
- 7 As of March 31, 2021, **Net Debt / EBITDA** ratio lowered to 1.16x, compared to December 2020, primarily due to higher EBITDA.
- 8 On March 26, 2021, the Annual Shareholders Meeting approved a dividend payment of S/34.5 million, which was paid on April 20, 2021.



Revenue  
reached S/ 1,127  
million  
(+76.9% YoY)

EBITDA was  
S/ 297.2 million,  
with a 26.4%  
margin

Net Profit was  
S/ 195.3 million,  
and Net Margin  
was  
17.3%

Net Debt / EBITDA  
ratio reached 1.2x  
as of March 2021

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## Financial Summary

| (S/ million)                                    | 1Q 2020   | 1Q 2021        | YoY       | YTD 2020 | YTD 2021       | YoY       |
|---|-----------|----------------|-----------|----------|----------------|-----------|
| <b>Financial Figures</b>                        |           |                |           |          |                |           |
| Revenue   | 637.2     | <b>1,127.1</b> | 76.9%     | 637.2    | <b>1,127.1</b> | 76.9%     |
| Gross Profit                                    | 115.2     | <b>359.5</b>   | 212.1%    | 115.2    | <b>359.5</b>   | 212.1%    |
| Operating Profit                                | 56.9      | <b>269.9</b>   | 374.7%    | 56.9     | <b>269.9</b>   | 374.7%    |
| EBITDA  | 91.5      | <b>297.2</b>   | 225.0%    | 91.5     | <b>297.2</b>   | 225.0%    |
| Net Profit                                      | 39.3      | <b>195.3</b>   | 397.0%    | 39.3     | <b>195.3</b>   | 397.0%    |
| CAPEX <sup>1</sup>                              | 132.8     | <b>147.3</b>   | 10.9%     | 132.8    | <b>147.3</b>   | 10.9%     |
| <b>Financial Margins</b>                        |           |                |           |          |                |           |
| Gross Margin                                    | 18.1%     | <b>31.9%</b>   | 13.8 p.p. | 18.1%    | <b>31.9%</b>   | 13.8 p.p. |
| Operating Margin                                | 8.9%      | <b>23.9%</b>   | 15.0 p.p. | 8.9%     | <b>23.9%</b>   | 15.0 p.p. |
| EBITDA Margin                                   | 14.4%     | <b>26.4%</b>   | 12.0 p.p. | 14.4%    | <b>26.4%</b>   | 12.0 p.p. |
| Net Margin                                      | 6.2%      | <b>17.3%</b>   | 11.2 p.p. | 6.2%     | <b>17.3%</b>   | 11.2 p.p. |
| Earnings per share <sup>2</sup>                 | 0.18      | <b>0.32</b>    | 74.3%     |          |                |           |
| <b>Other Figures, as of</b>                     |           |                |           |          |                |           |
|   | Dec, 2020 | Mar, 2021      | YTD       |          |                |           |
| Net Debt <sup>3</sup>                           | 518.3     | <b>715.9</b>   | 38.1%     |          |                |           |
| Net Debt <sup>3</sup> / LTM <sup>4</sup> EBITDA | 1.26x     | <b>1.16x</b>   | -0.10x    |          |                |           |

1. Includes S/61.4 million corresponding to Comfer S.A. acquisition, and S/39.8 million of the new melt shop plant financed through a capital lease agreement.
2. Earnings per share (EPS) defined as Net Profit LTM / Total Stock at the end of the quarter, excluding treasury stock. Expressed in S/ per share.
3. Total Financial Debt (includes leases with suppliers)
4. LTM: last twelve months

### III. Income Statement

## Revenue

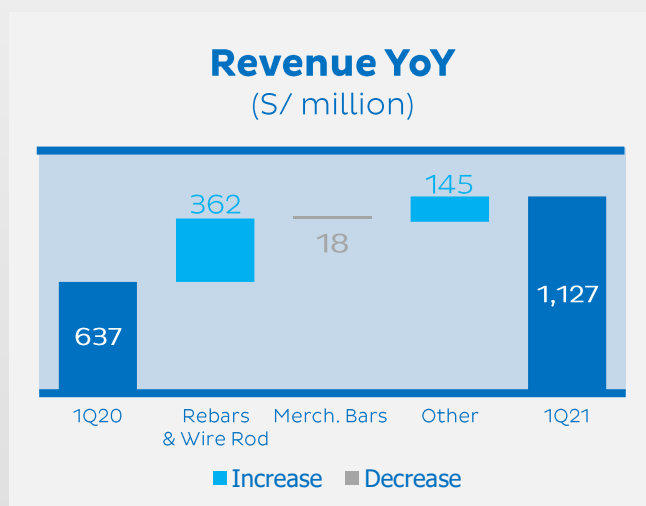
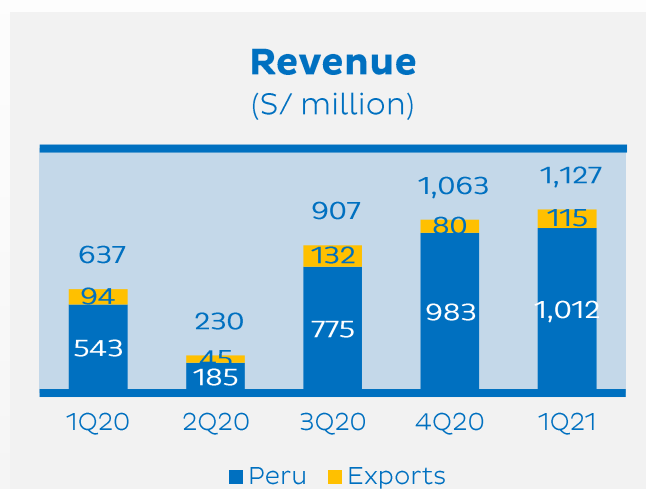
During 1Q 2021, Revenue reached S/ 1,127.1 million (+76.9% YoY)

Revenue increased due to the increased demand after the lift of the Peruvian lockdown restrictions and higher average selling prices.

Consequently, domestic revenues increased by S/ 469.7 million (86.5%) YoY. and Exports increased by S/ 20.3 million (+21.5%) YoY.

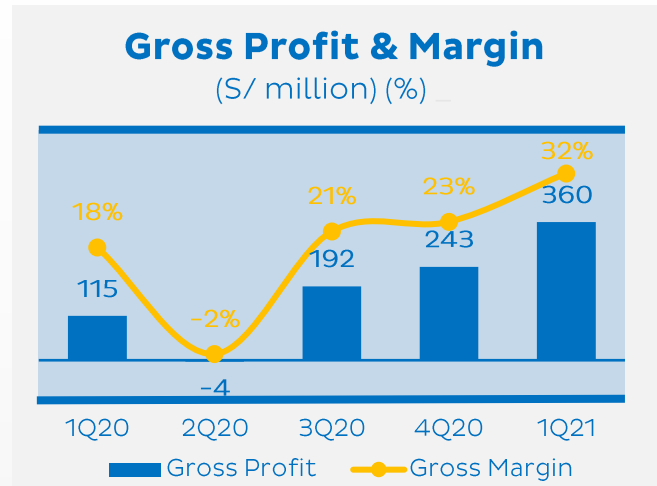
During the quarter, export revenue represented 10.2% of total revenue; a 4.6 p.p. decrease when compared to 14.8% in 1Q 2020. The increase in exports was mainly due to higher volume sold to Bolivia, which remained as the main export market for the Company during the quarter.

On a per-category basis, the “Rebars & Wire Rod” category increased S/ 362.4 million (+88.0%) YoY. This was followed by the “Other” products category, which increased S/ 145.3 million (+95.3%) YoY, these increases were partially offset by a reduction in the “Merchant bars” category which decreased S/ 17.8 million (-24.4%) YoY.



## Gross Profit

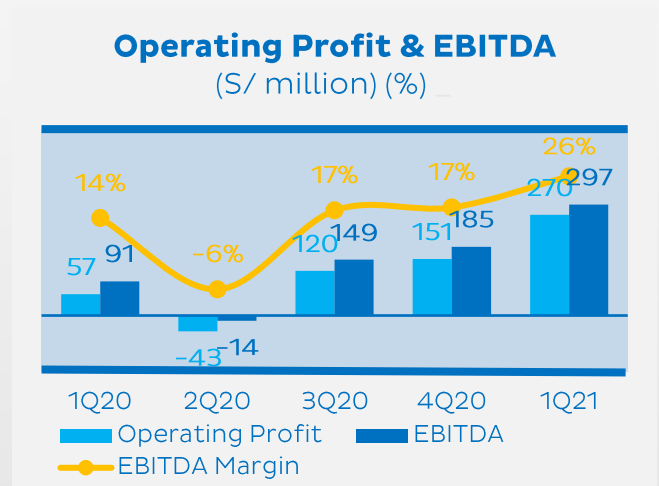
Gross Profit reached S/ 359.5 million during 1Q 2021, as Revenue increased due to a boost in sales volume following the lift of the COVID-19 restrictions and an increase in prices of finished products. Gross Margin was also higher and reached 32%.



## Operating Profit & EBITDA

Operating Profit reached S/ 269.9 million during 1Q 2021, a S/ 213.0 million (+374.7%) increase compared to S/ 56.9 million in 1Q 2020. Operating Margin was 23.9%, 15.0 p.p higher versus 1Q 2020.

The S/ 213.0 million increase in Operating Profit was mainly due to a higher Gross Profit which was partially offset by a S/ 36.9 million increase in SG&A.



SG&A increase was mainly due to higher Personnel Expenses, allowances for doubtful accounts, and transactional taxes from the Bolivian subsidiary. SG&A as a percentage of Revenue reached 7.6%, slightly lower compared to 1Q 2020.

Other Net Operating Expenses decrease S/ 5.5 million mainly as a result of lower asset write-offs and an increase in other income.

Consequently, during 1Q 2021, earnings before interest, taxes, depreciation, and amortization (EBITDA) reached S/ 297.2 million, with an increase of S/ 205.8 million or 225.0% YoY, and represented an EBITDA Margin of 26.4%; 12.0 p.p. higher compared to 1Q 2020.

## Net Financial Expenses

During 1Q 2021, Net Financial Expenses reached S/ 2.8 million, S/ 2.1 million lower versus 1Q 2020, driven by lower Financial Expenses by S/ 3.1 million.

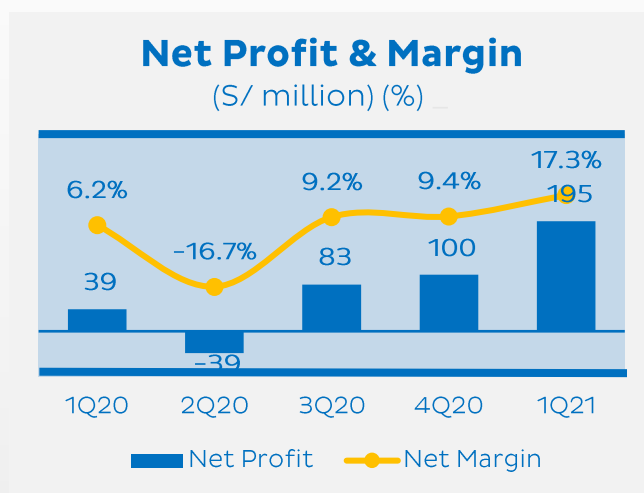
Additionally, during the quarter, the Net Exchange Rate Difference was a positive S/ 2.4 million, which represented an increase of S/ 3.2 million YoY.

## Net Profit

Net Profit was S/ 195.3 million during 1Q 2021, S/ 156.0 million higher (+397.0%) YoY. Net Margin was 17.3%.

This increase was a result of a higher Gross Profit and lower Net Financial Expenses, and was partially offset by higher SG&A by S/ 36.9 million, and an increase in Income Taxes by S/ 63.1 million.

Earnings per Share, based on the Net Profit for the last twelve months (LTM), reached S/ 0.32 in 1Q 2021, higher than the ratio of S/ 0.18 reported in 1Q 2020 (+74.3%).



## IV. Balance Sheet

### Assets

As of March 31, 2021, Total Assets reached S/ 5,282.4 million, representing an increase of S/ 722.2 million versus December 31, 2020. Asset increase was driven by Current Assets, which increased by S/ 609.2 million and non-current assets by S/ 113.0 million.

Current Assets were higher as of March 31, 2021, mainly due to:

- i Inventories (+S/ 450.5 million, or +51.8% YTD), driven by higher demand for finished products and inventory in transit, mainly composed of billets, raw materials, and steel sheets and coils.
- ii Accounts receivables (+S/ 91.0 million, or +19.1%)
- iii Cash balance (+S/ 28.8 million, or +4.1%)
- iv Other accounts receivable (+ S/ 24.4 million, or +260.2% YTD).

Days of Sales Outstanding rose to 65.8 days as of March 31, 2021, from 64.1 days as of December 31, 2020. Days of Inventory on Hand increased to 187.4 days as of March 31, 2021 compared to 136.8 days as of December 31, 2020.

Non-Current Assets increase was driven by CAPEX, mainly due to investments in the new melt shop plant, which is currently under construction. Consequently, Net, Property, Plant and Equipment increased by S/ 114.9 million (+5.3%) YTD.

## Liabilities

As of March 2021, Total Liabilities reached S/ 2,844.8 million, a S/ 531.4 million or 23.0% increase YoY, driven by higher Current Liabilities by S/ 494.3 million, and an increase in Non-Current Liabilities of S/ 37.1 million.

Current Liabilities increased mainly due to a higher balance of accounts payable mainly explained by imports (mainly steel billets, raw materials, sheet and coils), and local accounts payable. Consequently, Days of Payables Outstanding increased to 150.3 days as of March 2021 from 128.3 days as of December 2020.

As of March 2021, Total Financial Debt (including supplier leases) reached S/ 1,445.2 million, higher than the figure as of December 2020.

Current Financial Debt as of March 31, 2021 was S/ 502.9 million, of which S/ 436.4 million represented Working Capital Financing. Total current financial debt was S/ 185.9 million higher than the figure reported as of December 2020.

Non-Current Financial Debt was S/ 942.3 million, S/ 40.5 million higher than the figure reported in December 2020, mainly explained by the financial lease for the new melt shop.

As of March 2021, 56% of Total Debt was denominated in Soles, while 42% was denominated in U.S. Dollars and the remaining 2% in Bolivianos.

Net Debt to EBITDA ratio was 1.16x as of March 2021, a decrease of 0.10x compared to December 2020, because LTM EBITDA as of March 2021 was S/ 205.8 million higher.

## Shareholders' Equity

At the close of March 2021, Shareholders' Equity reached S/ 2,437.6 million, an increase of S/ 190.8 million compared to the figure as of December 2020.

## V. Cash Flow Statement

### Cash Flow from Operations

As of March 31, 2021, Cash Flow from Operations was -S/ 59.9 million, mainly explained by the increases in inventory and accounts receivables.

### Cash Flow from Investing

As of March 31, 2021, Cash Flow from Investing was -S/ 60.0 million which mainly due to investments in the acquisition of Comfer S.A. of S/ 61.4 million, investments in Property, Plant and Equipment of S/ 45.7 million, and in Intangibles of S/ 0.3 million. These were partly offset by S/ 45.3 million ending Cash balance from the consolidation after Comfer acquisition, S/ 2.0 million in interests received, and S/ 0.2 million in asset sales.

These figures do not consider S/ 39.8 million related to the new melt shop plant, which is financed through a capital lease agreement.

### Cash Flow from Financing

As of March 31, 2021, Cash Flow from Financing was S/ 148.7 million, which included net financing of S/ 153.5 million and interest payments of S/ 4.8 million.

These figures do not consider the capital leasing agreement for the new melt shop plant.



## VI. Relevant Events during 2021

1. During the first quarter, the Company invested S/ 52.2 million as part of the construction of its upcoming new melt shop facility, S/ 39.8 million was financed through a financial lease, and the remaining was financed through cash. This investment will have a capacity of over 1.25 million tons of liquid steel. The actual total investment is US\$ 220 million and has a complementary capex of US\$ 23 million. Works are expected to be completed during 2Q 2021.
2. In January, the liquidation process of Comasa was approved by the Annual Shareholders Meeting.
3. In February, the firm made a cash acquisition of USD 16.8 million for a 96% stake in Comfer S.A., a firm that produces steel wires and nails.
4. In February the company was included in the Sustainability Yearbook 2021 / S&P Global, and is one of the two Peruvian firms ever been in this Yearbook.
5. In March, the Annual Shareholder Meeting approved a total of S/ 34.5 million of dividend payments that were paid on April 2021.
6. In April, the firm donated two Medical Oxygen Plant to Pisco city to support health requirements from Covid-19 patients.

### Conference Call Information

Corporacion Aceros Arequipa S.A. cordially invites you to participate in its First Quarter 2021 Earnings Conference Call.

Date: Monday, May 03, 2021

Time: 1:00 pm ET / 12:00 pm Lima Time

To access the live presentation via Zoom, visit the following URL:

<https://tinyurl.com/3e4kc2nz>

## About CORPORACIÓN ACEROS AREQUIPA S.A.

**CORPORACIÓN ACEROS AREQUIPA S.A.**, founded in 1964, is the leading Peruvian Company in production and commercialization of steel products, with exports to Bolivia and other countries in the region. Its core products are rebars and wire rod and other products for the construction industry as well as merchant bars & profiles and flat steel products. The Company has an industrial facility located in Pisco, Peru with an average per-year capacity of 850 thousand tons for its melt shop and 1,250 thousand tons in steel rolling mill. Aceros Arequipa employs over 1,100 people across its operations in Peru and subsidiaries. The Company's common and investment (non-voting) shares are listed on the Lima Stock Exchange under the ticker symbols CORAREC1 and CORAREI1, respectively. Currently, Aceros Arequipa has a stake in the following companies:

|   |         |
|---|---------|
| • Comfer S.A.                                     | 96.00%  |
| • Comercial del Acero (in liquidation):           | 99.99%  |
| • Aceros del Altiplano:                           | 99.00%  |
| • Aceros America (Chile)                          | 100.00% |
| • Aceros America (Colombia)                       | 100.00% |
| • Transportes Barcino:                            | 99.92%  |
| • Aceros Arequipa Iquitos:                        | 99.90%  |
| • Acero Instalado:                                | 99.90%  |
| • Tecnología y Soluciones Constructivas:          | 99.90%  |
| • Inmobiliaria Comercial del Acero Cajamarquilla: | 33.65%  |
| • Inmobiliaria Comercial del Acero Argentina:     | 33.65%  |
| • Celepsa:  | 10.00%  |

## Disclaimer

This Earnings Report may contain forward-looking statements concerning management's current expectations for future operating and financial performance, based on assumptions currently believed to be valid and recent acquisitions, its financial and business impact, management's beliefs and objectives with respect thereto. Forward-looking statements are all statements other than statements of historical facts. The words "anticipates," "may," "can," "plans," "believes," "estimates," "expects," "projects," "intends," "likely," "will," "should," "to be," and any similar expressions or other words of similar meaning are intended to identify those assertions as forward-looking statements. It is uncertain whether the events anticipated will transpire, or if they do occur what impact they will have on the results of operations and financial condition of Aceros Arequipa whether individually or as a consolidated Company. Aceros Arequipa does not undertake any obligation to update the forward-looking statements included in this Earnings Report to reflect subsequent events or circumstances.

### III. Unaudited Financial Statements

| Corporación Aceros Arequipa S.A.                          | Consolidated Financial Statement of Financial Position<br>(in thousands of Peruvian Soles) |                  |                   |
|---|--|------------------|-------------------|
|   | Notes  | March 31, 2021   | December 31, 2020 |
| <b>Assets</b>   |  |                  |                   |
| <b>Current Assets</b>                                     |  |                  |                   |
| Cash and Cash Equivalents                                 | 5  | 729,285          | 700,462           |
| Accounts Receivable                                       | 6  | 566,416          | 475,430           |
| Accounts Receivable from related parties                  | 7  | 41,446           | 29,726            |
| Other Accounts Receivable                                 | 8 & 10   | 42,263           | 15,102            |
| Inventories   | 9  | 1,320,917        | 870,411           |
| Deferred Income tax Assets                                |  | 0                | 0                 |
| Assets classified as held for sale                        |  | 0                | 0                 |
| <b>Total Current Assets</b>                               |  | <b>2,700,327</b> | <b>2,091,131</b>  |
| <b>Non-Current Assets</b>                                 |  |                  |                   |
| Other financial assets                                    | 13   | 31,681           | 30,121            |
| Investments in subsidiaries, affiliates or joint ventures | 11   | 115,380          | 114,323           |
| Accounts Receivable from related parties                  | 7  | 4,197            | 4,197             |
| Other Accounts Receivable                                 | 8  | 18,967           | 19,128            |
| Investment Property                                       | 14   | 45,903           | 45,974            |
| Property, Plant and Equipment, Net                        | 12   | 2,275,301        | 2,160,395         |
| Intangible Assets, Net                                    | 15   | 55,072           | 59,281            |
| Other non-financial assets                                | 16   | 35,546           | 35,641            |
| <b>Total Non-Current Assets</b>                           |  | <b>2,582,047</b> | <b>2,469,060</b>  |
| <b>TOTAL ASSETS</b>                                       |  | <b>5,282,374</b> | <b>4,560,191</b>  |
| <b>Liabilities and Shareholders' Equity</b>               |  |                  |                   |
| <b>Current Liabilities</b>                                |  |                  |                   |
| Other Financial Liabilities                               | 17   | 502,931          | 317,051           |
| Accounts Payable  | 18   | 996,113          | 789,334           |
| Accounts Payable to related parties                       | 7  | 62,791           | 27,473            |
| Other Accounts Payable                                    | 19   | 142,360          | 123,024           |
| Current Income Tax  | 20   | 87,475           | 40,471            |
| <b>Total Current Liabilities</b>                          |  | <b>1,791,670</b> | <b>1,297,353</b>  |
| <b>Non-Current Liabilities</b>                            |  |                  |                   |
| Other Financial Liabilities                               | 17   | 942,295          | 901,758           |
| Accounts Payable  |  | 0                | 0                 |
| Other Accounts Payable                                    | 19   | 6,929            | 6,891             |
| Deferred Income Tax Liabilities                           | 20   | 103,925          | 107,427           |
| <b>Total Non-Current Liabilities</b>                      |  | <b>1,053,149</b> | <b>1,016,076</b>  |
| <b>Total Liabilities</b>                                  |  | <b>2,844,819</b> | <b>2,313,429</b>  |
| <b>Shareholders' Equity</b>                               |  |                  |                   |
| Share Capital   | 21   | 890,858          | 890,858           |
| Investment Shares   | 21   | 182,408          | 182,408           |
| Treasury Shares   |  | 0                | 0                 |
| Other Capital Reserves                                    |  | 178,293          | 178,293           |
| Retained Earnings   |  | 961,074          | 774,014           |
| Other Shareholders' Equity Reserves                       |  | 224,922          | 221,189           |
| <b>Total Shareholders' Equity</b>                         |  | <b>2,437,555</b> | <b>2,246,762</b>  |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>         |  | <b>5,282,374</b> | <b>4,560,191</b>  |

# Corporación Aceros Arequipa S.A.

## Consolidated Financial Statement of Comprehensive Income (in thousands of Peruvian Soles)

|  | Notes | 1Q 2021     | 1Q 2020     | YTD 2021    | YTD 2020    |
|--|-------|-------------|-------------|-------------|-------------|
| Revenue  | 22    | 1,127,110   | 637,203     | 1,127,110   | 637,203     |
| Cost of Goods Sold   | 23    | -767,589    | -522,016    | -767,589    | -522,016    |
| Gross Profit (Loss)  |       | 359,521     | 115,187     | 359,521     | 115,187     |
| Selling and Distribution Expenses  | 24    | -41,713     | -28,734     | -41,713     | -28,734     |
| Administrative Expenses  | 25    | -44,380     | -20,507     | -44,380     | -20,507     |
| Other Operating Income   | 27    | 6,256       | 2,372       | 6,256       | 2,372       |
| Other Operating Expenses   | 27    | -9,815      | -11,468     | -9,815      | -11,468     |
| Other Income (Expenses)  |       | 0           | 0           | 0           | 0           |
| Operating Profit (Loss)  |       | 269,869     | 56,850      | 269,869     | 56,850      |
| Financial Income   | 28    | 1,991       | 2,970       | 1,991       | 2,970       |
| Financial Expenses   | 28    | -4,817      | -7,938      | -4,817      | -7,938      |
| Other income (Expenses) from subsidiaries, affiliated and joint ventures | 11    | 1,982       | 1,197       | 1,982       | 1,197       |
| Exchange Rate Differences, Net   | 32    | 2,405       | -767        | 2,405       | -767        |
| Profit (Loss) before taxes   |       | 271,430     | 52,312      | 271,430     | 52,312      |
| Income Tax Expense   | 20    | -76,120     | -13,011     | -76,120     | -13,011     |
| Profit (Loss) from Discontinued Operations                               |       | 0           | 0           | 0           | 0           |
| Net Profit (Loss)  |       | 195,310     | 39,301      | 195,310     | 39,301      |
| Earnings Per Share   |       |             |             |             |             |
| Basic in Continued Operations of Common Stock                            |       | 0.18        | 0.04        | 0.18        | 0.04        |
| Basic in Discontinued Operations of Common Stock                         |       | 0.00        | 0.00        | 0.00        | 0.00        |
| <b>Total Earnings Per Share of Common Stock</b>                          |       | <b>0.18</b> | <b>0.04</b> | <b>0.18</b> | <b>0.04</b> |
| Basic in Continued Operations of Investment Stock (Non-voting)           |       | 0.18        | 0.04        | 0.18        | 0.04        |
| Basic in Discontinued Operations of Investment Stock (Non-voting)        |       | 0.00        | 0.00        | 0.00        | 0.00        |
| <b>Total Earnings Per Share of Investment Stock (Non-Voting)</b>         |       | <b>0.18</b> | <b>0.04</b> | <b>0.18</b> | <b>0.04</b> |

# Corporación Aceros Arequipa S.A.

## Consolidated Financial Statement of Cash Flow – Direct Method (in thousands of Peruvian Soles)

|  | Notes | Jan 01 – Mar 31 2021 | Jan 01 – Mar 31 2020 |
|--|-------|----------------------|----------------------|
| <b>Cash Flow from Operating Activities</b>   |       |                      |                      |
| <b>Collections due to Operating Activities</b>                                     |       |                      |                      |
| Sales of Goods and Services Offered  |       | 1,036,864            | 679,374              |
| Other Operating Collections  |       | -10,540              | -22,735              |
| <b>Payments due to Operating Activities</b>  |       |                      |                      |
| Suppliers of Goods and Services  |       | -950,101             | -635,300             |
| Payments and payments on account to employees                                      |       | -99,266              | -71,390              |
| Income Tax   |       | -36,861              | -25,836              |
| <b>Net Cash Generated by Operating Activities</b>                                  |       | <b>-59,904</b>       | <b>-75,887</b>       |
| <b>Cash Flow from Investing Activities</b>   |       |                      |                      |
| <b>Collections due to Investing Activities</b>                                     |       |                      |                      |
| Sale of Property, Plant and Equipment  | 27    | 242                  | 33,730               |
| Interests Received   | 28    | 1,991                | 2,970                |
| Dividends Received   |       | 0                    | 0                    |
| <b>Payments due to Investing Activities</b>  |       |                      |                      |
| Purchase of Financial Instruments from Other Entities                              |       | -61,435              | 0                    |
| Purchase of Subsidiaries, Net of Cash Acquired                                     |       | 45,274               | 0                    |
| Purchase of Property, Plant and Equipment  | 12    | -45,738              | -44,669              |
| Purchase of Intangible Assets  | 15    | -320                 | -787                 |
| Purchase of Other Long-Term Assets   |       | 0                    | 0                    |
| <b>Net Cash Generated by Investing Activities</b>                                  |       | <b>-59,986</b>       | <b>-8,756</b>        |
| <b>Cash Flow from Financing Activities</b>   |       |                      |                      |
| <b>Collections due to Financing Activities</b>                                     |       |                      |                      |
| Short term and long-term loans   |       | 229,698              | 458,991              |
| <b>Payments due to Financing Activities</b>  |       |                      |                      |
| Short term and long-term loans amortization  |       | -76,168              | -368,092             |
| Interests paid   | 28    | -4,817               | -7,938               |
| Dividends paid   |       | 0                    | 0                    |
| <b>Net Cash Generated by Financing Activities</b>                                  |       | <b>148,713</b>       | <b>82,961</b>        |
| Net Increase (Reduction) of Cash and Equivalents before Exchange Rate Changes      |       | 28,823               | -1,682               |
| Effects of Exchange Rate Changes on the balance of Cash Held in Foreign Currencies |       | 0                    | 0                    |
| Net Increase (Reduction) of Cash and Equivalents                                   |       | 28,823               | -1,682               |
| Cash and Cash Equivalents at the beginning of the year                             |       | 700,462              | 445,501              |
| <b>Cash and Cash Equivalents at the end of the period</b>                          |       | <b>729,285</b>       | <b>443,819</b>       |