

QE-0002, Valuation Model, Table 1
Omega Panama P&L

Calculations	2011	2012	2013
	(US\$, Unless Otherwise Stated)		
	(1)	(2)	(3)
1. Contracts Revenue	████████	████████	████████
2. Management Services	████████	-	-
3. Total Income	R1 + R2 ████████	████████	████████
4. Contracts Cost	████████	████████	████████
5. Gross Profit	R1 + R2 - R4 ████████	████████	████████
6. General & Administrative Expenses	████████	████████	████████
7. EBIT	R5 - R6 ████████	████████	████████
8. Gross Margin	1 - R4 / R1 ████████	████████	████████
9. General Expenses to Revenue Ratio	R6 / R1 ████████	████████	████████
10. Average Gross Margin 2011-2013	████████		

Sources:

Rows 1-6, Col. (1): C-0137, Omega Engineering, Inc. Financial Statements and Supplementary Information as of 31 December 2012 and Independent Auditors' Report, p. 5 of PDF

Rows 1-6, Cols. (2)-(3): C-0136, Omega Engineering, Inc. Financial Statements and Supplementary Information as of 31 December 2013 and 2012 and Independent Auditors' Report, p. 5 of PDF

QE-0002, Valuation Model, Table 2
Fiscal Expense Ratio per Government Forecast

	2015	2016	2017	2018	2019
	(Percent)				
	(1)	(2)	(3)	(4)	(5)
Panama Capital Expenditures as a % of GDP	6.3%	5.9%	5.3%	4.8%	4.8%

Source:
 Cols. (1)-(5): QE-0027, Plan Estratégico de Gobierno Panama (PEG) 2015-2019, December 2014, pp. 127, 129. Using the ratio of "PIB" and "Gastos de Capital."

QE-0002, Valuation Model, Table 3
Discount Rate as of the Valuation Date

Calculation	Compass Lexecon	Quadrant Economics	
		Lower Range	Upper Range
	(Percent, Unless Otherwise Stated)		
	(1)	(2)	(3)
1. Risk-Free Rate	2.54%	2.54%	2.57%
2. Equity Risk Premium	5.78%	5.78%	7.00%
3. Re-levered Adjusted Beta	1.25	1.25	1.25
4. Additional Risk Premium	-	5.78%	5.78%
5. Country Equity Risk Premium	1.89%	2.84%	6.20%
6. Cost of Equity	R1 + (R2 x R3) + R4 + R5	11.65%	23.29%

Note:

Row 4: I use Compass Lexecon's estimated value for Omega Panama to determine the applicable Additional Risk Premium, based on Duff&Phelps' classifications. This valuation falls within the 10th decile of Duff&Phelps' classifications.

Sources:

- Col (1): C-0240 [CLEX-02], CL Valuation Model, tab "VI. CoE"
- Col. (2), Rows 1-3: C-0240 [CLEX-02], CL Valuation Model, tab "VI. CoE"
- Cols. (2)-(3), Row 4: QE-0035, Duff & Phelps, "2015 Valuation Handbook, Guide to Cost of Capital," pp. 7-9, 7-10 (Exhibit 7.3)
- Col (3), Row 1: QE-0034, US Department of the Treasury, Daily Treasury Long Term Rate Data, 2014, p. 6 of PDF
- Col (3), Row 2: QE-0035, Duff & Phelps, "2015 Valuation Handbook, Guide to Cost of Capital," p. 55 of PDF
- Col (2), Row 2: C-0240 [CLEX-02], CL Valuation Model, tab "VI. CoE"
- Col (3), Row 3: C-0240 [CLEX-02], CL Valuation Model, tab "VI. CoE"
- Col (3), Row 5: QE-0050, Duff & Phelps 2015 International Valuation Handbook, Guide to Cost of Capital, p. 21 of PDF

QE-0002, Valuation Model, Table 4 Willing Buyer's View - Cash Flows

New Contracts Valuation

Concept

Valuation Date 23-Dec-14
 Cost of Equity 11.65%

	Nominal Value	As of December 14
2015 Projects Cashflows	1.02	0.88
2016 Projects Cashflows	3.76	2.91
2017 Projects Cashflows	4.39	3.03
2018 Projects Cashflows	4.79	2.97
2019 Projects Cashflows	3.46	1.99
Beyond 2019*	3.53	11.36
Total (US\$ million)		23.15

Note: Value Beyond 2019 was estimated through a perpetuity with a 2% growth rate.

Contracts Estimation		2015	2016	2017	2018	2019
Panama GDP (US\$ million)		49,142	54,003	58,954	63,950	69,281
Central Government Capital Expenditure (% of GDP)	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
Central Government Capital Expenditure (US\$ million)		4,177	4,590	5,011	5,436	5,889

Source: IMF. World Economic Outlook Database – October 2014 (CLEX-31)

Market Size for the Omega Consortium (% Central Government Capital Expenditure)	■	■	■	■	■	■
Market Size for the Omega Consortium (US\$ million)		■	■	■	■	■
Number of Existing Contracts as of December 23, 2014	8					
Implied Number of Existing Contracts		6.250	0.667	-	-	-
Adjustment Factor		0.219	0.917	1.000	1.000	1.000
Adjusted Market Size for the Omega Consortium (US\$ million)		■	■	■	■	■

Note: Adjustment factor equals one less the quotient between the number of existing contracts as of December 23, 2014 and implied number of existing contracts for a given year.

Success Rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Awarded amounts to the Omega Consortium (US\$ million)		■	■	■	■	■
Gross Profit Margin on New Contracts	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
Value of New Contracts Obtained per Year (US\$ million)		1.48	6.84	8.14	8.83	9.57
Cash Allocation of 2015 Projects	1.48	0.99	0.49	-	-	-
Cash Allocation of 2016 Projects	6.84	-	4.56	2.28	-	-
Cash Allocation of 2017 Projects	8.14	-	-	5.43	2.71	-
Cash Allocation of 2018 Projects	8.83	-	-	-	5.89	2.94
Cash Allocation of 2019 Projects	6.38	-	-	-	-	6.38
Total (US\$ million)		0.99	5.05	7.71	8.60	9.32

Note: We assume that cashflows are equally distributed during an 18 months period. 67% of gross profits are generated during first year, and 33% the second year.

QE-0002, Valuation Model, Table 4 Willing Buyer's View - Cash Flows

		2015	2016	2017	2018	2019
Allocation of Gross Profits (67% first year, 33% second year)						
Income Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Gross Profit After Tax						
2015 Projects	1.11	0.74	0.37	-	-	-
2016 Projects	5.13	-	3.42	1.71	-	-
2017 Projects	6.11	-	-	4.07	2.04	-
2018 Projects	6.62	-	-	-	4.42	2.21
2019 Projects	4.78	-	-	-	-	4.78
Total (US\$ million)	23.76	0.74	3.79	5.78	6.45	6.99
General Expenses						
General Expenses (% awarded amounts to the Omega Consortium)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Existing Contracts Completion %		80.4%	19.6%	-	-	-
General Expenses Allocated to Existing Contracts	2.76	2.21	0.54	-	-	-
General Expenses for New Contracts		-	1.30	2.19	2.38	2.58
After Tax General Expenses (US\$ million)		-	0.98	1.64	1.78	1.93
<i>Note: General expenses for a given year are calculated on the basis of expected total amount of contracts awarded for that year. Existing Contracts overheads are then deducted from this amount.</i>						
<i>Source: Sheet "Losses on Future Cash flows". Overheads are equally distributed in from the date of valuation to the date of completion of the last existing contract.</i>						
Total Nominal Cashflow (US\$ million)		0.74	2.81	4.14	4.67	5.06

QE-0002, Valuation Model, Table 4 Willing Buyer's View - Cash Flows

Present Value of Cashflows		2015	2016	2017	2018	2019	2020
Nominal Value							
2015 Projects	1.02	0.74	0.28	-	-	-	-
2016 Projects	3.76	-	2.54	1.22	-	-	-
2017 Projects	4.39	-	-	2.91	1.47	-	-
2018 Projects	4.79	-	-	-	3.20	1.60	-
2019 Projects	3.46	-	-	-	-	3.46	-
Omega Panama Cashflows (2% growth)							
Total		0.74	2.81	4.14	4.67	5.06	5.16
Discount Factor		0.89	0.80	0.72	0.64	0.57	0.51
Present Value							
2015 Projects	0.88	0.66	0.22	-	-	-	-
2016 Projects	2.91	-	2.03	0.88	-	-	-
2017 Projects	3.03	-	-	2.09	0.95	-	-
2018 Projects	2.97	-	-	-	2.05	0.92	-
2019 Projects	1.99	-	-	-	-	1.99	-
After 2019	19.36						2.66
Total After Cash Collection as of December 23, 2014 (US\$ million)	31.15	0.66	2.25	2.96	3.00	2.91	2.66
Terminal Value		2015	2016	2017	2018	2019	2020
Perpetuity Growth Rate	2.00%						
Nominal Cash Flow 2019						5.06	-
2019 Onwards as of December 23, 2014	11.36	0.00	0.00	0.00	0.00	0.00	0.00
2019 Onwards	-	0.00	0.00	0.00	0.00	0.00	0.00

QE-0002, Valuation Model, Table 4 Willing Buyer's View - Cash Flows

Present Value of Cashflows	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Nominal Value										
2015 Projects										
2016 Projects										
2017 Projects										
2018 Projects										
2019 Projects										
Omega Panama Cashflows (2% growth)										
Total	5.27	5.37	5.48	5.59	5.70	5.81	5.93	6.05	6.17	6.29
Discount Factor	0.46	0.41	0.37	0.33	0.30	0.27	0.24	0.21	0.19	0.17
Present Value										
2015 Projects	-	-	-	-	-	-	-	-	-	-
2016 Projects	-	-	-	-	-	-	-	-	-	-
2017 Projects	-	-	-	-	-	-	-	-	-	-
2018 Projects	-	-	-	-	-	-	-	-	-	-
2019 Projects	-	-	-	-	-	-	-	-	-	-
After 2019	2.43	2.22	2.03	1.85	1.69	1.54	1.41	1.29	1.18	1.08
Total After Cash Collection as of December 23, 2014 (US\$ million)	2.43	2.22	2.03	1.85	1.69	1.54	1.41	1.29	1.18	1.08
Terminal Value										
Perpetuity Growth Rate										
Nominal Cash Flow 2019	-	-	-	-	-	-	-	-	-	-
2019 Onwards as of December 23, 2014	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.36
2019 Onwards	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	66.51

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VALUATION			
	Valuation Date	<input type="text" value="12/23/2014"/>	
	Date of Report	<input type="text" value="06/25/2018"/>	
<input type="button" value="QE(Midpoint)"/>	Cost of Capital	<input type="text" value="Cost of Equity"/>	<input type="text" value="20.84%"/>
<input type="button" value="QE"/>	Dec 2014 to Jun 2018 Update Rate	<input type="text" value="0.00%"/>	

NEW CONTRACTS			
	Omega General Expenses	% of Revenues	<input type="text" value="3.50%"/> Ad Hoc
<input type="button" value="QE"/>	Fiscal Expense	% of GDP	<input type="text" value="Fiscal Expense Ratio per Gov't Forecast"/> Ad Hoc
	Omega Participation Rate	% of Fiscal Expense	<input type="text" value="5.00%"/> Ad Hoc
<input type="button" value="QE"/>	Success Rate	% of Offered Tenders	<input type="text" value="9.39%"/> Ad Hoc
<input type="button" value="QE"/>	Profit Margin on Won Bids	% of Bidded Prices	<input type="text" value="10.71%"/> Ad Hoc
	Overheads Inclusion		<input type="text" value="Yes"/>
	Income Tax Rate		<input type="text" value="25.00%"/>
	Perpetuity Growth Rate		<input type="text" value="2.00%"/>

<input type="button" value="QE"/>	Perpetuity Valuation (US\$ millions)	<input type="text" value="0.00"/>
<input type="button" value="QE"/>	Correction to Advances Balance	<input type="text" value="Use Nominal Value"/>
<input type="button" value="QE"/>	Correction to G&A Expenses	<input type="text" value="Use Complete G&A New Contracts (2015 and 2016)"/>
<input type="button" value="QE"/>	Interest on Unpaid Progress Billings	<input type="text" value="0.00%"/>

Additional Calculations (do not delete)

Overheads Inclusion

1	Yes
2	No
1	Yes

Control Panel

CLEX
QE

Discount Rate	
CLEX	11.65%
QE (Lower Range)	18.38%
QE(Midpoint)	20.84%
QE (Upper Range)	23.29%

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
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MINSA CAPSi Puerto Caimito	Payment Applications				Unpaid Progress Billings				Advance		
	Date	Due Date	Amount	Amount Received	Retained Taxes	Total Taxes	Withholdings	Nominal Value	Update Factor	As of December 2014	Advance Amount
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Mercado Publico, Colon	Payment Applications				Unpaid Progress Billings				Advance		
	Date	Due Date	Amount	Amount Received	Retained Taxes	Total Taxes	Withholdings	Nominal Value	Update Factor	As of December 2014	Advance Amount
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Ciudad de las Artes	Payment Applications				Unpaid Progress Billings				Advance		
	Date	Due Date	Amount	Amount Received	Retained Taxes	Total Taxes	Withholdings	Nominal Value	Update Factor	As of December 2014	Advance Amount
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Losses on Expected Future Cashflows

Concept

Valuation Date 23-Dec-14
 Cost of Equity 20.84%
 Income Tax Rate 25.00% *Source: Damodaran - Country tax rates (CLEX-28).*

Contract Project	Nominal Value			
	Pending Revenues	Pending Costs	Pending Taxes	Total
██████████	██	██	██	██
██████████	██	██	██	██
██████████	██	██	██	██
██████████	██	██	██	██
██████████	██	██	██	██
██████████	██	██	██	██
██████████	██	██	██	██
██████████	██	██	██	██
██████████	██	██	██	██
██████████	██	██	██	██
██████████	██	██	██	██
██████████	██	██	██	██
██████████	██	██	██	██

*Source: McKinnon Report, Annex 2, p.1. Pending taxes are own calculations.
 Note: Taxes are calculated by applying the 25 tax rate to the taxable income (pending revenues less pending costs).*

Contract Project	As of December 23, 2014			
	Discount Factor	Pending Revenues	Pending Costs	Total
██████████	██	██	██	██
██████████	██	██	██	██
██████████	██	██	██	██
██████████	██	██	██	██
██████████	██	██	██	██
██████████	██	██	██	██
██████████	██	██	██	██
██████████	██	██	██	██
██████████	██	██	██	██
██████████	██	██	██	██
██████████	██	██	██	██
██████████	██	██	██	██
██████████	██	██	██	██

Note: Discount factor is computed as the inverse of the compounded interest between the date of valuation and each project's completion mid point.

Contract Project	Discount Factor Calculations				
	Completion Date	Mid Point	Length (months)	2015 Length (months)	2016 Length (months)
Minsa Capsi Rio Sereno	09/20/2015	05/07/2015	9	9	0
Minsa Capsi Kuna Yala	03/23/2015	02/06/2015	3	3	0
Minsa Capsi Puerto Caimito	09/28/2015	05/11/2015	9	9	0
Mercado Público Ciudad de Colón	03/24/2016	08/08/2015	15	12	3
Ciudad de las Artes, Curundu, Panama	03/31/2016	08/12/2015	15	12	3
Organo Judicial, La Chorrera	01/31/2016	07/13/2015	13	12	1
Palacio Municipal, Ciudad de Colon	01/22/2016	07/08/2015	13	12	1
Mercados Perifericos, Ciudad de Panama	06/20/2015	03/22/2015	6	6	0
Implied Number of Existing Contracts				6	1

Source: Information provided by Claimants.

Note: Mid point is calculated as the average between the date of valuation and each project's completion date.

Contract Project	Discount Factor Calculations	
	Completion Date	Mid Point
Minsa Capsi Rio Sereno	09/20/2015	05/07/2015
Minsa Capsi Kuna Yala	03/23/2015	02/06/2015
Minsa Capsi Puerto Caimito	09/28/2015	05/11/2015
Mercado Público Ciudad de Colón	03/24/2016	08/08/2015
Ciudad de las Artes, Curundu, Panama	03/31/2016	08/12/2015
Organo Judicial, La Chorrera	01/31/2016	07/13/2015
Palacio Municipal, Ciudad de Colon	01/22/2016	07/08/2015
Mercados Perifericos, Ciudad de Panama	06/20/2015	03/22/2015

Source: Sheet "Losses on Future Cashflows".

New Contracts Valuation

Concept

Valuation Date 23-Dec-14
 Cost of Equity 20.84%

	Nominal Value	As of December 14
2015 Projects Cashflows	0.13	0.10
2016 Projects Cashflows	0.66	0.42
2017 Projects Cashflows	0.79	0.42
2018 Projects Cashflows	0.78	0.34
2019 Projects Cashflows	0.56	0.22
Beyond 2019*	0.57	-
Total (US\$ million)		1.51

Note: Value Beyond 2019 was estimated through a perpetuity with a 2% growth rate.

Contracts Estimation		2015	2016	2017	2018	2019
Panama GDP (US\$ million)		49,142	54,003	58,954	63,950	69,281
Central Government Capital Expenditure (% of GDP)	Fiscal Expense Ratio per Gov't Forecast	6.30%	5.94%	5.32%	4.82%	4.81%
Central Government Capital Expenditure (US\$ million)		3,095	3,209	3,137	3,082	3,333

Source: IMF, World Economic Outlook Database – October 2014 (CLEX-31)

Market Size for the Omega Consortium (% Central Government Capital Expenditure)	5.00%					
Market Size for the Omega Consortium (US\$ million)						
Number of Existing Contracts as of December 23, 2014	8					
Implied Number of Existing Contracts				-	-	-
Adjustment Factor						
Adjusted Market Size for the Omega Consortium (US\$ million)						
Success Rate	9.39%					
Awarded amounts to the Omega Consortium (US\$ million)						
Gross Profit Margin on New Contracts	10.71%					
Value of New Contracts Obtained per Year (US\$ million)		0.34	1.48	1.58	1.55	1.68
Cash Allocation of 2015 Projects	0.34	0.23	0.11	-	-	-
Cash Allocation of 2016 Projects	1.48	-	0.99	0.49	-	-
Cash Allocation of 2017 Projects	1.58	-	-	1.05	0.53	-
Cash Allocation of 2018 Projects	1.55	-	-	-	1.03	0.52
Cash Allocation of 2019 Projects	1.12	-	-	-	-	1.12
Total (US\$ million)		0.23	1.10	1.55	1.56	1.63

Note: We assume that cashflows are equally distributed during an 18 months period. 67% of gross profits are generated during first year, and 33% the second year.

Allocation of Gross Profits (67% first year, 33% second year)

Income Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Gross Profit After Tax						
2015 Projects	0.26	0.17	0.09	-	-	-

2016 Projects	1.11	-	0.74	0.37	-	-
2017 Projects	1.18	-	-	0.79	0.39	-
2018 Projects	1.16	-	-	-	0.78	0.39
2019 Projects	0.84	-	-	-	-	0.84
Total (US\$ million)	4.55	0.17	0.83	1.16	1.17	1.23

General Expenses

General Expenses (% awarded amounts to the Omega Consortium)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Existing Contracts Completion %		80.4%	19.6%	-	-	-
General Expenses Allocated to Existing Contracts	2.76	2.21	0.54	-	-	-
General Expenses for New Contracts		0.11	0.48	0.52	0.51	0.55
After Tax General Expenses (US\$ million)		0.08	0.36	0.39	0.38	0.41

Note: General expenses for a given year are calculated on the basis of expected total amount of contracts awarded for that year. Existing Contracts overheads are then deducted from this amount.

Source: Sheet "Losses on Future Cash flows". Overheads are equally distributed in from the date of valuation to the date of completion of the last existing contract.

Total Nominal Cashflow (US\$ million)	0.09	0.46	0.77	0.79	0.82
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Present Value of Cashflows		2015	2016	2017	2018	2019
Nominal Value						
2015 Projects	0.13	0.09	0.05	-	-	-
2016 Projects	0.66	-	0.41	0.25	-	-
2017 Projects	0.79	-	-	0.53	0.27	-
2018 Projects	0.78	-	-	-	0.52	0.26
2019 Projects	0.56	-	-	-	-	0.56
Discount Factor		0.82	0.68	0.56	0.47	0.39
Present Value						
2015 Projects	0.10	0.07	0.03	-	-	-
2016 Projects	0.42	-	0.28	0.14	-	-
2017 Projects	0.42	-	-	0.30	0.12	-
2018 Projects	0.34	-	-	-	0.24	0.10
2019 Projects	0.22	-	-	-	-	0.22
Total After Cash Collection as of December 23, 2014 (US\$ million)	1.51	0.07	0.32	0.44	0.37	0.31
Terminal Value						
Perpetuity Growth Rate	2.00%					
Nominal Cash Flow 2019						0.82
2019 Onwards as of December 23, 2014	-	0.00	0.00	0.00	0.00	0.00
2019 Onwards	4.41	0.00	0.00	0.00	0.00	4.41

Historical Information

Concept	2009	2010	2011	2012	2013
Macroeconomic Data					
Panama GDP (US\$ million)	24,163	27,053	31,320	35,938	40,467
Fiscal Expense (Capital Expenditure)	1,482	2,013	2,655	3,315	3,676
<i>% of Total GDP</i>	6.1%	7.4%	8.5%	9.2%	9.1%

Sources: IMF. World Economic Outlook Database – October 2014 (CLEX-031) and RoP's Fiscal Budgets for the period 2009-2014 (CLEX-09).

Omega's Historical Bids

Tendered Bids	-	176.4	336.8	87.1	61.4
<i>% of Gov. Expense</i>	-	8.8%	12.7%	2.6%	1.7%
Won Bids	-	-	52.5	87.1	2.0
<i>Success Rate</i>	-	-	15.6%	100.0%	3.2%

Source: Omega Historical Bids (CLEX-06).

Success Rate	9.4%
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