LatAm Logistic Properties, S.A.

Consolidated Interim Financial Statements

September 30, 2021 and December 31, 2020

LATAM LOGISTIC PROPERTIES, S.A.

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REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

To the Board of Directors and Stockholders of
Latam Logistic Properties, S.A.

We have reviewed the accompanying consolidated interim financial statements of Latam Logistic Properties, S.A. and Subsidiaries ("the Group"), which comprise the consolidated interim statement of financial position as of September 30, 2021 and the corresponding consolidated interim statements of profit or loss and other comprehensive income, consolidated interim statements of changes in equity, and consolidated interim statements of cash flows for the three and nine month periods then ended, as well as the notes to the consolidated interim financial statements, including a summary of the significant accounting policies. Management is responsible for the preparation and fair presentation of this consolidated interim financial information in accordance with International Financial Reporting Standards ("IFRS"). Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not give a true and fair view of the consolidated financial position of the Group as at September 30, 2021, and of its consolidated financial performance and its consolidated cash flows for the three month and nine month periods then ended in accordance with International Financial Reporting Standards ("IFRS").

Other Matters

The consolidated statement of financial position as of December 31, 2020, corresponds to the audited annual consolidated financial statements which is dated March 3, 2021. Therefore, for a better understanding, the consolidated interim financial information should be read in conjunction with the audited annual consolidated financial statements, as of and for the year ended December 31, 2020.

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These consolidated interim financial information have been translated to English for the convenience of readers.

I am not subject to the limitations of Article 9 of Law 1038, and of Articles 20 and 21 of the Regulations to said Law, nor of Article 11 of the Code of Ethics of the College of Public Accountants of Costa Rica to issue this report.

Jorge Andrés Barboza Hidalgo - C.P.A. No.5079
Insurance Policy No.0116 FIG 7
Expires: September 30, 2022
Revenue stamp of law No.6663, ¢1.000, affixed and paid

November 12, 2021

LATAM LOGISTIC PROPERTIES, S.A. AND SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2021 AND DECEMBER 31, 2020
(Expressed in US Dollars of United States of America)

	Notes	September 30, 2021	December 31, 2020
ASSETS			
CURRENT ASSETS:			
Cash in bank accounts	7	US$ 25,701,561	US$ 15,458,803
Receivables, net	2g, 8	2,369,146	1,566,783
Other current assets	9	3,119,943	2,176,467
Total current assets		31,190,650	19,202,053
NON-CURRENT ASSETS:			
Receivables - long term	2g, 8	7,709,018	6,178,303
Due from related parties - long term	24	6,026,366	5,027,735
Office right - of - use	2i, 15	160,128	237,341
Prepaid construction	11	4,650,131	4,434,069
Investment properties	2j, 12	419,671,077	364,307,039
Land inventory	2k, 13	2,977,147	
Vehicles, furniture and equipment, net	2h, 10	545,538	561,928
Deferred tax asset	23	520,104	1,323,723
Restricted cash	7, 16	3,928,828	7,744,696
Total non-current assets		446,188,337	389,814,834
TOTAL ASSETS		US$477,378,987	US$409,016,887
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts payable and accrued expenses	2d, 2m, 2n, 14	US$ 15,655,374	US$ 14,234,571
Deposits for the sale of assets	13	1,200,000	
Lease liability - current	2i, 15	105,661	102,465
Long term debt - current portion	2g, 16	28,739,619	11,554,427
Total current liabilities		45,700,654	25,891,463
NON-CURRENT LIABILITIES:			
Long term debt	2g, 16	153,809,571	115,137,434
Lease liability - long term	2i, 15	76,529	160,149
Deferred tax liability	23	39,546,765	31,650,590
Security deposits	17	1,282,234	942,954
Total non - current liabilities		194,715,099	147,891,127
Total liabilities		240,415,753	173,782,590
EQUITY:			
Capital quotes	2o, 18a		100
Additional paid-in capital	18b		168,142,696
Common share capital	18	167,353,664	
Accumulated earnings		54,406,831	49,606,841
Cumulative translation adjustment	2b	(15,859,338)	(6,011,513)
Capital attributable to owners		205,901,157	211,738,124
Non - controlling interest	2f, 20	31,062,077	23,496,173
Total equity		236,963,234	235,234,297
TOTAL LIABILITIES AND EQUITY		US$477,378,987	US$409,016,887

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

LATAM LOGISTIC PROPERTIES, S.A. AND SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE PERIODS OF THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in US Dollars of United States of America)

		Three Months Ended September 30,		Nine Months Ended September 30,	
	Notes	**2021**	**2020**	**2021**	**2020**
REVENUES:	2p				
Rental revenue	4	US$ 6,717,302	US$ 4,821,622	US$18,410,400	US$ 14,045,970
Development fee income		509	8,244	41,142	85,120
Total revenues		6,717,811	4,829,866	18,451,542	14,131,090
COSTS AND OPERATING EXPENSES:					
Investment property operating expense	5	838,297	464,218	2,365,012	1,767,192
General and administrative	21	1,402,404	1,183,624	3,833,502	3,121,558
Total costs and operating expenses		2,240,701	1,647,842	6,198,514	4,888,750
OTHER NON-OPERATING INCOME (EXPENSES):					
Investment property valuation gain	12			13,718,516	
Interest income from related parties	2r, 24	111,209	91,413	313,631	227,088
Office lease financing cost	15	(3,587)	(5,484)	(12,181)	(16,075)
Right-of-use amortization	15	(24,100)	(23,553)	(72,659)	(70,690)
Depreciation and amortization	10	(30,905)	(29,197)	(92,508)	(80,476)
Foreign currency (loss) gain		(233,893)	(77,125)	(601,227)	(555,395)
Other income		23,712	14,353	67,624	95,274
Other expense	22	(263,045)	(94,931)	(434,833)	(152,729)
Interest expense	2r, 16	(2,483,608)	(1,614,165)	(6,432,047)	(4,953,740)
Deferred financing cost amortization	2r, 16	(141,486)	(60,463)	(354,774)	(172,371)
NET PROFIT BEFORE TAXES		1,431,407	1,382,872	18,353,570	3,563,226
INCOME TAX EXPENSE	2s, 23	(1,898,407)	(481,373)	(9,761,986)	(1,764,977)
(LOSS) PROFIT FOR THE PERIOD		(467,000)	901,499	8,591,584	1,798,249
OTHER COMPREHENSIVE LOSS:					
Items that are not reclassified subsequently to profit or loss:					
Translation loss from functional currency to reporting currency		(1,794,583)	(2,696,888)	(9,847,825)	(13,492,230)
Total comprehensive loss for the period		US$(2,261,583)	US$(1,795,389)	US$ (1,256,241)	US$(11,693,981)
(LOSS) PROFIT FOR THE PERIOD ATTRIBUTABLE TO:					
Owners of the Group		US$ (529,889)	US$ 897,409	US$ 4,799,990	US$ 1,523,019
Non-controlling interests	2f, 20	62,889	4,090	3,791,594	275,230
Total		US$ (467,000)	US$ 901,499	US$ 8,591,584	US$ 1,798,249
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:					
Owners of the Group		US$(2,324,472)	US$(1,799,479)	US$ (5,047,835)	US$(11,969,211)
Non-controlling interests		62,889	4,090	3,791,594	275,230
Total		US$(2,261,583)	US$(1,795,389)	US$ (1,256,241)	US$(11,693,981)
(Loss) earnings for the period per share attributed to common stockholders of the Group	19	US$(0.0031514)	US$0.0053372	US$ 0.0285471	US$ 0.0090579

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

LATAM LOGISTIC PROPERTIES, S.A. AND SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS OF THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in US Dollars of United States of America)

		Three Months Ended September 30, 2021 and 2020									
		Capital Attributable to Owners of the Group									
		Quotes			Common Stocks						
	Notes	Number of Quotes	Capital Quotes	Quotes Additional Paid-in Capital	Number of Shares	Ordinary Share Value	Accumulated Earnings	Adjustment for Translation of Financial Statements	Capital Attributable to Owners	Non-controlling Interests	Total Equity
BALANCE AS OF JUNE 30, 2020	18a	100	US$ 100	US$ 156,342,696			US$56,323,808	US$(14,048,559)	US$198,618,045	US$ 8,129,425	US$206,747,470
Net income for the period							897,409		897,409	4,090	901,499
Adjustment for translation of financial statements	2b							(2,696,888)	(2,696,888)		(2,696,888)
Total comprehensive income for the period							897,409	(2,696,888)	(1,799,479)	4,090	(1,795,389)
Additional paid-in capital	18b, 20			6,700,000					6,700,000		6,700,000
BALANCE AS OF SEPTEMBER 30, 2020	18a	100	US$ 100	US$ 163,042,696		US$	US$57,221,217	US$(16,745,447)	US$203,518,566	US$ 8,133,215	US$211,652,081
BALANCE AS OF JUNE 30, 2021					168,142,740	US$167,487,779	US$54,936,720	US$(14,064,755)	US$208,359,744	US$30,035,464	US$238,395,208
Loss for the period							(529,889)		(529,889)	62,889	(467,000)
Adjustment for translation of financial statements								(1,794,583)	(1,794,583)		(1,794,583)
Total comprehensive loss for the period							(529,889)	(1,794,583)	(2,324,472)	62,889	(2,261,583)
Additional paid-in capital	18b, 20									963,724	963,724
Initial public offering issuance cost	18					(134,115)			(134,115)		(134,115)
BALANCE AS OF SEPTEMBER 30, 2021	18, 20		US$	US$	168,142,740	US$167,353,664	US$54,406,831	US$(15,859,338)	US$205,901,157	US$31,062,077	US$236,963,234

(Continues)

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

LATAM LOGISTIC PROPERTIES, S.A. AND SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS OF THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in US Dollars of United States of America)

		Nine Months Ended September 30, 2021 and 2020									
		Capital Attributable to Owners of the Group									
		Quotes			Common Stocks						
	Notes	Number of Quotes	Capital Quotes	Quotes Additional Paid-in Capital	Number of Shares	Ordinary Share Value	Accumulated Earnings	Adjustment for Translation of Financial Statements	Capital Attributable to Owners	Non-controlling Interests	Total Equity
BALANCE AS OF DECEMBER 31, 2019	18a	100	US$ 100	US$ 156,342,696		US$	US$55,698,198	US$ (3,253,217)	US$208,787,777	US$ 7,858,285	US$216,646,062
Net income for the period							1,523,019		1,523,019	275,230	1,798,249
Adjustment for translation of financial statements	2b							(13,492,230)	(13,492,230)		(13,492,230)
Total comprehensive income for the period							1,523,019	(13,492,230)	(11,969,211)	275,230	(11,693,981)
Additional paid-in capital	18b			6,700,000					6,700,000		6,700,000
BALANCE AS OF SEPTEMBER 30, 2020	18a	100	US$ 100	US$ 163,042,696		US$	US$57,221,217	US$(16,745,447)	US$203,518,566	US$ 8,133,515	US$211,652,081
BALANCE AS OF DECEMBER 31, 2020		100	US$ 100	US$ 168,142,696			US$49,606,841	US$ (6,011,513)	US$211,738,124	US$23,496,173	US$235,234,297
Profit for the period							4,799,990		4,799,990	3,791,594	8,591,584
Adjustment for translation of financial statements								(9,847,825)	(9,847,825)		(9,847,825)
Total comprehensive loss for the period							4,799,990	(9,847,825)	(5,047,835)	3,791,594	(1,256,241)
Transfer of Capital Quotes par value to share value due to conversion of S.R.L. to S.A.		(100)	(100)		100	US$ 100					
Transfer of values of quotes additional paid in capital to share par value due to conversion of S.R.L. to S.A.				(168,142,696)	168,142,740	168,142,696					
Other						(56)			(56)		(56)
Additional paid-in capital	18b, 20									4,024,310	4,024,310
Initial public offering issuance cost						(789,076)			(789,076)		(789,076)
Distributions	20									(250,000)	(250,000)
BALANCE AS OF SEPTEMBER 30, 2021	18, 20		US$	US$	168,142,740	US$167,353,664	US$54,406,831	US$(15,859,338)	US$205,901,157	US$31,062,077	US$236,963,234

(Concluded)

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

LATAM LOGISTIC PROPERTIES, S.A. AND SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE PERIODS OF THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in US Dollars of United States of America)

	Notes	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)Profit for the period		US$ (467,000)	US$ 901,499	US$ 8,591,584	US$ 1,798,249
Adjustments for:					
Gain on early termination of office lease					(2,611)
Investment properties valuation gain	12			(13,718,516)	
Investment properties closing costs	12, 22	211,412		347,908	
Unrealized foreign currency exchange loss		192,830	115,738	500,952	294,956
Deferred income tax	23	1,558,211	392,191	8,749,809	1,466,049
Current income tax	23	340,196	89,182	1,012,177	298,928
Rent leveling	2p	(678,331)	(1,063,664)	(1,718,673)	(3,826,284)
Rent incentive amortization		8,988	6,907	27,209	20,801
Bad debt reserve (reversal)	8	174,441	(78,677)	406,217	201,629
Right - of - use amortization	15	24,100	23,553	72,659	70,690
Depreciation, amortization and disposals	10	29,900	29,197	92,360	80,476
Office lease financing cost	15	3,587	5,484	12,181	16,075
Interest income from related parties	24	(111,209)	(91,413)	(313,631)	(227,088)
Deferred financing cost amortization	16	141,486	60,463	354,774	172,371
Interest expense	16	2,483,608	1,614,165	6,432,047	4,953,740
Changes in working capital:					
Receivables	8	(1,461,621)	(953,272)	(3,165,845)	(1,641,728)
Other assets	9	35,466	129,283	(520,145)	(65,512)
Due to related parties	24	(35,810)			
Payables and accrued expenses	14	99,494	475,708	359,990	739,918
Security deposits	17	219,371	75,234	339,280	170,966
Cash provided in operating activities		2,769,119	1,731,578	7,862,237	4,521,625
Income taxes paid	23	(284,997)	(118,217)	(1,131,237)	(892,043)
Net cash provided by operating activities		2,484,122	1,613,361	6,731,100	3,629,582
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions to investment property, including acquisitions closing costs	12	(25,885,860)	(7,814,890)	(52,896,384)	(21,983,781)
Deposits paid for acquisitions of investment properties	9			(962,830)	(752,400)
Additions to land inventory	13	(174,149)		(614,330)	
Proceeds from sale of land inventory	13			1,200,000	
Due from related parties	24		(1,150,000)	(685,000)	(1,150,000)
Additions to property, furniture and equipment	10	(11,953)	(62,040)	(89,719)	(162,720)
Net cash used in investing activities		(26,071,962)	(9,026,930)	(54,048,263)	(24,048,901)
CASH FLOWS FROM FINANCING ACTIVITIES					
Capital contributions	13		6,700,000		6,700,000
Initial public offering issuance costs paid	18	(359,341)		(789,076)	
Capital contributions from non-controlling partners	20	963,724		4,024,310	
Distributions to non-controlling partners	20			(250,000)	
Office lease liability repayment	15	(25,045)	(19,182)	(74,409)	(65,123)
Long term debt borrowing	16	23,020,000	2,498,528	64,385,929	17,222,510
Long term debt repayment	16	(2,192,766)	(1,350,679)	(5,016,481)	(11,381,913)

(Continues)

LATAM LOGISTIC PROPERTIES, S.A. AND SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in US Dollars of United States of America)

		Three Months Ended September 30,		Nine Months Ended September 30,	
	Notes	**2021**	**2020**	**2021**	**2020**
Restricted cash	16	US$ (8)		US$ 3,814,075	US$ (49,791)
Interest and commitment fee paid	16	(3,001,458)	US$ (2,230,776)	(7,161,326)	(5,749,392)
Cash paid for raising debt	16	(78,868)	(352,144)	(1,069,737)	(488,849)
Lease financing cost paid	15	(3,587)	(5,484)	(12,181)	(16,075)
Net cash provided by financing activities		18,322,651	5,240,263	57,851,104	6,171,367
NET (DECREASE)INCREASE IN CASH		(5,261,971)	(2,173,306)	10,533,941	(14,247,952)
CASH AT THE BEGINNING OF THE PERIOD		30,840,568	13,741,797	15,458,803	26,200,871
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD		122,964	(121,869)	(291,183)	(506,297)
CASH AT THE END OF THE PERIOD		US$ 25,701,561	US$11,446,622	US$ 25,701,561	US$ 11,446,622

(Concluded)

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

1. NATURE OF BUSINESS

Latam Logistic Properties, S.A. is a company organized in accordance with the laws of the Republic of Panama, constituted as a limited liability company, by public deed dated April 29, 2015, and registered before the Public Registry of Panama on May 4, 2015. On January 2, 2021, the General Assembly of Shareholders unanimously approved the transformation and conversion of Latam Logistic Properties, S.A. from a limited liability company to a corporation, resolution duly registered with a Public Registry of Panama on January 13, 2021.

Latam Logistic Properties, S.A. is structured as a holding company or holder of shares in commercial companies, known as its affiliates and subsidiaries (jointly referred to as "the Group" and individually as "Group entities"), that are dedicated to the development, ownership, acquisition, leasing and administration of modern logistic warehouses facilities in Colombia, Peru and Costa Rica.

The consolidated financial statements of the Group as of September 30, 2021 and 2020 and for three and nine months then ended and the year ended at December 31, 2020 include the consolidated financial statements of the Group and its Subsidiaries (jointly referred to as "the Group" and individually as "Group entities").

As of September 30, 2021, and December 31, 2020, Latam Logistic Properties, S.A. ownership structure was as follow:

		September 30, 2021		December 31, 2020		
		Number of Common Shares	% of Ownership	Quotes Type	Number of Quotes	% of Ownership
(1)	JREP I Logistics Acquisition, L.P.	149,378,010	88.8%	A	87	88.8%
	Latam Logistic Investments, LLC	13,451,419	8.0%	B	8	8.0%
	Latam Logistic Equity Partners, LLC	5,313,311	3.2%	C	5	3.2%
	Total	168,142,740	100.0%		100	100.0%

(1) JREP I Logistics Acquisition L.P. ("JREP I") is the Group majority shareholder and controller investor with 88.8 percent ownership. JREP GP LLC has exclusive management control over JREP I, which was engaged by Jaguar Growth Asset Management LLC to have full control over JREP I. The ultimate Group's capital partner is Jaguar Growth Partners LLC, a New York based private equity fund with ample experience in real estate developments throughout emerging markets.

The Group's website is www.latamlogisticproperties.com.

2. SIGNIFICANT ACCOUTING POLICIES

a. ***Basis of Accounting*** - The consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

These consolidated interim financial statements should be read in conjunction with the audited annual consolidated financial statements. Except for new standards adopted in 2021 and detailed in Note 3, the accounting policies in these consolidated interim financial statements are consistent with those of the annual consolidated financial statements. The consolidated financial statements

have been prepared on the historical cost basis except certain properties and the investment properties that are measured at its fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

- **Level 2** - Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- **Level 3** - Inputs are unobservable inputs for the asset or liability, among others, statisct information, and own Group's information, in some instances based on the information provided by some independent experts.

The Group has a control framework established in relation to the measurement of fair values. This includes the supervision of management of all significant fair value measurements, including the fair values of level 3.

The Group's management regulary reviews the significant unobservable variables and the valuation adjustments. If a third-party information, such as broker quotes or pricing services, is used to measure fair values, supervision includes evidence obtained from third parties to support the conclusion that those valuations meet the requirements of IFRS, including the level within the hierarchy of fair value within these valuations should be classified.

The Group made transfers in the valuation of the investment properties that were operating and under development between the fair value of levels from level 2 to level 3 during the period.

The Group management believes that all adjustments and reclassifications that are required for a proper presentation of the financial information are incorporated in these consolidated financial statements.

Going Concern - The directors have, at the time of approving the consolidated interim financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore, the Group's management adopts the going concern basis of accounting in preparing the consolidated interim financial statements.

b. ***Functional and Presentation Currency*** - These consolidated interim financial statements are presented in U.S. dollars (US$), which is the functional currency of Latam Logistic Properties, S.A. and its Subsidiaries, except for the Colombian subsidiaries of Latam Logistic COL OpCo, S.A., Latam Logistic COL PropCo Cota I, S.A.S, and Latam Logistic Propco Celta I, S.A.S. for which the functional currency is the Colombian peso. At September 30, 2021 and December 31, 2020, the sell-exchange rates for a US$1.00 are were the following:

	September 30, 2021	**December 31, 2020**
Costa Rican Colon	¢ 629,71	¢ 617,30
Peruvian Sol	S/ 4,130	S/ 3,621
Colombian Peso	COP3,935	COP3,433

c. ***Foreign Currency*** -

- **Foreign Currency Transactions** - Transactions in foreign currencies are translated into the respective functional currencies of the Group entities at exchange rates at the dates of the transactions.

  Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

- **Foreign Operations** - The assets and liabilities of foreign operations, for which the functional currency is other than the U.S. dollar, are translated into U.S. dollars at exchange rates in effect at the date of the consolidated statement of financial position. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions. Components of equity are translated into U.S. dollars at the historical exchange rates.

  Foreign currency differences are recognized in other comprehensive income (OCI) and accumulated in a separate line item in the equity section under "Adjustment for translation of financial statements" (ATFS), except to the extent that the translation difference is allocated to non-controlling interests. When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the ATFS account related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group

disposes of part of its interest in a subsidiary but retains control, then, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

d. ***Use of Judgements and Estimates*** - In preparing these consolidated interim financial statements, management has made judgments, estimates, and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Actual results may differ from these estimates.

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the Management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in financial statements.

- **Judgments** - Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements.

- **Assumptions and Estimation of Uncertainties** - Information about assumptions and estimation of uncertainties that have a significant risk of resulting in a material adjustment in the three and nine months ending September 30, 2021 and 2020 and at December 31, 2020 were included in notes to the consolidated financial statements.

- **Significant Increase in Credit Risk** - ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

- **Investment Properties** - Investment properties are initially registered at cost, and they are subsequently measured at fair value. Starting on June 30, 2021, the Group gets semi-annual valuations from an independent appraisal.

- **Deferred Taxation on Investment Properties** - For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the Management has reviewed the Group's investment property portfolios and concluded that the Group's investment properties are managed under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. As a result, the Group has recognized any deferred taxes on changes in fair value of investment properties.

e. ***Basis of Consolidation*** - The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group (its subsidiaries) at the end of each reporting period. Control is achieved when the Group:

- Has the authority over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its authority to affects its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it considers that it has authority over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it authority, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets

upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Group.

When the Group loses control of a subsidiary, the gain or loss on disposal recognized in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

The consolidated financial statements include the financial information of Latam Logistic Properties, S.A. (parent company) and its subsidiaries:

	Entities	Country	Ownership Interest	
			September 30, 2021	December 31, 2020
	Latam Logistic Property Holdings LLC	United States	100%	100%
	Latam Logistic COL HoldCo I, S de R.L.	Panamá	100%	100%
	Latam Logistic CR HoldCo I, S de R.L.	Panamá	100%	100%
	Latam Logistic Pan HoldCo S de R.L.	Panamá	100%	100%
	Latam Logistic Pan Holdco El Coyol II S de R.L.	Panamá	50%	50%
	Latam Logistic Pan Holdco Cedis Rurales S de R.L.	Panamá	100%	100%
	Latam Logisitic PAN HoldCo San Joaquin I S de R.L.	Panamá	100%	100%
(1)	Latam Logistic Pan Holdco Lagunilla I, S.R.L.	Panamá	100%	100%
(2)	Latam Logistic Pan Holdco Verbena I S de R.L.	Panamá	47.6%	47.6%
(3)	Latam Logistic Pan Holdco Verbena II S S.R.L.	Panamá	47.6%	47.6%
	Latam Logistic Pan Holdco Santiago I, S de R.L.	Panamá	100%	100%
	Latam Logistic Pan Holdco Santo Domingo, S de R.L.	Panamá	100%	100%
	Latam Logistic Pan Holdco Medellin I, S.R.L.	Panamá	100%	100%
	LatAm Logistic Pan HoldCo Bodegas los Llanos, S.R.L.	Panamá	100%	n/a
	Latam Logistic PER OpCo, S.R.L.	Perú	100%	100%
	Latam Logistic PER PropCo Lurin I, S. de R.L.	Perú	100%	100%
	Latam Logistic PER PropCo Lurin II, S. de R.L.	Perú	100%	100%
	Latam Logistic PER PropCo Lurin III, S. de R.L.	Perú	100%	100%
	Parque Logístico Callao, S.R.L.	Perú	50%	40%
(4)	Latam Logistic COL OpCo, S.A.	Colombia	100%	100%

(Continues)

	Entities	Country	Ownership Interest	
			September 30, 2021	December 31, 2020
	Latam Logistic COL PropCo Cota I, S.A.S.	Colombia	100%	100%
	Latam Logistic Propco Celta I, S.A.S.	Colombia	100%	100%
	Latam Logistic CR OpCo, S.R.L.	Costa Rica	100%	100%
	Latam Logistic CR PropCo Alajuela I, S.R.L.	Costa Rica	100%	100%
	Latamcr Propco El Coyol Dos S de R.L.	Costa Rica	50%	50%
	Latam Propco Bodegas San Joaquín S de R.L.	Costa Rica	100%	100%
	Latam Logistic Propco Cedis Rurales Costa Rica S de R.L.	Costa Rica	100%	100%
	3102784433, S.R.L.	Costa Rica	23.8%	23.8%
(5)	Latam Logistic Propco Lagunilla I S de R.L.	Costa Rica	100%	100%
	Latam Logistic PropCo Bodegas los Llanos S de R.L.	Costa Rica	100%	n/a
	Latam Logistic CR Zona Franca, S. de R.L.	Costa Rica	100%	100%

(1) Formerly known as Latam Logistic Pan Holdco Oficinas San Joaquín Heredia, S.R.L.
(2) Formerly known as Latam Logistic Propco Pedregal Panamá S de R.L.
(3) Formerly known as Latam Logistic Pan Holdco Pedregal Panamá S de R.L.
(4) Formerly known as Latam Logistic COL OpCo, S.A.S.
(5) Formerly known as Latam Logistic Propco Ciruelas IV S de R.L.

f. ***Non-controlling Interests*** - Non-controlling interests represent the share of consolidated entities owned by third parties. The Group recognize each non-controlling holder's respective share of the estimated fair value of the net assets at the date of formation or acquisition. Non-controlling interests are subsequently adjusted for non-controlling holder's share of additional contributions, distributions and their share of the net earnings or losses of each respective consolidated entity. The Group allocate net income to non-controlling interests based on the weighted average ownership interest during the period. The net income that is not attributable to the Group is reflected in the line-item Net earnings attributable to non-controlling interests.

g. ***Financial Instruments*** - All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of Financial Assets - Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- The Group may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below).

i. *Amortized Cost and Effective Interest Method* - The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is cognised by applying the effective interest rate to the gross carrying amount of the financial asset.

ii. *Debt Instruments Classified as at FVTOCI* - The debt instruments held by the Group is classified as at FVTOCI. The debt instruments are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these debt instruments as a result of foreign exchange gains and losses (see below), impairment gains or losses (see below), and

interest income calculated using the effective interest method (see (i) above) are recognized in profit or loss. The amounts that are recognized in profit or loss are the same as the amounts that would have been recognized in profit or loss if these debt instruments had been measured at amortized cost. All other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these debt instruments are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

Impairment of Financial Assets - The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on inancial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognizes lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

i. *Significant Increase in Credit Risk* - In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

   In particular, the following information is considered when assessing whether credit risk has increased significantly since initial recognition:

   - An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating.

- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost.

- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations.

- An actual or expected significant deterioration in the operating results of the debtor.

- Significant increases in credit risk on other financial instruments of the same debtor.

- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default,

- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and

- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there are no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

ii. *Definition of Default* - The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

iii. *Credit-impaired Financial Assets* - A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event (see (ii) above);
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for that financial asset because of financial difficulties.

iv. *Write-off Policy* - The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

v. *Measurement and Recognition of Expected Credit Losses* - The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 Leases.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position. The Group records a provision for possible loss if the collection of a receivable balance is considered doubtful. As of September 30, 2021, and December 31, 2020, the Group recorded an allowance for expected credit losses of US$951,526 and US$545,309, respectively.

Derecognition of Financial Assets - The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor

retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

Financial Liabilities - All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial Liabilities at FVTPL - Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL. A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the other income and expenses line item in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability. Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognized in profit or loss.

Financial Liabilities Measured Subsequently at Amortized Cost - Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of Financial Liabilities - The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

Derivative Financial Instruments - As of September 30, 2021 and December 31, 2020 for the three and nine months ended September 30, 2021 and 2020, the Group held no derivative financial instruments.

h. ***Vehicles, Furniture and Equipment*** -

- **Recognition and Measurement** - Items of vehicles, furniture and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

  If significant parts of an item of vehicles, furniture and equipment have different useful lives, then they are accounted for as separate items (major components) of vehicles, furniture and equipment.

  Any gain or loss on disposal of an item of furniture and equipment is recognized in profit or loss.

- **Subsequent Expenditure** - Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

- **Depreciation** - Items of vehicles, furniture and equipment are depreciated from the date they are available for use, or in the case of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of vehicles, furniture and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss.

The estimated useful lives of furniture and equipment for current and comparative periods are as follows:

Vehicles, Furniture and Equipment	Estimated Useful Lives
Computer equipment	5 years
Office furniture and equipment	10 years
Vehicles	10 years
Leasehold improvements	3-5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

i. ***Leases*** - The Company evaluates if a contract contains a lease at the commencement date. The Company recognizes a right-of-use asset and a corresponding lease liability regarding all lease contracts in which it is a lessee, except for short-term leases (term of 12 months or less) and low value assets (as electronic tablets, personal computers, and small office furniture devices and telephones.) For these leases, the Company recognizes the lease payments as an operating lease under the straight-line method through the valid term of the lease, unless other method is more representative of the pattern in which economic benefits from the use of the underlying asset is diminished.

Lease liability is initially measured at present value of the lease payments that are not paid on the commencement date, discounted from the implicit interest rate in the contract. If this rate cannot be readily determined, the Group shall use incremental rates.

The lease payments included in the measurement of lease liability consist of:

- Fixed payments, including in substance fixed payments, less any lease incentives received;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- Amount expected to be paid by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease if the lease term reflects the lessee exercising an option to terminate the lease.

Lease liability is presented as a separate component in the statement of financial position.

Lease liability is subsequently measured by increasing the carrying amount to reflect the interest earned on the liability lease (using the effective interest method) and reducing the carrying amount to reflect the lease payments made.

The Group revaluates the lease liability (and makes the corresponding adjustment to the underlying right-of-use asset) provided that:

- The lease term is modified, or there is an event or significant change in the circumstances of the lease that results in a change in the assessment of an option to purchase the underlying asset, in which case the lease liability is measured by discounting the revised lease payments using a revised discount rate.
- Lease payments are modified as a consequence of changes in rates or a change in the expected amounted to be paid under a residual value guarantee, in which cases the liability lease is revalued by discounting the revised lease payments using the same discount rate (unless the change in the lease payments results from a change in a variable interest rate, in which case a revised discount rate is used).
- A lease contract is revised, and the revision of the lease is not accounted for as a separate lease, in which case the lease liability is revaluated based on the lease term of the revised lease, by discounting the revised lease payments using a revised discount rate as of the date in which the revision became effective.

The Group did not make any of the adjustments mentioned above during the reported periods.

Right-of-use assets consist of the amount of the initial measurement of the corresponding lease liability, the lease payments made on or before the commencement date, less any lease incentive received and any initial direct cost. The subsequent valuation is the cost less the accumulated depreciation and impairment losses.

If the Group incurs an obligation resulting from the cost of dismantling and removing the leased asset, restoring the site on which it is located, or restoring the underlying asset to the condition required by the terms and conditions of the lease, an allowance measured according to IAS 37 must be recognized. To the extent that costs are related to a right-of-use asset, the costs are included in the underlying right-of-use asset, unless such costs are incurred to generate inventories.

Right-of-use assets are depreciated over the shorter period between the lease period and the useful life of the underlying asset. If a lease transfers the ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Group plans to exercise a purchase option, the right-of-use asset will be depreciated over the useful life. Depreciation starts on the date of the commencement of the lease.

The right-of-use assets are shown as a separate component in the statement of financial position.

The Group applies IAS 36 to determine if a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Property, plant, and equipment" policy.

As practical expedient, IFRS 16 allows not to separate the non-lease components and instead account for any lease components and its associated non-lease components as a single lease component. The Group has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

j. ***Investment Property*** - Investment properties are buildings and lands held to obtain rent, surpluses, or both. Investment properties are initially registered at cost, and they are subsequently valued at fair value. Starting on June 30, 2021, the Group obtains semi-annual valuations from an independent appraisal. Fair value is determined between the lower value resulting from comparing the amount of the appraisal to identify the commercial value of each real property, performed by an independent professional, and the financial assessment, which corresponds to the value of each real property calculated as the present value of the net cash flows that are expected in the future direct capitalization for operating properties and properties under development and comparable for land. The differences between the fair value and the recorded amount are recognized in the profit and loss of the year.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from used and no future economic benefits are expected form the disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognized.

k. ***Land Inventory*** - Land inventories are stated at the lower of acquisition cost (for the land under development, includes, in addition to the land, the costs incurred for the development of the project) and net realizable value. Net realizable value represents the estimated selling price for the land less the direct expenses to complete its sale.

On the other hand, non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets or disposal groups are generally measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on measurement are recognized in profit or loss.

Once classified as held for sale, property, plant and equipment are no longer amortized or depreciated, and any equity accounted investee is no longer equity accounted.

l. ***Impairment*** -

- **Non-Derivative Financial Assets** - Financial assets not classified as at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment. Objective evidence that financial assets are impaired includes:

  - Default or delinquency by a debtor;
  - Restructuring of an amount due to the group on terms that it would not consider otherwise;
  - Indications that a debtor or issuer will enter bankruptcy;
  - Adverse changes in the payment's status of borrowers or issuers;
  - Disappearance of an active market for a security because of financial difficulties, or
  - Observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

  Financial Assets Measured at Amortized Cost - The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

  In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

  An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When

the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

- **Non-Financial Assets** - At each consolidated statement of financial position, the Group reviews the carrying amounts of its non-financial assets, and deferred tax assets, to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

  For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU (Cash Generating Units).

  The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

  An impairment loss is recognized if the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

  An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

m. ***Employee Benefits*** -

Short-term Employee Benefits - Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of a past service provided by the employee and the obligation can be estimated reliably.

Statutory Christmas Bonus - Pursuant to regulations in effect in certain countries where the Group operates, the Subsidiaries are required to pay a Statutory Christmas bonus to its employees (employee benefit).Accordingly, the Group follows the policy of establishing a monthly accrual to cover future disbursements associated with that benefit.

Vacations - In accordance with the legislation in each of the jurisdictions where the Group operates, the Group follows the policy of accruing vacation days based on a study performed by the Human Resources Department, which quantifies the amount of that obligation for employees who, at year-end, have not used that benefit. Such obligation is accounted for as a provision for vacation.

n. ***Provisions*** - A provision is recognized if, as result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

o. ***Equity*** -

Shareholders' Equity - Latam Logistic Properties, S.A. is a company that was organized in accordance with the laws of the Republic of Panama, constituted as a limited liability company, by public deed dated April 29, 2015, and registered before the Public Registry of Panama on May 4, 2015. Under the capital structure of the limited liability corporation the Group had Capital Quotes.

Capital Structure as a corporation was changed as follows:

Common Shares - Latam Logistic Properties, S.A. shareholders authorized a capital of 300,000,000 shares from which 168,142,740 shares were issued and fully paid with a nominal (par) value of US$1.00 per share. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings of Latam Logistic Properties, S.A.

Issuance Costs - Any transaction costs associated with the issuing of shares are deducted from the common share capital account, net of any related income tax benefits.

Legal Reserve - According to the legislation in effect in several countries in which the Group operates, subsidiaries must appropriate between 10 percent to 20 percent of each year's net earnings to a legal reserve.

p. ***Revenue Recognition*** -

Investment Property Rental Income - The Group leases their operating properties under agreements that are classified as operating leases.

The Group recognizes the total minimum payments provided for under the leases on a straight-line basis over the term of the lease. Generally, under the terms of the leases, the majority of the rental expenses are recovered from the customers.

The Group lease operating properties to customers under agreements that are classified as operating leases. The Group recognize the total minimum lease payments provided for under the leases on a straight-line basis over the lease term. Generally, under the terms of the Group's leases, the majority of our rental expenses are recovered from the customers, including common area maintenance, real estate taxes and insurance. Rental expenses recovered through reimbursements received from customers are recognized in Rental Revenues in the Consolidated Statements of Income. The Group record amounts reimbursed by their customers ("rental recoveries") as revenues in the period that the applicable expenses are incurred. The Group account for and present rental revenue and rental recoveries as a single component under Rental Revenues as the timing of recognition is the same, the pattern with which we transfer the right of use of the property and related services to the lessee are both on a straight-line basis and our leases qualify as operating leases. The

Group perform credit analyses of our customers prior to the execution of the leases and continue these analyses for each individual lease on an ongoing basis in order to ensure the collectability of rental revenue. The Group recognize revenue to the extent that amounts are determined to be collectible.

Development Fee Income - Development fees are determined in accordance with the terms specific to each arrangement with its customers. The fees are recognized as revenue when they are earned under the agreement with the customers.

The Group also earn fees from ventures that we consolidate. Upon consolidation, these fees are eliminated from the earnings and the third-party share of these fees are recognized as a reduction of Net Earnings Attributable to Noncontrolling Interest.

q. ***Borrowing Costs*** - The Group capitalizes borrowing costs directly attributable to the acquisition, construction or production of qualifying assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

r. ***Finance Income and Finance Costs*** - The Group's finance income and finance costs include interest income, bank commissions and the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recognized using the effective interest method.

s. ***Income Tax*** - Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

- **Current Tax** - Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years.

  The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted as of the date of the consolidated statement of financial position. Current assets and liabilities are offset only if certain criteria are met.

- **Deferred Tax** - Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax is not recognized for:

  - Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

  - Temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that it will not reverse in the foreseeable future; and,

- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available, against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The management of the Group reviewed the Group's investment properties and concluded that the Group's investment properties are held under a business model whose objective is to consume the economic benefits embodied in the investment properties through different strategies that may include sale of assets. As a result, the Group has recognized deferred taxes on changes in fair value of the investment properties.

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

a. ***Application of New and Revised International Financing Reporting Standards ("IFRS" or "IAS") that are Mandatorily Effective for the Current Year*** - In the current year, the Group has applied a number of new and amended IFRS and interpretations issued by the International Accounting Standards Board ("IASB") that are mandatorily effective for an accounting period that begins on or after January 1, 2021. The conclusions related to their adoption are described as follows:

Interest Rate Benchmark Reform-Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) - Interbank reference rates such as LIBOR, EURIBOR and TIBOR, which represent the cost of obtaining unsecured funds, have been questioned about their viability as long-term financing

references. Changes in Phase 2 refer to the modifications of financial assets, financial liabilities and lease liabilities, requirements for hedge accounting and disclosure of financial instruments. These improvements are effective as of January 1, 2021 with retrospective application, without the need to adjust comparative periods.

With regards to the modification of financial assets, financial liabilities and lease liabilities, the IASB introduced a practical expedient that only involves updating the effective interest rate at the time a fall-back clause is activated by the substitution of the reference rate defined in the contract, without being required to recognize a modification in the valuation of the financial instrument.

On the other hand, with respect to hedge accounting, the amendments to IFRS 9 allow that the accounting hedge relationships, where the item hedged is the LIBOR rate, are not discontinued by the elimination of such reference rate.

Finally, with respect to disclosures, entities must disclose how they are managing the transition to alternative benchmark rates and the risks that may arise from the transition; In addition, they must include quantitative information on non-derivative financial assets and financial liabilities, as well as non-derivative financial instruments, that continue under the reference rates subject to the reform and the changes that have arisen to the risk management strategy.

As of the date of presentation of the interim financial statements, since the Group does not have derivative financial instruments to hedge interest rate risk, and since its debt agreements have not activated any fall-back clauses, the Group is currently performing an assessment of the quantitative impacts related with these amendments.

b. ***New and Revised IFRS in Issue but not yet Effective*** - At the date of authorization of these financial statements, the Group has not applied the following new and revised IFRS that have been issued but are not yet effective. The Group does not expect that the adoption of the following standards will have a material impact on the financial statements in future periods, except as noted below:

- **Amendments to IAS 1 - Classification of Liabilities as Current or non-Current** - The amendments provide a more general approach to the classification of liabilities with an uncertain settlement date in the statement of financial position, to determine whether to classify them as current or non-current liabilities. The amendments affect only the presentation of liabilities in the statement of financial position, not the amount or timing of recognition of any asset, liability income or expense, or the information that entities disclose about those items. Additionally, the amendments clarify the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. Likewise, the definition of a liability settlement is clarified as the transfer to the counterparty of cash, equity instruments, other assets or services.

  The amendments are applied retrospectively for annual reporting periods beginning on or after January 1, 2022, with early application permitted.

Management does not expect that the adoption of the above mentioned standards will have an important impact on the Group's financial statements in future periods.

- **Amendments to IAS 16 - Property, Plant and Equipment Proceeds before Intended Use** - The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

  The amendments are applied retrospectively only to the items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management for annual reporting periods beginning on or after January 1, 2022, with early application permitted.

  Management does not expect that the adoption of the aforementioned standards will have an important impact on the Group's financial statements in future periods.

- **Amendments to IAS 37 - Cost of Fulfilling an Onerous Contract** - The amendments specify that the "cost of fulfilling" a contract comprises the costs that relate directly to the contract. Costs that relate directly to the contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

  The amendments are applied prospectively to contracts for which the entity has not yet fulfilled all its costs for annual reporting periods beginning on or after January 1, 2022, with early application permitted.

  Management does not expect that the adoption of the aforementioned standards will have an important impact on the Group's financial statements in future periods.

- **Amendments to IFRS 9 - Financial Instruments** - The amendment specifies which fees an entity must include in its assessment to conclude if the refinancing of a finance liability is a extinguishment or a modification, clarifying that an entity must include only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

  The amendments are applied prospectively for annual reporting periods beginning on or after January 1, 2022, with early application permitted.

  Management does not expect that the adoption of the aforementioned standards will have an important impact on the Group's financial statements in future periods.

4. RENTAL REVENUE

The Group through its subsidiaries, has entered into various operating leases agreements with customers for the rental of its warehouses. Most of the Group lease agreements associated with the investment properties contain a lease term from five to ten years. The Group weighted average lease term remaining on leases in the operating properties and properties under development, based on square meters of all leases in effect at September 30, 2021 was 84 months.

These leases are based on a minimum rental payment in U.S. dollars for Costa Rica and Peru and Colombian Pesos for Colombia, plus maintenance fees and recoverable expenses, and guarantee deposits associated with the agreements, which are commonly used for covering any repair, improvement tasks or could be applied over the lease as last payment when it ends.

Rental revenue was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
Rental revenue	US$5,822,674	US$4,259,370	US$16,014,727	US$12,423,871
Patio rental income	207,125	164,682	535,263	507,393
Rental recoveries	417,829	270,610	1,146,725	788,113
Direct billables	164,903	88,630	405,227	224,410
Other	104,771	38,330	308,458	102,183
Total	US$6,717,302	US$4,821,622	US$18,410,400	US$14,045,970

The following table summarizes the Group minimum lease payments, based on net effective rent, on operating properties and pre-stabilized development properties with lease periods greater than one year, at September 30, 2021:

	September 30, 2021
Rental revenues:	
2021 (three months)	US$ 6,221,725
2022	27,068,466
2023	27,237,626
2024	23,077,775
2025	19,167,713
Thereafter	109,032,856
Total	US$211,806,161

COVID-19 Rent Relief - The COVID-19 outbreak has disrupted financial markets and the ultimate impact on global, national and local economies is uncertain. Existing and potential customers of the logistics facilities may be adversely affected by the decrease in economic activity, which in turn could temporarily disrupt their business and have a negative impact on the Group. Given the ongoing and dynamic nature of these circumstances, we cannot predict the extent to which the COVID-19 outbreak may impact the business. Any prolonged economic downturn, escalation of the outbreak or disruption in the financial markets may adversely affect the Group financial condition and results of operations.

In response to the COVID-19 pandemic, the Group provided to some of the customers rent concessions, as a deferral of the rent payment with a rent repayment schedule within the following twelve months and with no significant impact on revenue recognition. As of September 30, 2021, the Group granted rent relief requests, in the form of deferrals, totaling 9.5 percent of the 2020 annual revenue. From 2020 through September 30, 2021, 62.8 percent of these deferrals were repaid. The Group expects the remainder to be repaid in the remaining of the year. As of September 30, 2021, the Group occupancy rate remained stable with a slight decrease in the collection time of few clients causing an increase in bad debt expense (Note 8).

5. INVESTMENT PROPERTY OPERATING EXPENSES

Investment property operating expenses include the direct operating expenses of the property such as property taxes, insurance and utilities, among others. Property operating expenses are mostly recovered through the rental recoveries charged to the tenants.

Rental property operating expenses were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
Repair and maintenance	US$272,018	US$221,266	US$ 809,007	US$ 661,193
Utilities	37,495	66,777	160,431	164,598
Insurance	64,594	57,852	180,092	174,817
Property management	30,958	27,746	99,940	84,084
Real estate taxes	83,110	71,436	245,357	222,327
Expected credit loss	174,442	(78,676)	406,217	201,629
Direct billable	164,718	86,513	405,498	224,130
Other	10,962	11,304	58,470	34,414
Total	US$838,297	US$464,218	US$2,365,012	US$1,767,192

6. SEGMENT REPORTING

Operating segment information is presented based on how management analyzes the business, which includes information aggregated by market. The results for these operating segments are presented for the three and nine months ended September 30, 2021 and 2020, assets and liabilities are included as of September 30, 2021 and December 31, 2020. The Group operates in three geographic markets that represent its reportable operating segments. The information of the markets where it has commercial operations; Colombia, Peru, and Costa Rica were as follows:

	For the Three Months Ended September 30, 2021			
	Colombia	**Peru**	**Costa Rica**	**Total**
Revenues:				
Rental revenue	US$1,369,190	US$ 1,398,193	US$ 3,949,919	US$ 6,717,302
Development fee income		509		509
Sub-total	1,369,190	1,398,702	3,949,919	6,717,811
Costs and expenses:				
Investment property expenses	96,378	233,218	508,701	838,297
General and administrative	302,296	188,851	746,638	1,235,785
Sub-total	398,674	422,069	1,255,339	2,074,082
Net operating profit	US$ 970,516	US$ 978,633	US$ 2,694,580	US$ 4,643,729

(Continues)

	For the Three Months Ended September 30, 2021			
	Colombia	Peru	Costa Rica	Total
Other income/(expenses):				
Right-of-use amortization	US$ (4,333)	US$ (6,942)	US$ (12,825)	US$ (24,100)
Depreciation and amortization	(8,749)	(6,223)	(12,781)	(27,753)
Foreign currency gain (loss)	(1,919)	(221,889)	(10,253)	(234,061)
Other income	2,406	(831)	20,651	22,226
Office lease financing cost	(800)	(1,452)	(1,335)	(3,587)
Financing expense	(546,874)	(303,815)	(1,408,670)	(2,259,359)
Deferred financing cost	(50,177)	(16,908)	(25,691)	(92,776)
Other expense	16,793	(6,000)	(191,392)	(180,599)
Net income before taxes	376,863	414,573	1,052,284	1,843,720
Income tax benefit (expense)	(104,251)	(1,010,150)	(784,006)	(1,898,407)
Net income (loss) after taxes	272,612	(595,577)	268,278	(54,687)
Earnings attributable to non-controlling interest		11,661	(74,550)	(62,889)
Net income (loss) of the period	US$ 272,612	US$ (583,916)	US$ 193,728	US$ (117,576)

	For the Three Months Ended September 30, 2020			
	Colombia	Peru	Costa Rica	Total
Revenues:				
Rental revenue	US$ 483,829	US$ 930,225	US$3,407,568	US$4,821,622
Development fee income		8,244		8,244
Sub-total	483,829	938,469	3,407,568	4,829,866
Costs and expenses:				
Investment property expenses	60,563	203,491	200,164	464,218
General and administrative	200,251	146,554	670,828	1,017,633
Sub-total	260,814	350,045	870,992	1,481,851
Net operating profit	US$ 223,015	US$ 588,424	US$2,536,576	US$3,348,015
Other income/(expenses):				
Right-of-use amortization	US$ (3,788)	US$ (6,942)	US$ (12,823)	US$ (23,553)
Depreciation and amortization	(7,927)	(6,510)	(14,760)	(29,197)
Foreign currency gain (loss)	2,332	(75,807)	(3,650)	(77,125)
Other income	4,857		9,496	14,353
Office lease financing cost	(1,337)	(1,947)	(2,200)	(5,484)
Financing expense	(128,552)	(224,715)	(1,260,898)	(1,614,165)
Deferred financing cost		(15,193)	(45,270)	(60,463)
Other expense	(41,476)	(11,402)		(52,877)
Net income before taxes	47,124	245,908	1,206,471	1,499,504
Income tax expense	(193,281)	(418,505)	148,787	(462,999)
Net (loss) income after taxes	(146,157)	(172,596)	1,355,258	1,036,505
Earnings attributable to non-controlling interest			(4,090)	(4,090)
Net (loss) income of the period	US$(146,157)	US$(172,596)	US$1,351,168	US$1,032,415

	For the Nine Months Ended September 30, 2021			
	Colombia	Peru	Costa Rica	Total
Revenues:				
Rental revenue	US$ 3,298,573	US$ 3,649,315	US$11,462,512	US$18,410,400
Development fee income	76	509	41,557	42,142
Sub-total	3,298,649	3,649,824	11,504,069	18,452,542
Costs and expenses:				
Investment property expenses	263,283	653,359	1,448,370	2,365,012
General and administrative	780,395	537,489	2,412,521	3,460,405
Sub-total	1,043,678	1,190,848	3,590,891	5,825,417
Net operating profit	US$ 2,254,971	US$ 2,458,976	US$ 7,913,178	US$12,627,125
Other income/(expenses):				
Investment properties valuation gain	US$ 331,982	US$ 3,090,239	US$10,296,295	US$13,718,516
Right-of-use amortization	(13,360)	(20,827)	(38,472)	(72,659)

(Continues)

	For the Nine Months Ended September 30, 2021			
	Colombia	Peru	Costa Rica	Total
Depreciation and amortization	US$ (26,432)	US$ (19,107)	US$ (38,988)	US$ (84,527)
Foreign currency gain (loss)	(11,590)	(546,817)	(42,820)	(601,227)
Other income	3,778	(831)	64,048	66,995
Office lease financing cost	(2,780)	(4,735)	(4,666)	(12,181)
Financing expense	(1,327,083)	(849,418)	(3,999,609)	(6,176,110)
Deferred financing cost	(138,151)	(48,239)	(112,792)	(299,182)
Other expense	(20,288)	(40,324)	(371,038)	(431,650)
Net income before taxes	1,051,047	4,018,917	13,665,136	18,735,100
Income tax benefit (expense)	120,732	(4,034,388)	(5,848,330)	(9,761,986)
Net income after taxes	1,171,779	(15,471)	7,816,806	8,973,114
Earnings attributable to non-controlling interest		15,226	(3,806,820)	(3,791,594)
Net income of the period	US$ 1,171,779	US$ (245)	US$ 4,009,986	US$ 5,181,520

	For the Nine Months Ended September 30, 2020			
	Colombia	Peru	Costa Rica	Total
Revenues:				
Rental revenue	US$1,441,909	US$ 2,365,312	US$10,238,749	US$10,045,970
Development fee income	1,225	8,145	75,750	85,120
Sub-total	1,443,134	2,373,457	10,314,499	14,131,090
Costs and expenses:				
Investment property expenses	181,588	513,302	1,072,302	1,767,192
General and administrative	538,832	485,094	1,902,229	2,926,155
Sub-total	720,420	998,396	2,974,351	4,693,347
Net operating profit	US$ 722,714	US$ 1,375,061	US$ 7,340,148	US$ 9,437,743
Other income/(expenses):				
Right-of-use amortization	US$ (13,135)	US$ (20,827)	US$ (36,728)	US$ (70,690)
Depreciation and amortization	(21,450)	(17,419)	(41,607)	(80,476)
Foreign currency loss	(236,734)	(279,088)	(39,573)	(555,395)
Other income	36,655	9,836	46,918	93,409
Office lease financing cost	(3,935)	(6,196)	(5,944)	(16,075)
Financing expense	(404,686)	(748,887)	(3,800,167)	(4,953,740)
Deferred financing cost		(40,779)	(131,592)	(172,371)
Other expense	(41,476)	(57,500)	(11,699)	(110,675)
Net income before taxes	37,953	214,201	3,319,756	3,571,730
Income tax expense	(231,415)	(1,476,836)	(2,001)	(1,710,252)
Net income (loss) after taxes	(193,462)	(1,262,635)	3,317,575	1,861,478
Earnings attributable to non-controlling interest			(275,230)	(275,230)
Net income (loss) of the period	US$ (193,462)	US$(1,262,635)	US$ 3,042,345	US$ 1,586,248

	September 30, 2021			
	Colombia	Perú	Costa Rica	Total
Assets:				
Cash	US$ 2,190,849	US$ 7,628,795	US$ 7,266,635	US$ 17,086,279
Receivables and other assets	1,676,173	6,540,762	4,925,407	13,142,342
Deferred tax asset	77,262	64,895	377,947	520,104
Lease Right-of-Use	28,900	67,109	64,119	160,128
Prepaid construction	3,281,282	611,725	757,124	4,650,131
Investment property	114,731,737	85,383,669	219,555,671	419,671,077
Assets held for sale			2,977,147	2,977,147
Restricted cash	15,303	1,800,000	2,113,525	3,928,828
Vehicles, furniture and equipment, net	95,174	216,592	178,719	490,485
Total assets	122,069,680	102,313,547	238,216,294	462,626,521
Liabilities:				
Payables and accruals	4,490,868	4,891,559	5,997,043	15,379,470
Deposits from assets held for sale			1,200,000	1,200,000
Deferred tax liability	1,821,659	12,290,357	25,434,749	39,546,765
Leasing liability	36,454	78,064	67,672	182,190
Long-term debt	34,586,348	32,108,883	100,995,153	167,690,384
Security deposits		419,614	862,620	1,282,234
Total liabilities	40,935,329	49,788,477	134,557,237	225,281,043
Net assets	US$ 81,134,351	US$ 52,525,070	US$103,659,007	US$237,345,478

	December 31, 2020			
	Colombia	Perú	Costa Rica	Total
Assets:				
Cash	US$ 3,105,160	US$ 4,673,754	US$ 4,107,927	US$ 11,886,841
Receivables and other assets	254,462	4,360,046	5,181,055	9,795,563
Deferred tax asset	411,182	91,972	820,569	1,323,723
Lease Right-of-Use	46,816	87,935	102,590	237,341
Prepaid construction	4,199,900	230,105	4,064	4,434,069
Investment property	106,679,097	72,610,000	185,017,942	364,307,039
Restricted cash	17,095	5,684,868	2,042,733	7,744,696
Vehicles, furniture and equipment, net	123,353	233,505	205,070	561,928
Total assets	114,837,065	87,972,185	197,481,950	400,291,200
Liabilities:				
Payables and accruals	3,024,317	1,900,686	9,309,568	14,234,571
Deferred tax liability	2,609,469	8,310,870	20,730,251	31,650,590
Leasing liability	57,351	99,733	105,530	262,614
Long-term debt	21,884,440	24,746,137	80,061,284	126,691,861
Security deposits		236,126	706,828	942,954
Total liabilities	27,575,577	35,293,552	110,913,461	173,782,590
Net assets	US$ 87,261,488	US$52,678,633	US$ 86,568,489	US$226,508,610

7. CASH IN BANK ACCOUNTS

Available cash and cash equivalents are in bank accounts and overnight deposits. Demand deposits bear interest at a negligible interest rate. The book value of these assets approximates their fair value.

The Group's cash and cash equivalents are predominantly denominated in US dollars and, in part, in Colombian pesos, Peruvian soles and Costa Rican colones.

Cash and cash equivalents were as follows:

	September 30, 2021	December 31, 2020
Bank accounts:		
In Colombian pesos	US$ 2,190,850	US$ 3,105,160
In Costa Rican colones	19,638	25,319
In Peruvian soles	196,510	53,974
In US dollars	23,294,563	12,274,350
Total	US$25,701,561	US$15,458,803

As of September 30, 2021 and December 31, 2020, cash and cash equivalents disclosed in the statements of financial position and in the statement of cash flows included US$3,910,029 and US$1,784,787, respectively, that were held in Special Purpose Vehicles (SPVs) in which the ownership is shared with other private investors. These cash deposits were designated for the sole purpose of investing in development and operations of the properties held by the SPVs and were therefore not available for general use by other entities within the Group.

In addition, the Group had non-current restricted cash related to additional guarantees for the long-term debt and corporate credit cards. Restricted cash guarantees were invested in certificate of deposits bearing a weighted average annual interest rate of 3.1 percent. Restricted cash detailed between long-term debt and credit cards was as follows:

	Note	September 30, 2021	December 31, 2020
Restricted cash non-current:			
Long-term debt additional guarantee			
Invested in certificate of deposits		US$2,057,900	US$1,987,108
In restricted cash account		1,815,303	5,701,963
Sub-total	16	3,873,203	7,689,071
Credit cards additional guarantee			
Invested in certificate deposits		55,625	55,625
Total		US$3,928,828	US$7,744,696

8. RECEIVABLES

As of September 30, 2021, and December 31, 2020, receivables were as follows:

		September 30, 2021	December 31, 2020
(a)	Tenant trade receivables, net	US$ 1,562,078	US$ 870,475
(b)	Tenants notes receivables, net	3,906,968	3,107,877
(c)	Value added tax	4,412,394	3,422,652
	Income tax receivable and tax credits	58,562	
	Others	138,162	344,082
	Sub-total	10,078,164	7,745,086
	Value added tax - long term	(4,238,255)	(3,336,888)
	Tenant notes receivable - long term	(3,470,763)	(2,841,415)
	Total trade receivables	US$ 2,369,146	US$ 1,566,783

(a) ***Tenant Trade Receivables*** - The average credit period on rents is 30 days. No interest is charged on outstanding trade receivables.

The Group always measures the expected credit loss for trade receivables, net of cash secuirty deposits, at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognized a expected credit loss allowance of 100 percent against all trade receivables over 90 days past due, net of cash security deposits, because historical experience has indicated that these receivables are generally not recoverable. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities.

The following table details the risk profile of trade receivables based on the Group's provision matrix. To measure the expected credit losses, trade receivables, net of cash security deposits, have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at September 30, 2021 and December 31, 2020 is determined as follows; the expected credit losses below also incorporate forward looking information.

As the Group's historical credit loss experience show different loss patterns between two customer segments based on credit risk, the provision for loss allowance based on past due status distinguished between the Group's different customer base:

September 30, 2021	0 to 30 Days	30 to 60 Days	60 to 90 Days	Over 90 Days	Total
Weighted average expected loss rate	4.6%	54.0%	75.0%	100.0%	
Gross carrying amount	US$1,352,412	US$208,099	US$ 214,382	US$713,219	US$2,488,112
Cash Security Deposit	(160,254)	(56,805)	(110,339)	(1,578)	(328,976)
Net carrying amount	1,192,158	151,294	104,043	711,641	2,159,136
Loss allowance provision	US$ 54,705	US$ 81,656	US$ 78,031	US$711,641	US$ 926,034

December 31, 2020	0 to 30 Days	30 to 60 Days	60 to 90 Days	Over 90 Days	Total
Weighted average expected loss rate	5.3%	48.4%	75.0%	100.0%	
Gross carrying amount	US$ 727,545	US$151,282	US$116,056	US$416,040	US$1,410,923
Cash Security Deposit	(150,855)	(30,369)	(218)	(51,320)	(232,762)
Net carrying amount	576,690	120,913	115,838	364,720	1,178,161
Loss allowance provision	US$ 30,307	US$ 58,552	US$ 86,869	US$364,720	US$ 540,448

(b) ***Tenant Notes Receivables*** - The Group finances some of its clients´ specific tenant improvements that customers request. As of September 30, 2021, loans outstanding to tenants bore a weighted average annual interest rate of 11.7 percent and had a weighted average remaining loan term of 7.5 years.

The Group always measures the expected credit loss allowance for tenant notes receivables at an amount equal to lifetime ECL over the 12-month expected credit loss. The expected 12-month credit losses on tenant notes receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off tenants notes receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the tenat notes receivables that have been written off is subject to enforcement activities.

The following table details the risk profile of tenants notes receivables based on the Group's provision matrix. To measure the expected credit losses, trade receivables, net of cash security deposits, have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at September 30, 2021 and December 31, 2020 was determined as follows; the expected credit losses below also incorporate forward looking information.

September 30, 2021	Current Notes Receivables	Long Term Notes Receivables	Total
Weighted average expected loss rate	5.5%	0%	
Gross carrying amount	US$461,697	US$3,470,762	US$3,932,460
Loss allowance provision	US$ 25,492	US$	US$ 25,492

December 31, 2020	Current Notes Receivables	Long Term Notes Receivables	Total
Weighted average expected loss rate	1.8%	0%	
Gross carrying amount	US$271,323	US$2,841,415	US$3,112,738
Loss allowance provision	US$ 4,861	US$	US$ 4,861

The expected credit loss allowance provision for trade receivables and tenant notes receivables as of September 30, 2021 and December 31, 2020 reconciled to the opening loss allowance for that provision as follows:

	September 30, 2021			December 31, 2020		
	Trade Receivables	Tenants Notes Receivables	Total	Trade Receivables	Tenants Notes Receivables	Total
Beginning balance	US$ 540,448	US$ 4,861	US$ 545,309	US$104,452	US$4,847	US$109,299
Increase in loan loss allowance recognized in profit or loss during the period	735,368	20,631	755,999	435,996	14	436,010
Receivables written off during the year as uncollectible						
Unused amount Reversed (1)	(349,783)		(349,783)			
Ending balance	US$ 926,033	US$25,492	US$ 951,525	US$540,448	US$4,861	US$545,309

(1) For the nine-month period ended September 30, 2021, includes a reversal of the expected credit loss allowance that was due to the collection of US$379,511 of receivables past due over 90 days of a customer

(c) ***Value Added Tax*** - The Group sales and purchases of goods and services in Colombia, Perú and Costa Rica are subject to value added tax. As of September 30, 2021, and December 31, 2020, value added tax receivable derived from the operations in Colombia, Peru and Costa Rica were as follows:

	September 30, 2021	December 31, 2020
Colombia	US$ 21,395	US$ 11,081
Peru	4,292,863	3,377,792
Costa Rica	98,136	33,779
Total	US$4,412,394	US$3,422,652

9. OTHER CURRENT ASSETS

The detail of other current assets as of the September 30, 2021 and December 31, 2020 were as follows:

	September 30, 2021	December 31, 2020
Construction permit and other deposits	US$ 809,267	US$ 315,006
Investment properties acquisition deposits	912,723	840,983
Prepaid taxes	867,577	469,992

(Continues)

	September 30, 2021	December 31, 2020
Prepaid insurance	US$ 129,209	US$ 144,638
Deal pursuit cost	126,339	1,497
Rent incentives, net	104,013	136,947
Other	170,815	267,404
	US$3,119,943	US$2,176,467

10. VEHICLES, FURNITURE AND EQUIPMENT

As of September 30, 2021, and December 31, 2020, vehicles, furniture and equipment of the Group were as follows:

	Vehicles	Furniture and Office Equipment	Computer Equipment	Leasehold Improvements	Total
Gross assets:					
Balance as of December 31, 2019	US$ 7,800	US$254,203	US$ 85,652	US$385,433	US$733,088
Additions	8,222	93,645	33,855	21,280	157,002
Retirements			(2,686)		(2,686)
Translation adjustment		(812)	(635)	(7,892)	(9,339)
Balance as of December 31, 2020	16,022	347,036	116,186	398,821	878,065
Additions		14,420	75,299		89,719
Retirements		(1,357)	(1,072)		(2,429)
Translation adjustment		(6,745)	(1,911)	(17,460)	(26,116)
Balance as of September 30, 2021	16,022	353,354	188,502	381,361	939,239
Accumulated depreciation:					
Balance as of December 31, 2019	2,257	38,084	38,637	127,791	206,769
Additions	1,964	42,330	19,571	47,391	111,256
Retirements			(190)		(190)
Translation Adjustment		272	63	(2,033)	(1,698)
Balance as of December 31, 2020	4,221	80,686	58,081	173,149	316,137
Additions	1,612	37,310	23,084	30,502	92,508
Retirements		(500)	(1,005)		(1,505)
Translation Adjustment		(1,317)	(661)	(11,461)	(13,439)
Balance as of September 30, 2021	5,833	116,179	79,499	192,190	393,701
Net book value as of December 31, 2020	US$11,801	US$266,350	US$ 58,105	US$225,672	US$561,928
Net book value as of September 30, 2021	US$10,189	US$237,175	US$109,003	US$189,171	US$545,538

11. PREPAID CONSTRUCTION

Prepaid construction is comprised of advance to suppliers made in connection with construction contracts. These advances will be applied as a deduction from the corresponding invoices based on the percentage of completion of the works performed. As of September 30, 2021, and December 31, 2020, the balance of prepaid Construction of US$4,650,131 and US$4,434,069 respectively.

12. INVESTMENT PROPERTIES

As of June 30, 2021, and December 31, 2020, the Group obtained a valuation from independent appraisers in order to determine the fair value of its investment properties. Following market best practices, the Group obtained for the first time on June 30, 2021 a valuation for interim periods from independent appraisers, as such, there was no comparable valuation gain/(loss) adjustment presented when compared with the same period ending June 30, 2020. For interim periods ending March 31st and

September 30th, fair value of investment properties is determined as the result of the last valuation performed plus investments incurred during the interim period. For the three and nine months ended September 30, 2021, the Group recorded a valuation gain of US$0 and US$13,718,516, respectively.

a. As of September 30, 2021, and December 31, 2020, investment properties were as follows:

	FMV as of September 30, 2021	# of Buildings (1)	NRA (1) (SM)	Leased %	Occupied %
Land bank:					
Colombia	US$ 22,278,176	4	119,052	n/a	n/a
Peru	9,551,345	1	32,304	n/a	n/a
Costa Rica	13,235,725	3	46,796	n/a	n/a
Total land bank	45,065,246	8	198,152	n/a	n/a
Properties under development:					
Properties under right-of-use					
Colombia	25,838,973	1	31,660	87.3%	87.3%
Sub-total	25,838,973	1	31,660	87.3%	87.3%
Owned properties					
Colombia	5,069,318	1	18,125	0.0%	0.0%
Peru	16,338,858	2	31,198	100.0%	0.0%
Costa Rica	19,808,948	2	30,724	58.6%	0.0%
Sub-total	41,217,124	5	80,047	60.6%	0.0%
Total properties under development	67,056,097	6	113,754	67.6%	24.3%
Operating properties:					
Properties under right-of-use					
Colombia	38,808,446	2	47,400	100.0%	100.0%
Sub-total	38,808,446	2	47,400	100.0%	100.0%
Owned properties					
Colombia	22,736,587	1	26,850	100.0%	100.0%
Peru	59,493,465	3	62,140	100.0%	100.0%
(2) Costa Rica	186,511,237	15	160,791	94.3%	94.3%
Sub-total	268,741,289	19	249,781	96.3%	96.3%
Total operating properties	307,549,734	21	297,181	96.9%	96.9%
Total operating and properties under development	US$374,605,831	27	410,935	88.8%	76.8%
Total	US$419,671,077	35	609,087	n/a	n/a

	FMV as of December 31, 2020	# of Buildings (1)	NRA (1) (SM)	Leased %	Occupied %
Land bank:					
Colombia	US$ 23,632,296	7	137,355	n/a	n/a
Peru	15,620,000	3	62,627	n/a	n/a
Costa Rica	20,893,942	6	86,992	n/a	n/a
Total land bank	60,146,238	16	286,974	n/a	n/a
Properties under development:					
Properties under right-of-use					
Colombia	22,400,000	1	23,917	100.0%	51.1%
Sub-total	22,400,000	1	23,917	100.0%	51.1%
Owned properties					
Colombia	40,025,388	2	59,380	91.8%	0.0%
Peru	35,300,000	2	39,495	78.5%	54.1%
Sub-total	75,325,388	4	98,875	86.5%	21.6%
Total properties under development	97,725,388	5	122,792	89.1%	27.4%

(Continues)

	FMV as of December 31, 2020	# of Buildings (1)	NRA (1) (SM)	Leased %	Occupied %
Operating properties:					
Properties under right-of-use					
Costa Rica	US$ 7,524,000	1	8,550	100.0%	100.0%
Colombia	20,621,413	1	23,497	100.0%	100.0%
Sub-total	28,145,413	2	32,047	100.0%	100.0%
Owned properties					
Peru	21,690,000	1	22,376	100.0%	100.0%
(2) Costa Rica	156,600,000	12	136,372	96.3%	95.1%
Sub-total	178,290,000	13	158,748	96.8%	95.8%
Total operating properties	206,435,413	15	190,795	97.3%	96.5%
Total operating and properties under development	US$304,160,801	20	313,567	94.1%	69.5%
Total	US$364,307,039	36	600,541	n/a	n/a

(1) Square meters included for estimated potential buildable area in the land bank and buildings under development and operating.

(2) As of September 30, 2021 and December 21, 2020, the operating properties in Costa Rica include patios and land rental totaling 75,678 square meters and 48,428 square meters, respectively, for the use of trailer parking and open-air warehousing. As of September 30, 2021, and December 31, 2020, the leased land and patios had a fair value of US$9,630,311 and US$5,501,551, respectively with a weighted average capitalization rate of 7.91 percent. The net rentable area (NRA) included in the table above excludes net rentable area of patios or land leases.

As of September 30, 2021, and December 31, 2020, the balance of investment properties included assets as result of rent leveling of US$10,122,408 and US$8,514,297, respectively.

Disclosed below is the valuation technique used to measure the fair value of investment properties, along with the significant unobservable inputs used.

- ***Valuation Techniques*** - This fair value measurement is considered Level 3 of the fair value hierarchy.

  - **Operating Properties** - The valuation model considers a 50 percent the present value of net cash flows to be generated by the property and the other 50 percent the direct capitalization of the net operating income.

    i. The present value of net cash flows generated by the property takes into account the expected rental growth rate, vacancy periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location, tenant credit quality and lease terms.

    ii. The direct capitalization method. This method involves capitalizing a fully leased net operating income estimate by an appropriate yield. This approach is best utilized with stabilized assets, where there is little volatility in the net income and the growth prospects are also stable. It is most commonly used with single tenant investments or stabilized investments.

involves capitalizing the property net operating income at a market capitalization rate. The net operating income is determined by using the property Effective Gross Income (EGI) net of operating expenses. The EGI is determined by the property's Potential Gross Income (PGI) through analysis of the property actual historic income and an analysis of competitive current market income rates and deducting the PGI with an estimate for vacancy and collection.

- **Properties Under Development** - The valuation model considers the present value of net cash flows and direct capitalization methods adjusted by the net present value of the cost to complete and vacancy in the properties under construction.

- **Land Bank** - The valuation model used for the land portfolio is the Sales Comparison Approach. In the Sales Comparison Approach, the price per square meter method was used. This approach is given supporting weight in this analysis because of the well-supported range of value within this approach and the likelihood that the subject could be purchased by an owner-user.

Significant Inputs as of September 30, 2021 -

	Operating	Development	Land Bank
Weighted average occupancy rate	97.6%	97.7%	n/a
Weighted average risk adjusted discount rate	10.4%	10.4%	n/a
Weighted average risk adjusted residual capitalization rate	7.6%	7.5%	n/a
Weighted average going in stabilized capitalization rate	7.5%	7.4%	n/a
Cost to Complete and Vacancy discount rate adjustment	n/a	11.6%	n/a

Significant Inputs as of December 31, 2020 -

	Operating	Development	Land Bank
Weighted average occupancy rate	97.3%	98.0%	n/a
Weighted average risk adjusted discount rate	10.4%	10.5%	n/a
Weighted average risk adjusted residual capitalization rate	7.6%	7.5%	n/a
Weighted average going in stabilized capitalization rate	7.6%	7.3%	n/a
Cost to Complete and Vacancy discount rate adjustment	n/a	11.6%	n/a

- ***Interrelationship between Key Inputs and Fair Value Measurement*** - The estimated fair value would increase (decrease) if:

  - Expected market rental income per market were higher (lower);

  - Vacancy periods were shorter (longer);

  - The occupancy rates were higher (lower);

  - Rent-free periods were shorter (longer); or

  - The risk adjusted discount rate were lower (higher).

b. The reconciliation of investment properties as of September 30, 2021 and December 31, 2020 were as follows:

	Note	September 30, 2021	December 31, 2020
Beginning balance		US$364,307,039	US$303,997,864
Stabilized building acquisitions, excluding closing cost		18,760,000	7,524,000
Land acquisitions, including closing cost			20,893,942
Transfer of invested properties to land inventory	13	(2,362,817)	
Construction		34,792,089	29,444,447
Financing cost		600,505	842,943
Lease commissions		324,895	766,287
Rent leveling		1,718,673	4,882,250
Gain (Loss) on valuation of investment properties		13,718,516	(1,857,161)
Translation effect from functional currency		(12,187,823)	(2,187,533)
Ending balance		US$419,671,077	US$364,307,039

Investment Properties Acquisitions - The following table summarizes the Group's investment properties acquisition activity for the nine months ended September 30, 2021 and the year ended December 31, 2020:

	September 30, 2021	December 31, 2020
Acquired operating assets:		
Number of operating buildings	2	1
Net rentable area (square meters)	15,508	8,550
Number trailer parking	1	
Net rentable area (square meters)	27,250	
Acquired land:		
Land area (hectares)		18.0
Total expected building to develop		6
Total expected build-out (square meters)		86,992
Acquisition cost:		
Land purchase price		US$19,950,000
Capitalization land acquisition cost		943,942
Operating buildings purchase price	US$14,710,000	7,524,000
Trailer parking purchase price	4,050,000	
Expensed building acquisition closing costs	347,908	394,938
Total acquisition cost of investment properties	US$19,107,908	US$28,812,880

13. LAND INVENTORY

The Group engaged in an active sale negotiation for the sale of 19,003 SM land lot with a third-party buyer. The land lot held for sale is part of a 187,500 SM land lot that is owned by LatAm Parque Logístico San José - Verbena co-investment vehicle and is currently undergoing thru a subdivision process.

On May 21, 2021, the Group signed on behalf of LatAm Parque Logístico San José - Verbena co-investment vehicle, the purchase and sale agreement for the sale of the 19,003 SM of fully serviced land parcel for US$4,000,000. In accordance with the purchase and sale agreement, the sale will be paid in three installments based on the following schedule:

	Amount	
1st Installment Payment	US$1,200,000	Upon the signing of the Purchase and Sale Agreement
2nd Installment Payment	1,200,000	Upon conclusion of land infrastructure work
3rd Installment Payment	1,600,000	Upon title transfer of the property to the buyer
Total	US$4,000,000	

On May 24, 2021, the Group, through LatAm Parque Logistico San José - Verbena co-investment vehicle, received the first installment payment of US$1,200,000 from the buyer. The second installment and third installment payment are expected to occur in the fourth quarter of 2021 and second quarter of 2022, respectively.

As of September 30, 2021, the 19,003 SM land lot and its respective infrastructure work is presented as land inventory within non-current assets, with a value of US$2,977,147.

14. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses were as follows:

	September 30, 2021	**December 31, 2020**
Trade payables	US$ 4,760,200	US$ 1,205,737
Value added tax	189,895	95,210
Professional services	176,403	207,261
Tax payable	1,047,368	637,694
Construction contract retainage	2,801,610	2,328,234
Interest and other financing costs	1,073,353	1,239,078
Employee benefits and other obligations	1,785,715	1,455,453
Investment properties acquisition closing costs	1,959,203	6,569,725
Leasing commissions	285,809	458,585
Development costs	1,569,747	
Other	6,071	37,594
Total	US$15,655,374	US$14,234,571

15. LEASES

Offices Lease Liability - The Group has its office spaces leased in which, the Group is the lessee, which primarily qualify as operating leases, with remaining weighted average lease term of 1.8 years at September 30, 2021.

The following table summarizes the fixed, future minimum rental payments, excluding variable costs, for which the leases have commenced at September 30, 2021 and December 31, 2020 with amounts for 2021 discounted by the Group incremental borrowing rates to calculate the lease liability of the Group leases:

In U.S. dollars	September 30, 2021
2021 (three months)	US$ 28,836
2022	115,347
2023	44,973
2024	5,868
Total undiscounted rent payments	195,024
Less imputed interest	(12,834)
Total lease liability	US$182,190
Short term	US$105,661
Long term	76,529
Total lease liability	US$182,190

In U.S. dollars	December 31, 2020
2021	US$118,094
2022	118,094
2023	46,117
2024	5,868
Total undiscounted rent payments	288,173
Less imputed interest	(25,559)
Total lease liability	US$262,614
Short term	US$102,465
Long term	160,149
Total lease liability	US$262,614

The remaining weighted average lease term was 1.8 and 2.5 years at September 30, 2021 and December 31, 2020, respectively. The Group does not include renewal options in the lease term for calculating the lease liability unless the Group is reasonably certain that will exercise the option, or the lessor has the sole ability to exercise the option. The incremental borrowing rate was 7.3 percent at September 30, 2021. The Group assigned a collateralized interest rate to the lease based on the term of the lease and the currency in which the lease was denominated.

Offices Right-of-Use - Offices right-of-use are amortized using the straight-line method over the term of the operating lease.

Original lease terms and remaining lease term of the corporate offices operating leases were as follows:

Office Location	Original Lease Term	Remaining Term as of September 30, 2021
Costa Rica	3.0 years	1.2 years
Peru	7.0 years	2.4 years
Colombia	7.0 years	1.7 years
Weighted average	6.0 years	1.8 years

As of September 30, 2021, and December 31, 2020, right-of-use of the Group were as follows:

	Costa Rica	Peru	Colombia	Total
Gross assets:				
Balance as of December 31, 2019	US$ 122,522	US$194,385	US$149,033	US$ 465,940
Additions	145,335			145,335
Retirements	(122,522)			(122,522)
Other adjustments			(11,527)	(11,527)
Translation effect from functional currency			(6,746)	(6,746)
Balance as of December 31, 2020	145,335	194,385	130,760	470,480
Additions				
Retirements				
Other adjustments				
Translation effect from functional currency			(13,714)	(13,714)
Balance as of September 30, 2021	145,335	194,385	117,046	456,766
Accumulated depreciation:				
Balance as of December 31, 2019	81,681	78,680	69,194	229,555
Additions	49,551	27,770	17,720	95,041
Retirements	(88,488)			(88,488)
Translation effect from functional currency			(2,969)	(2,969)
Balance as of December 31, 2020	42,744	106,450	83,945	233,139
Additions	38,471	20,827	13,361	72,659
Retirements				
Translation effect from functional currency			(9,160)	(9,160)
Balance as of September 30, 2021	81,215	127,277	88,146	296,638
Net book value as of December 31, 2020	US$ 102,591	US$ 87,935	US$ 46,815	US$ 237,341
Net book value as of September 30, 2021	US$ 64,120	US$ 67,108	US$ 28,900	US$ 160,128

During the three and nine months ended September 30, 2021 and 2020, the Group recorded right-of-use amortization expense as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Right-of-use amortization	US$24,100	US$23,553	US$72,659	US$70,690

16. DEBT

As of September 30, 2021, and December 31, 2020, debt of the Group was as follows:

	Financial Institution	Country	Currency	Type	Expiration	Balloon Payment at Expiration	Annual Interest Rate	Restricted Cash at September 30, 2021	Remaining Borrowing Capacity at September 30, 2021	Amount Outstanding at September 30, 2021	Amount Outstanding at December 31, 2020
(1)	Banco Davivienda Costa Rica, S.A.	Costa Rica	US$	Mortgage Loan	Jul 3, 2034		6Mo LIBOR + 392 bps, min 6.0%	US$ 874,210		US$ 32,545,468	US$ 33,755,190
(1)	Banco Davivienda Costa Rica, S.A.	Costa Rica	US$	Mortgage Loan	Jul 3, 2034	US$ 4,482,100	6Mo LIBOR + 392 bps, min 6.0%	309,814		11,830,055	12,107,181
(1)	Banco Davivienda Costa Rica, S.A.	Costa Rica	US$	Mortgage Loan	Sep 8, 2034		6Mo LIBOR + 392 bps, min 6.0%	142,244		5,189,808	5,379,893
(1)	Banco Davivienda Costa Rica, S.A.	Costa Rica	US$	Mortgage Loan	Mar 9, 2034		6Mo LIBOR + 359 bps, min 6.3%	339,900		11,511,076	11,947,111
(1)	Banco Davivienda Costa Rica, S.A.	Costa Rica	US$	Mortgage Loan	Mar 1, 2034		6Mo LIBOR + 359 bps, min 6.5%	320,940		4,155,246	4,333,330
(1)	BAC Credomatic, S.A.	Costa Rica	US$	Mortgage Loan	Sep 18, 2034		3Mo LIBOR + 423 bps, no min. rate			2,377,677	2,479,048
(1)	BAC Credomatic, S.A.	Costa Rica	US$	Mortgage Loan	Jun 26, 2034		3Mo LIBOR + 423 bps, no min. rate		US$ 1,000,000	3,259,915	3,399,650
(2)	BAC Credomatic, S.A.	Costa Rica	US$	Mortgage Loan	Mar 4, 2036		3Mo LIBOR + 423 bps, min 5.0%			6,964,560	
(2)	BAC Credomatic, S.A.	Costa Rica	US$	Mortgage Loan	Mar 4, 2036		3Mo LIBOR + 423 bps, min 5.0%	70,785		2,925,360	
(2)	BAC Credomatic, S.A.	Costa Rica	US$	Mortgage Loan	Jul 1, 2036	1,909,147	3Mo LIBOR + 423 bps, no min. rate		38,690,000	6,820,000	
(2)	Banco Promerica de Costa Rica, S.A.	Costa Rica	US$	Mortgage Loan	Aug 18, 2036		Prime Rate + 475 bps, no min. rate	7		6,982,806	
(1) (3)	Banco Nacional de Costa Rica, S.A.	Costa Rica	US$	Mortgage Loan	Jan 26, 2035		0-2 years: 6.5%, 3-15 years: 495bps + 6Mo LIBOR, no min. rate			7,921,033	8,144,310
(4)	International Finance Corporation Tranche 1	Perú	US$	Mortgage Loan	Jul 15, 2028	6,865,611	6Mo LIBOR + 525 bps no min. rate	1,800,000		23,761,917	25,678,577
(4)	International Finance Corporation Tranche 2	Perú	US$	Mortgage Loan	Jul 15, 2030	2,300,000	6Mo LIBOR + 525 bps no min. rate		16,700,000	9,200,000	
(5)	Bancolombia, S.A.	Colombia	COP	Financing Capital Lease	Jan 1, 2036	3,275,371	IBR + 350 bps no min. rate	15,303		8,068,331	9,147,851
(5)	Bancolombia, S.A.	Colombia	COP	Financing Capital Lease	Jan 1, 2036	2,878,989	IBR + 350 bps no min. rate			7,091,908	8,040,786
(5)	Bancolombia, S.A.	Colombia	COP	Financing Capital Lease	May 1, 2036	4,641,848	IBR + 365 bps no min. rate			11,604,619	
(2)	ITAU Corpbanca Colombia, S.A.	Colombia	COP	Mortgage Loan	Jul 6, 2033		IBR + 447 bps no min. rate		5,215,559	3,911,669	
(6)	Banco BTG Pactual, S.A. - Cayman Branch	Panamá	US$	Secured Bridge Loan	Jun 17,2022		Fixed annual interest rate of 5.85%			15,000,000	
(7)	Public Debt	Colombia	US$	Commercial Papers	Dec 1, 2021		Fixed annual interest rate of 7.40%			5,568,000	5,568,000
	Total					US$26,353,066		US$3,873,203	US$61,605,559	US$186,679,448	US$129,980,927
	Long-term debt accrued financing cost									US$ 1,160,118	US$ 1,369,953
	Debt issuance cost, net									(4,217,023)	(3,419,941)
	Total debt									183,622,543	127,930,939
	Less: Current accrued financing cost									(1,073,353)	(1,239,078)
	Less: Current portion of long-term debt									(28,739,619)	(11,554,427)
	Total long-term debt									US$153,809,571	US$115,137,434

(1) ***COVID-19 Debt Service Relief*** - In December 2019, COVID-19 was reported to have surfaced in Wuhan, China and has continued to spread globally. The World Health Organization and certain national and local governments have characterized COVID-19 as a pandemic. The COVID-19 outbreak has disrupted financial markets and the ultimate impact on global, national and local economies is uncertain. The Group requested debt service relief to certain banks in order to provide rent relief to certain customers that have requested them. In general, debt service reliefs have been comprised of the deferral of three months of principal payments that would be paid back either amortized during the remainder of the term or as a balloon payment at the end of the loan.

(2) ***New Mortgage Debt*** - On March 4, 2021, the Group entered into two U.S. dollar denominated mortgage loan facilities with BAC Credomatic, S.A. for an aggregate amount of US$9,987,000 for the financing of the acquisition of two operating buildings in San Jose, Costa Rica. The loans have a fifteen-year term with fully amortization at expiration. The loans bear an annual interest rate of 3 months LIBOR plus 423 basis point with a minimum interest rate of 5 percent.

On January 6, 2021, the Group entered into a Colombian peso (COP) denominated secured construction loan facility with ITAU Corpbanca Colombia, S.A. for a total borrowing capacity of COP$35,000 million (US$9,127,228). Proceed will be used for the financing of the construction of building 500 in Latam Logistic Park Calle 80 in Bogota, Colombia. The loan expires on July 6, 2033 and is fully amortized at expiration. The loan bears an annual interest rate of IBR plus 447 basis points and has a commitment fee of 0.50 percent annual over unborrowed amount. The loan is interest only until April 20, 2022. On March 12, 2021, the Group borrowed the first disbursement of COP$15,000 million (US$3,11,669) from the facility.

On July 7, 2021, the Group entered into a U.S. dollar denominated mortgage loan facility of up to US$45,500,000 with Banco BAC San José, S.A. on behalf of LatAm Parque Logístico San José - Verbena co-investment vehicle. The loan can be drawn in multiple disbursements up to approximately 60 percent of the total investment of the project. Proceeds will be used to finance the construction of LatAm Parque Logístico San José - Verbena, a five-building class-A master-planned logistic park totaling 77,100 square meters of net rentable area, in the Alajuelita submarket in San José, Costa Rica. The mortgage loan has a term of ten years with a 15-year amortization profile. Pricing is 3 month-LIBOR plus 423 basis points. The debt facility has an amortization grace period of 30 months and does not accrue any commitment fees.

On August 16, 2021, the Group entered into a U.S. dollar denominated mortgage loan of US$7,000,000 with Banco Promerica de Costa Rica, S.A. for the purchase of an 11,000 square meter logistic facility located in the Coyol submarket in San Jose, Costa Rica. The loans have a fifteen-year term with fully amortization at expiration. Pricing is Prime Rate plus 475 basis points.

(3) ***Extinguishment of Debt*** - On January 27, 2020, the Group retired the Costa Rican colon (¢) denominated loan of ¢4.779.644.832 (US$8,284,287) with Banco Nacional de Costa Rica and entered into a new U.S. dollar denominated loan of US$8,200,000 with Banco Nacional de Costa Rica. The new U.S. dollar denominate loan bears a fixed interest rate of 6.50 percent for the first two years and 495 basis points over 6-month LIBOR after the second year. The U.S. dollar denominated loan expires on January 27, 2035 and have a fifteen-year amortization period.

(4) ***International Finance Corporation (IFC)*** - The International Finance Corporation (IFC) secured credit facility includes full development of Latam Logistic Lima Sur through a two tranches facility. Latam Logistic Lima Sur is a total of six buildings development divided in two phases. The loan has an aggregate borrowing capacity of US$53,000,000 and is divided in two tranches corresponding to each development phase.

- **Tranche 1** - The loan is for the financing of the development of phase 1. The loan has a total borrowing capacity of US$27,100,000 and is interest only until January 15, 2020 with a balloon payment of US$6,865,611 at expiration on July 15, 2028. The loan bears a commitment fee of 1 percent annual over unborrowed amounts until July 15, 2020. In June 2020, IFC waived to extend the borrowing and commitment fee period of the Tranche 1. On December 1, 2020, the Group had disbursed all the tranche.

- **Tranche 2** - The loan is for the financing of the development of phase 2. The loan has a total borrowing capacity of US$25,900,000 and is interest only until January 15, 2022 with a balloon payment of US$6,475,000 at expiration on July 15, 2030. The loan bears a commitment fee over unborrowed amounts until July 15, 2022 as follows:

  - June 16, 2019 - December 31, 2019 - 0.50 percent over unborrowed amount.
  - January 1, 2020 - June 30, 2021 - 1.00 percent over unborrowed amount.
  - July 1, 2021 - January 15, 2022 - 1.50 percent over unborrowed amount.

  As per the loan agreement, the Group has to maintain a cash collateral account as a guarantee of the principal during the construction and leasing period. As of September 30, 2021, and December 31, 2020, the Group had a restricted cash of US$1,800,000 and US$5,684,868, respectively, in the cash collateral account.

(5) ***Financing Capital Lease*** - On November 8, 2019, the Group entered into a financing capital lease contract with Bancolombia, S.A. for the financing of building 400 in Latam Logistic Park Calle 80 in Bogota, Colombia. The total financing capital lease contract is of COP$31,400 million (US$8,188,428). As of December 31, 2020, the capital lease was fully disbursed. The financing capital lease agreement bears an annual interest rate of IBR plus 350 basis points and has a term of 15 years with a balloon payment 40 percent (COP$12,560 million/ US$3,275,371) at the end of the contract. Principal payments and amortization started on February 2021.

On February 18, 2020, the Group entered into a Colombian peso (COP) denominated financing capital lease agreement of COP$27,600 million (US$7,197,471) with Bancolombia, S.A. for the financing of the construction of building 600 in Latam Logistic Park Calle 80 in Bogota, Colombia. As of December 31, 2020, the capital lease was fully disbursed. The financing capital lease bears an interest rate of IBR plus 350 basis points and has a term of 15 years with balloon payment 40 percent (COP$11,040 million/US$2,878,989) at the end of the contract. Principal payments and amortization started in February 2021.

On January 22, 2021, the Group entered into a Colombian peso (COP) denominated financing capital lease agreement of COP$44,500 million (US$11,604,619) with Bancolombia, S.A. for the financing of the construction of building 300 in Latam Logistic Park Calle 80 in Bogota, Colombia. As of September 30, 2021, the capital lease was fully disbursed. The financing capital lease bears an interest rate of IBR plus 365 basis points, commitment fees of 0.1 percent per month over unborrowed amount and has a fifteen years term with a balloon payment of 40 percent at expiration (COP$17,800 million/US$4,641,848). Principal payments and amortization will start in the fourth quarter of 2021.

(6) ***Secured Bridge Loan -*** On May 23, 2021, the Group entered into a U.S. Dollar denominated secured bridge loan agreement of US$15.0 million with BTG Pactual, S.A. – Cayman Branch. The proceeds of the secured bridge loan will be used to fund the continued growth of LatAm Logistic Properties. The credit facility is scheduled to mature on June 17, 2022. Pricing under the facility is a fixed annual interest rate of 5.85 percent.

(7) ***Commercial Papers-*** On December 1, 2020, the Group issued a public offer of US$5,568,000 of commercial papers after the Bolsa Nacional de Valores de Colombia. The commercial papers are denominated in US dollars and expires on December 1, 2021. The commercial papers bear a fixed annual interest rate of 7.4 percent.

Long-Term Debt Maturities - Scheduled principal and interest payments due on the Group's debt for each year through the period ended December 31, 2025, and thereafter were as follows at September 30, 2021:

	September 30, 2021						
	Mortgage Loan	Secured Bridge Loan	Financing Capital Lease	Commercial Papers	Total	Interest	Total Debt Service
Maturity:							
2021 (three months)	US$ 1,136,102		US$ 212,272	US$5,568,000	US$ 6,916,374	US$ 2,081,155	US$ 8,997,529
2022	7,634,262	US$15,000,000	633,604		23,267,866	9,097,601	32,365,467
2023	8,117,055		687,585		8,804,640	8,669,160	17,473,800
2024	9,136,828		741,566		9,878,394	8,542,067	18,420,461
2025	9,838,893		795,546		10,634,439	8,170,921	18,805,360
Thereafter	103,483,450		23,694,285		127,177,735	44,073,255	171,250,990
Total	US$139,346,590	US$15,000,000	US$26,764,858	US$5,568,000	US$186,679,448	US$80,634,159	US$267,313,607

Financing Cost - The following table summarizes the weighted average net effective interest rate by type of financing facility at September 30, 2021 and December 31, 2020:

	September 30, 2021		December 31, 2020	
	Weighted Average Interest Rate(1)	Amount Outstanding	Weighted Average Interest Rate(1)	Amount Outstanding
Mortgage Loan	6.2%	US$139,346,590	6.2%	US$107,224,290
Secured Bridge Loan	7.1%	15,000,000		
Commercial Papers	8.5%	5,568,000	8.5%	5,568,000
Financing Capital Lease	6.0%	26,764,858	5.5%	17,188,637
Total	6.3%	US$186,679,448	6.2%	US$129,980,927

(1) The interest rate presented represent the effective interest rate (including debt issuance costs) at the end of the period for the debt outstanding.

The following table summarizes the components of financing cost for the three and nine months ended September 30, 2021 and 2020:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Gross interest expense	US$2,585,916	US$1,723,057	US$6,707,564	US$5,252,821
Gross commitment fees	105,509	93,963	280,020	353,461
Amortization of debt issuance cost	153,625	77,526	399,742	217,531
Total financing cost before capitalization	2,845,050	1,894,546	7,387,326	5,823,813
Capitalized amounts into investment properties	(219,956)	(219,918)	(600,505)	(697,702)
Net financing cost	US$2,625,094	US$1,674,628	US$6,786,821	US$5,126,111
Total cash paid for interest and commitment fees	US$3,001,458	US$2,230,776	US$7,161,326	US$5,749,391

Debt Reconciliation - The reconciliation of debt as of September 30, 2021 and December 31, 2020 were as follows:

	September 30, 2021	December 31, 2020
Beginning balance	US$115,137,434	US$103,076,855
Secured bank debt borrowings	49,385,929	25,482,974
Commercial papers borrowings		5,568,000
Secured bridge loan borrowings	15,000,000	
Secured bank debt repayments	(5,016,481)	(12,125,323)
Long-term accrued interest	(44,115)	130,875
Borrowing cost incurred	(1,069,737)	(931,529)
Borrowing cost amortization	399,742	313,783
Change in current portion long term debt	(17,185,192)	(6,909,685)
Translation adjustment	(2,798,009)	531,484
Ending balance	US$153,809,571	US$115,137,434

Financial Debt Covenants - The loans described above are subject to certain affirmative covenants, including, among others, (i) reporting of financial information; and (ii) maintenance of corporate existence, the security interest in the properties subject to the loan and appropriate insurance for such properties. In addition, the loans are subject to certain negative covenants that restrict LLP's ability to, among other matters, incurs in additional indebtedness under or create additional liens on the properties subject to the loans, change its corporate structure, make certain restricted payments, enter into certain transactions with affiliates, amend certain material contracts.

The loans contain, among others, the following events of default: (i) non-payment; (ii) false representations; (iii) failure to comply with covenants; (iv) inability to generally pay debts as they become due; (v) any bankruptcy or insolvency event; (vi) disposition of the subject properties; or (vii) change of control of the subject properties.

17. SECURITY DEPOSITS

The Group holds security deposits from some tenants in cash. Tenant security deposits can be used to recover any outstanding receivable at the end of the lease or fix any damage caused by the tenant in the property. As of September 30, 2021, and December 31, 2020, the balance of security deposits of US$1,282,234 and US$942,954 respectively.

18. SHAREHOLDERS' EQUITY

Latam Logistic Properties, S.R.L. is a company organized in accordance with the laws of the Republic of Panama, constituted as a limited liability company, by public deed dated April 29, 2015, and registered before the Public Registry of Panama on May 4, 2015. Under the capital structure of a limited liability company, the Group's capital was in Quotes.

On January 2, 2021, the General Assembly of Shareholders unanimously approved the transformation and conversion of Latam Logistic Properties, S.R.L. to Latam Logistic Properties, S.A., from a limited liability company to a corporation, resolution duly registered with a Public Registry of Panama on January 13, 2021.

In accordance to the by-laws of a limited liability company and up to conversion date of the Company on January 2, 2021, the capital structure of Latam Logistic Properties, S.A. was through Capital Quotes.

As of December 31, 2020, the capital structure of Latam Logistic Properties S.R.L was as follows:

a. ***Capital Quotes*** - The Group's capital quotes were the amount of US$100 represented by 100 quotes registered shares with a US$1 par value each, divided into:

- Eighty-seven (87) class A quota ("the Class A Quotas") with a par value of one dollar (US$1.00).
- Eight (8) class B quotas ("the Class B Quotas") with a par value of one dollar (US$1.00).
- Five (5) class C quotas ("the Class C Quotas") with a par value of one dollar (US$1.00).

Quotas of all the same class had the same rights powers, preferences and privileges as all other quotas of that same class, quotas of different class shall have the same rights powers, preferences and privileges as all other quotas of other classes, except the Class C Quotas which did not confer the right to vote at any meeting of members of the Group. All issued quotes were fully paid.

b. ***Quotes Additional Paid-in Capital*** - During 2020, the Group received additional paid-in capital in cash for the amount of US$11,800,000 from its shareholders. Such payments were approved by all of the members of the Board of Directors of Latam Logistic Properties, S.R.L.

In the conversion of the Company from a limited liability company to a corporation, Latam Logistic Properties S.A. converted the outstanding eighty-seven (87) Class-A Quotas, eight (8) Class-B Quotas and the five (5) Class-C Quotas to 168,142,740 common shares with same rights at a US$1.00 par value per share.

On January 2, 2021, the shareholders of Latam Logistic Properties authorized common shares for a total of 300,000,000 with a par value of US$1.00 per share. As of September 30, 2021, total common shares outstanding and paid were 168,142,740, this amount is net of US$134,115 related with Initial public offering issuance cost

19. EARNINGS PER SHARE

The Group determine basic earnings per share based on the weighted average number of shares of common stock outstanding during the period. The Group compute diluted earnings per share on the weighted average number of shares outstanding combined with the incremental weighted average effect from all outstanding potentially dilutive instruments.

The calculated basic and diluted earnings per share were the same, as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Basic and diluted earnings(loss) per share	US$(0.0031514)	US$0.0053372	US$0.0285471	US$0.0090579
Net earnings (loss) attributed to common stockholders of the Group	US$ (529,889)	US$ 897,409	US$ 4,799,990	US$ 1,523,019
Weighted average number of shares	168,142,740	168,142,740	168,142,740	168,142,740

On January 2, 2021, the shareholders of Latam Logistic Properties authorized 300,000,000 common shares with a par value of US$1.00 per share.

As of September 30, 2021, the Group had 168,142,740 common stocks outstanding and paid.

Derived from the conversion from a limited liability company to a corporation described in the previous note, as required by IFRS, the calculation of basic and diluted earnings per share has been adjusted retrospectively for comparative purposes, when a capitalization or share-split occurs, and the shareholders prevail.

20. NON-CONTROLLING INTEREST

In September 2018, the Group entered in a real estate partnership for the development of Latam Parque Logístico Coyol II in Costa Rica. The partnership includes two entities that the Group consolidates but do not own 100 percent of the equity. The Group reports a non-controlling interest in relation to this partnership. The Group has complete responsibility, authority and discretion in key decision activities management of the partnership.

In December 2020, the Group entered in a real estate partnership for the development of Latam Parque Logístico San Jose in Costa Rica. The partnership includes three entities that the Group consolidates but do not own 100 percent of the equity. The Group reports a non-controlling interest in relation to this partnership. The Group has complete responsibility, authority and discretion in the day-to-day management of the partnership.

On March 22, 2021, the Group entered into a real estate partnership with Capia Sociedad Administradora de Fondos de Inversión, S.A., through its investment fund Capia Radix Fondo de Inversion (Capia Radix) (together as "CAPIA"), an investment fund managed by CAPIA for the development of 104,500 square meters in Parque Logístico Callao located in the submarket of Callao in Lima, Peru. Parque Logístico Callao will be developed in five phases of a building per phase. The partnership includes one entity that the Group consolidates but does not own 100 percent of its equity. According to the partnership agreement, the Group participation in the vehicle will be of 50 percent during the construction of the first two phases with a dilution in the construction of the remaining three phases for a total participation of 40 percent at the end of the fifth phase. The Group reports a non-controlling interest in relation to this partnership. The Group has complete responsibility, authority and discretion in the day-to-day management of the partnership.

On August 3, 2021, the Group entered into a real estate partnership for the acquisition of LatAm Lagunilla Industrial Park in Costa Rica. The partnership includes two entities that the Group consolidates but do not own 100 percent of the equity. The Group

reports a non-controlling interest in relation to this partnership. The Group has complete responsibility, authority and discretion in the day-to-day management of the partnership.

The following table summarizes the Group ownerships percentage in the non-controlling interests (NCI) as of September 30, 2021 and December 31, 2020.

Partnership	Country	Ownership Percentage		Non-Controlling Interest	
		September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
LatAm Parque Logístico Coyol II	Costa Rica	50.0%	50.0%	US$ 8,180,056	US$ 7,913,267
LatAm Parque Logístico San José - Verbena	Costa Rica	23.8%	23.8%	21,901,979	15,582,906
LatAm Lagunilla Industrial Park	Costa Rica	50.0%	n/a	919,949	
Parque Logístico Callao	Peru	50.0%	n/a	60,093	
Total				US$31,062,077	US$23,496,173

During the nine months ended September 30, 2021 the special vehicle entities paid distribution to the non-controlling interest partner as follows:

Latam Parque Logístico Coyol II	US$250,000
Total distributions paid to non-controlling partners	US$250,000

Summarized financial information of non-controlling partnership' total assets and total liabilities as of September 30, 2021 and December 31, 2020 was as follows:

	September 30, 2021				December 31, 2020	
	LatAm Parque Logístico Coyol II	LatAm Parque Logístico San José – Verbena	LatAm Lagunilla Industrial Park	Parque Logístico Callao	Latam Parque Logístico Coyol II	Latam Parque Logístico San José - Verbena
Cash	US$ 633,276	US$ 3,184,350	US$ 33,447	US$ 58,956	US$ 960,180	US$ 824,607
Receivables	17,315	101,367	86,955	14,818	20,002	261,043
Other assets	147,172	587,064	2,708	58,974	68,686	
Prepaid construction		750,233				
Investment properties	31,366,670	33,326,246	4,050,000		30,780,000	20,893,942
Assets held for sale		2,996,471				
Deferred tax asset			16,022			
Restricted cash	339,900				339,900	
Total assets	32,504,333	40,945,731	4,189,132	132,748	32,168,768	21,979,592
Payables and accruals	350,163	1,293,366	19,494	7,362	432,397	1,285,020
Due to related parties		57,095	2,299,440	5,200		
Deposits for assets held for sale		1,200,000				
Long-term debt	11,209,608	6,774,600			11,633,562	
Security deposits	195,000		30,300		195,000	
Deferred tax liability	4,396,341	2,824,260			4,031,276	
Total Liabilities	16,151,112	12,149,321	2,349,234	12,562	16,292,235	1,285,020
Equity attributable to owners of the parent	US$ 8,180,056	US$ 6,844,331	US$ 919,949	US$ 60,093	US$ 7,963,266	US$ 5,111,666
Non-controlling interest	US$ 8,180,056	US$21,901,979	US$ 919,949	US$ 60,093	US$ 7,913,267	US$15,582,906

For the three and nine months ended September 30, 2021 and 2020, net earnings (loss) attributable to non-controlling were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net earnings attributable to non-controlling				
LatAm Parque Logístico Coyol II	US$118,899	US$4,090	US$ 516,790	US$275,230
LatAm Parque Logístico San Jose - Verbena	(725)		3,333,655	
LatAm Lagunilla Industrial Park	(43,624)		(43,624)	
Parque Logístico Callao	(11,661)		(15,27)	
	US$ 62,889	US$4,090	US$3,791,594	US$275,230

21. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Personnel cost	US$ 811,690	US$ 710,005	US$2,313,954	US$2,144,258
Services and professional fees	341,506	298,486	794,520	515,335
Office expenses	84,223	66,640	284,519	196,516
Bank service charges	10,995	8,130	33,524	24,642
Other	153,990	100,363	406,985	240,807
Total	US$1,402,404	US$1,183,624	US$3,833,502	US$3,121,558

22. OTHER EXPENSES

Other expenses were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Debt supervision fee	US$ 9,444		US$ 30,369	US$ 20,000
Other debt raising cost	2,850	US$77,054	2,850	77,054
Dead deal pursuit costs	39,339	17,877	53,706	55,068
Stabilized building acquisition closing costs	211,412		347,908	607
Total	US$263,045	US$94,931	US$434,833	US$152,729

23. INCOME TAX

Current Tax - Current tax is determined based on the tax laws in effect in each country where the Group operates. As of September 30, 2021, and December 31, 2020, the tax rates applied by the subsidiaries were as follows:

		September 30, 2021	December 31, 2020
(1)	Costa Rica	30%	30%
(2)	Colombia	31%	32%
	Perú	29.5%	29.5%

(1) In accordance with the reforms introduced to the Costa Rican Income Tax Law, through tax reform Law No.9635, Law for Strengthening Public Finances, effective as of July 1, 2019; it is stated that the Group's Costa Rican subsidiaries that hold real estate assets are within the regulatory framework to pay taxes under Chapter I.-Income Tax, on net taxable income accrued during the fiscal year. The Group does not have an ongoing tax review before the Costa Rican Tax Authorities. The Group is taking all the necessary steps to correct any formal error resulting from the interpretations within the Costa Rican Tax Administration, regarding the change of the new regulatory provisions, the regime of Chapter XI, real estate capital income.

(2) In Colombia, the tax rate applied to capital gains on sale of investment properties held for more than 5 years is 10 percent.

During the three and nine months ended September 30, 2021 and 2020, the weighted average tax rate for the Group was as follows:

	Three Months Ended September 30, 2021				
	Ordinary Income	Tax Rate	Gain/(Loss) on Revaluation of Investment Properties	Tax Rate	Weighted Average Tax Rate
Colombia	US$ 376,863	31.0		10.0	31.0
Perú	414,573	29.5		29.5	29.5
Costa Rica	1,053,284	30.0		30.0	30.0
Total	US$1,844,720	30.1	US$	n/a	30.1

	Three Months September 30, 2020				
	Ordinary Income	Tax Rate	Gain/(Loss) on Revaluation of Investment Properties	Tax Rate	Weighted Average Tax Rate
Colombia	US$ 47,124	32.0		10.0	32.0
Perú	245,909	29.5		29.5	29.5
Costa Rica	1,206,471	30.0		30.0	30.0
Total	US$1,499,504	30.0	US$	n/a	30.7

	Nine Months Ended September 30, 2021				
	Ordinary Income	Tax Rate	Gain/(Loss) on Revaluation of Investment Properties	Tax Rate	Weighted Average Tax Rate
Colombia	US$ 719,065	31.0	US$ 331,982	10.0	24.4
Perú	928,678	29.5	3,090,239	29.5	29.5
Costa Rica	3,368,841	30.0	10,296,295	30.0	30.0
Total	US$5,016,584	30.1	US$13,718,516	29.4	29.6

	Nine Months September 30, 2020				
	Ordinary Income/ (Loss)	Tax Rate	Gain/(Loss) on Revaluation of Investment Properties	Tax Rate	Weighted Average Tax Rate
Colombia	US$ 37,953	32.0		10.0	32.0
Perú	214,201	29.5		29.5	29.5
Costa Rica	3,319,576	30.0		30.0	30.0
Total	US$3,571,730	30.0	US$	n/a	30.0

For the three and nine months ended September 30, 2021 and 2020, income tax from continued operations was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Income tax expense	US$ 340,196	US$ 89,182	US$1,012,177	US$ 298,928
Deferred income tax expense	1,558,211	392,191	8,749,809	1,466,049
Total	US$1,898,407	US$481,373	US$9,761,986	US$1,764,977

Income tax expense includes withholding taxes that resulted from the recognition of intra group fees between countries. During the three and nine months ended September 30, 2021 and 2020, the Group recognized withholding tax expenses in the current income tax expense as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Intra group withholding tax expense	US$18,247	US$29,777	US$65,363	US$88,347

Income tax for expense for the three and nine months ended September 30, 2021 and 2020 can be reconciled to the accounting profit as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Profit before tax from continuing operations	US$1,431,407	US$1,382,872	US$18,353,570	US$ 3,563,226
Income tax expense calculated at weighted average tax rate ~ 2021: 30.1% (2020: 30.0%)	US$ 430,739	US$ 414,597	US$ 5,524,425	US$ 1,068,657
Non-taxable (income) losses	(341,809)	(250,210)	(1,379,155)	(777,536)
Tax attributable to change in investment properties tax basis	712,834	1,292,221	1,671,164	2,891,378
Tax attributable to change in FMV of investment properties due to exchange rate fluctuations	1,066,961		2,736,828	
Embedded tax liability in the purchase of investment properties			346,490	
Changes in tax treatment of rent leveling in Peru			600,126	
Effect of tax losses and temporary differences	29,682	(975,235)	262,108	(1,421,522)
Total	US$1,898,407	US$ 481,373	US$ 9,761,986	US$ 1,764,977

Deferred Tax - As of September 30, 2021 and December 31, 2020 the Group has recognized a deferred tax liability over the temporary difference generated on the investment properties valued at its fair value, the tax losses and other temporary differences.

The reconciliation of the deferred tax assets and its compositions was as follows:

	September 30, 2021	December 31, 2020
Balance at beginning of the year	US$1,323,723	US$ 1,364,557
Employee benefits	85,396	202,937
Net operating loss for the period	349,378	1,235,684

(Continues)

	September 30, 2021	December 31, 2020
Net operating losses valuation reserve	US$ (297,330)	US$(1,828,695)
Tax attributable to change in investment properties tax basis and fair market value	(53,691)	
Other assets and liabilities	5,470	369,150
Beginning balance reclassification to deferred tax liability	(886,413)	
Translation effect from functional currency	(6,429)	(19,910)
	US$ 520,104	US$ 1,323,723

The reconciliation of the deferred tax liability and its compositions was as follows:

	September 30, 2021	December 31, 2020
Balance at beginning of the year	US$31,650,590	US$24,903,918
Tax attributable to change in investment properties tax basis and fair market value	7,667,935	5,347,927
Embedded tax liability in the purchase of investment properties	346,491	
Employee benefits	(3,985)	
Other assets and liabilities	205,654	1,538,700
Prior years tax effect in change in tax treatment of rent leveling in Peru	600,126	
Net operating loss for the period	203,353	
Beginning balance reclassification from deferred tax assets	(886,413)	
Translation effect from functional currency	(236,986)	(139,955)
Balance at the end of the period	US$39,546,765	US$31,650,590

Net Operating Tax Losses Carried Forward - As of September 30, 2021, the Group had approximately US$520,104 and US$39,546,765 in net deferred tax assets (DTAs) and deferred tax liabilities (DTLs), respectively. These DTAs and DTLs included approximately US$680,048 related to net operating loss carryforwards that can be used to offset taxable income in future periods and reduce the Group income taxes payable in those future periods.

As of September 30, 2021, the Group considered it more likely than not that the benefit from certain entities NOL carryforwards will not be realized and that these legal entities will not have sufficient taxable income in the future that will allow to realize these DTAs and DTLs. In addition, it is possible that some or all of these NOL carryforwards could ultimately expire unused. In recognition of this risk, the Group has provided a valuation allowance of US$5,237,922 on the deferred tax assets and liabilities related to these NOL carryforwards.

As of September 30, 2021, the Group had income tax net operating loss (NOL) carryforwards of US$5,917,970, which will expire on various dates from 2021 through 2032 as follows:

Expirations	Colombia	Peru	Costa Rica	Total
FY 2021		US$ 762,470		US$ 762,470
FY 2022		770,665		770,665
FY 2023		869,964	US$ 290,831	1,160,795
FY 2024		1,111,117	429,689	1,540,806
FY 2025		1,177,959		1,177,659
FY 2028	US$ 37,234			37,234
FY 2029	97,038			97,038
FY 2030	134,018			134,081
FY 2031	27,121			27,121
FY 2032	71,596			71,596
FY 2033	138,568			138,568
	505,575	4,692,175	720,520	5,918,033
Valuation allowance	(270,819)	(4,669,773)	(297,330)	(5,237,922)
	US$ 234,756	US$ 22,402	US$ 423,190	US$ 680,111

24. BALANCE AND TRANSACTIONS WITH RELATED PARTIES

The main transactions with related parties for the three and nine months ended September 30, 2021 and 2020, were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
Interest income - Latam Logistics Investments LLC	US$111,209	US$91,413	US$313,613	US$227,088
Total	US$111,209	US$91,413	US$313,613	US$227,088

As of September 30, 2021, and December 31, 2020, outstanding balances from related parties were as follows:

	September 30, 2021	**December 31, 2020**
Interest receivable:		
Latam Logistics Investments LLC	US$1,176,366	US$ 862,735
Notes receivable:		
Latam Logistics Investments LLC	4,850,000	4,165,000
Total	US$6,026,366	US$5,027,735

As of September 30, 2021 and December 31, 2020, there was no amount owed to related parties.

Transactions with Key Management Personnel -

Loan to Executives - In July 2020, the Group expanded the loan receivable from Latam Logistics Investment LLC to US$4,165,000 from US$3,015,000 and extended the term to December 31, 2023. In June 2021, the Group expanded the loan receivable from Latam Logistics Investment LLC to US$4,850,000 from US$4,165,000 and the expiration of the loan remained on December 31, 2023.

The loan bears an annual interest rate of 9.0 percent and principal and interest are due at expiration of the loan.

Latam Logistics Investment LLC is a wholly owned company of one of the executives of the Group and it owns 8.0 percent of the Group. As of September 30, 2021, and December 31, 2020, the balance outstanding was US$6,026,366 and US$5,027,735, respectively.

Key Management Personnel Compensation - Key management personnel compensation paid was as follow:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
Salaries	US$220,327	US$226,153	US$647,202	US$657,122
Cash bonus paid			246,824	
Non-cash benefits	10,521	10,327	31,511	30,449
Total	US$230,848	US$236,480	US$925,537	US$687,571

Compensation of the Group's key management personnel includes salaries, statutory and performance bonuses and non-cash benefits.

25. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

25.1 ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

The following table shows the carrying amounts and fair values (amortized cost) of financial assets and liabilities. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	September 30, 2021				
	Notes	**Cash and Accounts Receivable**	**Other Financial Liabilities**	**Total Carrying Amount**	**Fair Value (Amortized Cost)**
Cash	7	US$25,701,561		US$ 25,701,561	US$ 25,701,561
(i) Financial assets measured at amortized cost:					
Receivable	8	10,078,164		10,078,164	10,078,164
Due from related parties	24	6,026,366		6,026,366	6,026,366
Restricted cash	16	3,928,828		3,928,828	3,928,828
Total financial assets		US$45,734,919	US$	US$ 45,734,919	US$ 45,734,919
(i) Financial liabilities measured at amortized cost:					
Payables and accruals	14		US$ 12,632,396	US$ 12,632,396	US$ 12,632,396
Deposits for assets held for sale			1,200,000	1,200,000	1,200,000
Lease liability	15		182,190	182,190	182,190
Security deposits	17		1,282,234	1,282,234	1,282,234
Long-term debt	16		182,549,190	182,549,190	182,549,190
Total financial liabilities		US$	US$197,846,010	US$197,846,010	US$197,846,010

(i) The carrying amounts of cash, accounts receivable, trade accounts payable, accrued expenses, due to/from related parties, and security deposits are a reasonable approximation of fair value due to their short-term maturities. Additionally, long-term debt approximates its fair value since it accrues variable interest and the Group's spread is considered to reflect market conditions close to other comparable entities.

	December 31, 2020				
	Notes	Cash and Accounts Receivable	Other Financial Liabilities	Total Carrying Amount	Fair Value (Amortized Cost)
Cash	7	US$15,458,803		US$ 15,458,803	US$ 15,458,803
(i) Financial assets measured at amortized cost:					
Receivable	8	7,745,086		7,745,086	7,745,086
Due from related parties	24	5,027,735		5,027,735	5,027,735
Restricted cash	16	7,744,696		7,744,696	7,744,696
Total financial assets		US$35,976,320	US$	US$ 35,976,320	US$ 35,976,320
(i) Financial liabilities measured at amortized cost:					
Payables and accruals	14		US$ 12,046,212	US$ 12,046,212	US$ 12,046,212
Lease liability	15		262,614	262,614	262,614
Security deposits	17		942,954	942,954	942,954
Long-term debt	16		126,691,861	126,691,861	126,691,861
Total financial liabilities		US$	US$139,943,641	US$139,943,641	US$139,943,641

(i) The carrying amounts of cash, accounts receivable, trade accounts payable, accrued expenses, due to/from related parties, and security deposits are a reasonable approximation of fair value due to their short-term maturities. Additionally, long-term debt approximates its fair value since it accrues variable interest and the Group's spread is considered to reflect market conditions close to other comparable entities.

25.2 FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

a. ***Risk Management Framework*** - The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's CEO is responsible for developing and monitoring the Group's risk management policies. The CEO reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligation.

b. ***Credit Risk*** - Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables (cash and accounts receivable).

Exposure to Credit Risk - The carrying amount of financial assets represents the maximum credit exposure was as follows:

	Notes	September 30, 2021	December 31, 2020
Cash	7	US$25,701,561	US$15,458,803
Receivables	8	10,078,164	7,745,086
Due from related parties	24	6,026,366	5,027,735
Restricted cash	16	3,928,828	7,744,696
		US$45,734,919	US$35,976,320

c. ***Liquidity Risk*** - Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, to the extent possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring in unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that it has sufficient cash on demand, including the balances of short-term credit facilities, to meet expected operating expenses for a period of 90 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters.

Exposure to Liquidity Risk - The following were the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments.

			Contractual Cash Flows	
September 30, 2021	Notes	Carrying Amount	Total	12 Months or Less
Payables and accruals	14	US$ 15,655,873	US$ 15,655,873	US$ 15,655,873
Lease liability	15	182,190	195,024	115,347
Security deposits	17	1,282,234	1,282,234	27,800
Long-term debt	16	182,549,190	186,679,448	28,739,619
		US$199,669,487	US$203,812,579	US$44,538,639

			Contractual Cash Flows	
December 31, 2020	Notes	Carrying Amount	Total	12 Months or Less
Payables and accruals	14	US$ 14,234,571	US$ 14,234,571	US$14,234,571
Lease liability	15	262,614	288,173	118,094
Security deposits	17	942,954	942,954	41,094
Long-term debt	16	126,691,861	129,980,927	11,554,427
		US$142,132,000	US$145,446,625	US$25,948,186

The Group minimum lease payments are disclosed on Note 15.

The following were the remaining contractual maturities of financial assets on the reporting date.

			Contractual Cash Flows	
September 30, 2021	Notes	Carrying Amount	Total	12 Months or Less
Cash	7	US$25,701,561	US$25,701,561	US$25,701,561
Receivables	8	10,078,164	10,078,164	2,369,146
Due from related parties	24	6,026,366	6,026,366	
Restricted cash	16	3,928,828	3,928,828	
		US$45,734,919	US$45,734,919	US$28,070,707

December 31, 2020	Notes	Carrying Amount	Contractual Cash Flows	
			Total	12 Months or Less
Cash	7	US$15,458,803	US$15,458,803	US$15,458,803
Receivables	8	7,745,086	7,745,086	1,566,783
Due from related parties	24	5,027,735	5,027,735	
Restricted cash	16	7,744,696	7,744,696	
		US$35,976,320	US$35,976,320	US$17,025,586

d. ***Market Risk*** - Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency Risk - The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which revenue, costs and expenses, and loans are denominated and the respective functional currency of the Group. The functional currency of the Group is U.S. dollars.

As of the reporting date, the Group has monetary assets and liabilities in currencies other than the functional currency. The main foreign currencies used by the Group are as follows:

- Costa Rican colones (¢).
- Peruvian soles (S/.).

In respect of monetary assets and liabilities denominated in Costa Rican colones (¢) and Peruvian soles (S/.), the Group's policy is to ensure that its net exposure is kept at an acceptable level by buying or selling Costa Rican colones (¢) and Peruvian soles (S/.) at spot rates when necessary to address short-term imbalances.

The summary quantitative data of the Group's exposure to currency risk, as reported to management, was as follows:

	September 30, 2021		
	Costa Rican Colones	Peruvian Soles	Total
Cash	US$ 19,638	US$ 196,510	US$ 216,148
Receivables	124,893	4,413,522	4,538,415
Sub-total	144,531	4,610,032	4,754,563
Payables and accruals	861,021	374,587	1,235,608
Sub-total	861,021	374,587	1,235,608
Net	US$(716,490)	US$4,235,445	US$3,518,955

	December 31, 2020		
	Costa Rican Colones	Peruvian Soles	Total
Cash	US$ 53,974	US$ 25,319	US$ 79,293
Receivables	57,387	3,453,158	3,510,545
Sub-total	111,361	3,478,477	3,589,838
Payables and accruals	607,857	253,190	861,047
Sub-total	607,857	253,190	861,047
Net	US$(496,496)	US$3,225,287	US$2,728,791

As of September 30, 2021 and December 31, 2020, the net assets in foreign operations of the Group whose functional currency is different from the U.S. dollar and for which the differences in foreign currency were recognized in other comprehensive income (OCI) amounted to US$82,873,082 and US$89,336,422, respectively.

The following significant exchange rates were applied during the year (to US$1.00):

	Average Rate			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Costa Rican Colones	¢ 624,55	¢ 594,24	¢ 619,33	¢ 581,38
Peruvian Soles	S/ 4,043	S/ 3,546	S/ 3,835	S/ 3,464
Colombian Pesos	COP$3,844	COP$3,730	COP$3,697	COP$3,704

	Reporting Date			
	Buy Rate		Sell Rate	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
Costa Rican Colones	¢ 623,24	¢ 610,53	¢ 629,71	¢ 617,30
Peruvian Soles	S/ 4,125	S/ 3,616	S/ 4,130	S/ 3,621
Colombian Pesos	COP$3,835	COP$3,433	COP$3,835	COP$3,433

Sensitivity Analysis - A 10 percent strengthening (weakening) of the U.S. dollar against the local currencies of the subsidiaries as of September 30, 2021 and December 31, 2020 would have decreased (increase) net income by the amounts shows below. This analysis assumes that all other variables, particularly interest rates, remained constant. The analysis was performed on the same basis as for 2020.

September 30, 2021	Strengthening	Weakening
Profit or loss	US$ 351,896	US$ (351,896)
Equity	US$8,639,204	US$(8,639,204)

December 31, 2020	Strengthening	Weakening
Profit or loss	US$ 272,879	US$ (272,879)
Equity	US$9,206,521	US$(9,206,521)

Interest Rate Risk - The Group hold financial liabilities subject to interest rate; therefore, variations in interest rates at the reporting date would affect profit or loss.

Sensitivity Analysis - A 1 percent and 2 percent strengthening (weakening) of the LIBOR interest (IBR for Colombian peso denominated debt) as of September 30, 2021 and December 31, 2020 would have decreased (increase) net income by the amounts shows below. This analysis assumes that all other variables remained constant. The analysis was performed on the same basis as for 2020.

	Note	Long-term Debt with Variable Interest Rate as of September 30, 2021	1%	2%
Increase in interest rate	16	US$166,111,448	US$(929,588)	US$(1,898,084)
Decrease in interest rate	16	US$166,111,448	US$ 376,593	US$ 613,531

	Note	Long-term Debt with Variable Interest Rate as of December 31, 2020	1%	2%
Increase in interest rate	16	US$129,980,927	US$(487,459)	US$(1,062,030)
Decrease in interest rate	16	US$129,980,927	US$ 250,780	US$ 422,666

26. COMMITMENT AGREEMENT

On January 7, 2021, the Group, in partnership with Capia Sociedad Administradora de Fondos de Inversión, S.A., through its investment fund Capia Radix Fondo de Inversion (Capia Radix) (together as "CAPIA"), entered into an operating contract with Lima Airport Partners ("LAP") for the development and operation of Parque Logístico Callao, a 104,500 square meter logistic park, within the Jorge Chavez International Lima Airport land concession. The operating contract includes a 31-year land lease of 21 hectares of concession land that will start upon ratification of the contract by the Group and CAPIA. In accordance with the amended development and operating contract, the Group and CAPIA have twelve months to ratify the contract with no break penalty fee.

On March 25, 2021, the Group entered into a forward commitment agreement to acquire a newly developed 17,300 square meters fully occupied Class-A logistic real estate in Cali, Colombia for a total estimated investment of US$11.0 million (COP$41,384 million), including closing costs. The property is currently being developed by a local developer and is located in the Palmira submarket of Cali, Colombia. As per the forward commitment agreement, the purchase price will be paid to the developer in fours installments payments in the following schedule:

Purchase Price Installments	Amount	
	US$	COP$ in Millions
Payment Schedule:		
Q1 2021	US$ 912,723	COP$ 3,500
Q1 2022	793,743	3,044
Q2 2022	793,743	3,044
Q3 2022 (final payment)	8,028,701	30,788
Total	US$10,528,910	COP$40,376

The building is expected to be acquired upon delivery in September 2022. As of September 30, 2021, the Group paid a first installment payment of US$912,723 (COP$3,500 millions) for the property acquisition.

27. SUBSEQUENT EVENT

Debt - On October 27, 2021, the Group repaid the Commercial Papers Repayment Commercial Paper and Last Borrowing from ITAU. Latam Logistics Properties completed the redemption of the papers on the 27th of October 2021, paying to its paper holders for initial capital plus interest referring to last two months, September

and October up to the date of payment, for a total value of US$5,630,879. This operation was covered by funds from a financial loan with a 12-year tenure from Itau Bank Colombia US$5,298,772 (COP 20,000 MM), and the rest was disbursed by LATAM Logistic Properties.

The main objective of this debt management operation is to diversify sources of funding, to increase total duration of debt portfolio, and to diminish total weighted cost of debt. We are currently in the process of final cancellation of the securities.

28. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements as of September 30, 2021 were authorized for issue by Group's Board of Directors management on November 11, 2021. Details of the Group's accounting policies are included in Note 3.

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