



LatAm Logistic Properties, S.A.

Consolidated Interim Financial
Statements

March 31, 2022 and December 31, 2021

REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

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

Introduction

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 March 31, 2022 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 month period 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.

Review Scope

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 March 31, 2022, and of its consolidated financial performance and its consolidated cash flows for the three month period then ended in accordance with International Financial Reporting Standards ("IFRS").

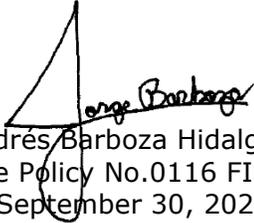
Other Matters

The consolidated statement of financial position as of December 31, 2021, corresponds to the audited annual consolidated financial statements which is dated March 24, 2022. Therefore, for a better understanding, the consolidated interim financial information should be read in conjunction with the audited annual consolidated financial statements, as of December 31, 2021 and for the year ended.

Deloitte.

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

May 31, 2022



LATAM LOGISTIC PROPERTIES, S.A.

TABLE OF CONTENTS

	Page
CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION	4
CONSOLIDATED INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	5
CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY	6
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS	7-8
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS	9-71

LATAM LOGISTIC PROPERTIES, S.A. AND SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION AS OF MARCH 31, 2022, AND DECEMBER 31, 2021

(Expressed in US Dollars of United States of America)

	Notes	March 31, 2022	December 31, 2021
ASSETS			
CURRENT ASSETS:			
Cash in bank accounts	7	US\$ 18,485,349	US\$ 17,360,353
Receivables net	2g, 8	2,907,198	2,592,547
Other current assets	9	<u>2,398,721</u>	<u>2,198,824</u>
Total current assets		<u>23,791,268</u>	<u>22,151,724</u>
NON-CURRENT ASSETS:			
Receivables - long term	2g, 8	8,087,341	8,004,072
Due from affiliates - long term	24	6,247,382	6,137,573
Right - of - use asset	2i, 15	240,571	135,123
Prepaid construction	11	7,229,765	5,205,683
Investment properties	2j, 12	441,461,507	428,275,741
Land inventory	2k, 13	2,977,147	2,977,147
Vehicles, furniture and equipment, net	2h, 10	460,225	502,744
Deferred tax asset	23	660,759	606,183
Restricted cash	7, 16	<u>3,319,391</u>	<u>3,929,870</u>
Total non-current assets		<u>470,684,088</u>	<u>455,774,136</u>
TOTAL ASSETS		<u>US\$494,475,356</u>	<u>US\$477,925,860</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts payable and accrued expenses	2d, 2m, 2n, 14	US\$ 10,441,297	US\$ 11,945,674
Deposits for the sale of assets	13	2,400,000	1,200,000
Lease liability - current	2i, 15	97,213	106,778
Long term debt - current portion	2g, 16	<u>24,372,682</u>	<u>23,454,711</u>
Total current liabilities		<u>37,311,192</u>	<u>36,707,163</u>
NON-CURRENT LIABILITIES:			
Long term debt	2g, 16	176,246,474	165,373,887
Lease liability - long term	2i, 15	157,616	48,553
Deferred tax liability	23	40,049,627	39,309,967
Security deposits	17	<u>1,414,114</u>	<u>1,360,501</u>
Total non - current liabilities		<u>217,867,831</u>	<u>206,092,908</u>
Total liabilities		<u>255,179,023</u>	<u>242,800,071</u>
EQUITY:			
Common share capital	18	168,142,740	168,142,740
Accumulated earnings		54,317,475	54,394,213
Cumulative translation adjustment	2b	<u>(13,773,315)</u>	<u>(18,534,315)</u>
Capital attributable to owners		208,687,900	204,002,638
Non - controlling interest	2f, 20	<u>30,608,433</u>	<u>31,123,151</u>
Total equity		<u>239,296,333</u>	<u>235,125,789</u>
TOTAL LIABILITIES AND EQUITY		<u>US\$494,475,356</u>	<u>US\$477,925,860</u>

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 THREE MONTHS ENDED MARCH 31, 2022 AND 2021**

(Expressed in US Dollars of United States of America)

	Notes	For the Three Months Ended March 31,	
		2022	2021
REVENUES:	2p		
Rental revenue	4	US\$ 7,547,312	US\$ 5,480,057
Development fee income		<u>285</u>	<u>53,063</u>
Total revenues		<u>7,547,597</u>	<u>5,533,120</u>
COSTS AND OPERATING EXPENSES:			
Investment property operating expense	5	1,125,138	919,327
General and administrative	21	<u>1,181,730</u>	<u>1,125,175</u>
Total costs and operating expenses		<u>2,306,868</u>	<u>2,044,502</u>
OTHER NON-OPERATING INCOME (EXPENSES):			
Interest income from affiliates	2r, 24	109,809	105,100
Loss on debt extinguishment	16	(2,139,177)	
Office lease financing cost	15	(2,888)	(4,532)
Right-of-use amortization	15	(25,141)	(24,334)
Depreciation and amortization	10	(35,318)	(30,879)
Net foreign currency profit (loss)		332,578	(182,012)
Other income		23,921	19,348
Gain sale of investment properties		87,976	0
Other expense	22	(229,309)	(421,354)
Interest expense	2r, 16	(2,739,898)	(1,838,314)
Deferred financing cost amortization	16	<u>(109,823)</u>	<u>(88,111)</u>
NET PROFIT BEFORE TAXES		513,459	1,023,530
INCOME TAX EXPENSE	2s, 23	<u>(654,945)</u>	<u>(804,033)</u>
(LOSS) PROFIT FOR THE PERIOD		(141,486)	219,497
OTHER COMPREHENSIVE LOSS:			
Items that are not reclassified subsequently to profit or loss:			
Translation profit (loss) from functional currency to reporting currency		<u>4,762,000</u>	<u>(7,590,215)</u>
Total comprehensive profit (loss) for the period		<u>US\$ 4,620,514</u>	<u>US\$ (7,370,718)</u>
(LOSS) PROFIT FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Group		US\$ (76,738)	US\$ 65,554
Non-controlling interests	2f, 20	<u>(64,748)</u>	<u>153,943</u>
Total		<u>US\$ (141,486)</u>	<u>US\$ 219,497</u>
TOTAL COMPREHENSIVE PROFIT (LOSS) ATTRIBUTABLE TO:			
Owners of the Group		US\$ 4,685,262	US\$ (7,524,661)
Non-controlling interests		<u>(64,748)</u>	<u>153,943</u>
Total		<u>US\$ 4,630,514</u>	<u>US\$ (7,370,718)</u>
(Loss) earnings for the period per share attributed to common stockholders of the Group		<u>US\$(0,0004564)</u>	<u>US\$0.00038987</u>

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 THREE MONTHS ENDED MARCH 31, 2022 AND 2021**

(Expressed in US Dollars of United States of America)

	Notes	Quotes			Common Stocks		Accumulated Earnings	Adjustment for Translation of Financial Statements	Capital Attributable to Owners	Non-controlling Interests	Total Equity
		Number of Quotes	Capital Quotes	Quotes Additional Paid-in Capital	Number of Shares	Ordinary Share Value					
BALANCE AS OF DECEMBER 31, 2020	16a	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
Net income for the period							65,554		65,554	153,943	219,497
Adjustment for translation of financial statements								(7,590,215)	(7,590,215)		(7,590,215)
Total comprehensive loss for the period							65,554	(7,590,215)	(7,524,661)	153,943	(7,370,718)
Transfer of Capital Quotes par value to share value due to conversion of S.R.L. to S.A.		(100)	(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						
Other									(56)		(56)
Additional paid-in capital	16b									2,716,558	2,716,558
Distributions	17									(250,000)	(250,000)
BALANCE AS OF MARCH 31, 2021	16a	100	100				49,672,395	(13,601,728)	204,213,407	26,116,674	230,330,081
BALANCE AS OF DECEMBER 31, 2021			US\$	US\$	168,142,740		US\$54,394,213	US\$(18,534,315)	US\$204,002,638	US\$31,123,151	US\$235,125,789
Net loss for the period							US\$ (76,738)		US\$ (76,738)	US\$ (64,748)	US\$ (739,108)
Adjustment for translation of financial statements								US\$ 4,762,000	4,762,000		4,762,000
Total comprehensive income for the period							(76,738)	4,762,000	4,685,262	(64,748)	4,620,514
Distributions										(449,970)	(449,970)
BALANCE AS OF MARCH 31, 2022			US\$	US\$	168,142,740		US\$54,317,475	US\$(13,772,315)	US\$208,687,900	US\$30,608,433	US\$239,296,333

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 THREE MONTHS ENDED MARCH 31, 2022 AND 2021

(Expressed in US Dollars of United States of America)

	Notes	For the Three Months Ended March 31,	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) Profit for the period		US\$ (141,486)	US\$ 219,497
Adjustments for:			
Gain on early termination of office lease		(5,997)	
Gain on sale of investment properties	12	(87,976)	
Investment properties closing costs	12, 22		136,496
Unrealized foreign currency exchange (gain) loss		(378,092)	147,513
Loss on debt extinguishment	16	2,139,177	
Deferred income tax	23	(224,558)	374,012
Current income tax	23	879,504	430,021
Rent leveling		(544,717)	(338,053)
Rent incentive amortization		9,565	9,147
Bad debt reserve	8	301,403	287,965
Right - of - use amortization	15	25,141	24,334
Depreciation, amortization and retirements	10	64,233	30,879
Office lease financing cost	15	2,888	4,532
Interest income from affiliates	24	(109,809)	(105,100)
Deferred financing cost amortization	16	109,823	88,111
Interest expense	16	2,739,897	1,838,315
Changes in working capital:			
Receivables	8	(320,964)	(692,907)
Other assets	9	12,036	(614,560)
Payables and accrued expenses	14	(165,759)	211,981
Security deposits	17	<u>53,613</u>	<u>78,936</u>
Cash provided by operating activities		4,357,923	2,131,119
Income tax paid	23	<u>(31,650)</u>	<u>(599,267)</u>
Net cash provided by operating activities		<u>4,326,273</u>	<u>1,531,852</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to investment property, including acquisitions closing costs		(13,002,990)	(19,389,901)
Deposits paid for acquisitions of investment Properties	9	(146,960)	(1,012,829)
Additions to land inventory	13		
Cash Net proceeds from sale of investment properties	12	4,887,976	
Proceeds from deposits received for the sale of land inventory	13	1,200,000	
Restricted cash	16	611,395	(70,786)
Additions to property, furniture and equipment	10	<u>(16,756)</u>	<u>(51,871)</u>
Net cash used in Investing Activities		<u>(6,467,335)</u>	<u>(20,525,287)</u>

(Continues)

LATAM LOGISTIC PROPERTIES, S.A. AND SUBSIDIARIES

**CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021**

(Expressed in US Dollars of United States of America)

	Notes	For the Three Months Ended March 31,	
		2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital contributions from non-controlling partners			US\$ 2,716,558
Equity issuance costs paid		US\$ (15,227)	
Distributions to non-controlling partners		(449,970)	(250,000)
Office lease liability repayment	15	(25,255)	(24,486)
Long term debt borrowing	16	12,430,075	20,361,894
Long term debt repayment	16	(5,597,597)	(1,892,715)
Interest and commitment fee paid	16	(3,189,160)	(2,340,645)
Cash paid for raising debt		(32,132)	(235,030)
Lease financing cost paid	15	<u>(2,888)</u>	<u>(4,532)</u>
Net cash provided by financing activities		<u>3,117,846</u>	<u>18,620,258</u>
NET INCREASE(DECREASE) IN CASH		976,784	(662,491)
CASH AT THE BEGINNING OF THE PERIOD		17,360,353	15,458,803
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD		<u>148,212</u>	<u>(375,599)</u>
CASH AT THE END OF THE PERIOD		<u>US\$ 18,485,349</u>	<u>US\$ 14,420,713</u>

(Concluded)

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

LATAM LOGISTIC PROPERTIES, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2022, AND 2021 AND FOR THE THREE MONTHS THEN ENDED AND DECEMBER 31, 2021

(Expressed in US Dollars of United States of America)

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 the 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 interim financial statements of the Group as of March 31, 2022 and 2021 and the three months then ended and December 31, 2021 include the consolidated interim financial statements of the Group and its Subsidiaries (jointly referred to as "the Group" and individually as "Group entities").

As of March 31, 2022 and December 31, 2021, Latam Logistic Properties, S.A. ownership structure was as follow:

	March 31, 2022		December 31, 2021	
	Number of Common Shares	% of Ownership	Number of Common Shares	% of Ownership
(1) JREP I Logistics Acquisition, L.P.	149,378,010	88.8%	149,378,010	88.8%
Latam Logistic Investments, LLC	13,451,419	8.0%	13,451,419	8.0%
Latam Logistic Equity Partners, LLC	<u>5,313,311</u>	<u>3.2%</u>	<u>5,313,311</u>	<u>3.2%</u>
Total	<u>168,142,740</u>	<u>100.0%</u>	<u>168,142,740</u>	<u>100.0%</u>

- (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 ACCOUNTING POLICIES

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

The consolidated interim 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, statist 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 regularly 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 interim 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 March 31, 2022 and December 31, 2021, the sell-exchange rates for a US\$1.00 were the following:

	March 31, 2022	December 31, 2021
Costa Rican Colon	<u>¢ 667,10</u>	<u>¢ 645,25</u>
Peruvian Sol	<u>S/ 3.728</u>	<u>S/ 3.991</u>
Colombian Peso	<u>COP3,748</u>	<u>COP3,981</u>

- 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 interim 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 interim 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 months ended March 31, 2022 and 2021 and December 31, 2021 were included in notes to the consolidated interim 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 interim 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 period 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 interim financial statements include the financial information of Latam Logistic Properties, S.A. (parent company) and its subsidiaries:

	Entities	Country	Ownership Interest	
			March 31, 2022	December 31, 2021
	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 Coyo II S de R.L.	Panamá	50%	50%
	Latam Logistic Pan Holdco Cedis Rurales S de R.L.	Panamá	100%	100%
	Latam Logistic 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%	100%
	Latam Logistic PER OpCo, S.R.L.	Perú	100%	100%
	Latam Logistic PER PropCo Lurin I, S. de R.L.	Perú	100%	100%

(Continues)

	Entities	Country	Ownership Interest	
			March 31, 2022	December 31, 2021
	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%	50%
(4)	Latam Logistic COL OpCo, S.A.	Colombia	100%	100%
	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. 3102784433, S.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%	100%
	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. **Noncontrolling Interests** - Non-controlling interests represent the share of consolidated entities owned by third parties. The Group recognizes 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 allocates 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 recognized 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 are classified as at FVTOCI. The debt instruments are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of this 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 financial 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 March 31, 2022, and December 31, 2021, the Group recorded an allowance for expected credit losses of US\$1,507,370 and US\$1,201,903, 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 March 31, 2022 and December 31, 2021 and for the three months ended March 31, 2022 and 2021, 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 amount 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 period.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from 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 interim 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 period-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 leases operating properties to customers under agreements that are classified as operating leases. The Group recognizes 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 Interim Statements of Profit or Loss and Other Income. The Group records amounts reimbursed by their customers ("rental recoveries") as revenues in the period that the applicable expenses are incurred. The Group accounts for and presents 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 performs credit analyses of our customers prior to the execution of the leases and continues these analyses for each individual lease on an ongoing basis in order to ensure the collectability of rental revenue. The Group recognizes 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 earns 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.

Rent Leveling - The Group policy is to record Lease income in its books using the straight-line method. It consists of determining the total income of each lease contract during its term, considering for this calculation the months of free rent, installation-moving of the tenant, annual percentage increases, increases due to increase in leasable area and or any another increase defined in the lease contracts.

The total of this income is divided by the total number of months of the contract, resulting in the average monthly income. Once this amount is determined, it is subtracted or added to the real income invoiced in each calendar month in separate accounting accounts of the income statement and the balance sheet.

When the contract has been fully invoiced, the balance sheet account should show a zero balance.

q. **Borrowing Costs** - The Group capitalizes borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets. All other borrowing costs are recognized 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 period and any adjustment to tax payable or receivable in respect of previous periods.

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 interim 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 Period*** - In the current period, 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, 2022. The conclusions related to their adoption are described as follows:

Impact of the Initial Application of COVID-19-Related Rent Concessions beyond 30 June 2021 - Amendment to IFRS 16 - In the prior period, the Group early adopted Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provided practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021.

In March 2021, the Board issued Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) that extends the practical expedient to apply to reductions in lease payments originally due on or before 30 June 2022.

- b. ***New and Revised IFRS Standards in Issue but not yet Effective*** - At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective.
- **IFRS 17 (including the June 2020 Amendments to IFRS 17)** - Insurance Contracts
 - **Amendments to IFRS 10 and IAS 28** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

- **Amendments to IAS 1** - Classification of Liabilities as Current or Non-current
- **Amendments to IFRS 3** - Reference to the Conceptual Framework
- **Amendments to IAS 16** - Property, Plant and Equipment - Proceeds before Intended Use
- **Amendments to IAS 37** - Onerous Contracts - Cost of Fulfilling a Contract
- **Annual Improvements to IFRS Standards 2018-2020 Cycle** - Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture
- **Amendments to IAS 1 and IFRS Practice Statement 2** - Disclosure of Accounting Policies
- **Amendments to IAS 8** - Definition of Accounting Estimates
- **Amendments to IAS 12** - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods, except as noted below:

- **Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures-Sale or Contribution of Assets between an Investor and its Associate or Joint Venture** - The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture.

Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated interim financial statements in future periods should such transactions arise.

- **Amendments to IAS 1 - Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current** - The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

- **Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework** - The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

- **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 before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of "testing whether an asset is functioning properly". IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to 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 on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

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

- **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a 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 a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

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

- **Annual Improvements to IFRS Standards 2018-2020** - The Annual Improvements include amendments to four Standards.
 - IFRS 1 First-time Adoption of International Financial Reporting Standards - The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated interim financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were

made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

- IFRS 9 - Financial Instruments - The amendment clarifies that in applying the "10 per cent" test to assess whether to derecognise a financial liability, an entity includes 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 amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

- IFRS 16 - Leases - The amendment removes the illustration of the reimbursement of leasehold improvements.

As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

- **Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies** - The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendment replaces all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

- **Amendments to IAS 8 - Accounting Policies Changes in Accounting Estimates and Errors - Definition of Accounting Estimates** - The amendments replaces the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.

The definition of a change in accounting estimates was deleted. However, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error; and
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

- **Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction** - The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The IASB also added an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
- Right-of-use assets and lease liabilities
- Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset;
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

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's 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 March 31, 2022 and December 31, 2021 was 81 months and 96 months, respectively.

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:

	For the Three Months ended March 31,	
	2022	2021
Rental revenue	US\$6,463,493	US\$4,769,330
Patio rental income	230,044	162,982
Rental recoveries	509,672	342,070
Direct billables	217,515	109,370
Other	<u>126,588</u>	<u>96,305</u>
Total	<u>US\$7,547,312</u>	<u>US\$5,480,057</u>

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 March 31, 2022:

	Amount
Rental revenues:	
2022 (9 months)	US\$ 21,865,244
2023	31,610,947
2024	27,430,483
2025	23,207,536
2026	17,868,994
Thereafter	<u>106,728,451</u>
Total	<u>US\$228,711,655</u>

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. From 2020 through March 31, 2022, 79.4 percent of these deferrals were repaid. The Group expects the remainder to be repaid during 2023.

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:

	For the Three Months Ended March 31,	
	2022	2021
Repair and maintenance	US\$ 375,266	US\$249,445
Utilities	13,896	69,431
Insurance	70,321	55,034
Property management	47,758	34,563
Real estate taxes	91,483	77,918
Expected credit loss	301,403	287,965
Direct billable	214,638	109,370
Other	<u>10,373</u>	<u>35,601</u>
Total	<u>US\$1,125,138</u>	<u>US\$919,327</u>

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 months ended March 31, 2022 and 2021, assets and liabilities are included as of March 31, 2022 and December 31, 2021. 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 March 31, 2022			
	Colombia	Peru	Costa Rica	Total
Revenues:				
Rental revenue	US\$1,409,471	US\$1,876,742	US\$ 4,261,099	US\$ 7,547,312
Development fee income	<u>228</u>	<u>57</u>	<u> </u>	<u>285</u>
Sub-total	<u>1,409,699</u>	<u>1,876,799</u>	<u>4,261,099</u>	<u>7,547,597</u>
Costs and expenses:				
Investment property expenses	175,495	247,885	701,758	1,125,138
General and administrative	<u>254,802</u>	<u>198,617</u>	<u>672,912</u>	<u>1,126,331</u>
Sub-total	<u>430,297</u>	<u>446,502</u>	<u>1,374,670</u>	<u>2,251,469</u>
Net operating profit	<u>US\$ 979,402</u>	<u>US\$1,430,297</u>	<u>US\$ 2,886,429</u>	<u>US\$ 5,296,128</u>
Other income/(expenses):				
Debt extinguishment cost	US\$ (756,507)		US\$(1,382,670)	US\$(2,139,177)
Right-of-use amortization	(5,375)	US\$ (6,942)	(12,824)	(25,141)
Depreciation and amortization	(8,787)	(10,328)	(13,142)	(32,167)
Foreign currency gain/(loss)	422	362,525	(30,369)	332,578
Other income	6,716		17,205	23,921
Gain on sale of investment properties			87,976	87,976
Office lease financing cost	(818)	(1,192)	(878)	(2,888)
Interest expense	(769,877)	(424,382)	(1,326,264)	(2,520,523)
Deferred financing cost	(19,970)	(25,299)	(16,905)	(62,174)
Other expense	<u>(84,805)</u>	<u>(23,842)</u>	<u> </u>	<u>(108,647)</u>
Net (loss) income before taxes	(659,599)	1,300,927	208,558	849,887
Income tax benefit (expense)	<u>153,005</u>	<u>774,453</u>	<u>(1,582,403)</u>	<u>(654,945)</u>
Net (loss) income after taxes	(506,594)	2,075,380	(1,373,845)	194,941
Earnings attributable to non-controlling interest		<u>4,788</u>	<u>59,960</u>	<u>64,748</u>
Net (Loss) income of the period	<u>US\$ (506,594)</u>	<u>US\$2,080,168</u>	<u>US\$(1,313,885)</u>	<u>US\$ 259,689</u>

	For the Three Months Ended March 31, 2021			
	Colombia	Peru	Costa Rica	Total
Revenues:				
Rental revenue	US\$ 674,388	US\$1,026,616	US\$ 3,779,053	US\$ 5,480,057
Development fee income	<u>85</u>	<u> </u>	<u>52,978</u>	<u>53,063</u>
Sub-total	<u>674,473</u>	<u>1,026,616</u>	<u>3,832,031</u>	<u>5,553,120</u>
Costs and expenses:				
Investment property expenses	79,338	187,115	652,874	919,327
General and administrative	<u>274,096</u>	<u>146,427</u>	<u>638,330</u>	<u>1,058,853</u>
Sub-total	<u>353,434</u>	<u>333,542</u>	<u>1,291,204</u>	<u>1,978,180</u>
Net operating profit	<u>US\$ 321,081</u>	<u>US\$ 693,074</u>	<u>US\$ 2,540,827</u>	<u>US\$ 3,554,940</u>
Other income/(expenses):				
Right-of-use amortization	US\$ (4,568)	US\$ (6,942)	US\$ (12,824)	US\$ (24,334)
Depreciation and amortization	(8,906)	(6,581)	(13,124)	(28,611)
Foreign currency loss	(10,275)	(150,242)	(21,495)	(182,012)
Other income	1,116		18,232	19,348
Office lease financing cost	(1,053)	(1,704)	(1,775)	(4,532)
Interest expense	(345,114)	(248,967)	(1,244,233)	(1,838,314)
Deferred financing cost	(29,703)	(14,957)	(43,451)	(88,111)
Other expense	<u>(16,513)</u>	<u>(33,041)</u>	<u>(136,496)</u>	<u>(186,050)</u>
Net (loss) income before taxes	(93,977)	230,640	1,085,661	1,222,324

(Continues)

	For the Three Months Ended March 31, 2021			
	Colombia	Peru	Costa Rica	Total
Income tax expense	US\$ 247,857	US\$ (637,686)	US\$ (414,204)	US\$ (9,550,537)
Net (loss) income after taxes	153,880	(407,046)	671,457	418,291
Loss attributable to non-controlling interest			(153,943)	(153,943)
Net (loss) income of the period	US\$ 153,880	US\$ (407,046)	US\$ 517,514	US\$ 264,348

	March 31, 2022			
	Colombia	Peru	Costa Rica	Total
Assets:				
Cash	US\$ 3,882,757	US\$ 1,072,653	US\$ 5,463,359	US\$ 10,418,769
Receivables and other assets	994,583	6,805,594	5,545,357	13,345,534
Deferred tax asset	99,376	140,326	421,057	660,759
Lease Right-of-Use	148,875	53,225	38,471	240,571
Prepaid construction	4,778,624	207,336	2,244,165	7,229,765
Investment property	122,097,225	97,956,200	221,408,082	441,451,507
Land inventory			2,977,147	2,977,147
Restricted cash	15,656	1,200,000	2,103,735	3,319,391
Vehicles, furniture and equipment, net	59,122	186,373	165,980	411,475
Total assets	132,075,858	107,621,707	240,367,353	480,064,918
Liabilities:				
Payables and accruals	4,381,479	1,590,170	3,888,573	9,860,222
Deposits from land inventory			2,400,000	2,400,000
Deferred tax liability	1,710,238	12,917,784	25,421,605	40,049,627
Leasing liability	150,544	62,975	41,310	254,829
Long-term debt	44,697,523	30,865,292	110,101,177	185,663,267
Security deposits		454,790	959,324	1,414,114
Total liabilities	50,939,784	45,891,011	142,811,989	239,642,784
Net assets	US\$ 81,136,074	US\$ 61,730,696	US\$ 97,555,364	US\$ 240,442,134

	December 31, 2021			
	Colombia	Peru	Costa Rica	Total
Assets:				
Cash	US\$ 1,737,066	US\$ 2,381,869	US\$ 6,934,275	US\$ 11,053,353
Receivables and other assets	664,159	7,090,979	4,995,841	12,750,979
Deferred tax asset	83,575	135,584	387,024	606,183
Lease Right-of-Use	23,661	60,167	51,295	135,123
Prepaid construction	3,165,068	425,592	1,615,023	5,205,683
Investment property	110,164,123	95,235,320	222,876,298	428,275,741
Land inventory			2,977,147	2,977,147
Restricted cash	14,740	1,800,000	2,115,130	3,929,870
Vehicles, furniture and equipment, net	83,077	194,111	173,654	450,842
Total assets	115,935,469	107,323,622	242,125,687	465,384,778
Liabilities:				
Payables and accruals	4,325,254	3,140,427	3,787,042	11,252,723
Deposits from land inventory			1,200,000	1,200,000
Deferred tax liability	1,765,822	13,691,396	23,852,749	39,309,967
Leasing liability	30,140	70,585	54,606	155,331
Long-term debt	32,944,447	32,138,132	108,838,505	173,921,084
Security deposits		501,791	858,710	1,360,501
Total liabilities	39,065,663	49,542,331	138,591,612	227,199,606
Net assets	US\$ 76,869,806	US\$ 57,781,291	US\$ 103,534,075	US\$ 238,185,172

7. CASH IN BANK ACCOUNTS

Available cash 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 are predominantly denominated in US dollars and, in part, in Colombian pesos, Peruvian soles and Costa Rican colones.

Cash and was as follows:

	March 31, 2022	December 31, 2021
Bank accounts:		
In Colombian pesos	US\$ 3,882,757	US\$ 1,737,066
In Costa Rican colones	96,409	17,460
In Peruvian soles	185,301	403,646
In US dollars	<u>14,320,882</u>	<u>15,202,181</u>
Total	<u>US\$18,485,349</u>	<u>US\$17,360,353</u>

As of March 31, 2022 and December 31, 2021, cash disclosed in the consolidated interim statements of financial position and in the consolidated interim statement of cash flows included US\$2,365,722 and US\$4,363,963, 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 2.8 percent. Restricted cash detailed between long-term debt and credit cards was as follows:

	Note	March 31, 2022	December 31, 2021
Restricted cash non-current:			
Long-term debt additional guarantee			
Invested in certificate of deposits		US\$2,048,111	US\$2,057,900
In restricted cash account		<u>1,215,656</u>	<u>1,816,345</u>
Sub-total	16	3,263,766	3,874,245
Credit cards additional guarantee			
Invested in certificate deposits		<u>55,625</u>	<u>55,625</u>
Total		<u>US\$3,319,391</u>	<u>US\$3,929,870</u>

8. RECEIVABLES

As of March 31, 2022, and December 31, 2021, receivables were as follows:

	March 31, 2022	December 31, 2021
(a) Tenants trade receivables, net	US\$ 1,672,994	US\$ 1,522,746
(b) Tenants notes receivables, net	3,987,799	3,738,879
(c) Value added tax	5,197,882	5,196,053

(Continues)

	March 31, 2022	December 31, 2021
Income tax and tax credits	US\$ 64,483	US\$ 60,235
Others	<u>71,381</u>	<u>78,706</u>
Sub-total	<u>10,994,539</u>	<u>10,596,619</u>
Value added tax - long term	(4,562,544)	(4,698,685)
Tenant notes receivable - long term	<u>(3,524,797)</u>	<u>(3,305,387)</u>
Subtotal	<u>(8,087,341)</u>	<u>(8,004,072)</u>
Total trade receivables	<u>US\$ 2,907,198</u>	<u>US\$ 2,592,547</u>

- (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 security 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 March 31, 2022 and December 31, 2021 was determined as follows; the expected credit losses below also incorporate forward looking information.

As the Group's historical credit loss experience shows 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:

March 31, 2022	0 to 30 Days	30 to 60 Days	60 to 90 Days	Over 90 Days	Total
Weighted average expected loss rate	3.2%	29.9%	71.8%	100.0%	
Gross carrying amount	US\$1,351,638	US\$308,846	US\$ 227,581	US\$ 1,269,620	US\$ 3,157,685
Loss allowance provision	<u>(30,122)</u>	<u>(82,265)</u>	<u>(112,388)</u>	<u>(1,259,916)</u>	<u>(1,484,691)</u>
Net carrying amount	<u>US\$1,321,516</u>	<u>US\$226,581</u>	<u>US\$ 115,193</u>	<u>US\$ 9,704</u>	<u>US\$ 1,672,994</u>
Cash Security Deposit	<u>US\$ 405,690</u>	<u>US\$ 33,996</u>	<u>US\$ 71,014</u>	<u>US\$ 9,703</u>	<u>US\$ 520,043</u>

December 31, 2021	0 to 30 Days	30 to 60 Days	60 to 90 Days	Over 90 Days	Total
Weighted average expected loss rate	4.8%	30.6%	57.3%	100.0%	
Gross carrying amount	US\$1,120,778	US\$230,793	US\$315,933	US\$1,033,083	US\$ 2,700,587
Loss allowance provision	<u>(29,312)</u>	<u>(58,623)</u>	<u>(91,123)</u>	<u>(998,783)</u>	<u>(1,177,841)</u>
Net carrying amount	<u>US\$1,091,466</u>	<u>US\$172,170</u>	<u>US\$224,810</u>	<u>US\$ 34,300</u>	<u>US\$ 1,522,746</u>
Cash Security Deposit	<u>US\$ 508,805</u>	<u>US\$ 39,433</u>	<u>US\$156,890</u>	<u>US\$ 34,301</u>	<u>US\$ 739,429</u>

- (b) **Tenant Notes Receivables** - The Group finances some of its clients' specific tenant improvements that customers request. As of March 31, 2022, loans outstanding to tenants bore a weighted average annual interest rate of 11.5 percent and had a weighted average remaining loan term of 7.4 years.

As of December 31, 2021, loans outstanding to tenants bears a weighted average annual interest rate of 11.4 percent and have a weighted average remaining loan term of 8.7 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 taking in consideration 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 March 31, 2022 and December 31, 2021 was determined as follows; the expected credit losses below also incorporate forward looking information.

March 31, 2022	Current Notes Receivables	Long Term Notes Receivables	Total
Weighted average expected loss rate	4.8%	0%	
Gross carrying amount	<u>US\$485,682</u>	<u>US\$3,524,796</u>	<u>US\$4,010,478</u>
Loss allowance provision	<u>US\$(22,679)</u>	<u>US\$</u>	<u>US\$ (22,679)</u>
Net Carrying Amount	<u>US\$463,003</u>	<u>US\$3,524,796</u>	<u>US\$3,987,799</u>
December 31, 2021	Current Notes Receivables	Long Term Notes Receivables	Total
Weighted average expected loss rate	5.3%	0%	
Gross carrying amount	<u>US\$457,554</u>	<u>US\$3,305,387</u>	<u>US\$3,762,941</u>
Loss allowance provision	<u>US\$ (24,062)</u>	<u>US\$</u>	<u>US\$ (24,062)</u>
Net Carrying Amount	<u>US\$433,492</u>	<u>US\$3,305,387</u>	<u>US\$3,738,879</u>

The expected credit loss allowance provision for trade receivables and tenant notes receivables as of March 31, 2022 and December 31, 2021 reconciled to the opening loss allowance for that provision as follows:

	March 31, 2022			December 31, 2021		
	Trade Receivables	Tenants Notes Receivables	Total	Trade Receivables	Tenants Notes Receivables	Total
Beginning balance	US\$1,177,841	US\$24,062	US\$1,201,903	US\$ 540,448	US\$ 4,861	US\$ 545,309
Increase in loan loss allowance recognized in profit or loss during the period	334,218	55	334,273	984,176	19,201	1,006,377
Receivables written off during the period as uncollectible						
Unused amount reversed ⁽¹⁾	<u>(27,368)</u>	<u>(1,438)</u>	<u>(28,806)</u>	<u>(349,783)</u>		<u>(349,783)</u>
Ending balance	<u>US\$1,484,691</u>	<u>US\$22,679</u>	<u>US\$1,507,370</u>	<u>US\$1,177,841</u>	<u>US\$24,062</u>	<u>US\$1,201,903</u>

(1) For the three months ended March 31, 2022 and for the period ended December 31, 2021, includes a reversal of the expected credit loss allowance that was due to the collection of US\$28,806 and US\$349,783, respectively.

- (c) **Value Added Tax** - The Group's sales and purchases of goods and services in Costa Rica, Colombia and Perú are subject to value added tax. As of March 31, 2022, and December 31, 2021, value added tax receivable derived from the operations in Colombia, Peru and Costa Rica were as follows:

	March 31, 2022	December 31, 2021
Colombia	US\$ 1,230	US\$ 21,529
Peru	4,621,270	4,757,832
Costa Rica	<u>575,382</u>	<u>416,692</u>
Total	<u>US\$5,197,882</u>	<u>US\$5,196,053</u>

During the three months ended March 31, 2022 and 2021, the Group collected US\$639,206 and US\$0, respectively, of the outstanding value added tax in Peru.

9. OTHER CURRENT ASSETS

The detail of other current assets as of the March 31, 2022 and December 31, 2021 were as follows:

	March 31, 2022	December 31, 2021
Construction permit and other deposits	US\$ 587,064	US\$ 587,064
Investment properties acquisition deposits	160,079	
Prepaid taxes	1,027,735	970,479
Prepaid insurance	148,140	153,532
Deal pursuit cost	119,488	198,663
Rent incentives, net	128,563	93,661
Other	<u>227,652</u>	<u>195,425</u>
	<u>US\$2,398,721</u>	<u>US\$2,198,824</u>

10. VEHICLES, FURNITURE AND EQUIPMENT

As of March 31, 2022, and December 31, 2021, 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, 2020	<u>US\$16,022</u>	<u>US\$347,036</u>	<u>US\$116,186</u>	<u>US\$398,821</u>	<u>US\$ 878,065</u>
Additions		17,743	79,944		97,687
Retirements		(1,357)	(1,072)		(2,429)
Translation adjustment		(8,985)	(2,640)	(22,943)	(34,568)
Balance as of December 31, 2021	16,022	354,437	192,418	375,878	938,755
Additions	3,103	4,045	3,265	7,240	16,753
Retirements				(152,390)	(152,390)
Translation adjustment		3,668	1,185	8,988	13,852
Balance as of March 31, 2022	<u>19,125</u>	<u>362,151</u>	<u>195,968</u>	<u>239,726</u>	<u>816,970</u>
Accumulated depreciation:					
Balance as of December 31, 2020	<u>4,221</u>	<u>80,686</u>	<u>58,081</u>	<u>173,149</u>	<u>316,137</u>
Additions	2,149	50,011	31,085	56,651	139,896
Retirements		(500)	(1,005)		(1,505)
Translation Adjustment		(1,981)	(955)	(15,581)	(18,517)
Balance as of December 31, 2021	6,370	128,216	87,206	214,219	436,011
Additions	563	12,730	8,014	14,011	35,318
Retirements				(123,475)	(123,475)
Translation Adjustment		1,265	535	7,091	8,891
Balance as of March 31, 2022	<u>6,933</u>	<u>142,211</u>	<u>95,755</u>	<u>111,846</u>	<u>356,745</u>
Net book value as of December 31, 2021	<u>US\$ 9,652</u>	<u>US\$226,221</u>	<u>US\$105,212</u>	<u>US\$161,659</u>	<u>US\$ 502,744</u>
Net book value as of March 31, 2022	<u>US\$12,192</u>	<u>US\$219,940</u>	<u>US\$100,213</u>	<u>US\$127,880</u>	<u>US\$ 460,225</u>

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 March 31, 2022, and December 31, 2021, the balance of prepaid Construction of US\$7,229,765 and US\$5,205,683 respectively.

12. INVESTMENT PROPERTY

As of December 31, 2021, the Group obtained a valuation from independent appraisers in order to determine the fair value of its investment properties. For interim periods, such as March 31, 2022, fair value of investment properties is determined as last valuation plus investments incurred during the interim period. For the three months ended March 31, 2022 and 2021, no gain or loss on valuation of investment properties was recorded.

As of March 31, 2022, and December 31, 2021 all investment property is guarantying the Group's Debt.

- a. As of March 31, 2022, and December 31, 2021, investment properties were as follows:

	FMV as of March 31, 2022	# of Buildings (1)	NRA (1) (SM)	Leased %	Occupied %
Land bank:					
Owned Land bank					
Colombia	US\$ 21,114,732	3	101,284	n/a	n/a
Peru	11,995,797	2	32,304	n/a	n/a
Costa Rica	10,673,587	3	46,796	n/a	n/a
Sub-total	43,784,116	8	164,836	n/a	n/a
Ground Lease					
Peru	79,219	4	97,235	n/a	n/a
Sub-total	79,219	4	97,235	n/a	n/a
Total land bank	43,863,335	12	262,071	n/a	n/a
Properties under development:					
Owned properties					
Colombia	14,525,483	2	36,953	69.2%	0.0%
Peru	9,105,198	1	13,583	100.0%	0.0%
Costa Rica	35,514,810	3	46,731	68.4%	21.0%
Sub-total	58,145,491	6	81,128	73.1%	10.1%
Total properties under development	58,145,491	6	81,128	73.1%	10.1%
Operating properties:					
Properties under right-of-use					
Colombia	65,258,951	3	79,440	100.0%	94.5%
Sub-total	65,258,951	3	79,440	100.0%	94.5%
Owned properties					
Colombia	19,044,449	1	26,850	100.0%	100.0%
Peru	76,155,320	4	79,755	100.0%	100.0%
(2) Costa Rica	180,916,298	15	160,791	99.8%	96.9%
Sub-total	276,116,067	20	267,396	99.9%	98.1%
Total operating properties	339,452,681	23	342,329	99.9%	98.6%
Total operating and properties under development	US\$397,598,172	29	439,596	94.0%	78.0%
Total	US\$441,461,507	41	701,667	n/a	n/a

	FMV as of December 31, 2021	# of Buildings (1)	NRA (1) (SM)	Leased %	Occupied %
Land bank:					
Colombia					
Colombia	US\$ 19,266,423	3	101,169	n/a	n/a
Peru	11,750,000	2	32,304	n/a	n/a
Costa Rica	15,600,000	3	46,796	n/a	n/a
Total land bank	46,616,423	8	180,269	n/a	n/a
Properties under development:					
Properties under right-of-use					
Colombia	24,704,106	1	31,660	87.3%	87.3%
Sub-total	24,704,106	1	31,660	87.3%	87.3%
Owned properties					
Colombia	10,520,625	2	37,285	45.9%	0.0%
Peru	7,330,000	1	13,583	100.0%	0.0%
Costa Rica	26,360,000	2	30,260	59.5%	0.0%
Sub-total	44,210,625	5	81,128	60.0%	0.0%
Total properties under development	68,914,731	6	112,788	67.7%	24.5%
Operating properties:					
Properties under right-of-use					
Colombia	36,628,520	2	47,400	100.0%	100.0%
Sub-total	36,628,520	2	47,400	100.0%	100.0%
Owned properties					
Colombia	19,044,449	1	26,850	100.0%	100.0%
Peru	76,155,320	4	79,755	100.0%	100.0%
(2) Costa Rica	180,916,298	16	160,791	96.0%	96.0%
Sub-total	276,116,067	21	267,396	97.6%	97.6%
Total operating properties	312,744,587	23	314,796	97.9%	97.9%
Total operating and properties under development	US\$381,659,318	29	427,584	90.0%	78.5%
Total	US\$428,275,741	37	607,853	n/a	n/a

- (1) Square meters included for estimated potential building area in the land bank and buildings under development and operating.
- (2) As of March 31, 2022, and December 31, 2021, the operating properties in Costa Rica include patios and land rental totaling 75,678 square meters, for the use of trailer parking and open-air warehousing. As of March 31, 2022, and December 31, 2021, the leased land and patios had a fair value of US\$9,956,682 and US\$9,922,033, respectively with a weighted average capitalization rate of 7.34 percent. The net rentable area (NRA) included in the table above excludes net rentable area of patios or land leases.

As of March 31, 2022, and December 31, 2021, the balance of investment properties included rent leveling assets of US\$10,951,633 and US\$10,354,978, 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 December 31, 2021 -

	Operating	Development	Land Bank
Weighted average occupancy rate	97.2%	98.2%	n/a
Weighted average risk adjusted discount rate	10.3%	10.4%	n/a
Weighted average risk adjusted residual capitalization rate	7.6%	7.2%	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	17.0%	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 for the three months ended March 31, 2022 and for the period ended December 31, 2021, were as follows:

	Notes	March 31, 2022	December 31, 2021
Beginning balance		US\$428,275,741	US\$364,307,039
Stabilized building acquisitions, excluding closing cost			18,760,000
Disposition of investment properties		(4,800,000)	
Transfer of invested properties to land inventory	13		(2,362,817)
Construction		9,382,409	47,127,170
Financing cost		240,285	890,691
Lease commissions		456,533	689,178
Rent leveling		544,717	2,020,485
Gain (loss) on valuation of investment properties			13,205,571
Translation effect from functional currency		<u>7,361,822</u>	<u>(16,361,576)</u>
Ending balance		<u>US\$441,461,507</u>	<u>US\$428,275,741</u>

Ground Lease - 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 Inversión (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. The development and operating contract were ratified on January 7, 2022.

Investment Properties Acquisitions - The following table summarizes the Group's investment properties acquisition activity for the three months ended March 31, 2022, and twelve months ended December 31, 2021:

	March 31, 2022	December 31 2021
Acquired operating assets:		
Number of operating buildings		2
Net rentable area (square meters)		15,508
Number of parking		1
Net rentable area (square meters)		27,250
Acquisition cost:		
Operating buildings purchase price		US\$14,710,000
Trailer parking purchase price		4,050,000
Expensed building acquisition closing costs		<u>355,322</u>
Total acquisition cost of investment properties	<u>US\$</u>	<u>US\$19,115,322</u>

Investment Properties Dispositions - The following table summarizes the Group's investment properties disposition activity for the three months ended March 31, 2022, and twelve months ended December 31, 2021:

	March 31, 2022	December 31, 2021
Dispositions to third parties:		
Number of operating buildings	1	
Net rentable area (square meters)	4,508	
Net proceeds	<u>US\$4,887,976</u>	
Gain on dispositions	<u>US\$ 87,916</u>	<u>US\$</u>

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 Logistico 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 Logistico 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
2 nd Installment Payment	1,200,000	Upon conclusion of land infrastructure work
3 rd Installment Payment	<u>1,600,000</u>	Upon title transfer of the property to the buyer
Total	<u>US\$4,000,000</u>	

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 of US\$1,200,000 was received on January 27, 2022 from the buyer. The third installment payment is expected to occur in the second quarter of 2022.

As of March 31, 2022, and December 31, 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.

	March 31, 2022	December 31, 2021
Beginning balance	US\$2,977,147	US\$2,362,817
Construction		<u>614,330</u>
Ending balance	<u>US\$2,977,147</u>	<u>US\$2,977,147</u>

14. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses were as follows:

	March 31, 2022	December 31, 2021
Trade payables	US\$ 2,011,806	US\$ 3,660,960
Value added tax	210,065	311,748
Professional services	48,634	126,478
Tax payable	166,725	145,256
Construction contract retainage	2,458,990	2,926,702
Interest and other financing costs	1,250,013	1,614,648
Employee benefits and other obligations	2,084,640	1,846,277
Investment properties acquisition closing costs	15,000	15,000
Leasing commissions	517,260	124,980
Development cost	1,604,037	1,093,304
Other	<u>74,127</u>	<u>80,321</u>
Total	<u>US\$10,441,297</u>	<u>US\$11,945,674</u>

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 3.5 years at March 31st, 2022.

The following table summarizes the fixed, future minimum rental payments, excluding variable costs, for which the leases have commenced at March 31, 2022 and December 31, 2021:

In U.S. Dollars	March 31, 2022
2022 (9 months)	US\$ 94,205
2023	70,520
2024	42,948
2025	38,934
2026	<u>40,881</u>
Total undiscounted rent payments	287,488
Less imputed interest	<u>(32,659)</u>
Total lease liability	<u>US\$254,829</u>

In U.S. Dollars	December, 31 2021
2022	US\$114,484
2023	44,614
2024	<u>5,868</u>
Total undiscounted rent payments	164,966
Less imputed interest	<u>(9,635)</u>
Total lease liability	<u>US\$155,331</u>

The remaining weighted average lease term was 3.5 and 1.6 years at March 31, 2022 and December 31, 2021, 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 7.1 percent at March 31, 2022. 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 March 31, 2022
Costa Rica	3.0 years	0.8 years
Peru	7.0 years	1.9 years
Colombia	<u>5.0 years</u>	<u>4.8 years</u>
Weighted average	<u>5.0 years</u>	<u>3.5 years</u>

As of March 31, 2022 and December 31, 2021, right-of-use of the Group were as follows:

	Costa Rica	Peru	Colombia	Total
Gross assets:				
Balance as of December 31, 2020	<u>US\$145,335</u>	<u>US\$194,385</u>	<u>US\$ 130,760</u>	<u>US\$ 470,480</u>
Translation effect from functional currency	—	—	<u>(18,020)</u>	<u>(18,020)</u>
Balance as of December 31, 2021	145,335	194,385	112,740	452,460
Additions	—	—	148,326	148,326
Retirements	—	—	<u>(112,740)</u>	<u>(112,740)</u>
Translation effect from functional currency	—	—	<u>3,117</u>	<u>3,117</u>
Balance as of March 31, 2022	<u>145,335</u>	<u>194,385</u>	<u>151,443</u>	<u>491,163</u>

(Continues)

	Costa Rica	Peru	Colombia	Total
Accumulated depreciation:				
Balance as of December 31, 2020	US\$ 42,744	US\$106,450	US\$ 83,945	US\$ 233,139
Additions	51,295	27,769	17,598	96,662
Translation effect from functional currency			(12,464)	(12,464)
Balance as of December 31, 2021	94,039	134,219	89,079	317,337
Additions	12,824	6,942	5,375	25,141
Retirements			(91,930)	(91,930)
Translation effect from functional currency			44	44
Balance as of March 31, 2022	<u>106,863</u>	<u>141,161</u>	<u>2,568</u>	<u>250,592</u>
Net book value as of December 31, 2021	<u>US\$ 51,296</u>	<u>US\$ 60,166</u>	<u>US\$ 23,661</u>	<u>US\$ 135,123</u>
Net book value as of March 31, 2022	<u>US\$ 38,472</u>	<u>US\$ 53,224</u>	<u>US\$ 148,875</u>	<u>US\$ 240,571</u>

During the three months ended March 31, 2022 and 2021, the Group recorded right-of-use amortization expense of US\$25,141 and US\$24,334, respectively.

16. DEBT

As of March 31, 2022, and December 31, 2021 debt of the Group was as follows:

	Financial Institution	Country	Currency	Type	Expiration	Balloon Payment at Expiration	Annual Interest Rate	Restricted Cash at March 31, 2022	Remaining Borrowing Capacity at March 31, 2022	Amount Outstanding at March 31, 2022	Amount Outstanding at December 31, 2021
(1)	Banco Davivienda Costa Rica, S.A.	Costa Rica	US\$	Mortgage Loan	Refinanced		6Mo LIBOR + 392 bps, min 6.0%				US\$ 32,127,488
(1)	Banco Davivienda Costa Rica, S.A.	Costa Rica	US\$	Mortgage Loan	Jul 3, 2034		3Mo LIBOR + 470 bps, no min. rate	US\$ 874,210		US\$ 31,671,802	
(1)	Banco Davivienda Costa Rica, S.A.	Costa Rica	US\$	Mortgage Loan	Refinanced		6Mo LIBOR + 392 bps, min 6.0%				11,734,201
(1)	Banco Davivienda Costa Rica, S.A.	Costa Rica	US\$	Mortgage Loan	Jul 3, 2034	US\$ 4,480,992	3Mo LIBOR + 470 bps, no min. rate	309,814		11,628,782	
(1)	Banco Davivienda Costa Rica, S.A.	Costa Rica	US\$	Mortgage Loan	Refinanced		6Mo LIBOR + 392 bps, min 6.0%				5,123,039
(1)	Banco Davivienda Costa Rica, S.A.	Costa Rica	US\$	Mortgage Loan	Jul 3, 2034		3Mo LIBOR + 470 bps, no min. rate	142,244		5,050,849	
(1)	Banco Davivienda Costa Rica, S.A.	Costa Rica	US\$	Mortgage Loan	Refinanced		6Mo LIBOR + 359 bps, min 6.3%				11,359,040
(1)	Banco Davivienda Costa Rica, S.A.	Costa Rica	US\$	Mortgage Loan	Mar 9, 2034		3Mo LIBOR + 470 bps, no min. rate	339,900		11,191,776	
(1)	Banco Davivienda Costa Rica, S.A.	Costa Rica	US\$	Mortgage Loan	Refinanced		6Mo LIBOR + 359 bps, min 6.5%				4,093,075
(1)	Banco Davivienda Costa Rica, S.A.	Costa Rica	US\$	Mortgage Loan	Mar 1, 2034		3Mo LIBOR + 470 bps, no min. rate	320,940		4,031,456	
(2)	Banco Davivienda Costa Rica, S.A.	Costa Rica	US\$	Mortgage Loan	Jan 23, 2037		Prime Rate + 175 bps, No min. rate	61,000		2,366,285	
	BAC Credomatic, S.A.	Costa Rica	US\$	Mortgage Loan	Sep 18, 2034		3Mo LIBOR + 423 bps, no min. rate			2,309,511	2,343,808
	BAC Credomatic, S.A.	Costa Rica	US\$	Mortgage Loan	Jun 26, 2034		3Mo LIBOR + 423 bps, no min. rate		US\$ 1,000,000	3,163,316	3,211,931
(2)	BAC Credomatic, S.A.	Costa Rica	US\$	Mortgage Loan	Mar 4, 2036		3Mo LIBOR + 423 bps, min 5.0%			6,798,324	6,882,426
(1)(2)	BAC Credomatic, S.A.	Costa Rica	US\$	Mortgage Loan	Repaid		3Mo LIBOR + 423 bps, min 5.0%				2,890,861
(2)	BAC Credomatic, S.A.	Costa Rica	US\$	Mortgage Loan	Jul 1, 2036	11,223,872	3Mo LIBOR + 423 bps, no min. rate		28,122,901	17,377,099	15,761,699
(2)	Banco Promerica de Costa Rica, S.A.	Costa Rica	US\$	Mortgage Loan	Aug 18, 2036		Prime Rate + 475 bps, no min. rate	3		6,859,862	6,922,696
	Banco Nacional de Costa Rica, S.A.	Costa Rica	US\$	Mortgage Loan	Jan 26, 2035		6 Mo Libor + 495bps, no min. rate			7,741,167	7,834,788
(3)	International Finance Corporation Tranche 1	Perú	US\$	Mortgage Loan	Jul 15, 2028	6,865,611	6Mo LIBOR + 525 bps, no min. rate	1,200,000		22,731,508	23,751,917
(3)	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	8,906,949	9,200,000
(1)	Bancolombia, S.A.	Colombia	COP	Financing Capital Lease	Refinanced		IBR + 350 bps no min. rate	15,656			7,728,092
(1)	Bancolombia, S.A.	Colombia	COP	Financing Capital Lease	Refinanced		IBR + 350 bps no min. rate				6,792,844
(1)	Bancolombia, S.A.	Colombia	COP	Financing Capital Lease	Jan 1, 2036	11,436,567	IBR + 327 bps no min. rate			24,376,805	
(2)	Bancolombia, S.A.	Colombia	COP	Financing Capital Lease	May 31, 2036	4,749,010	IBR + 365 bps no min. rate			11,735,515	11,126,396
(2)	ITAU Corpbanca Colombia, S.A.	Colombia	COP	Mortgage Loan	Jul 6, 2033		IBR + 447 bps no min. rate			9,334,940	8,791,408
(4)	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	15,000,000
	Total					<u>US\$41,056,052</u>		<u>US\$3,263,766</u>	<u>US\$45,822,901</u>	<u>US\$202,278,946</u>	<u>US\$192,676,191</u>

(Continues)

Financial Institution	Country	Currency	Type	Expiration	Balloon Payment at Expiration	Annual Interest Rate	Restricted Cash at March 31, 2022	Remaining Borrowing Capacity at March 31, 2022	Amount Outstanding at March 31, 2022	Amount Outstanding at December 31, 2021
Long-term debt accrued financing cost									US\$ 1,327,041	US\$ 1,160,113
Debt issuance cost, net									(1,736,818)	(3,934,341)
Total debt									201,869,169	189,901,951
Less: Current accrued financing cost									(1,250,013)	(1,073,353)
Less: Current portion of long-term debt									(24,372,682)	(23,454,711)
Total long-term debt									<u>US\$176,246,474</u>	<u>US\$165,373,887</u>

- (1) **Debt Refinancing and Extinguishment** - On January 6, 2022, the Group negotiated a new interest rate on the Davivienda de Costa Rica loans 3 months Libor plus 470 basis points and eliminated the interest rate floor, all the other terms and conditions of the loans with Davivienda de Costa Rica remained the same. Deferred financing costs write-off due to material change in the existing terms of the facilities was of US\$1,382,083.

On January 19, 2022, the Group increased by COP\$34,000 million (US\$8,429,675) its existing financing capital lease facilities denominated in Colombian pesos (COP) with Bancolombia from COP\$57,810 million (US\$14,332,969) to COP\$91,810 million (US\$22,762,644). The capital lease financing has a fourteen-year term with a balloon of COP\$42,866 million (US\$11,436,567) at expiration. Pricing is IBR plus 327 basis points. Deferred financing costs write-off due to material change in the existing facility was of COP\$3,051 million (US\$756,507).

On February 16, 2022, the Group repaid one of the loans with BAC Credomatic due to the sale of the underlying property. The loan outstanding balance at the time of the sale was US\$2,868,155 and the Group write-off US\$586 due to the extinguishment of the debt facility.

- (2) **New Mortgage Debt and Financing Capital Lease** - On March, 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\$8,791,408). Proceed were 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. As of March 31, 2022, the debt facility has been fully disbursed.

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.

On January 22, 2021, the Group entered into a Colombian peso (COP) denominated financing capital lease agreement of COP\$44,500 million (US\$11,177,647) with Bancolombia, S.A. for the financing of the construction of building 300 in Latam Logistic Park Calle 80 in Bogota, Colombia. As of December 31, 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 15-years with a balloon payment of 40 percent at expiration (COP\$17,800 million/US\$4,641,848). Principal payments and amortization started in November 2021.

- (3) **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 March 31, 2022 and December 1, 2021, 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. As of March 31, 2022, and December 31, 2021, the Group had disbursed US\$9,200,000 of the second tranche.

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 March 31, 2022 and December 31, 2021, the Group had a restricted cash of US\$1,200,000 and US\$1,800,000, respectively, in the cash collateral account.

- (4) **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.
- (5) **Libor Rate** - The Group has received communications from the banks related to the modification of the libor rate to Prime. Banco Davivienda Costa Rica, S.A., Banco Nacional de Costa Rica and BAC Credomatic, S.A., have indicated that loans granted before December 31, 2021 will maintain the same condition under which they were signed (Libor) and that the new loans will be formalized under the Prime rate. In the case of the International Finance Corporation, they indicate that until the credit is fully disbursed, the calculation of interest will be maintained under the Libor rate.
- (6) **Restricted Cash** - As of March 31, 2022 and December 31, 2021, the Group maintains a deposit certificate in Latam Logistic CR Opco, S.R.L. for the sum of US\$55,625 that is given as guarantee to Banco Davivienda Costa Rica, S.A. to guarantee the remnants of corporate credit cards.

Long-Term Debt Maturities - Scheduled principal and interest payments due on the Group's debt for each year through the period ended December 31, 2026, and thereafter were as follows at March 31, 2022:

	Mortgage Loan	Financing Capital Lease	Bridge Loan	Total	Interest	Total Debt Service
Maturity:						
2022						
(9 months)	US\$ 5,397,232	US\$ 655,531	US\$15,000,000	US\$ 21,052,763	US\$ 7,421,510	US\$ 28,474,273
2023	8,461,275	934,878		9,396,153	10,547,214	19,943,367
2024	9,658,464	1,003,026		10,661,490	10,195,601	20,857,091
2025	10,375,990	1,072,248		11,448,238	9,418,955	20,867,193
2026	11,102,628	1,142,601		12,245,229	8,655,067	20,900,296
Thereafter	106,171,037	31,304,036		137,475,073	40,282,591	177,757,664
Total	<u>US\$151,166,626</u>	<u>US\$36,112,320</u>	<u>US\$15,000,000</u>	<u>US\$202,278,946</u>	<u>US\$86,520,938</u>	<u>US\$288,799,884</u>

Financing Cost - The following table summarizes the weighted average net effective interest rate by type of financing facility at March 31, 2022 and December 31, 2021:

	March 31, 2022		December 31, 2021	
	Weighted Average Interest Rate ⁽¹⁾	Amount Outstanding	Weighted Average Interest Rate ⁽¹⁾	Amount Outstanding
Mortgage Loan	5.8%	US\$151,166,626	6.1%	US\$152,028,847
Bridge Loan	7.1%	15,000,000	7.1%	15,000,000
Commercial Papers				
Financing Capital Lease	<u>7.6%</u>	<u>36,112,320</u>	<u>6.2%</u>	<u>25,647,332</u>
Total	<u>6.2%</u>	<u>US\$202,278,946</u>	<u>6.4%</u>	<u>US\$192,676,179</u>

(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 months ended March 31, 2022 and 2021:

	For the Three Months Ended March 31,	
	2022	2021
Gross interest expense	US\$2,894,433	US\$1,944,351
Gross commitment fees	62,625	71,326
Amortization of debt issuance cost	<u>125,145</u>	<u>104,256</u>
Total financing cost before capitalization	3,082,203	2,119,933
Capitalized amounts into investment properties	<u>(232,482)</u>	<u>(193,508)</u>
Net financing cost	<u>US\$2,849,721</u>	<u>US\$1,926,425</u>
Total cash paid for interest and commitment fees	<u>US\$3,189,160</u>	<u>US\$2,340,645</u>

Debt Reconciliation - The reconciliation of debt as of March 31, 2022 and December 31, 2021 were as follows:

	March 31, 2022	December 31, 2021
Beginning balance	US\$165,373,887	US\$115,137,434
Secured bank debt borrowings	12,430,075	63,626,400
Bridge loan borrowings		15,000,000
Secured bank debt repayments	(5,597,597)	(6,292,052)
Commercial papers repayments		(5,568,000)
Long-term accrued interest	(9,732)	(44,115)
Borrowing cost incurred	(32,132)	(1,070,987)
Borrowing cost amortization	109,823	568,470
Borrowing cost write off due to refinancing	2,139,177	
Change in current portion long term debt	(917,971)	(11,900,284)
Translation adjustment	<u>2,750,944</u>	<u>(4,082,979)</u>
Ending balance	<u>US\$176,246,474</u>	<u>US\$165,373,887</u>

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 Latam Logistic Properties 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.

As of December 31, 2021, the Group was in compliance with all of its covenants in its debts. As March 31, 2022 the Group did not identify variations in the calculations as of December 31, 2021

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 March 31, 2022, and December 31, 2021, the balance of security deposits of US\$1,414,114 and US\$1,360,501 respectively.

18. EQUITY

Latam Logistic Properties, S.R.L. was 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 with 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.

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 March 31, 2022, and December 31, 2021, total common shares outstanding and paid were 168,142,740, respectively.

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 for the three months ended March 31, 2022, and 2021, were the same, as follows:

	For the Three Months Ended March 31,	
	2022	2021
Basic and diluted (loss) earnings per share	<u>US\$(0.0004564)</u>	<u>US\$0.00038987</u>
Net earnings (loss) attributed to common stockholders of the Group	<u>US\$ (76,738)</u>	<u>US\$ 65,554</u>
Weighted average number of shares	<u>168,142,740</u>	<u>168,142,740</u>

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 March 31, 2022, and December 31, 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 Coyoil 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 March 31, 2022 and December 31, 2021.

Partnership	Country	Ownership Percentage		Non-Controlling Interest	
		March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
LatAm Parque Logistico Coyoil II	Costa Rica	50.0%	50.0%	US\$ 7,809,047	US\$ 7,818,385
LatAm Parque Logistico San José - Verbena	Costa Rica	23.8%	23.8%	21,609,047	22,117,399
LatAm Lagunilla Industrial Park	Costa Rica	50.0%	50.0%	1,082,915	1,075,155
Parque Logístico Callao	Peru	50.0%	50.0%	<u>107,427</u>	<u>112,212</u>
Total				<u>US\$30,608,433</u>	<u>US\$31,123,151</u>

During the three months ended March 31, 2022 and 2021 the special vehicle entities paid distribution to the non-controlling interest partner as follows:

	For the Three Months Ended March 31,	
	2022	2021
Latam Parque Logístico Coyoil II		US\$250,000
LatAm Parque Logístico San José - Verbena	<u>US\$449,970</u>	<u> </u>
Total distributions paid to non-controlling partners	<u>US\$449,970</u>	<u>US\$250,000</u>

Summarized financial information of non-controlling partnership' total assets and total liabilities as of March 31, 2022 and December 31, 2021 was as follows:

	March 31, 2022			
	LatAm Parque Logístico Coyoil II	LatAm Parque Logístico San José – Verbena	LatAm Lagunilla Industrial Park	Parque Logístico Callao
Cash	US\$ 1,024,798	US\$ 1,076,232	US\$ 147,741	US\$116,951
Receivables	22,599	957,994	1,576	21,394
Other assets	45,748	605,078	1,103	266
Prepaid construction		2,153,092		
Investment properties	29,865,501	45,458,247	4,494,720	79,219
Assets held for sale		2,996,471		
Fixed assets, net		3,077		
Restricted cash	<u>339,900</u>		<u>61,000</u>	
Total assets	<u>31,298,546</u>	<u>53,250,191</u>	<u>4,706,143</u>	<u>217,830</u>
Payables and accruals	123,969	1,628,790	23,458	2,982
Due to related parties		45,306		
Deposits for assets held for sale		2,400,000		
Long-term debt	11,191,776	17,330,649	2,334,820	
Security deposits	195,000	64,064	25,590	
Deferred tax liability	<u>4,169,707</u>	<u>3,458,020</u>	<u>156,445</u>	
Total Liabilities	<u>15,680,452</u>	<u>24,926,829</u>	<u>2,540,313</u>	<u>2,982</u>
Equity attributable to owners of the parent	<u>US\$ 7,809,047</u>	<u>US\$ 6,714,315</u>	<u>US\$1,082,915</u>	<u>US\$107,424</u>
Non-controlling interest	<u>US\$ 7,809,047</u>	<u>US\$21,609,047</u>	<u>US\$1,082,915</u>	<u>US\$107,424</u>

	December 31, 2021			
	LatAm Parque Logístico Coyoil II	LatAm Parque Logístico San José – Verbena	LatAm Lagunilla Industrial Park	Parque Logístico Callao
Cash	US\$ 776,703	US\$ 3,347,405	US\$ 105,162	US\$134,693
Receivables	19,524	426,760	10,518	19,316
Other assets	54,733	587,085	3,145	76,457
Prepaid construction		1,523,950		
Investment properties	29,901,000	41,960,000	4,488,000	
Assets held for sale		2,996,471		
Restricted cash	<u>339,900</u>			
Total assets	<u>31,091,860</u>	<u>50,841,681</u>	<u>4,606,825</u>	<u>230,466</u>
Payables and accruals	133,807	1,579,387	18,968	6,042
Due to related parties		59,607	2,288,000	
Deposits for assets held for sale		1,200,000		
Long-term debt	11,066,595	15,716,299		
Security deposits	195,000		26,390	
Deferred tax liability	<u>4,059,688</u>	<u>3,257,427</u>	<u>123,173</u>	
Total Liabilities	<u>15,455,090</u>	<u>21,812,720</u>	<u>2,456,515</u>	<u>6,042</u>
Equity attributable to owners of the parent	<u>US\$ 7,818,385</u>	<u>US\$ 6,911,562</u>	<u>US\$1,075,155</u>	<u>US\$112,212</u>
Non-controlling interest	<u>US\$ 7,818,385</u>	<u>US\$22,117,399</u>	<u>US\$1,075,155</u>	<u>US\$112,212</u>

For the three months ended March 31, 2022 and 2021, net earnings attributable to non-controlling were as follows:

	For the Three Months Ended March 31,	
	2022	2021
Net (Loss) earnings attributable to non-controlling		
LatAm Parque Logistico Coyol II	US\$ (9,339)	US\$141,267
LatAm Parque Logistico San Jose - Verbena	(58,383)	12,676
LatAm Lagunilla Industrial Park	7,762	
Parque Logístico Callao	<u>(4,788)</u>	
	<u>US\$(64,748)</u>	<u>US\$153,943</u>

21. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses were as follows:

	For the Three Months Ended March 31,	
	2022	2021
Personnel cost	US\$ 768,362	US\$ 717,477
Services and professional fees	174,676	166,187
Office expenses	90,334	106,827
Bank service charges	10,915	11,445
Other	<u>137,443</u>	<u>126,239</u>
Total	<u>US\$1,181,730</u>	<u>US\$1,125,175</u>

22. OTHER EXPENSES

Other expenses were as follows:

	For the Three Months Ended March 31,	
	2022	2021
Debt supervision fee	US\$ 21,984	US\$ 20,000
Capital raising cost	23,167	251,774
Dead deal pursuit costs	53,333	13,084
Stabilized building acquisition closing costs		136,796
Loss on disposition of fixed assets	28,915	
Other	<u>100,000</u>	
Total	<u>US\$229,309</u>	<u>US\$421,354</u>

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 March 31, 2022, and December 31, 2021, the tax rates applied by the subsidiaries were as follows:

	March 31, 2022	December 31, 2021
Costa Rica	30%	30%
(1) Colombia	35%	31%
Perú	29.5%	29.5%

- (1) 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 months ended March 31, 2022 and 2021, the weighted average tax rate for the Group was as follows:

Three Months Ended March 31, 2022					
	Ordinary Income/ (Loss)	Tax Rate	Gain on Revaluation of Investment Properties	Tax Rate	Weighted Average Tax Rate
Colombia	US\$ (629,598)	35.0		10.0	11.0
Perú	1,300,927	29.5		29.5	29.5
Costa Rica	<u>208,558</u>	<u>30.0</u>	<u> </u>	<u>30.0</u>	<u>30.0</u>
Total	<u>US\$ 849,887</u>	<u>31.2</u>	<u>US </u>	<u>n/a</u>	<u>n/a</u>

Three Months Ended March 31, 2021					
	Ordinary Income/ (Loss)	Tax Rate	Gain/(Loss) on Revaluation of Investment Properties	Tax Rate	Weighted Average Tax Rate
Colombia	US\$ (93,977)	31.0		10.0	11.0
Perú	230,640	29.5		29.5	29.5
Costa Rica	<u>1,085,661</u>	<u>30.0</u>	<u> </u>	<u>30.0</u>	<u>30.0</u>
Total	<u>US\$1,222,325</u>	<u>29.8</u>	<u>US </u>	<u>n/a</u>	<u>n/a</u>

For the three months ended March 31, 2022 and 2021, income tax from continued operations was as follows:

	For the Three Months Ended March 31,	
	2022	2021
Income tax expense	US\$ 879,504	US\$430,021
Deferred income tax expense	<u>(224,559)</u>	<u>374,012</u>
Total	<u>US\$ 654,945</u>	<u>US\$804,033</u>

Income tax expense includes withholding taxes that resulted from the recognition of intra group fees between countries. During the three months ended March 31, 2022 and 2021, the Group recognized withholding tax expenses in the current income tax expense as follows:

	For the Three Months Ended March 31,	
	2022	2021
Intra-group withholding tax	<u>US\$20,830</u>	<u>US\$24,728</u>
Total	<u>US\$20,830</u>	<u>US\$24,728</u>

Income tax for expense for the three months ended March 31, 2022 and 2021 can be reconciled to the accounting profit as follows:

	For the Three Months Ended March 31,	
	2022	2021
Profit before tax from continuing operations	<u>US\$ 513,460</u>	<u>US\$1,032,530</u>
Income tax expense calculated at weighted average tax rate at 31.2% (2021: 30%)	US\$ 160,305	US\$ 306,904
Non-taxable (income) losses	(286,452)	123,118
Tax attributable to change in investment properties tax basis	621,670	257,049
Tax attributable to change in FMV of investment, net of debt, properties due to exchange rate fluctuations	1,260,108	500,976
Net operating losses, net	(769,572)	(190,708)
Effect of tax losses and temporary Differences	<u>(331,114)</u>	<u>(193,306)</u>
Total	<u>US\$ 654,945</u>	<u>US\$ 804,033</u>

Deferred Tax - As of March 31, 2022 and December 31, 2021 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:

	March 31, 2022	December 31, 2021
Balance at beginning of the period	US\$606,183	US\$1,323,723
Employee benefits	68,436	166,445
Net operating loss and pre-operating expenses	(893)	270,946
Net operating losses valuation reserve	30,201	(270,408)
Other assets and liabilities	(18,162)	10,340
Beginning balance reclassification to deferred tax liability		(886,413)
Translation effect from functional currency	<u>5,195</u>	<u>(8,450)</u>
Balance at the end of the period	<u>US\$660,759</u>	<u>US\$ 606,183</u>

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

	March 31, 2022	December 31, 2021
Balance at beginning of the period	US\$39,309,967	US\$31,650,590
Tax attributable to change in investment properties tax basis and fair market value	1,881,778	7,995,822
Embedded tax liability in the purchase of investment properties		346,491
Tax liability reversed due to sale of investment property	(200,588)	

(Continues)

	March 31, 2022	December 31, 2021
Employee benefits	US\$ (843)	US\$ (3,179)
Other assets and liabilities	(279,997)	229,558
Prior period tax effect in change in tax treatment of rent leveling in Peru		600,126
Net operating loss for the period	(770,465)	(311,623)
Beginning balance reclassification from deferred tax assets		(886,413)
Translation effect from functional currency	<u>109,775</u>	<u>(311,405)</u>
Balance at the end of the period	<u>US\$40,049,627</u>	<u>US\$39,309,967</u>

Net Operating Tax Losses Carried Forward - As of March 31, 2022, the Group had US\$660,759 and US\$40,049,627 in net deferred tax assets (DTAs) and deferred tax liabilities (DTLs), respectively. These DTAs and DTLs included approximately US\$1,608,285 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 March 31, 2022, 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\$3,751,254 on the deferred tax assets related to these NOL carryforwards.

As of March 31, 2022, the Group had income tax net operating loss (NOL) carryforwards of US\$5,359,539, which will expire on various dates from 2022 through 2032 as follows:

Expirations	Colombia	Peru	Costa Rica	Total
FY 2022		US\$ 256,145		US\$ 256,245
FY 2023		963,775		963,775
FY 2024		1,260,202	US\$ 272,820	1,533,022
FY 2025		826,021	394,896	1,220,917
FY 2026			669,545	669,545
FY 2028	US\$ 38,093			38,093
FY 2029	99,278			99,278
FY 2030	137,112			137,112
FY 2031	83,050			83,050
FY 2032	77,694			77,964
FY 2034	<u>280,638</u>			<u>280,638</u>
	716,135	3,306,143	1,337,261	5,359,539
Valuation allowance	<u>(277,071)</u>	<u>(3,255,357)</u>	<u>(218,826)</u>	<u>(3,751,254)</u>
	<u>US\$ 439,064</u>	<u>US\$ 50,786</u>	<u>US\$1,118,435</u>	<u>US\$ 1,608,285</u>

24. BALANCE AND TRANSACTIONS WITH RELATED PARTIES

The main transactions with related parties for the three months ended March 31, 2022 and 2021, were as follows:

	For the Three Months Ended March 31,	
	2022	2021
Interest income - Latam Logistics Investments LLC	<u>US\$109,809</u>	<u>US\$105,100</u>
Total	<u>US\$109,809</u>	<u>US\$105,500</u>

As of March 31, 2022, and December 31, 2021, outstanding balances from related parties were as follows:

	March 31, 2022	December 31, 2021
Interest receivable:		
Latam Logistics Investments LLC	US\$1,397,382	US\$1,287,573
Notes receivable:		
Latam Logistics Investments LLC	<u>4,850,000</u>	<u>4,850,000</u>
Total	<u>US\$6,247,382</u>	<u>US\$6,137,573</u>

As of March 31, 2022, and December 31, 2021, the notes receivable has a fixed interest rate of 9% and a due date of December 31, 2023. The main conditions of the notes receivable are payment of the balance at maturity including interest receivable, the possibility of early payments without penalty, guarantee over common shares and a promissory note.

As of March 31, 2022, and December 31, 2021, 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 March 31, 2022, and December 31, 2021, the balance outstanding was US\$6,247,382 and US\$6,137,574, respectively.

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

	For the Three Months Ended March 31,	
	2022	2021
Salaries	US\$211,746	US\$214,660
Cash performance bonus		
Non-cash benefits	<u>10,545</u>	<u>10,455</u>
Total	<u>US\$222,291</u>	<u>US\$224,915</u>

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. As of March 31, 2022, and December 31, 2021 the fair value measurement of financial assets and financial liabilities are considered Level 3 of the fair value hierarchy.

March 31, 2022				
Notes	Cash and Accounts Receivable	Other Financial Liabilities	Total Carrying Amount	(Amortized Cost)
Cash	7	US\$18,485,349	US\$ 18,485,349	US\$ 18,485,349
(i) Financial assets measured at amortized cost:				
Receivable	8	10,994,539	10,994,539	10,994,539
Due from related parties	24	6,247,382	6,247,382	6,247,382
Restricted cash	16	<u>3,319,391</u>	<u>3,319,391</u>	<u>3,319,391</u>
Total financial assets		<u>US\$39,046,661</u>	<u>US\$ 39,046,661</u>	<u>US\$ 39,046,661</u>
(i) Financial liabilities measured at amortized cost:				
Payables and accruals	14	US\$ 10,441,297	US\$ 10,441,297	US\$ 10,441,297
Deposits for assets held for sale		2,400,000	2,400,000	2,400,000
Lease liability	15	254,829	254,829	254,829
Security deposits	17	1,414,114	1,414,114	1,414,114
Long-term debt	16	<u>200,619,156</u>	<u>200,619,156</u>	<u>200,619,156</u>
Total financial liabilities		<u>US\$215,129,396</u>	<u>US\$215,129,396</u>	<u>US\$215,129,396</u>
(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, 2021				
Notes	Cash and Accounts Receivable	Other Financial Liabilities	Total Carrying Amount	(Amortized Cost)
Cash	7	US\$17,360,353	US\$ 17,360,353	US\$ 17,360,353
(i) Financial assets measured at amortized cost:				
Receivable	8	10,596,619	10,596,619	10,596,619
Due from related parties	24	6,137,573	6,137,573	6,137,573
Restricted cash	16	<u>3,929,870</u>	<u>3,929,870</u>	<u>3,929,870</u>
Total financial assets		<u>US\$38,024,415</u>	<u>US\$ 38,024,415</u>	<u>US\$ 38,024,415</u>
(i) Financial liabilities measured at amortized cost:				
Payables and accruals	14	US\$ 11,945,674	US\$ 11,945,674	US\$ 11,945,674
Deposits for assets held for sale		1,200,000	1,200,000	1,200,000
Lease liability	15	155,331	155,331	155,331
Security deposits	17	1,360,501	1,360,501	1,360,501
Long-term debt	16	<u>188,828,598</u>	<u>188,828,598</u>	<u>188,828,598</u>
Total financial liabilities		<u>US\$203,490,104</u>	<u>US\$203,490,104</u>	<u>US\$203,490,104</u>
(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	March 31, 2022	December 31, 2021
Cash	7	US\$18,485,349	US\$17,360,353
Receivables	8	10,994,539	10,596,619
Due from related parties	24	6,247,382	6,137,573
Restricted cash	16	<u>3,319,391</u>	<u>3,929,870</u>
		<u>US\$39,046,661</u>	<u>US\$38,024,415</u>

Cash and restricted cash are held in solid financial institutions and carries minimal risk.

In general, concentration risk in receivables is limited due to receivables are dispersed in a high number of clients.

- 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.

March 31, 2022	Notes	Carrying Amount	Contractual Cash Flows	
			Total	12 Months or Less
Payables and accruals	14	US\$ 10,441,297	US\$ 10,441,297	US\$10,441,297
Lease liability	15	254,829	287,488	111,780
Security deposits	17	1,414,114	1,414,114	17,453
Long-term debt	16	<u>200,619,156</u>	<u>202,278,946</u>	<u>24,417,518</u>
		<u>US\$212,729,396</u>	<u>US\$214,421,845</u>	<u>US\$34,988,048</u>

December 31, 2021	Notes	Carrying Amount	Contractual Cash Flows	
			Total	12 Months or Less
Payables and accruals	14	US\$ 11,945,674	US\$ 11,945,674	US\$11,945,674
Lease liability	15	155,331	164,966	114,484
Security deposits	17	1,360,501	1,360,501	5,000
Long-term debt	16	<u>188,828,598</u>	<u>192,676,179</u>	<u>23,454,711</u>
		<u>US\$202,884,837</u>	<u>US\$206,742,053</u>	<u>US\$36,114,602</u>

The Group minimum lease payments are disclosed on Note 15.

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

March 31, 2022	Notes	Carrying Amount	Contractual Cash Flows	
			Total	12 Months or Less
Cash	7	US\$18,485,349	US\$18,485,349	US\$18,485,349
Receivables	8	10,994,539	10,994,539	2,907,198
Due from related parties	24	6,247,382	6,247,382	
Restricted cash	16	<u>3,319,391</u>	<u>3,319,391</u>	
		<u>US\$39,046,661</u>	<u>US\$39,046,661</u>	<u>US\$21,392,547</u>

December 31, 2021	Notes	Carrying Amount	Contractual Cash Flows	
			Total	12 Months or Less
Cash	7	US\$17,360,353	US\$17,360,353	US\$17,360,353
Receivables	8	10,596,619	10,596,619	2,592,547
Due from related parties	24	6,137,573	6,137,573	
Restricted cash	16	<u>3,929,870</u>	<u>3,929,870</u>	
		<u>US\$38,024,415</u>	<u>US\$38,024,415</u>	<u>US\$19,952,900</u>

- 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/.).
- Colombian pesos (COP\$).

In respect of monetary assets and liabilities denominated in Costa Rican colones (¢), Peruvian soles (S/.) and Colombian pesos (COL\$) the Group's policy is to ensure that its net exposure is kept at an acceptable level by buying or selling Costa Rican colones (¢), Peruvian soles (S/.) and Colombian pesos (COP\$) 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:

	March 31, 2022		
	Costa Rican Colones	Peruvian Soles	Total
Cash	US\$ 96,409	US\$ 185,301	US\$ 281,710
Receivables	<u>610,688</u>	<u>4,797,152</u>	<u>5,407,840</u>
Sub-total	<u>707,097</u>	<u>4,982,453</u>	<u>5,689,550</u>
Payables and accruals	<u>220,502</u>	<u>418,943</u>	<u>639,445</u>
Sub-total	<u>220,502</u>	<u>418,943</u>	<u>639,445</u>
Net	<u>US\$486,595</u>	<u>US\$4,563,510</u>	<u>US\$5,050,105</u>

	December 31, 2021		
	Costa Rican Colones	Peruvian Soles	Total
Cash	US\$ 17,460	US\$ 403,647	US\$ 421,107
Receivables	<u>441,931</u>	<u>4,854,978</u>	<u>5,296,909</u>
Sub-total	<u>459,391</u>	<u>5,258,625</u>	<u>5,718,016</u>
Payables and accruals	<u>197,548</u>	<u>390,450</u>	<u>587,998</u>
Sub-total	<u>197,548</u>	<u>390,450</u>	<u>587,998</u>
Net	<u>US\$,261,843</u>	<u>US\$4,868,175</u>	<u>US\$5,130,018</u>

As of March 31, 2022, and December 31, 2021, 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\$82,841,978 and US\$78,512,178, respectively.

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

	Average Rate For the Three Months Ended March 31,	
	2022	2021
Costa Rican Colones	<u>¢ 647,16</u>	<u>¢ 614,66</u>
Peruvian Soles	<u>S/ 3.815</u>	<u>S/ 3.660</u>
Colombian Pesos	<u>COP\$ 3,914</u>	<u>COP\$ 3,553</u>

	Reporting Date			
	Buy Rate		Sell Rate	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Costa Rican Colones	<u>¢ 660,48</u>	<u>¢ 639,06</u>	<u>¢ 667,10</u>	<u>¢ 645,25</u>
Peruvian Soles	<u>S/ 3.723</u>	<u>S/ 3.965</u>	<u>S/ 3.728</u>	<u>S/ 3.991</u>
Colombian Pesos	<u>COP\$3,748</u>	<u>COP\$3,981</u>	<u>COP\$3,748</u>	<u>COP\$3,981</u>

Sensitivity Analysis - A 10 percent strengthening (weakening) of the U.S. dollar against the local currencies of the subsidiaries as of March 31, 2022 and December 31, 2021 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 2021.

	March 31, 2022	Strengthening	Weakening
Profit or loss		<u>US\$ 505,011</u>	<u>US\$ (505,011)</u>
Equity		<u>US\$8,789,208</u>	<u>US\$(8,789,208)</u>

	December 31, 2021	Strengthening	Weakening
Profit or loss		<u>US\$ 513,002</u>	<u>US\$ (513,002)</u>
Equity		<u>US\$8,364,220</u>	<u>US\$(8,364,220)</u>

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 March 31, 2022 and December 31, 2021 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 2021.

	Note	Long-term Debt with Variable Interest Rate as of March 31, 2022	1%	2%
Increase in interest rate	16	<u>US\$187,278,946</u>	<u>US\$(1,795,378)</u>	<u>US\$(3,590,756)</u>
Decrease in interest rate	16	<u>US\$187,278,946</u>	<u>US\$ 1,795,378</u>	<u>US\$ 3,590,756</u>

	Note	Long-term Debt with Variable Interest Rate as of December 31, 2021	1%	2%
Increase in interest rate	16	<u>US\$177,676,191</u>	<u>US\$(1,054,041)</u>	<u>US\$(2,234,831)</u>
Decrease in interest rate	16	<u>US\$177,676,191</u>	<u>US\$ 413,614</u>	<u>US\$ 688,775</u>

26. SUBSEQUENT EVENTS

The Group's management has evaluated the occurrence of significant events after the closing date of the financial statements and the following has been considered as significant to disclose:

- a. **Debt** - On April 29, 2022, the Group entered into a U.S. dollar denominated mortgage loan (US\$2,070,594) with International Financial Corporation for the financing of the Loan denominated Tranche 2, that will be used on the construction of building B-400 In Peru.

On May 9, 2022, The Group received approval for BTG for the extension of nine additional months for the loan of US\$15,000,000 that expires in June, 2022, under the same conditions.

- b. **Distributions** - On April 29, 2022, the Group paid distribution of US\$750,000 for the Shareholder of the Group and US\$350,000 to the Non-Controlling Partners.
- c. **Employee Bonuses** - On April 25, 2022, the Group paid partially the statutory and performance bonuses accumulated of December 31, 2021 for US\$1,059,568.
- d. **Loans to Executives** - On May 19, 2022, the Group extended the loan denominated in US dollars receivable from Latam Logistics Investment LLC for the amount of US\$2,100,000 under the same conditions as the previous loans. The new amount of the loan is US\$6,950,000.

27. APPROVAL OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The consolidated interim financial statements as of March 31, 2022 were authorized for issue by Group's Board of Directors management on May 31, 2022.

* * * * *