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REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

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

We have reviewed the accompanying consolidated interim statement of financial position of Latam Logistic Properties, S. de R.L. and Subsidiaries (the "Group"), which comprise the consolidated interim statement of financial position as of September 30, 2020 and the corresponding consolidated interim statements of profit or loss and other comprehensive income, consolidated interim changes in equity, and consolidated interim cash flows for the period of nine-month ended on that date, 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 interim financial information in accordance with International Financial Reporting Standards ("IFRS"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of 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.

Emphasis Paragraph

The attached consolidated interim financial statements of Latam Logistic Properties, S. de R.L. and Subsidiaries (the "Group"), which comprise the consolidated interim statement of financial position as of September 30, 2020, and the consolidated interim statement of profit or loss and other comprehensive income, consolidated interim statement of changes in equity and consolidated interim statement cash flows for the nine-month periods ended on that date, as well as notes to the consolidated financial statements, including a summary of significant accounting policies have not been audited.

In addition, the comparative consolidated interim financial statements as of September 30, 2019 and for the nine-month period ended on that date have not been audited.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the Group as at September 30, 2020, and of its financial performance and its cash flows for the nine-months period then ended in accordance with International Financial Reporting Standards ("IFRS").

Deloitte.

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.

These consolidated financial statements have been translated for English-speaking purposes.

Lic. Jorge Andrés Barboza Hidalgo - C.P.A. No.5079
Insurance Policy No.0116 FIG 7
Expires: September 30, 2021
Revenue stamp of law No.6663, ¢1.000, affixed and paid

November 26, 2020

LATAM LOGISTIC PROPERTIES, S.R.L. AND SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2020 AND DECEMBER 31, 2019
(Expressed in US Dollars of United States of America)

	Notes	September 30, 2020 (Unaudited)	December 31, 2019
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	7	US$ 11,446,622	US$ 26,200,871
Receivables net	8	1,165,243	904,518
Due from related parties	21		2,796,410
Other current assets	9	7,212,792	5,618,100
Total current assets		19,824,657	35,519,899
NON-CURRENT ASSETS:			
Receivable with tenant - long term	8	4,822,860	3,889,852
Due from related parties - long term	21	4,934,022	760,525
Lease right - of - use	2i, 13	256,005	236,385
Investment properties	2j, 11	314,136,548	303,997,864
Vehicles, furniture and equipment, net	2h, 10	568,395	526,319
Deferred tax asset	20	2,808,403	1,364,557
Restricted cash	14	12,103,920	12,055,578
Total non-current assets		339,630,153	322,831,080
TOTAL		US$359,454,810	US$358,350,979
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts payable and accrued expenses	2e, 2m, 2n, 12	US$ 7,341,473	US$ 8,076,312
Office lease liability - current	13	98,110	92,360
Long term debt - current portion	14	5,345,330	4,644,742
Total current liabilities		12,784,913	12,813,414
NON-CURRENT LIABILITIES:			
Long term debt	14	106,584,814	103,076,855
Lease liability - long term	2i, 13	181,774	167,075
Deferred tax liability	20	27,336,608	24,903,918
Security deposits	15	914,620	743,655
Total non - current liabilities		135,017,816	128,891,503
Total liabilities		147,802,729	141,704,917
EQUITY:			
Capital quotes	2o, 16a	100	100
Additional paid-in capital	16b	163,042,696	156,342,696
Accumulated earnings		57,221,217	55,698,198
Adjustment for translation of financial statements	2b	(16,745,447)	(3,253,217)
Capital attributable to owners		203,518,566	208,787,777
Non - controlling interest	2f, 17	8,133,515	7,858,285
Total equity		211,652,081	216,646,062
Total		US$359,454,810	US$358,350,979

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

LATAM LOGISTIC PROPERTIES, S.R.L. AND SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED) FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019
(Expressed in US Dollars of United States of America)

	Notes	Three Months Ended September 30,		Nine Months Ended September 30,	
		2020	2019	2020	2019
REVENUES:	2p				
Rental revenue	4	US$ 4,821,622	US$ 3,186,264	US$ 14,045,970	US$ 7,592,090
Development fee income		8,244	24,949	85,120	26,487
Total revenues		4,829,866	3,211,213	14,131,090	7,618,577
COSTS AND OPERATING EXPENSES:					
Investment property operating expense	5	464,218	303,624	1,767,192	911,202
General and administrative	18	1,183,624	1,080,513	3,121,558	3,116,628
Total costs and operating expenses		1,647,842	1,384,137	4,888,750	4,027,830
OTHER NON-OPERATING INCOME (EXPENSES):					
Interest income from related parties	2r, 21	91,413	67,838	227,088	180,548
Office lease financing cost		(5,484)	(5,122)	(16,075)	(16,693)
Loss on debt extinguishment	14				(444,598)
Right-of-use amortization	13	(23,553)	(22,292)	(70,690)	(67,495)
Depreciation and amortization	10	(29,197)	(22,354)	(80,476)	(57,898)
Foreign currency loss		(77,125)	(120,023)	(555,395)	(72,564)
Other income		14,353	46,667	95,274	110,770
Other expense	19	(94,931)	(77,604)	(152,729)	(520,160)
Interest expense	2s, 14	(1,614,165)	(1,299,262)	(4,953,740)	(3,201,519)
Deferred financing cost amortization	14	(60,463)	(48,468)	(172,371)	(105,838)
NET PROFIT (LOSS) BEFORE TAXES		1,382,872	346,456	3,563,226	(604,700)
INCOME TAX EXPENSE	2s, 20	(481,373)	(781,936)	(1,764,977)	(3,868,309)
NET PROFIT (LOSS)		901,499	(435,480)	1,798,249	(4,473,009)
OTHER COMPREHENSIVE INCOME:					
Items that are not reclassified subsequently to profit or loss:					
Translation (loss) gain from functional currency to reporting currency		(2,696,888)	(4,217,512)	(13,492,230)	(3,792,307)
Total comprehensive loss for the period		US$(1,795,389)	US$(4,652,992)	US$(11,693,981)	US$(8,265,316)
PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO:					
Owners of the Group		US$ 897,409	US$ (589,860)	US$ 1,523,019	US$(4,537,494)
Non-controlling interests	2f, 17	4,090	154,380	275,230	64,485
Total		US$ 901,499	US$ (435,480)	US$ 1,798,249	US$(4,473,009)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:					
Owners of the Group		US$(1,799,479)	US$(4,807,372)	US$(11,969,211)	US$(8,329,801)
Non-controlling interests		4,090	154,380	275,230	64,485
Total		US$(1,795,389)	US$(4,652,992)	US$(11,693,981)	US$(8,265,316)

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

LATAM LOGISTIC PROPERTIES, S.R.L. AND SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019
(Expressed in US Dollars of United States of America)

		Three Months Ended September 30, 2020 and 2019 Attributable to the Equity Holders of the Parent						
	Notes	Capital Quotes	Additional Paid-in Capital	Accumulated Earnings	Adjustment for Translation of Financial Statements	Capital Attributable to Owners	Non-controlling Interests	Total Equity
BALANCE AS OF JULY 1, 2019	16a	US$100	US$156,342,696	US$29,736,743	US$ (2,234,963)	US$183,844,576	US$7,915,580	US$191,760,156
Net loss for the period				(589,860)		(589,860)	154,380	(435,480)
Adjustment for translation of financial statements	2b				(4,217,512)	(4,217,512)		(4,217,512)
Total comprehensive loss for the period				(589,860)	(4,217,512)	(4,807,372)	154,380	(4,652,992)
Additional paid-in capital	16b							
BALANCE AS OF SEPTEMBER 30, 2019	16a	US$100	US$156,342,696	US$29,146,883	US$ (6,452,475)	US$179,037,204	US$8,069,960	US$187,107,164
BALANCE AS OF JULY 1, 2020	16a	US$100	US$156,342,696	US$56,353,808	US$(14,048,559)	US$198,618,045	US$8,129,425	US$206,747,470
Net income for the period				897,409		897,409	4,090	901,499
Adjustment for translation of financial statements	2b				(2,696,888)	(2,696,888)		(2,696,888)
Total comprehensive loss for the period				897,409	(2,696,888)	(1,799,479)	4,090	(1,795,389)
Additional paid-in capital	16b		6,700,000			6,700,000		6,700,000
BALANCE AS OF SEPTEMBER 30, 2020	16a	US$100	US$163,042,696	US$57,221,217	US$(16,745,447)	US$203,518,566	US$8,133,515	US$211,652,081

(Continues)

LATAM LOGISTIC PROPERTIES, S.R.L. AND SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019
(Expressed in US Dollars of United States of America)

		Nine Months Ended September 30, 2020 and 2019 Attributable to the Equity Holders of the Parent						
	Notes	Capital Quotes	Additional Paid-in Capital	Accumulated Earnings	Adjustment for Translation of Financial Statements	Capital Attributable to Owners	Non-controlling Interests	Total Equity
BALANCE AS OF DECEMBER 31, 2018	16a	US$100	US$117,642,696	US$33,684,377	US$ (2,660,168)	US$148,667,005	US$8,005,475	US$156,672,480
Net loss for the period				(4,537,494)		(4,537,494)	64,485	(4,473,009)
Adjustment for translation of financial statements	2b				(3,792,307)	(3,792,307)		(3,792,307)
Total comprehensive loss for the period				(4,537,494)	(3,792,307)	(8,329,801)	64,485	(8,265,319)
Additional paid-in capital	16b		38,700,000			38,700,000		38,700,000
BALANCE AS OF SEPTEMBER 30, 2019 (UNAUDITED)	16a	US$100	US$156,342,696	US$29,146,883	US$ (6,452,475)	US$179,037,204	US$8,069,960	US$187,107,164
BALANCE AS OF DECEMBER 31, 2019	16a	US$100	US$156,342,696	US$55,698,198	US$ (3,253,217)	US$208,787,777	US$7,858,285	US$216,646,062
Net income for the period				1,523,019		1,523,019	275,230	1,798,249
Adjustment for translation of financial statements	2b				(13,492,230)	(13,492,230)		(13,492,230)
Total comprehensive loss for the period				1,523,019	(13,492,230)	(11,969,211)	275,230	(11,693,981)
Additional paid-in capital	16b		6,700,000			6,700,000		6,700,000
BALANCE AS OF SEPTEMBER 30, 2020 (UNAUDITED)	16a	US$100	US$163,042,696	US$57,221,217	US$(16,745,447)	US$203,518,566	US$8,133,515	US$211,652,081

(Concluded)

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

LATAM LOGISTIC PROPERTIES, S.R.L. AND SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019
(Expressed in US Dollars of United States of America)

	Notes	Three Months Ended September 30		Nine Months Ended September 30,	
		2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES					
Net profit (loss)		US$ 901,499	US$ (435,480)	US$ 1,798,249	US$ (4,473,009)
Adjustments for:					
Gain on early termination of office lease				(2,611)	
Investment properties closing costs	11, 19		48,364		368,362
Unrealized foreign currency exchange loss		115,738	105,778	294,956	28,276
Loss on debt extinguishment	14				444,598
Deferred income tax	20	392,191	665,405	1,466,049	3,017,541
Current income tax	20	89,182	116,531	298,928	850,768
Rent leveling	2p	(1,063,664)	(919,767)	(3,826,284)	(1,700,425)
Rent incentive amortization	19	6,907	5,440	20,801	8,998
Bad debt expense	8	(78,677)	(22,550)	201,629	57,609
Right - of - use amortization	13	23,553	22,292	70,690	67,495
Depreciation, amortization and retirements	10	29,197	22,354	80,476	57,898
Office lease financing cost	13	5,484	5,122	16,075	16,693
Deferred financing cost amortization		60,463	48,468	172,371	105,838
Interest expense		1,614,165	1,299,263	4,953,740	3,201,519
Changes in working capital:					
Receivables	8	(953,274)	(159,268)	(1,641,729)	(463,056)
Other assets	9	129,283	(78,324)	(65,512)	(194,538)
Payables and accrued expenses	12	475,708	(25,587)	739,918	19,629
Security deposits	15	75,234	73,196	170,966	26,960
Cash provided in operating activities		1,822,989	771,237	4,748,712	1,441,156
Income tax paid	9, 20	(118,217)	(265,150)	(892,043)	(434,214)
Net cash provided in operating activities		1,704,772	506,087	3,856,669	1,006,942
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions to investment property, including acquisitions closing costs		(7,814,889)	(18,813,151)	(21,983,781)	(58,080,932)
Deposits paid for acquisitions of investment properties	9			(752,400)	
Due from related parties	21	(1,241,412)	(67,837)	(1,377,087)	(905,547)
Additions to property, furniture and equipment	11	(62,040)	(6,659)	(162,720)	(145,417)
Net cash used in investing activities		(9,118,341)	(18,887,647)	(24,275,988)	(59,131,896)
CASH FLOWS FROM FINANCING ACTIVITIES					
Capital contributions		6,700,000		6,700,000	38,700,000
Office lease liability repayment	13	(19,182)	(19,530)	(65,123)	(61,996)
Long term debt borrowing	14	2,498,528	5,455,167	17,222,510	78,908,890
Long term debt repayment	14	(1,350,679)	(372,748)	(11,381,913)	(38,384,844)
Restricted cash	14		(73,468)	(49,791)	(856,706)
Cash paid for raising debt	14	(352,144)	(709,515)	(488,849)	(2,222,150)
Interest and commitment fee paid	14	(2,230,776)	(1,466,483)	(5,749,392)	(3,930,598)
Lease financing cost paid	13	(5,484)	(5,122)	(16,075)	(16,693)
Net cash provided by financing activities		5,240,263	2,808,301	6,171,367	72,135,903

(Continues)

LATAM LOGISTIC PROPERTIES, S.R.L. AND SUBSIDIARIES

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019
(Expressed in US Dollars of United States of America)

	Three Months Ended September 30		Nine Months Ended September 30,	
	2020	**2019**	**2020**	**2019**
NET (DECREASE) INCREASE IN CASH	US$ (2,173,306)	US$(15,573,259)	US$(14,247,952)	US$ 14,010,949
CASH AT THE BEGINNING OF THE PERIOD	13,741,797	42,578,442	26,200,871	12,943,682
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD	(121,869)	(166,277)	(506,297)	(115,725)
CASH AT THE END OF THE PERIOD	US$ 11,446,622	US$ 26,838,906	US$ 11,446,622	US$ 26,838,906

(Concluded)

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

1. NATURE OF BUSINESS

Latam Logistic Properties, S.R.L. ("the Group") was organized and incorporated under the laws of the Republic of Panama on May 4, 2015. The consolidated financial statements of the Group as of September 30, 2020 for the three and nine months then ended and December 31, 2019 include the financial statements of the Group and its Subsidiaries (jointly referred to as "the Group" and individually as "Group entities"). The Group is a developer, owner and operator of industrial property focused on logistics warehouse facilities in Colombia, Perú and Costa Rica.

The Group is owned by JREP I Logistics Acquisition L.P. (88.5%). JREP GP LLC has exclusive management control over JREP I, which was engaged by Jaguar Growth Asset Management LLC to have full control over JREP I. The ultimate Group's capital partner is Jaguar Growth Partners LLC, a New York based private equity fund with ample experience in real estate developments throughout emerging markets.

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

2. SIGNIFICANT ACCOUTING POLICIES

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

The unaudited financial statements as of September 30, 2020 and for the nine-month periods ended September 30, 2020 and 2019, include all the adjustments, consisting of normal recurring accruals, that Management considers necessary to present the financial situation, the financial performance and cash flows of the Group. The results of the operations of the interim periods are not necessarily indicative of the results that can be expected for the full year, therefore, it is suggested that these consolidated interim financial statements be read in conjunction with the audited annual consolidated financial statements of the Group as of December 31, 2020 and for the year ended on that date and its explanatory notes. Except for new standards requested in 2020 and detailed in Note 3, the accounting records are consistent with policies of the annual consolidated financial statements.

The consolidated interim financial statements have been prepared on the historical cost basis except for certain properties and financial instruments 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.

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

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

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

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

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

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

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

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

b. ***Functional and Presentation Currency*** - These consolidated financial statements are presented in U.S. dollars (US$), which is the functional currency of Latam Logistic Properties, S.R.L. and its Subsidiaries, except for the Colombian subsidiaries of Latam Logistic COL OpCo, S.A.S. and Latam Logistic COL PropCo Cota I, S.A.S, for which the local currency (Colombian peso). Exchange rate differences originated from the settlement of assets and liabilities denominated in foreign currency and from the adjustment of balances at the closing date are

recorded against income of the period in which they occurred. At September 30, 2020 and December 31, 2019, the sell-exchange rates for a US$1.00 are the following:

	September 30, 2020	December 31, 2019
Costa Rican Colon	¢ 608,68	¢ 576,49
Peruvian Sol	S/ 3.597	S/ 3.317
Colombian Peso	COP3,879	COP3,277

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 a functional currency other than the U.S. dollar has been defined, are translated into U.S. dollars at exchange rates in effect at the date of the consolidated statement of financial position. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions. Components of property and 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 TRFS 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 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 directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in financial statements.

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

- **Control over Latam Parque Logístico Coyol II** - Note 17 describes that the Group entered in a real estate partnership for the development and operation of Latam Parque Logístico Coyol II in Costa Rica. The partnership includes two entities that the Group has only a 50 per cent ownership interest. The Group has complete responsibility, power and discretion in the day-to-day management of the partnership.

- **Assumptions and Estimation Uncertainties** - Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment as of September 30, 2020 and December 31, 2019 and for the three and nine months ended September 30, 2020 and 2019 are include in notes to the consolidated financial statements.

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

- **Taxation on Investment Properties** - For the purposes of measuring current and deferred tax liabilities or current and deferred tax assets arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties 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 in profit or loss, any deferred taxes on changes in fair value of investment properties.

e. ***Basis of Consolidation*** - The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group (its subsidiaries) made up to September 30, 2020 and 2019 and for the three and nine months then ended and as of December 31, 2019. Control is achieved when the Group:

- Has the power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power 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 power 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 power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

- Potential voting rights held by the Group, other vote holders or other parties;

- Rights arising from other contractual arrangements; and

- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

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

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

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

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

Entities	Country	Ownership Interest	
		September 30, 2020	December 31, 2019
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 CR HoldCo II, S de R.L.	Panamá	100%	100%
(1) Latam Logistic Pan HoldCo S de R.L.	Panamá	100%	100%
Latam Logistic PAN PropCo Pacora I, S. de R.L.	Panamá	100%	100%
Latam Logistic Pan Holdco El Coyol II S de R.L.	Panamá	50%	50%
Latam Logistic Pan Holdco Atenas S de R.L.	Panamá	100%	100%
Latam Logistic Pan Holdco Cedis Rurales S de R.L.	Panamá	100%	100%
Latam Logistic Pan Holdco Bodegas El Coyol 3, S de R.L.	Panamá	100%	100%
Latam Logistic Pan Holdco Alajuela II S de R.L.	Panamá	100%	100%
LatAm Logisitic PAN HoldCo San Joaquin I S de R.L.	Panamá	100%	100%
Latam Logistic Pan Holdco Oficinas San Joaquin Heredia, S.R.L.	Panamá	100%	100%
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 Pedregal Panamá S de R.L.	Panamá	100%	100%
Latam Logistic Propco Pedregal Panamá S de 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%
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%
Latam Logistic COL OpCo, S.A.S.	Colombia	100%	100%

(Continues)

Entities	Country	Ownership Interest	
		September 30, 2020	December 31, 2019
Latam Logistic COL PropCo Cota I, S.A.S.	Colombia	100%	100%
Latam Logistic PropCo Celta I, SAS	Colombia	100%	n/a
Latam Logistic CR OpCo, S.R.L.	Costa Rica	100%	100%
(3) Latam Logistic CR PropCo Heredia I LLPH, S.R.L.	Costa Rica		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 Aurora S de R.L.	Costa Rica	100%	100%
Latam Propco Bodegas San Joaquin S de R.L.	Costa Rica	100%	100%
Latam Logistic Propco Atenas I, S. de R.L.	Costa Rica	100%	100%
Latam Logistic Propco Bodegas Siquiares III S de R.L.	Costa Rica	100%	100%
Latam Logistic Propco Cedis Rurales Costa Rica S de R.L.	Costa Rica	100%	100%
(2) Latam Logistic Propco Ciruelas IV 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 OpCo, S. de R.L.
(2) Formerly known as Latam Logistic Propco Oficinas San Joaquin Heredia, S.R.L.
(3) The entity has been dissolved in the last quarter to September 30, 2020.

f. ***Noncontrolling Interests*** - Noncontrolling interests represent the share of consolidated entities owned by third parties. The Group recognize each noncontrolling holder's respective share of the estimated fair value of the net assets at the date of formation or acquisition. Noncontrolling interests are subsequently adjusted for noncontrolling holder's share of additional contributions, distributions and their share of the net earnings or losses of each respective consolidated entity. The Group allocate net income to noncontrolling interests based on the weighted average ownership interest during the period. The net income that is no attributable to the Group is reflected in the line item Net Earnings Attributable to Noncontrolling Interests.

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

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

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):
- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and

- The Group may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below).

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

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

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

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

ii. *Debt Instruments Classified as at Fair Value Trought Other Comprehensive Income (FVTOCI)* - The bank debt held by the Group are classified as at FVTOCI. The bank debt are initially measured at fair value plus transaction

costs. Subsequently, changes in the carrying amount of these bank debt 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 bank debt had been measured at amortized cost. All other changes in the carrying amount of these bank debts are recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these bank debts are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

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

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

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

   In particular, the following information is taken into account 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.

The Group creates a reserve for doubtful accounts if the collection of a balance receivable is considered doubtful. As of September 30, 2020 and December 31, 2019, the Group recorded an allowance for doubtful receivables of US$310,928 and US$109,299, respectively.

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.

Derecognition of Financial Assets - The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

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

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

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

- It has been acquired principally for the purpose of repurchasing it in the near term; or

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

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

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

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

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

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

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

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

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

carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

Derivative Financial Instruments - As of September 30, 2020 and 2019 for the three and nine months then ended and as of December 31, 2019, the Group holds 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 Group evaluates if a contract contains a lease at the commencement date. The Group 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 Group recognizes the lease payments as an

operating lease under the straight-line method through the valid term of the lease, unless other method is more representative of the pattern in which economic benefits from the use of the underlying asset is diminished.

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

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

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

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

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

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

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

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

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

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

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

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

The Group applies IAS 36 to determine if a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Vehicle, Furniture 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. 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 is recognized in the profit and loss of the year.

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

k. ***Assets Held for Sale*** - Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

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

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

l. ***Impairment*** -

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

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

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

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

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

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

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

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

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

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

m. ***Employee Benefits*** -

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

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

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

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

o. ***Equity*** -

Capital Quotes - Capital quotes are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

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

p. ***Revenue Recognition*** -

Investment Property Rental Income - The Group lease their operating properties under agreements that are classified as operating leases. The Group recognize the total minimum payments provided for under the leases on a straight-line basis over the term of the lease. Generally, under the terms of the leases, the majority of the rental expenses are recovered from the customers. Amounts recovered from customers as revenue in the period that the applicable expenses incurred.

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

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

q. ***Borrowing Costs*** - The Group capitalizes borrowing costs directly attributable to the acquisition, construction or production of qualifying assets.

r. ***Finance Income and Finance Costs*** - The Group's finance income and finance costs include interest income, interest expense, lease interest, bank commissions 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 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 directors of the Group reviewed the Group's investment properties and concluded that the Group's investment properties are held under a business model whose objective is to consume the economic benefits embodied in the investment properties through different strategies that may include sale of assets. As a result, the Group has recognized deferred taxes on changes in fair value of the investment properties.

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

a. ***Application of New and Revised International Financing Reporting Standards ("IFRS" or "IAS") that are Mandatorily Effective for the Current Year*** - In the current year, the Company 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, 2020. The conclusions related to their adoption are described as follows:

- **Amendments to IFRS 3 - Definition of a Business** - The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. Additional guidance is provided that helps to determine whether a substantive process has been acquired. In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

  The Group has not made any acquisitions during the current period.

- **Amendments to IAS 1 and IAS 8 - Definition of Material** - The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS. The concept of "obscuring" material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from "could influence" to "could reasonably be expected to influence". The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other standards and the conceptual framework that contain a definition of material or refer to the term "material" to ensure consistency.

The Group has adopted the definition of material based on what could reasonably be expected to influence.

- **Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform** - The amendments in the Interest Rate Benchmark Reform deal with issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative interest rate and addresses the implications for specific hedge accounting requirements and disclosures in IFRS 9, IAS 39 and IFRS 7. The amendments also clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of the interest rate benchmark reform.

  The Group has not been impacted by this modification.

- **Amendments to IFRS 16 - Rent Concessions Related to COVID-19** - The amendments introduce a practical expedient that provides lessees the option not to assess whether a rent concession that meets certain conditions is a lease modification. The practical expedient is applicable to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

  - The change in the lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

  - Any reduction in lease payments affects only payments originally due on or before June 30, 2021; and

  - There is no substantive change to other terms and conditions of the lease.

  The Group has not modified its leases in which it acts as lessor.

- **Amendments to IFRS 4 - Insurance Contracts in the Application of IFRS 9 - Financial Instruments** - The amendment modifies IFRS 4 by providing two approaches for entities that issue insurance contracts (insurers): the overlay approach and the deferral approach. While the overlay approach allows reclassifying some of the income or expenses arising from the designated financial assets from results to other comprehensive income, the deferral approach allows the temporary exemption of not applying IFRS 9 for entities whose predominant activity is the issuance of insurance contracts. The application of both approaches is optional and it is permitted to stop applying the approaches when the new insurance contract standard is adopted (IFRS 17). While the overlay approach is effective when IFRS 9 is applied for the first time, the deferral approach is effective for annual reporting periods beginning on or after January 1, 2018 and until January 1, 2023.

  The Group has not been impacted by this modification.

- **Amendments to the IFRS's Conceptual Framework** - Together with the revised Conceptual Framework, the IASB has also issued amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. Not all amendments, however update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the framework they are referencing to (the IASC framework adopted by the IASB in 2001, the IASB framework of 2010, or the new revised framework of 2018) or to indicate that definitions in the standard have not been updated with the new definitions developed in the revised Conceptual Framework.

  The Group has not been impacted by this modification.

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

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

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

  The Group does not expect significant impacts with this modification.

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

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

The Group does not expect significant impacts with this modification.

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

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

  The Group does not expect significant impacts with this modification.

- **Amendments to IFRS 1 - First Time Adoption of International Financial Reporting Standards** - The amendment permits a subsidiary, which becomes a first-time adopter of IFRS later than its parent, to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition of IFRSs.

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

  The Group does not expect significant impacts with this modification.

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

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

  The Group does not expect significant impacts with this modification.

- **Amendments to IAS 41 - Biological Assets** - In order to ensure consistency with the requirements in IFRS 13, Fair Value Measurement, the amendments remove the requirement for entities to exclude taxation cash flows when measuring the fair value of biological assets using a present value technique.

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

  The Group does not operate with biological assets.

- **IFRS 17 - Insurance Contracts** - IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4, Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general

model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

The standard is effective for annual reporting periods beginning on or after January 1, 2023, with early application permitted. It is applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies IFRS 17, and the transition date is the beginning of the period immediately preceding the date of initial application.

The Group does not expect significant impacts with this modification.

- **Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)** - Interbank offered rates (IBORs) are interest reference rates, such as LIBOR, EURIBOR and TIBOR, that represent the cost of obtaining unsecured funding, have been questioned for their long-term viability as benchmarks. The Interest Rate Benchmark Reform on its phase 2 refers to the modification of financial assets, financial liabilities and lease liabilities, hedge accounting requirements and disclosure of financial instruments.

  With respect to the modification of financial assets, financial liabilities and lease liabilities, the IASB introduced a practical expedient, which implies updating the effective interest rate. On the other hand, regarding the hedge accounting, the hedging relationships and related documentations, must reflect modifications to the hedged item, hedging instrument and hedged risk. Hedging relationships should meet all qualifying criteria to apply hedge accounting, including effectiveness requirements.

  Finally, regarding the disclosures, the entities should disclose how it is managing the transition from IBORs to alternative benchmark rates and the risks may arise from the transition, quantitative information about non-derivative financial assets and liabilities, as well as derivatives that continue to reference interest rate benchmarks subject to the reform and changes arisen on the risk management strategy.

  These amendments are effective for annual reporting periods beginning on or after January 1, 2021 with retrospective application, without the need to restate the comparative periods.

  The Group is in the process of evaluating the impacts arising from the application of these amendments.

4. RENTAL REVENUE

The Group through its subsidiaries have entered into various operating leases agreements with customers for the rental of its warehouses. Most of the Group lease agreements associated with the investment properties contain a lease term from five

to ten years. The Group weighted average lease term remaining on leases in the operating properties and properties under development, based on square meters of all leases in effect at September 30, 2020 was 13.8 years.

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 is comprised as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Rental revenue	US$4,259,370	US$2,961,625	US$12,423,871	US$6,951,418
Patio rental income	164,682	15,680	507,393	33,180
Rental recoveries	359,239	175,906	1,012,522	500,387
Other	38,331	33,053	102,184	107,105
Total	US$4,821,622	US$3,186,264	US$14,045,970	US$7,592,090

The following table summarizes the Group minimum lease payments, based on net effective rent, on operating properties and pre-stabilized development properties with lease periods greater than one year, at September 30, 2020:

	Amount
Rental revenues:	
2020	US$ 4,333,108
2021	19,284,604
2022	19,231,255
2023	18,709,089
2024	15,328,056
Thereafter	96,009,874
Total	US$172,895,986

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 our 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 our business. Any prolonged economic downturn, escalation of the outbreak or disruption in the financial markets may adversely affect our financial condition and results of operations.

We have received requests from certain customers for rent concessions and for those granted, it is generally the deferral of the rent payment with a rent repayment schedule within the following twelve months and with no significant impact on revenue recognition. As of September 30, 2020, we have granted US$1.7 million of rental deferral requests or 10.2 basis points of annualized rental revenue. In order to accommodate the rent relief needs of our customers, the Group received debt service relief of US$1.0 million (refer to Note 14 for further details) that would mainly be repaid through the term of the debt. The impact on the Group's operating cash flow was minimal.

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 is comprised as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Repair and maintenance	US$221,266	US$148,350	US$ 661,193	US$419,589
Utilities	153,290	63,824	388,729	168,437
Insurance	57,852	38,155	174,817	87,117
Property management	27,746	28,345	84,084	71,074
Real estate taxes	71,436	36,846	222,327	90,084
Expected credit loss	(78,676)	(22,550)	201,629	57,610
Other	11,304	10,654	34,413	17,291
Total	US$464,218	US$303,624	US$1,767,192	US$911,202

6. SEGMENT REPORTING

Operating segment information is presented based on how management analyzes the business, which includes information aggregated by market. The results for these operating segments are presented for the three and nine months ended September 30, 2020 and 2019, while assets and liabilities are included as of September 30, 2020 and December 31, 2019. The Group operates in three geographic markets that represent its reportable operating segments. The information of the markets where it has operation; Colombia, Peru, and Costa Rica are summarized as follows:

	Three Months Ended September 30, 2020			
	Colombia	Peru	Costa Rica	Total
Revenues:				
Rental revenue	US$ 483,829	US$ 930,225	US$ 3,407,568	US$ 4,821,622
Development fee income		8,244		8,244
Sub-total	483,829	938,469	3,407,568	4,829,866
Costs and expenses:				
Investment property expenses	60,563	203,491	200,164	464,218
General and administrative	200,251	146,554	670,828	1,017,633
Sub-total	260,814	350,045	870,992	1,481,851
Net operating profit	223,015	588,424	2,536,576	3,348,015
Other income/(expenses):				
Right-of-use amortization	(3,788)	(6,942)	(12,823)	(23,553)
Depreciation and amortization	(7,927)	(6,510)	(14,760)	(29,197)
Foreign currency	2,332	(75,807)	(3,650)	(77,125)
Other income	4,857		9,496	14,353
Office lease financing cost	(1,337)	(1,947)	(2,200)	(5,484)
Interest expense	(128,552)	(224,715)	(1,260,898)	(1,614,165)
Deferred financing cost		(15,193)	(45,270)	(60,463)
Other expense	(41,476)	(11,401)		(52,877)
Net profit before taxes	47,124	245,909	1,206,471	1,499,504
Income tax benefit (expense)	(193,281)	(418,505)	148,787	(462,999)
Net profit (loss) after taxes	(146,157)	(172,596)	1,355,258	1,036,505
Earnings attributable to non-controlling interest			(4,090)	(4,090)
Net profit (loss) for the period	US$(146,157)	US$(172,596)	US$ 1,351,168	US$ 1,032,415

	Three Months Ended September 30, 2019			
	Colombia	Peru	Costa Rica	Total
Revenues:				
Rental revenue	US$ 121,384	US$ 411,582	US$ 2,653,298	US$ 3,186,264
Development fee income		24,949		24,949
Sub-total	121,384	436,531	2,653,298	3,211,213
Costs and expenses:				
Investment property expenses	6,471	101,398	195,755	303,624
General and administrative	203,864	155,525	652,640	1,012,029
Sub-total	210,335	256,923	848,395	1,315,653
Net operating (loss) profit	(88,951)	179,608	1,804,903	1,895,560
Other income/(expenses):				
Debt extinguishment				
Right-of-use amortization	(5,139)	(6,942)	(10,211)	(22,292)
Depreciation and amortization	(6,996)	(4,899)	(10,459)	(22,354)
Foreign currency	(14,194)	(101,044)	(4,775)	(120,013)
Other income		4,129	23,080	27,209
Office lease financing cost	(1,644)	(2,409)	(1,069)	(5,122)
Interest expense		(221,492)	(1,077,770)	(1,299,262)
Deferred financing cost		(8,776)	(39,692)	(48,468)
Other expense		(1,440)	(76,164)	(7,604)
Net profit (loss) before taxes	(116,924)	(163,265)	607,843	327,654
Income tax benefit (expense)	23,226	(754,072)	(123,688)	(854,534)
Net profit (loss) after taxes	(93,698)	(917,337)	484,155	(526,880)
Income attributable to non-controlling interest			(154,380)	(154,380)
Net profit (loss) of the period	US$ (93,698)	US$(917,337)	US$ 329,775	US$ (681,260)

	Nine Months Ended September 30, 2020			
	Colombia	Peru	Costa Rica	Total
Revenues:				
Rental revenue	US$1,441,909	US$ 2,365,312	US$10,238,749	US$10,045,970
Development fee income	1,225	8,145	75,750	85,120
Sub-total	1,443,134	2,373,457	10,314,499	14,131,090
Costs and expenses:				
Investment property expenses	181,588	513,302	1,072,302	1,767,192
General and administrative	538,832	485,094	1,902,229	2,926,155
Sub-total	720,420	998,396	2,974,531	4,693,347
Net operating profit	722,714	1,375,061	7,339,968	9,437,743
Other income/(expenses):				
Right-of-use amortization	(13,135)	(20,827)	(36,728)	(70,690)
Depreciation and amortization	(21,450)	(17,419)	(41,607)	(80,476)
Foreign currency	(236,734)	(279,088)	(39,573)	(555,395)
Other income	36,655	9,836	46,918	93,409
Office lease financing cost	(3,935)	(6,196)	(5,944)	(16,075)
Interest expense	(404,686)	(748,887)	(3,800,167)	(4,953,740)
Deferred financing cost		(40,779)	(131,592)	(172,371)
Other expense	(41,476)	(57,500)	(11,699)	(110,675)
Net profit before taxes	37,953	214,201	3,319,576	3,571,730
Income tax expense	(231,415)	(1,476,836)	(2,001)	(1,710,252)
Net profit (loss) after taxes	(193,462)	(1,262,635)	3,317,575	1,861,478
Earnings attributable to non-controlling interest			(275,230)	(275,230)
Net profit (loss) for the period	US$ (193,462)	US$(1,262,635)	US$ 3,042,345	US$ 1,586,248

	Nine Months Ended September 30, 2019			
	Colombia	Peru	Costa Rica	Total
Revenues:				
Rental revenue	US$ 121,384	US$ 1,042,917	US$ 6,427,789	US$ 7,592,090
Development fee income		26,114	373	26,487
Sub-total	121,384	1,069,031	6,428,162	7,618,577
Costs and expenses:				
Investment property expenses	7,208	259,378	644,616	911,202
General and administrative	526,114	508,048	1,880,378	2,914,540
Sub-total	533,322	767,426	2,524,994	3,825,742
Net operating (loss) profit	(411,938)	301,605	3,903,168	3,792,835
Other income/(expenses):				
Loss on debt extinguishment		(208,280)	(236,318)	(444,598)
Right-of-use amortization	(16,037)	(20,827)	(30,631)	(67,495)
Depreciation and amortization	(21,414)	(13,548)	(22,936)	(57,898)
Foreign currency	(35,683)	(38,007)	1,126	(72,564)
Other income		4,214	61,516	65,730
Office lease financing cost	(5,399)	(7,558)	(3,736)	(16,693)
Interest expense		(463,151)	(2,738,368)	(3,201,519)
Deferred financing cost		(43,158)	(62,680)	(105,838)
Other expense	(100,199)	(23,799)	(396,162)	(520,160)
Net profit (loss) before taxes	(590,670)	(512,509)	474,979	(628,200)
Income tax expense	(103,579)	(2,241,303)	(1,523,427)	(3,868,309)
Net loss after taxes	(694,249)	(2,753,812)	(1,048,448)	(4,496,509)
Earnings attributable to non-controlling interest			(64,485)	(64,485)
Net loss for the period	US$(694,249)	US$(2,753,812)	US$(1,112,933)	US$(4,560,994)

	September 30, 2020			
	Colombia	Perú	Costa Rica	Total
Assets:				
Cash	US$ 1,060,160	US$ 3,538,787	US$ 4,906,821	US$ 9,505,768
Receivables and other assets	4,361,119	4,593,948	4,179,762	13,134,829
Deferred tax asset	533,816	703,491	1,571,096	2,808,403
Right-of-use	45,714	94,877	115,414	256,005
Investment property	91,139,351	70,635,797	152,361,400	314,136,548
Restricted cash	15,128	10,046,059	2,042,733	12,103,920
Vehicles, furniture and equipment, net	117,511	239,020	211,864	568,395
Total assets	97,272,799	89,851,979	165,389,090	352,513,868
Liabilities:				
Payables and accruals	3,983,346	1,192,467	2,153,013	7,328,826
Deferred tax liability	3,250,726	7,724,175	16,361,707	27,336,608
Office lease liability	55,461	106,707	117,716	279,884
Long-term debt	9,779,452	21,390,856	80,759,836	111,930,144
Security deposits		236,126	678,494	914,620
Total liabilities	17,068,985	30,650,331	100,070,766	147,790,082
Net assets/(liabilities)	US$80,203,814	US$59,201,648	US$ 65,318,324	US$204,723,786

	December 31, 2019			
	Colombia	Perú	Costa Rica	Total
Assets:				
Cash	US$ 5,271,897	US$ 5,052,389	US$ 7,840,943	US$ 18,165,229
Receivables and other assets	3,517,714	3,993,250	2,886,506	10,397,470
Deferred tax asset	559,057	651,702	153,798	1,364,557
Lease Right-of-Use	79,839	115,705	40,841	236,385
Investment property	90,067,864	64,650,000	149,280,000	303,997,864

(Continues)

	December 31, 2019			
	Colombia	Perú	Costa Rica	Total
Restricted cash		US$10,044,989	US$ 2,010,589	US$ 12,055,578
Vehicles, furniture and equipment, net	US$ 113,532	224,184	188,603	526,319
Total assets	99,609,903	84,732,219	162,401,280	346,743,402
Liabilities:				
Payables and accruals	3,209,147	1,480,537	3,328,610	8,018,294
Deferred tax liability	3,659,474	6,202,804	15,041,640	24,903,918
Leasing liability	88,798	126,915	43,722	259,435
Long-term debt	6,662,514	18,376,020	82,323,063	107,361,597
Security deposits		83,234	660,421	743,655
Total liabilities	13,619,933	26,269,510	101,397,456	141,286,899
Net assets/(liabilities)	US$85,989,970	US$58,462,709	US$ 61,003,824	US$205,456,503

7. CASH AND CASH EQUIVALENTS

Available cash and cash equivalents are in bank accounts and overnight deposits. Demand deposits bear interest minor of 1 per cent. As of September 30, 2020, and December 31, 2019, there are no restrictions on the use of cash and cash equivalents. The book value of these assets approximates their fair value.

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

Cash and cash equivalents are detailed as follows:

	September 30, 2020 (Unaudited)	December 31, 2019
Bank accounts:		
In local currency	US$ 1,099,943	US$ 5,405,420
In US dollars	3,891,913	5,184,378
Sub-total	4,991,856	10,589,798
Overnight deposits:		
In local currency	2,566	23,247
In US dollars	6,452,200	15,587,826
Sub-total	6,454,766	15,611,073
Total	US$11,446,622	US$26,200,871

8. RECEIVABLES

As of September 30, 2020, and December 31, 2019, receivables are as follows:

		September 30, 2020 (Unaudited)	December 31, 2019
(a)	Tenant trade receivables, net	US$ 794,979	US$ 375,411
(b)	Tenants notes receivables, net	1,701,675	1,071,551
(c)	Value added tax	3,438,579	3,237,996

(Continues)

	September 30, 2020 (Unaudited)	December 31, 2019
Income tax and tax credits		US$ 29,511
Others	US$ 52,870	79,901
Sub-total	5,988,103	4,794,370
Value added tax - long term	(3,283,731)	(2,968,186)
Tenant notes receivable - long term	(1,539,129)	(921,666)
Total trade receivables	US$ 1,165,243	US$ 904,518

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

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

The following table details the risk profile of trade receivables based on the Group's provision matrix. To measure the expected credit losses, trade receivables, net of cash security deposits, have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at September 30, 2020 and December 31, 2019 is determined as follows; the expected credit losses below also incorporate forward looking information.

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

September 30, 2020 (Unaudited)	0 to 30 Days	30 to 60 Days	60 to 90 Days	Over 90 Days	Total
Weighted average expected loss rate	4.2%	27.3%	53.0%	100%	
Gross carrying amount	US$ 626,424	US$125,554	US$87,350	US$261,726	US$1,101,054
Cash Security Deposit	(127,543)	(9,724)	(3,773)	(52,662)	(193,702)
Net carrying amount	US$ 498,881	US$115,830	US$83,577	US$209,064	US$ 907,352
Loss allowance provision	US$ 21,012	US$ 31,666	US$44,333	US$209,064	US$ 306,075

December 31, 2019	0 to 30 Days	30 to 60 Days	60 to 90 Days	Over 90 Days	Total
Weighted average expected loss rate	9.8%	48.9%	78.2%	100%	
Gross carrying amount	US$ 287,344	US$74,933	US$68,919	US$ 48,667	US$ 479,863
Cash Security Deposit	(109,171)	(3,265)	(2,816)	(48,275)	(163,527)
Net carrying amount	US$ 178,173	US$71,668	US$66,103	US$ 392	US$ 316,336
Loss allowance provision	US$ 17,511	US$34,605	US$51,944	US$ 392	US$ 104,452

(b) ***Tenant Notes Receivables*** - The Group finance to some its clients specific tenant improvements that customers request. As of September 30, 2020, loans outstanding to tenants bears a weighted average annual interest rate of 11.8 percent and have a weighted average remaining loan term of 7.8 years.

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

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

The following table details the risk profile of tenants notes receivables based on the Group's provision matrix. To measure the expected credit losses, trade receivables, net of cash security deposits, have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at September 30, 2020 and December 31, 2019 was determined as follows; the expected credit losses below also incorporate forward looking information.

September 30, 2020 (Unaudited)	Current Notes Receivables	Long Term Notes Receivables	Total
Weighted average expected loss rate	2.90%	0%	
Gross carrying amount	US$167,398	US$1,539,130	US$1,706,528
Loss allowance provision	US$ 4,853	US$	US$ 4,853

December 31, 2019	Current Notes Receivables	Long Term Notes Receivables	Total
Weighted average expected loss rate	3.13%	0%	
Gross carrying amount	US$154,732	US$921,666	US$1,076,398
Loss allowance provision	US$ 4,847	US$	US$ 4,847

The loss allowance provision for trade receivables and tenant notes receivables as at September 30, 2020 and December 31, 2019 reconciles to the opening loss allowance for that provision as follows:

	September 30, 2020 (Unaudited)			December 31, 2019		
	Trade Receivables	Tenants Notes Receivables	Total	Trade Receivables	Tenants Notes Receivables	Total
Beginning balance	US$104,452	US$4,847	US$109,299	US$ 95,149	US$14,059	US$109,208
Increase in loan loss allowance recognized in profit or loss during the period	201,623	6	201,629	9,303		9,303
Receivables written off during the year as uncollectible						
Unused amount reverse					(9,212)	(9,212)
Ending balance	US$306,075	US$4,853	US$310,928	US$104,452	US$ 4,847	US$109,299

Expected credit loss on accounts receivable and notes receivables from tenants consist of the following:

	Three Months Ending September 30,		Nine Months Ending September 30,	
	2020	2019	2020	2019
Credit loss on accounts receivables	US$(78,981)	US$(22,701)	US$201,623	US$66,978
Credit loss on notes receivable	304	151	6	(9,369)
Total	US$(78,677)	US$(22,550)	US$201,629	US$57,609

(c) ***Value Added Tax*** - The Group sales and purchases of goods and services in Colombia, Perú and Costa Rica are subject to value added tax. As of September 30, 2020, and December 31, 2019, value added tax receivable derived from the operations in Colombia, Peru and Costa Rica were:

	September 30, 2020 (Unaudited)	December 31, 2019
Colombia	US$ 74,070	US$ 220,422
Peru	3,324,099	3,005,428
Costa Rica	40,410	12,146
Total	US$3,438,579	US$3,237,996

During the nine months ended September 30, 2020 and 2019, the Group collected US$183,762 and US$458,772, respectively, of the outstanding value added tax in Peru.

9. OTHER CURRENT ASSETS

		September 30, 2020 (Unaudited)	December 31, 2019
(a)	Advance to suppliers	US$4,219,278	US$3,411,877
	Construction permit and other deposits	315,412	311,880
	Investment properties acquisition deposits	1,504,800	902,400
	Prepaid taxes	590,490	438,483

(Continues)

	September 30, 2020 (Unaudited)	December 31, 2019
Prepaid insurance	US$ 81,255	US$ 124,325
Deal pursuit cost	240,466	257,313
Rent incentives, net	96,915	129,282
Other	164,176	42,540
	US$7,212,792	US$5,618,100

(a) Advance to suppliers mainly corresponds to the advance payments made in connection with the construction contracts. These advances will be applied as a deduction from the corresponding invoices based on the percentage of completion of the works performed.

10. VEHICLES, FURNITURE AND EQUIPMENT

As of September 30, 2020, and December 31, 2019, vehicles, furniture and equipment of the Group were comprised as follows:

	Vehicles	Furniture and Office Equipment	Computer Equipment	Leasehold Improvements	Total
Gross assets:					
Balance as of December 31, 2018	US$ 7,800	US$ 87,594	US$ 58,902	US$378,296	US$532,592
Additions		173,907	26,789	8,607	209,303
Retirements		(7,196)			(7,196)
Translation adjustment		(102)	(39)	(1,470)	(1,611)
Balance as of December 31, 2019	7,800	254,203	85,652	385,433	733,088
Additions	8,222	84,929	27,362	21,280	141,793
Retirements			(2,686)		(2,686)
Translation adjustment		(2,784)	(2,178)	(27,052)	(32,014)
Balance as of September 30, 2020	16,022	336,348	108,150	379,661	840,181
Accumulated depreciation:					
Balance as of December 31, 2018	1,473	18,925	23,388	83,911	127,697
Additions	784	21,916	15,240	44,133	82,073
Retirements		(2,759)			(2,759)
Translation adjustment		2	9	(253)	(242)
Balance as of December 31, 2019	2,257	38,084	38,637	127,791	206,769
Additions	1,427	29,000	15,270	34,779	80,476
Retirements			(190)		(190)
Translation Adjustment		(815)	(713)	(13,741)	(15,269)
Balance as of September 30, 2020	3,684	66,269	53,004	148,829	271,786
Net book value as of December 31, 2019	US$ 5,543	US$216,119	US$ 47,015	US$257,642	US$526,319
Net book value as of September 30, 2020	US$12,338	US$270,079	US$ 55,146	US$230,832	US$568,395

11. INVESTMENT PROPERTY

As of December 31, 2019, the Group obtained a valuation from independent appraisers in order to determine the fair value of its investment properties. For interim periods, such as September 30, 2020, fair value of investment properties is determined as last valuation plus investments incurred during the interim period. For the nine months ended September 30, 2020 and 2019, no gain or loss on valuation of investment properties was recorded.

a. As of September 30, 2020, and December 31, 2019, investment properties were as follows:

	FMV as of September 30, 2020	# of Buildings (1)	NRA (1) (SM)	Leased %	Occupied %
Land bank:					
Colombia	US$ 20,965,799	6	133,067	n/a	n/a
Peru	15,105,093	3	62,629	n/a	n/a
Total land bank	36,070,892	9	195,696	n/a	n/a
Properties under development:					
Colombia	52,716,814	3	83,277	69.3%	14.7%
Peru	33,955,242	2	39,495	75.0%	54.1%
Total properties under development	86,672,056	5	122,772	71.1%	27.4%
Operating properties:					
Properties under right-of-use					
Colombia	17,456,738	1	23,497	100.0%	100.0%
Sub-total	17,456,738	1	23,497	100.0%	100.0%
Owned properties					
Peru	21,575,462	1	22,376	100.0%	100.0%
(2) Costa Rica	152,361,399	12	136,372	97.4%	95.4%
Sub-total	173,936,862	13	158,748	97.8%	96.0%
Total operating properties	191,393,600	14	182,245	98.1%	96.5%
Total operating and properties under development	US$278,065,656	19	305,017	87.2%	68.7%
Total	US$314,136,548	28	500,411	n/a	n/a

	FMV as of December 31, 2019	# of Buildings (1)	NRA (1) (SM)	Leased %	Occupied %
Land bank:					
Colombia	US$ 28,789,432	6	159,446	n/a	n/a
Peru	14,560,000	3	62,629	n/a	n/a
Total land bank	43,349,432	9	222,075	n/a	n/a
Properties under development:					
Colombia	41,160,750	2	52,677	23.2%	0.0%
Peru	28,780,000	2	39,195	21.4%	0.0%
Costa Rica	8,420,000	1	9,240	73.9%	0.0%
Total properties under development	78,360,750	5	101,112	27.1%	0.0%
Operating properties:					
Colombia	20,117,682	1	23,438	100.0%	100.0%
Peru	21,310,000	1	22,276	87.4%	87.4%
(2) Costa Rica	140,860,000	11	127,607	100.0%	100.0%
Total operating properties	182,287,682	13	173,321	98.4%	98.4%
Total operating and properties under development	US$260,648,432	18	274,433	72.1%	62.2%
Total	US$303,997,864	27	496,508	n/a	n/a

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

(2) The operating properties in Costa Rica includes patios and land rental of 48,428 square meters for the use of trailer parking and open-air warehousing. As of September 30, 2020, the leased land and patios have a fair value of US$5,758,089 with a weighted average capitalization rate of 12.1 percent. The net rentable area (NRA) included in the table above excludes net rentable area of patios or land leases.

As of September 30, 2020, and December 31, 2019, the balance of investment properties included rent leveling assets of US$7,361,598 and US$3,623,027, respectively.

Fair market value as of September 30, 2020, was determined as the valuation as of December 31, 2019 plus any addition to investment properties. Disclosed below is the valuation technique used to measure the fair value of investment properties at December 31, 2019, along with the significant unobservable inputs used.

- ***Valuation Techniques*** -

  - **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, 2019*** -

	Operating	Development	Land Bank
Weighted average occupancy rate	96.0%	96.0%	n/a
Weighted average risk adjusted discount rate	10.5%	11.1%	n/a
Weighted average risk adjusted residual capitalization rate	7.7%	7.8%	n/a
Weighted average going in stabilized capitalization rate	7.5%	7.6%	n/a
Cost to Complete and Vacancy discount rate adjustment	n/a	7.0%	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 nine months ended September 30, 2020 and the year ended December 31, 2019 are as follows:

	September 30, 2020 (Unaudited)	**December 31, 2019**
Beginning balance	US$303,997,864	US$190,369,007
Stabilized building acquisitions, excluding closing cost		25,800,000
Land acquisitions, including closing cost		9,637,553
Construction	20,921,398	44,403,312
Financing cost	532,151	1,032,891
Lease commissions	247,181	871,741
Rent leveling	3,826,284	2,339,839
Translation effect from functional currency	(14,324,028)	(620,603)
Gain on valuation of investment properties		30,164,124
Ending balance	US$314,136,548	US$303,997,864

Investment Properties Acquisitions - The following table summarizes the Group's investment properties acquisition activity for the nine months ended September 30, 2020 and the year ended December 31, 2019:

	September 30, 2020 (Unaudited)	**December 31, 2019**
Acquired operating assets:		
Number of operating buildings		US$ 6
Net rentable area (square meters)		37,712
Acquired land:		
Land area (hectares)		11
Total expected building to develop		3
Total expected build-out (square meters)		62,629
Acquisition cost:		
Land purchase price		9,264,055
Capitalized land acquisition closing costs		373,498
Operating buildings purchase price		25,800,000
Expensed building acquisition closing costs		655,774
Total acquisition cost of investment properties	US$	US$36,093,327

12. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses are as follows:

	September 30, 2020 (Unaudited)	December 31, 2019
Trade payables	US$2,379,140	US$1,640,522
Value added tax	96,635	130,992
Professional services	5,875	119,154
Tax payable	278,084	703,009
Construction contract retainage	2,290,667	2,360,213
Interest and other financing costs	753,184	1,076,785
Employee benefits and other obligations	1,332,684	722,746
Investment properties acquisition closing costs		643,306
Leasing commissions	108,017	635,980
Other	97,187	43,605
Total	US$7,341,473	US$8,076,312

13. 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 2.8 years at September 30, 2020.

The following table summarizes the fixed, future minimum rental payments, excluding variable costs, for which the lease has commenced at September 30st, with amounts for 2020 discounted by our incremental borrowing rates to calculate the lease liability of the Group lease:

In U.S. Dollars	September 30, 2020 (Unaudited)
2020	US$ 28,768
2021	111,720
2022	113,373
2023	44,670
2024	5,868
Total undiscounted rent payments	304,399
Less imputed interest	(24,515)
Total lease liability	US$279,884

In U.S. Dollars	December 31, 2019
2020	US$107,595
2021	62,197
2022	62,197
2023	55,449
2024	5,868
Total undiscounted rent payments	293,206
Less imputed interest	(33,871)
Total lease liability	US$259,435

The remaining weighted average lease term was 2.8 and 2.3 years at September 30, 2020 and December 31, 2019, respectively. The Group do 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 lessee has the sole ability to exercise the option. The weighted average incremental borrowing rate was 7.3 percent at September 30, 2020. 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 are as follows:

Office Location	Original Lease Term	Remaining Term as of September 30, 2020
Costa Rica	3.0 years	2.5 years
Peru	7.0 years	4.2 years
Colombia	7.0 years	3.8 years
Weighted average	6.0 years	3.1 years

As of September 30, 2020, and December 31, 2019, right-of-use of the Group were comprised as follows:

	Costa Rica	Peru	Colombia	Total
Gross assets:				
Balance as of December 31, 2018	US$122,522	US$194,385	US$150,289	US$467,196
Translation effect from functional currency			(1,256)	(1,256)
Balance as of December 31, 2019	122,522	194,385	149,033	465,940
Additions	145,335			145,335
Retirements	(122,522)			(122,522)
Translation effect from functional currency			(33,323)	(33,323)
Balance as of September 30, 2020	145,335	194,385	115,710	455,430
Accumulated depreciation:				
Balance as of December 31, 2018	40,841	50,910	48,307	140,058
Additions	40,840	27,770	21,177	89,787
Translation effect from functional currency			(290)	(290)
Balance as of December 31, 2019	81,681	78,680	69,194	229,555
Additions	36,729	20,826	13,135	70,690
Retirements	(88,488)			(88,488)
Translation effect from functional currency			(12,332)	(12,332)
Balance as of September 30, 2020	29,922	99,506	69,997	199,425
Net book value as of December 31, 2019	US$ 40,841	US$115,705	US$ 79,839	US$236,385
Net book value as of September 30, 2020	US$115,413	US$ 94,879	US$ 45,713	US$256,005

During the three and nine months ended September 30, 2020 and 2019, the Group recorded right-of-use amortization expense as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Right-of-use amortization expense	US$23,553	US$22,292	US$70,690	US$67,495

14. DEBT

As of September 30, 2020, and December 31, 2019 debt of the Group were comprised as follows:

	Financial Institution	Country	Currency	Type	Expiration	Balloon Payment at Expiration	Annual Interest Rate	Restricted Cash at September 30, 2020 (Unaudited)	Remaining Borrowing Capacity at September 30, 2020 (Unaudited)	Amount Outstanding at September 30, 2020 (Unaudited)	Amount Outstanding at December 31, 2019
(1) (2)	Banco Davivienda Costa Rica, S.A.	Costa Rica	US$	Mortgage Loan	Jul 3, 2034		6Mo LIBOR + 392 bps, min 6.0%	US$ 874,210		US$ 34,147,320	US$ 34,894,226
(1) (2)	Banco Davivienda Costa Rica, S.A.	Costa Rica	US$	Mortgage Loan	Jul 3, 2034	US$ 4,684,838	6Mo LIBOR + 392 bps, min 6.0%	309,814		12,196,925	12,366,269
(2)	Banco Davivienda Costa Rica, S.A.	Costa Rica	US$	Mortgage Loan	Sep 8, 2034		6Mo LIBOR + 392 bps, min 6.0%	142,244		5,441,608	5,500,000
	Banco Davivienda Costa Rica, S.A.	Costa Rica	US$	Mortgage Loan	Mar 9, 2034		6Mo LIBOR + 359 bps, min 6.3%	339,900		12,089,730	12,500,000
	Banco Davivienda Costa Rica, S.A.	Costa Rica	US$	Mortgage Loan	Mar 1, 2034		6Mo LIBOR + 359 bps, min 6.3%	320,940		4,333,330	4,461,727
(2)	BAC Credomatic, S.A.	Costa Rica	US$	Mortgage Loan	Sep 18, 2034	229,070	3Mo LIBOR + 423 bps, no min. rate			2,490,000	2,515,631
(2)	BAC Credomatic, S.A.	Costa Rica	US$	Mortgage Loan	Jun 26, 2034		3Mo LIBOR + 423 bps, no min. rate		US$ 1,000,000	3,445,226	3,527,332
(1) (2)	Banco Nacional de Costa Rica, S.A.	Costa Rica	US$	Mortgage Loan	Jan 26, 2035		0-2 years: 6.5%, 3-15 years: 495bps + 6Mo LIBOR, no min. rate			8,144,310	
(1)	Banco Nacional de Costa Rica, S.A.	Costa Rica	CRC	Mortgage Loan	Jul 12, 2032 (Refinanced)		CR-TBP + 495 bps, no min. rate				941,098
(1)	Banco Nacional de Costa Rica, S.A.	Costa Rica	CRC	Mortgage Loan	Mar 7, 2033 (Refinanced)		CR-TBP + 495 bps, no min. rate				2,909,170
(1)	Banco Nacional de Costa Rica, S.A.	Costa Rica	CRC	Mortgage Loan	Dec 11, 2033 (Refinanced)		CR-TBP + 495 bps, Max 18%, Min 9%				4,434,159
(1)	International Finance Corporation Tranche 1	Perú	US$	Mortgage Loan	Jul 15, 2028	6,023,750	6Mo LIBOR + 525 bps no min. rate	10,046,059	3,323,000	22,355,577	19,777,000
(1)	International Finance Corporation Tranche 2	Perú	US$	Mortgage Loan	Jul 15, 2030		6Mo LIBOR + 525 bps no min. rate		25,900,000		
(3)	Bancolombia, S.A.	Colombia	COP	Financing Capital Lease	Aug 15, 2035	3,237,998	IBR + 350 bps no min. rate	15,128	2,506,045	8,094,995	6,707,068
(3)	Bancolombia, S.A.	Colombia	COP	Financing Capital Lease	Sep 15, 2035	967,275	IBR + 350 bps no min. rate		4,847,150	2,418,186	
	Total					US$14,175,656		US$12,048,295	US$37,576,195	115,157,207	110,533,680
	Long-term debt accrued financing cost									884,058	1,076,785
	Debt issuance cost, net									(3,357,937)	(2,812,083)
	Total debt									112,683,328	108,798,382
	Less: Current accrued financing cost									(753,184)	(1,076,785)
	Less: Current portion of long-term debt									(5,345,330)	(4,644,742)
	Total long-term debt									US$106,584,814	US$103,076,855

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

On September 2019, the Group refinanced its secured development loan with Banco Davivienda Costa Rica S.A. and restructured the development loan with International Finance Corporation (IFC). As a result, the difference between the recorded debt (including related debt issuance cost) and any consideration paid to refinance the debt was recognized as gain or losses. Fees associated with the restructuring of debt that meets the modification criteria, along with existing unamortized debt issuance costs, are amortized over the term of the new debt. For the nine months ended September 30, 2020 and 2019, the Group recorded a loss of US$0 and US$444,598, respectively, related to the refinance or restructuring of debt.

The Group refinanced the debt with Banco Davivienda Costa Rica resulting in an expansion of the credit facility of US$10.6 million from US$37.4 million to US$48.0 million, extended the term for an additional 2.5 years and decreased the annual interest rate by approximately 245 basis points.

The restructuring of the debt with International Finance Corporation (IFC) extended and expanded the original secured credit facility to include the development of the second phase of LatAm Logistic Lima Sur. The project will have a total of six buildings to be developed 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 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$6,775,000 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 and rescheduled the principal payments changing the balloon payment to US$6,865,611, once the tranche is fully disbursed.

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

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

  As per the loan agreement, the Group has to maintain a cash collateral account as a guarantee of the principal during the construction and leasing period. As of June 30, 2020, and December 31, 2019, the Group, has a restricted cash of US$10,046,059 and US$10,044,989, respectively, in the cash collateral account.

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

(3) ***Financing Capital Lease*** - On February 18, 2020, the Group entered into a Colombian peso (COP) denominated financing capital lease agreement of COP$27,600 million (US$7,115,346) with Bancolombia S.A. for the financing of the construction of building 600 in Latam Logistic Park Calle 80. The financing capital lease bears an interest rate of IBR +350 basis points, commitment fees of 0.4 percent over unborrowed amount and has a term of fifteen years with a balloon payment of 40 percent at expiration. On June 1st, 2020, the Group borrowed 34 percent (COP$9,380 million/US$2,418,186) of the capital lease financing facility and will received the remaining upon transfer of the property title. Management expects to transfer the property to Bancolombia, S.A. in November 2020.

On November 8, 2019, the Group entered into a financing capital lease contract with Bancolombia, S.A. for the financing of building 400 in Latam Logistic Park Calle 80. The total financing capital lease contract is of US$8,094,995 (COP$31,400 million). On December 19, 2019, Bancolombia S.A. disbursed 70 percent or US$5,666,497 (COP$21,980 million) of the financing capital lease. The remaining 30 percent, US$2,428,498 (COP$9,420 million), was disbursed on August 11, 2020 upon transfer of the property title of building 400 to Bancolombia, S.A. The financing capital lease has a term of 15 years starting with the transfer of building 400 to Bancolombia, S.A. and has a balloon payment 40 percent (US$3,832,610/COP$12,560 million) at the end of the contract. Principal payments will start once the title of the property is transferred to Bancolombia, S.A. The financing capital lease agreement bears an annual interest rate of 350 basis points over IBR and has a commitment fee of 0.4 percent over undisbursed amounts.

Long-Term Debt Maturities - Scheduled principal payments due on the Group's debt for each year through the period ended December 31, 2024, and thereafter were as follows at September 30, 2020:

	Mortgage Loan	Financing Capital Lease	Total	Interest	Total Debt Services
Maturity:					
2020	US$ 729,550	US$ 47,445	US$ 776,995	US$ 1,697,617	US$ 2,474,612
2021	5,325,899	250,472	5,576,371	6,647,274	12,223,645
2022	5,801,889	277,984	6,079,873	6,219,452	12,299,325
2023	6,193,539	299,982	6,493,521	5,852,116	12,345,637
2024	6,594,056	323,720	6,917,776	5,482,018	12,399,794
Thereafter	79,999,092	9,313,579	89,312,671	33,714,130	123,026,801
Total	US$104,644,025	US$10,513,182	US$115,157,207	US$59,612,607	US$174,769,814

Financing Cost - The following table summarizes the weighted average net effective interest rate by type of financing facility at September 30, 2020 and December 31, 2019:

	September 30, 2020 (Unaudited)		December 31, 2019	
	Weighted Average Interest Rate (1)	Amount Outstanding	Weighted Average Interest Rate (1)	Amount Outstanding
Mortgage loan	6.2%	US$104,644,025	7.0%	US$103,826,612
Financing capital lease	6.4%	10,513,182	7.6%	6,707,068
Total	6.3%	US$115,157,207	7.0%	US$110,533,680

(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 interest expense for the three and nine months ended September 30, 2020 and 2019:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Gross interest expense	US$1,723,059	US$1,389,255	US$5,252,821	US$3,735,370
Gross commitment fees	93,962	63,505	353,461	149,644
Amortization of debt issuance cost	77,525	52,985	217,531	168,040
Total financing cost before capitalization	1,894,546	1,505,745	5,823,813	4,053,054
Capitalized amounts into investment properties	(219,918)	(158,015)	(697,702)	(745,697)
Net financing cost	US$1,674,628	US$1,347,730	US$5,126,111	US$3,307,357
Total cash paid for interest and commitment fees	US$2,230,776	US$1,466,483	US$5,749,392	US$3,930,598

Debt Reconciliation - The reconciliation of debt for the nine months ended September 30, 2020 and the year ended December 31, 2019 are as follows:

	September 30, 2020 (Unaudited)	December 31, 2019
Beginning balance	US$103,076,855	US$ 44,784,168
Secured bank debt borrowings	17,222,510	101,538,760
Secured bank debt repayments	(11,381,913)	(38,943,296)
Long-term accrued interest	130,874	
Loss on debt extinguishment		444,598
Borrowing cost incurred	(763,385)	(2,476,176)
Borrowing cost amortization	217,531	228,118
Change in current portion long term debt	(700,588)	(2,499,317)
Translation adjustment	(1,217,070)	
Ending balance	US$106,584,814	US$103,076,855

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 of the Group 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 September 30, 2020, the Group was in compliance with all of its covenants in most of its debts. Due to COVID-19 rent reliefs concessions provided to some of the customers, the Group expects to not comply with DSCR covenant in three of the loans with Davivienda in Costa Rica. The Group has obtained a waiver from Davivienda Costa Rica due to the fact that rent concessions are recovered during 2020, therefore, the Group maintains the presentation of long-term debt.

15. 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.

16. SHAREHOLDERS' EQUITY

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

- Eighty-seven (87) class A quota ("the Class A Quotas") with a par value of one dollar (US$1.00).

- Eight (8) class B quotas ("the Class B Quotas") with a par value of one dollar (US$1.00).

- Five (5) class C quotas ("the Class C Quotas") with a par value of one dollar (US$1.00).

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

b. ***Additional Paid-in Capital*** - During the nine months ended September 30, 2020 and the year ended December 31, 2019, the Group received additional paid-in capital in cash for the amount of US$6,700,000 and US$38,700,000, respectively, from its shareholders. Such payments were approved by all of the members of the Board of Directors of Latam Logistic Properties, S.R.L.

17. NON - CONTROLLING INTEREST

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

The following table summarize the Group ownership percentage, the non- controlling interests and the consolidated partnership' total assets and total liabilities at September 30, 2020 and December 31, 2019:

		Ownership Percentage		Non-Controlling Interest		Total Assets		Total Liabilities	
Partnership	Country	September 30, 2020 (Unaudited)	December 31, 2019	September 30, 2020 (Unaudited)	December 31, 2019	September 30, 2020 (Unaudited)	December 31, 2019	September 30, 2020 (Unaudited)	December 31, 2019
Latam Parque Logístico Coyol II	Costa Rica	50%	50%	US$8,133,515	US$7,858,285	US$32,021,689	US$31,589,900	US$15,704,658	US$15,823,318

For the three and nine months ended September 30, 2020 and 2019, net earnings (loss) attributable to non-controlling were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net earnings attributable to non-controlling interest	US$4,090	US$154,380	US$275,230	US$64,485

18. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Personnel cost	US$ 710,005	US$ 699,577	US$2,144,258	US$1,978,694
Services and professional fees	298,487	163,303	515,335	450,624
Office expenses	66,640	67,121	196,516	185,071
Bank service charges	8,130	9,432	24,642	32,540
Other	100,362	141,080	240,807	469,699
Total	US$1,183,624	US$1,080,513	US$3,121,558	US$3,116,628

19. OTHER EXPENSES

Other expenses are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Debt supervision fee			US$ 20,000	US$ 13,000
Other debt raising cost	US$77,054	US$ 1,440	77,054	101,639
Dead deal pursuit costs	17,877	27,800	55,068	37,159
Stabilized building acquisition closing costs		48,364	607	368,362
Total	US$94,931	US$77,604	US$152,729	US$520,160

20. INCOME TAX

Current Tax - Current tax is determined based on the tax laws in effect in each country where the Group operates. As of September 30, 2020, and December 31, 2019, the tax rates applied by the subsidiaries were as follows:

	2020	2019
(1) Costa Rica	30%	30%
(2) Colombia	33%	33%
Perú	29.5%	29.5%

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

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

During the three and nine months ending September 30, 2020 and 2019, the weighted average tax rate for the Group is composed as follows:

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

	Three Months Ending September 30, 2019				
	Ordinary Income/ (Loss)	Tax Rate	Gain/(Loss) on Revaluation of Investment Properties	Tax Rate	Weighted Average Tax Rate
Colombia	US$(116,924)	33.0		10.0	33.0
Perú	(163,265)	29.5		29.5	29.5
Costa Rica	607,843	30.0		30.0	30.0
Total	US$ 327,654	29.2	US$	n/a	29.2

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

	Nine Months Ending September 30, 2019				
	Ordinary Income/ (Loss)	Tax Rate	Gain/(Loss) on Revaluation of Investment Properties	Tax Rate	Weighted Average Tax Rate
Colombia	US$(590,670)	33.0		10.0	33.0
Perú	(512,509)	29.5		29.5	29.5
Costa Rica	474,979	30.0		30.0	30.0
Total	US$(628,200)	32.4	US$	n/a	32.4

For the three and nine months ended September 30, 2020 and 2019, income tax from continued operations was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Income tax expense	US$ 89,182	US$116,531	US$ 298,928	US$ 850,768
Deferred income tax expense	392,191	665,405	1,466,049	3,017,541
Total	US$481,373	US$781,936	US$1,764,977	US$3,868,309

Income tax expense includes withholding taxes that resulted from the recognition of intra group fees between countries. During the three and nine months, ended September 30, 2020 and 2019, the Group recognized withholding tax expenses in the income tax expense as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Intra group withholding tax expense	US$29,777	US$40,541	US$88,347	US$133,685

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Profit (loss) before tax from continuing operations	US$1,382,872	US$ 346,456	US$ 3,563,226	US$ (604,700)
Income tax expense calculated at weighted average tax rate ~ 30.4%	US$ 414,597	US$ 101,091	US$ 1,068,657	US$ (196,001)
Non-taxable (income) losses	(250,210)	736,969	(773,536)	1,770,587
Tax attributable to change in fair value of investment properties	1,292,221	90,023	2,891,378	2,407,362
Effect of tax losses and temporary differences	(975,235)	(146,147)	(1,421,522)	(113,639)
Total	US$ 481,373	US$ 781,936	US$ 1,764,977	US$3,668,309

Deferred Tax - As of September 30, 2020 and December 31, 2019, 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 is as follows:

	September 30, 2020 (Unaudited)	December 31, 2019
Balance at beginning of the year	US$1,364,557	US$ 1,638,732
Employee benefits	129,612	(12,927)
Net operating loss and pre-operating expenses	2,074,721	2,247,242
Losses of investment properties valuation reserve	(677,304)	(2,331,078)
Other accruals	3,555	(181,385)
Translation effect from functional currency	(86,738)	(12,223)
Unrealized exchange loss		16,196
Balance at the end of the year	US$2,808,403	US$ 1,364,557

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

	September 30, 2020 (Unaudited)	December 31, 2019
Balance at beginning of the year	US$24,903,918	US$17,841,882
Tax attributable to change in fair value of investment properties	2,891,378	7,011,400
Other accruals	109,062	60,353
Translation effect from functional currency	(567,750)	(9,717)
Balance at the end of the year	US$27,336,608	US$24,903,918

21. BALANCE AND TRANSACTIONS WITH RELATED PARTIES

The main transactions with affiliated companies for the three and nine months ended September 30, 2020 and 2019, were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Interest income - Latam Logistics Investments LLC	US$91,413	US$67,838	US$227,088	US$180,548
Total	US$91,413	US$67,838	US$277,088	US$180,548

In July 2020, the Group expanded the loan receivable from Latam Logistics Investment LLC to US$4,165,000 from US$3,015,000, with interest fix rate of 13 per cent and extended the term to December 31, 2023.

As of September 30, 2020, and December 31, 2019, the due outstanding balances from related parties are as follows:

	September 30, 2020 (Unaudited)	December 31, 2019
Accounts receivable:		
Latam Logistics Investments LLC	US$4,934,022	US$3,556,935

22. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

22.1 ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

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

		September 30, 2020 (Unaudited)			
	Notes	Cash and Accounts Receivable	Other Financial Liabilities	Total Carrying Amount	Fair Value (Amortized Cost)
(i) Financial assets not measured at fair value:					
Cash	7	US$11,446,622		US$ 11,446,622	US$ 11,446,622
Receivable	8	5,988,103		5,988,103	5,988,103

(Continues)

	Notes	September 30, 2020 (Unaudited) Cash and Accounts Receivable	Other Financial Liabilities	Total Carrying Amount	Fair Value (Amortized Cost)
Due from related parties	21	US$ 4,934,022		US$ 4,934,022	US$ 4,934,022
Restricted cash	14	12,103,920		12,103,920	12,103,920
Total financial assets		US$34,472,667	US$	US$34,472,667	US$34,472,667
Financial liabilities not measured at fair value:					
Payables and accruals	12		US$ 7,341,473	US$ 7,341,473	US$ 7,341,473
Lease liability	13		279,884	279,884	279,884
Security deposits	15		914,620	914,620	914,620
Long-term debt	14		111,930,144	111,930,144	111,930,144
Total financial liabilities		US$	US$120,466,121	US$120,466,121	US$120,466,121

	Notes	December 31, 2019 Cash and Accounts Receivable	Other Financial Liabilities	Total Carrying Amount	Fair Value (Amortized Cost)
(i) Financial assets not measured at fair value:					
Cash	7	US$26,200,871		US$ 26,200,871	US$ 26,200,871
Receivable	8	4,794,370		4,794,370	4,794,370
Due from related parties	21	3,556,935		3,556,935	3,556,935
Restricted cash	14	12,055,578		12,055,578	12,055,578
Total financial assets		US$46,607,754	US$	US$ 46,607,754	US$ 46,607,754
(i) Financial liabilities not measured at fair value:					
Payables and accruals	12		US$ 8,076,312	US$ 8,076,312	US$ 8,076,312
Lease liability	13		259,435	259,435	259,435
Security deposits	15		743,655	743,655	743,655
Long-term debt	14		107,721,597	107,721,597	107,721,597
Total financial liabilities		US$	US$116,800,999	US$116,800,999	US$116,800,999

The carrying amounts of cash and cash equivalents, accounts receivable, other financial assets, trade accounts payable, interest payable and deposits from the lessees approximate their fair value because they have short-term maturities or because the discount effects at present value are not significant. For its part, the Group's short and long-term debt are recorded at amortized cost and consists of debt that generates interest at fixed and variable rates that are related to market indicators, so its fair value is close to the carrying amounts.

22.2 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 is as follows:

	Notes	September 30, 2020 (Unaudited)	December 31, 2019
Cash	7	US$11,446,622	US$26,200,871
Receivables	8	5,988,103	4,794,370
Due from related parties	21	4,934,022	3,556,935
Restricted cash	14	12,103,920	12,055,578
		US$34,472,667	US$46,607,754

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 are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments.

September 30, 2020 (Unaudited)	Notes	Carrying Amount	Contractual Cash Flows	
			Total	12 Months or Less
Payables and accruals	12	US$ 7,341,473	US$ 7,341,473	US$ 7,341,473
Lease liability	13	279,884	304,399	115,079
Security deposits	15	914,620	914,620	
Long-term debt	14	111,930,144	115,157,207	5,345,330
		US$120,466,121	US$123,717,699	US$12,801,882

December 31, 2019	Notes	Carrying Amount	Contractual Cash Flows	
			Total	12 Months or Less
Payables and accruals	12	US$ 8,076,312	US$ 8,076,312	US$ 8,076,312
Lease liability	13	259,435	293,306	107,595
Security deposits	15	743,655	743,655	41,093
Long-term debt	14	107,721,567	110,533,680	4,644,742
		US$116,800,969	US$119,646,953	US$12,869,742

The Group minimum lease payments are disclosed on Note 4.

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, is as follows:

	September 30, 2020 (Unaudited)				
	Costa Rican Colones	Colombian Pesos	Peruvian Soles	U.S. Dollars	Total
Cash	US$ 4,377	US$ 1,060,160	US$ 37,971	US$ 10,344,114	US$ 11,446,622
Receivables	64,052	154,579	3,344,264	2,425,208	5,988,103
Due from related parties				4,934,022	4,934,022
Restricted cash		15,128		12,088,792	12,103,920
Sub-total	68,429	1,229,867	3,382,235	29,792,136	34,472,667
Payables and accruals	(238,156)	(3,983,346)	(327,821)	(2,792,150)	(7,341,473)
Lease liability		(55,461)		(224,423)	(279,884)
Security deposits				(914,620)	(914,620)
Long-term debt		(9,779,452)		(102,150,692)	(111,930,144)
Sub-total	(238,156)	(13,818,259)	(327,821)	(106,081,885)	(120,466,121)
Net	US$(169,727)	US$(12,588,392)	US$3,054,414	US$(76,289,749)	US$ (85,993,454)

	December 31, 2019				
	Costa Rican Colones	Colombian Pesos	Peruvian Soles	U.S. Dollars	Total
Cash	US$ 69,005	US$ 5,271,896	US$ 87,765	US$ 20,772,205	US$ 26,200,871
Receivables	26,369	347,148	3,044,917	1,375,936	4,794,370
Due from related parties				3,556,935	3,556,935
Other assets	46,660	3,284,521	185,991	2,100,928	5,618,100
Lease Right of Use		79,839		156,546	236,385
Restricted cash				12,055,578	12,055,578
Sub-total	95,374	5,778,722	3,132,682	37,760,654	46,607,754
Payables and accruals	(740,680)	(1,713,034)	(90,225)	(5,532,373)	(8,076,312)
Lease liability		(88,798)		(170,637)	(259,435)
Security deposits				(743,655)	(743,655)
Long-term debt		(6,662,514)		(101,059,083)	(107,721,597)
Sub-total	US$(740,680)	(8,464,346)	(90,225)	(107,505,748)	(116,800,999)
Net	US$(645,306)	US$(2,685,624)	US$3,042,457	US$ (69,745,094)	US$ (70,193,245)

The following significant exchange rates were applied during the three and nine months ended September 30, 2020 and 2019 (to US$1.00):

	Average Rate			
	Three Months Ended September 30, 2020		Nine Months Ended September 30, 2020	
	2020	2019	2020	2019
Costa Rican Colones	¢ 594,24	¢ 577,74	¢ 581,38	¢ 592,42
Peruvian Soles	S/ 3.546	S/ 3.344	S/ 3.464	S/ 3.330
Colombian Pesos	COP$3,730	COP$3,338	COP$3,704	COP$3,240

	Reporting Date			
	Buy Rate		Sell Rate	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Costa Rican Colones	¢ 600,45	¢ 570,09	¢ 606,68	¢ 576,49
Peruvian Soles	S/ 3.592	S/ 3.311	S/ 3.597	S/ 3.317
Colombian Pesos	COP$3,879	COP$3,277	COP$3,879	COP$3,277

Sensitivity Analysis - A 10 percent strengthening (weakening) of the U.S. dollar against the local currencies of the subsidiaries as of September 30, 2020 and December 31, 2019 would have decreased (increase) net income by the amounts shows below. This analysis assumes that all other variables, particularly interest rates, remain constant. The analysis is performed on the same basis as for 2019.

September 30, 2020 (Unaudited)	Strengthening	Weakening
Profit or loss	US$(545,046)	US$545,046
Equity	US$(545,046)	US$545,046

December 31, 2019	Strengthening	Weakening
Profit or loss	US$314,886	US$(314,886)
Equity	US$314,886	US$(314,886)

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 Debt) for the nine months ended September 30, 2020 and 2019 would have (decreased) increased net

income by the amounts shows below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 2019.

	Note	Long-term Debt with Variable Interest Rate as of September 30, 2020 (Unaudited)	1%	2%
Increase in interest rate	14	US$115,157,207	US$(802,597)	US$(1,605,193)
Decrease in interest rate	14	US$115,157,207	US$ 155,234	US$ 234,083

	Note	Long-term Debt with Variable Interest Rate as of September 30, 2019	1%	2%
Increase in interest rate	14	US$88,456,371	US$(663,423)	US$(1,326,846)
Decrease in interest rate	14	US$88,456,371	US$ 106,530	US$ 213,060

23. COMMITMENT AGREEMENT

In October 2019, the Group entered into a forward commitment agreement to acquire a newly developed 8,550 square meters fully occupied Class-A logistic real estate in Costa Rica for a total investment of US$7.8 million, including closing costs. The property is currently being developed by a local developer and is located in the Coyol submarket of San Jose, Costa Rica. The building is expected to be acquired upon delivery in the fourth quarter of 2020. As of September 30, 2020, the Group have paid deposits amounting to US$1,504,800 for the property acquisition. The remaining of the purchase price will be paid upon title transfer of the property.

24. SUBSEQUENT EVENT

Leasing - After September 30, 2020, the Group signed leases for a total of 20,738 square meter in Colombia with a weighted average lease term of 60.0 months and increasing the leased net rentable area of the operating and development portfolio to 94.1 percentage from 87.2 percentage at closing. The aggregate annualized net effective rent of this leases amounts to US$1,101,200.

Additional Capital Contributions - On October 29, 2020, the Group received a capital contribution from JREP I Logistics Acquisition L.P. amounting to US$5,100,000. The usage of the proceeds will be mainly for the acquisition of investment properties.

Debt - On November 10, 2020, the Group disbursed the remaining unborrowed amount of COP$14,200 million (US$3,894,518) of the financing lease of building 600 in Latam Logistic Park Calle 80 with Bancolombia and transferred the property title of building 600 to Bancolombia, S.A.

25. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements as of September 30, 2020 were authorized for issue by Group's management on November 26, 2020 and has to be endorse by the Group's Board of Directors. Details of the Group's accounting policies are included in Note 3.

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