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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 statement of financial position as of June 30, 2020 and the corresponding consolidated statements of profit or loss and other comprehensive income, consolidated interim changes in equity, and consolidated interim cash flows for the period of six months ended, as well as the notes to the 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.

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 June 30, 2020, and of its financial performance and its cash flows for the six-months period then ended in accordance with International Financial Reporting Standards ("IFRS").

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 on: September 30, 2021
Revenue stamp of law No.6663, ¢1.000, affixed and paid

September 11, 2020

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

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

	Notes	June 30, 2020 (Unaudited)	December 31, 2019
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	7	US$ 13,741,797	US$ 26,200,871
Receivables net	8	976,728	904,518
Due from affiliates	21	2,899,460	2,796,410
Other current assets	9	7,134,650	5,618,100
Total current assets		24,752,635	35,519,899
NON-CURRENT ASSETS:			
Receivable with tenant - long term	8	4,020,870	3,889,852
Due from affiliates - long term	21	793,150	760,525
Lease right - of - use	2i, 13	290,382	236,385
Investment properties	2j, 11	308,463,665	303,997,864
Vehicles, furniture and equipment, net	2h, 10	542,205	526,319
Deferred tax asset	20	1,931,956	1,364,557
Restricted cash	14	12,104,403	12,055,578
Total non-current assets		328,146,631	322,831,080
Total		US$352,899,266	US$358,350,979
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts payable and accrued expenses	2e, 2m, 2n, 12	US$ 7,227,019	US$ 8,076,312
Office lease liability - current	13	96,696	92,360
Long term debt - current portion	14	4,940,612	4,644,742
Total current liabilities		12,264,327	12,813,414
NON-CURRENT LIABILITIES:			
Long term debt	14	106,677,103	103,076,855
Lease liability - long term	2i, 13	214,783	167,075
Deferred tax liability	20	26,156,196	24,903,918
Security deposits	15	839,387	743,655
Total non - current liabilities		133,887,468	128,891,503
Total liabilities		146,151,795	141,704,917
EQUITY:			
Capital quotes	2o, 16a	100	100
Additional paid-in capital	16b	156,342,696	156,342,696
Accumulated earnings		56,323,808	55,698,198
Adjustment for translation of financial statements	2b	(14,048,559)	(3,253,217)
Capital attributable to owners		198,618,046	208,787,777
Non - controlling interest	2f, 17	8,129,425	7,858,285
Total equity		206,747,471	216,646,062
Total		US$352,899,266	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 SIX MONTHS ENDED JUNE 30, 2020 AND 2019
(Expressed in US Dollars of United States of America)

	Notes	Three Months Ended June 30,		Six Months Ended June 30,	
		2020	2019	2020	2019
REVENUES:	2p				
Rental revenue	4	US$ 4,526,780	US$ 2,284,012	US$ 9,224,348	US$ 4,405,826
Development fee income		2,379	867	76,876	1,538
Total revenues		4,529,159	2,284,879	9,301,224	4,407,364
COSTS AND OPERATING EXPENSES:					
Investment property operating expense	5	706,214	300,534	1,302,974	607,578
General and administrative	18	948,772	1,147,316	1,937,934	2,036,115
Total costs and operating expenses		1,654,986	1,447,850	3,240,908	2,643,693
OTHER NON-OPERATING INCOME (EXPENSES):					
Interest income from affiliates	2r, 21	67,837	62,835	135,675	112,710
Office lease financing cost	13	(5,702)	(5,561)	(10,591)	(11,571)
Loss on debt extinguishment	14		(444,598)		(444,598)
Right-of-use amortization	13	(24,336)	(22,488)	(47,137)	(45,203)
Depreciation and amortization	10	(26,780)	(18,475)	(51,279)	(35,544)
Foreign currency gain		390,241	34,486	(478,270)	47,459
Other income		19,148	34,518	80,921	64,103
Other expense	19	(9,208)	(282,189)	(57,798)	(442,556)
Interest expense	2s, 14	(1,641,167)	(976,747)	(3,339,575)	(1,902,257)
Deferred financing cost amortization	14	(59,108)	(42,437)	(111,908)	(57,370)
NET INCOME (LOSS) BEFORE TAXES		1,585,097	(823,627)	2,180,354	(951,156)
INCOME TAX EXPENSE	2s, 20	(917,634)	(936,530)	(1,283,604)	(3,086,373)
NET INCOME (LOSS)		667,463	(1,760,157)	896,750	(4,037,529)
OTHER COMPREHENSIVE INCOME:					
Items that are not reclassified subsequently to profit or loss:					
Translation loss (gain) from functional currency to reporting currency		5,474,928	(520,792)	(10,795,342)	425,205
Total comprehensive income (loss) for the year		US$ 6,142,391	US$(2,280,949)	US$ (9,898,592)	US$(3,612,324)
PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO:					
Owners of the Group		US$ 566,064	US$(1,702,607)	US$ 625,610	US$(3,947,634)
Non-controlling interests	2f, 17	101,399	(57,550)	271,140	(89,895)
Total		US$ 667,463	US$(1,760,157)	US$ 896,750	US$(4,037,529)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:					
Owners of the Group		US$ 6,040,991	US$(2,223,399)	US$(10,169,732)	US$(3,522,429)
Non-controlling interests		101,399	(57,550)	271,140	(89,895)
Total		US$ 6,142,391	US$(2,280,949)	US$ (9,898,592)	US$(3,612,324)

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 SIX MONTHS ENDED JUNE 30, 2020 AND 2019
(Expressed in US Dollars of United States of America)

		Three Months Ended June 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 APRIL 1, 2019	16a	US$100	US$136,342,696	US$31,439,351	US$ (1,714,171)	US$166,067,976	US$7,973,130	US$174,041,106
Net loss for the period				(1,702,608)		(1,702,608)	(57,550)	(1,760,158)
Adjustment for translation of financial statements	2b				(520,792)	(520,792)		(520,792)
Total comprehensive income for the period				(1,702,608)	(520,792)	(2,223,400)	(57,550)	(2,280,950)
Additional paid-in capital	16b		20,000,000			20,000,000		20,000,000
BALANCE AS OF JUNE 30, 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
BALANCE AS OF APRIL 1, 2020	16a	US$100	US$156,342,696	US$55,757,774	US$(19,523,487)	US$192,577,053	US$8,028,026	US$200,605,079
Net income for the period				566,064		566,064	101,399	667,463
Adjustment for translation of financial statements	2b				5,474,928	5,474,928		5,474,928
Total comprehensive income for the period				566,064	5,474,928	6,040,992	101,399	6,142,391
Additional paid-in capital	16b							
BALANCE AS OF JUNE 30, 2020	16a	US$100	US$156,342,696	US$56,323,808	US$(14,048,559)	US$198,618,045	US$8,129,425	US$206,747,470

(Continued)

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

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

		Three Months Ended June 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				(3,947,634)		(3,947,634)	(89,895)	(4,037,529)
Adjustment for translation of financial statements	2b				425,205	425,205		425,205
Total comprehensive income for the period				(3,947,634)	425,205	(3,522,429)	(89,895)	(3,612,324)
Additional paid-in capital	16b		38,700,000			38,700,000		38,700,000
BALANCE AS OF JUNE 30, 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
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				625,610		625,610	271,140	896,750
Adjustment for translation of financial statements	2b				(10,795,342)	(10,795,342)		(10,795,342)
Total comprehensive loss for the period				625,610	(10,795,342)	(10,169,732)	271,140	(9,898,592)
Additional paid-in capital	16b							
BALANCE AS OF JUNE 30, 2020	16a	US$100	US$156,342,696	US$56,323,808	US$(14,048,559)	US$199,618,045	US$8,129,425	US$206,747,470

(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 SIX MONTHS ENDED JUNE 30, 2020 AND 2019
(Expressed in US Dollars of United States of America)

	Notes	Three Months Ended June 30		Six Months Ended June 30,	
		2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income (loss)		US$ 667,463	US$ (1,760,157)	US$ 896,750	US$ (4,037,529)
Adjustments for:					
Gain on early termination of office lease				(2,611)	
Investment properties closing costs	11, 19		172,631		319,998
Unrealized foreign currency exchange gain		72,047	(38,347)	179,218	(77,502)
Loss on debt extinguishment	14		444,598		444,598
Deferred income tax	20	796,351	610,440	1,073,858	2,352,136
Current income tax	20	121,282	326,091	209,746	734,237
Rent leveling		(1,747,614)	(422,712)	(2,762,620)	(780,658)
Rent incentive amortization	19	6,865	3,017	13,894	3,558
Bad debt expense	8	193,923	8,036	280,306	80,159
Right - of - use amortization	13	24,336	22,488	47,137	45,203
Depreciation, amortization and retirements	10	26,780	18,475	51,279	35,544
Office lease financing cost	13	5,702	5,561	10,591	11,571
Deferred financing cost amortization		59,108	42,437	111,908	57,370
Interest expense		1,641,167	976,746	3,339,575	1,902,256
Changes in working capital:					
Receivables	8	(204,183)	(492,989)	(688,455)	(303,537)
Other assets	9	(89,005)	(116,214)	(194,795)	(116,214)
Payables and accrued expenses	12	27,715	(181,028)	221,460	(58,014)
Security deposits	15			95,732	(46,236)
Cash provided (used) in operating activities		1,601,937	(380,927)	2,882,973	566,940
Income tax paid	9, 20	(205,046)	(123,287)	(773,826)	(169,064)
Interest and commitment fee paid	14	(1,322,554)	(1,027,908)	(3,532,923)	(2,360,885)
Net cash used in operating activities		74,337	(1,532,122)	(1,423,776)	(1,963,009)
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions to investment property, including acquisitions closing costs	11	(6,841,914)	(16,072,603)	(14,111,655)	(33,730,161)
Deposits paid for acquisitions of investment properties	9	(752,400)	(150,000)	(752,400)	(5,537,871)
Due from affiliates	21	(67,838)	(787,535)	(135,675)	(837,710)
Additions to property, furniture and equipment	11	(26,252)	(70,511)	(100,679)	(138,758)
Net cash used in investing activities		(7,688,404)	(17,080,949)	(15,100,409)	(40,244,500)
CASH FLOWS FROM FINANCING ACTIVITIES					
Capital contributions			20,000,000		38,700,000
Office lease liability repayment	13	(23,650)	(21,394)	(45,941)	(42,466)
Long term debt borrowing	14	6,523,982	59,268,065	14,723,982	73,453,723
Long term debt repayment	14	(380,836)	(37,643,490)	(10,031,234)	(38,012,096)
Restricted cash	14	(340,487)	(6,253)	(49,972)	(783,238)
Cash paid for raising debt	14	(28,446)	(980,672)	(136,705)	(1,512,635)
Lease financing cost paid	13	(5,702)	(5,561)	(10,591)	(11,571)
Net cash provided by financing activities		5,744,861	41,610,695	4,449,539	71,791,717

(Continues)

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

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

	Three Months Ended June 30		Six Months Ended June 30,	
	2020	**2019**	**2020**	**2019**
NET INCREASE IN CASH	US$ (1,869,206)	US$ 21,997,624	US$(12,074,646)	US$ 29,584,208
CASH AT THE BEGINNING OF THE PERIOD	15,167,458	20,605,536	26,200,871	12,943,682
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD	443,545	(24,718)	(384,428)	50,552
CASH AT THE END OF THE PERIOD	US$ 13,741,797	US$ 42,578,442	US$ 13,741,797	US$ 42,578,442

(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 June 30, 2020 for the three and six 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 financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

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

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

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 June 30, 2020 and December 31, 2019, the sell-exchange rates for a US$1.00 are the following:

	June 30, 2020	**December 31, 2019**
Costa Rican Colon	¢ 583,49	¢ 576,49
Peruvian Sol	S/ 3.522	S/ 3.317
Colombian Peso	COP3,759	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.

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

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

- **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 any deferred taxes on changes in fair value of investment properties.

- **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.

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 June 30, 2020 and 2019 and for the three and six 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	
		June 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%
Latam Logistic COL PropCo Cota I, S.A.S.	Colombia	100%	100%
Latam Logistic CR OpCo, S.R.L.	Costa Rica	100%	100%
Latam Logistic CR PropCo Heredia I LLPH, S.R.L.	Costa Rica	100%	100%
Latam Logistic CR PropCo Alajuela I, S.R.L.	Costa Rica	100%	100%
Latamcr Propco El Coyol Dos S de R.L.	Costa Rica	50%	50%
Latam Propco Bodegas 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.

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 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.

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 IAS 17 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 June 30, 2020 and 2019 for the three and six 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. The Group make a provision for possible loss if the collection of a receivable balance is considered doubtful. As of June 30, 2020, and December 31, 2019, the Group recorded an allowance for doubtful receivables of US$389,605 and US$109,299, respectively.

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

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

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

r. ***Finance Income and Finance Costs*** - The Group's finance income and finance costs include interest income, 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. ***IFRIC 23 - Uncertainty over Income Tax Treatments*** - IFRIC 23 addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments. It specifically considers:

- Whether a Company considers uncertain tax treatments separately; and
- Assess whether the tax authority is likely to accept an uncertain tax treatment used, or proposed to be used, by a Company in its income tax returns:
  - If yes, the accounting tax position must be determined in a manner consistent with the tax treatment used in income tax returns.
  - If no, the effect of the uncertainty on the determination of the accounting tax position should be reflected using the most probable amount or the expected value method.

The Group has evaluated the possible impact of these changes and does not consider that such impact is material.

b. ***New and Revised IFRS That Are Not Yet Effective*** - As of the date of authorization of these financial statements, the Group has not applied the following new and revised IFRS that have been issued but are not in effect yet:

I. **IFRS 17** - Insurance Contracts.

II. **IFRS 10 and IAS 28 (Amendments)** - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

III. **Amendments to IFRS 3** - Definition of a Business.

IV. **Amendments to IAS 1 and IAS 8** - Definition of Materiality.

V. **Conceptual Framework** - Conceptual Framework of IFRS.

Management does not expect that the adoption of the aforementioned standards will have an important impact on the Group's financial statements in future periods, except as indicated below:

I. **IFRS 17 - Insurance Contracts** - IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and replaces IFRS 4 Insurance contracts.

IFRS 17 describes a general model that is modified for the insurance contracts that have direct participation feature, which is described as variable rate approach. The general model is simplified if certain criteria are met when measuring the responsibility of the remaining coverage regarding the method of allocation of the premiums.

The general model will use the current assumptions to estimate the amount, time and uncertainty of future cash flows and will explicitly measure the cost of that uncertainty, taking into account the market interest rates and the impact of the options and guarantees of the insured.

The Standard is effective for annual reporting periods beginning on or after January 1, 2021, with early application permitted. It is applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied. A draft of the changes to IFRS 17 addresses the concerns and difficulties of implementation that were identified after the publication of IFRS 17. One of the main proposed changes is the postponement of the date of initial application of IFRS 17 for one year, to the reporting periods that begin on or after January 1, 2022.

According to transition requirements, the initial application date is the beginning if the annual report period in which the Company applies the standard for the first time and the transition date is the beginning of the period immediately before to the date of the initial application.

II. **Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture** - Amendments to IFRS 10 and IAS 28 clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture. Specifically, the amendments establish that the gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the profit or loss of the parent only to the extent of the interest of the non-related investors in such associate or joint venture. Similarly, profits and losses resulting from the remeasurement of the investments withheld in any former subsidiary (which has become an associate or a joint venture that is accounted for using the equity method) at fair value are recognized in the profit or loss of the previous controller, only to the extent of the interest of the non-related investors in the new associate or joint venture.

The date the amendments enter into force has not been set by IASB; however, early application is allowed. The Group's management anticipates that the application of these amendments could have an impact on the Group's financial statements in future periods in case that such transactions arise.

III. **Amendments to IFRS 3 - Definition of a Business** - The amendments clarify that while businesses usually have outputs, outputs are not required for an acquired 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 substantial process that together contribute significantly to the ability to generate outputs.

Additional guidance is introduced that helps to determine whether a substantive process has been acquired.

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. It 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 identifiable assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020, with earlier application permitted.

IV. **Amendments to IAS 1 e IAS 8 - Definition of Materiality** - The amendments intend to simplify the definition of materiality contained in IAS 1, making it easier to understand, and are not intended to alter the underlying concept of materiality in the IFRS. The concept of obscuring material information with non-material information has been included in the new definition.

The limit for influential materiality for users has been changed from "could influence" to "could reasonably be expected to influence".

The definition of materiality in IAS 8 has been replaced by a reference to the definition of materiality in IAS 1. In addition, IASB amended other standards and the Conceptual Framework that included a definition of materiality or reference to the term "materiality" to ensure consistency.

The amendment will be prospectively applied for reporting periods that start on or after January 1, 2020, and early application is permitted.

V. **Conceptual Framework in IFRS** - Along with the revised Conceptual Framework, which became effective on its publication on March 29, 2018, IASB also issued Amendments to References to the Conceptual Framework in IFRS. The document contains amendments for IFRS 2, 3, 6, 14, IAS 1, 8, 34, 37, 38, IFRIC 12, 19, 20, 22, and SIC 32.

However, not all amendments update the pronouncements regarding references to the conceptual framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version they refer to (the IASC Framework adopted by the IASB in 2001, the 2010 IASB Framework or the revised Framework of 2018) or to indicate that the definitions in the Standard have not been updated with new definitions developed in the revised Conceptual Framework.

The amendments, which are actually updates, are effective por the years starting on or after January 1, 2020, with early adoption allowed.

Leases -

As a Lessor - The accounting for lessors remained largely unchanged. The Group lease its operating properties to customers under agreements that are classified as operating leases. The Group recognize the total minimum lease payments provided under the lease on a straight-line basis over the lease term.

As a Lessee - At the inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements based on their relative fair values.

If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset; the liability is subsequently reduced as payments are made and an imputed finance cost on the liability is recognized using the Group's incremental borrowing rate.

- Operating Leases - For All leases of the Group as a lessee the Group will:

  - Recognize right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments;

  - Recognize depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss;

  - Separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated cash flow statement.

  Lease incentives (e.g. rent-free period) will be recognized as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease liability incentive, amortized as a reduction of rental expenses on a straight-line basis.

  Under IFRS 16, right-of-use assets will be tested for impairment in accordance with IAS 36 Impairment of Assets. This will replace the previous requirement to recognize a provision for onerous lease contracts.

  For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Group will opt to recognize a lease expense on a straight-line basis as permitted by IFRS 16.

- Finance Capital Leases - The Group recognizes as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by IAS 17. The Group may enter in Finance Capital Lease for the purchase of property, plant and equipment and the financing of investment property.

- Finance Capital Lease for the Purchase of Property Plant and Equipment - On initial application the Group will present equipment previously included in property, plant and equipment within the line item for right-of-use assets and the lease liability, previously presented within borrowing, will be presented in a separate line for lease liabilities.

- Finance Capital Lease for the Acquisition or Construction of Investment Properties - The Group will present the right-of-use assets as part of the investment properties. The right-of-use will be annually revalued every at fair market value and the lease liability, will be presented as par to the debt.

Lease Assets - Assets held by the Group under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognized in the Group's consolidated statement of financial position.

Lease Payments - Payments made under operating leases are recognized in profit or loss on a net effective basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

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 June 30, 2020 was 100.1 months.

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

Rental revenue is comprised as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	**2019**	**2020**	**2019**
Rental revenue	US$4,002,102	US$2,061,750	US$8,164,501	US$3,989,793
Patio rental income	163,742	15,000	342,711	17,500
Rental recoveries	328,386	170,992	653,283	324,480
Other	32,550	36,270	63,853	74,053
Total	US$4,526,780	US$2,284,012	US$9,224,348	US$4,405,826

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 June 30, 2020:

	Amount
Rental revenues:	
2020	US$ 8,453,865
2021	17,556,172
2022	17,297,175
2023	16,775,009
2024	13,384,359
Thereafter	91,378,135
Total	US$164,844,715

COVID-19 Rent 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. 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.

As of June 30, 2020, 60.5 percent of our customers on a net rentable area basis had requested a temporary rent relief. Those customers are primarily from the appliance, automotive, construction and non-essential consumer goods. Our customers may also request, but not necessarily receive, relief from lease payments. We had reviewed all requests and if evidence of financial distress existed, the Group provided relief that is mutually beneficial to the customer and to the Group. Most of the rent reliefs granted are comprised of three months deferrals of the rent payments with a rent repayment schedule within the following twelve months. In order to accommodate the rent relief needs of our customers, the Group received debt service relief equivalent to 39.0 percent of the rent reliefs granted from our banking partners (refer to note 14 for further details).

As of June 30, 2020, the Group had granted rent relief discounts requested totaling 3.8 percent of the Group estimated annual revenue. Rent reliefs under the deferral rent payments with repayment schedule accounted to 10.2 percent of the Group estimated 2020 annual revenue.

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 June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Repair and maintenance	US$219,527	US$151,066	US$ 439,927	US$271,240
Utilities	88,342	57,033	235,438	104,613
Insurance	66,245	27,755	116,965	48,962
Property management	27,740	21,476	56,338	42,729
Real estate taxes	100,894	29,451	150,890	53,239
Expected credit loss	193,923	8,036	280,306	80,159
Amortization rent incentive	6,865	3,017	13,894	3,558
Other	2,678	2,700	9,216	3,078
Total	US$706,214	US$300,534	US$1,302,974	US$607,578

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 six months ended June 30, 2020 and 2019, while assets and liabilities are included as of June 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 June 30, 2020			
	Colombia	Peru	Costa Rica	Total
Revenues:				
Rental revenue	US$ 445,169	US$ 748,659	US$ 3,332,952	US$ 4,526,780
Development fee income		464	1,915	2,379
Sub-total	445,169	749,123	3,334,867	4,529,159
Costs and expenses:				
Investment property expenses	66,595	177,054	465,565	706,214
General and administrative	175,819	153,993	597,693	927,505
Sub-total	242,414	331,047	1,060,258	1,633,719
Net operating profit	202,755	418,076	2,274,609	2,895,440
Other income/(expenses):				
Right-of-use amortization	(4,750)	(6,943)	(12,823)	(24,336)
Depreciation and amortization	(6,656)	(5,729)	(14,395)	(26,780)
Foreign currency	480,426	(84,822)	(5,363)	390,241
Other income	3,391		15,757	19,148
Office lease financing cost	(1,229)	(2,066)	(2,407)	(5,702)
Interest expense	(108,318)	(267,314)	(1,265,535)	(1,641,167)
Deferred financing cost		(15,158)	(43,950)	(59,108)
Other expense		(8,601)	(608)	(9,208)
Net income before taxes	565,799	27,433	945,285	1,538,527
Income tax benefit (expense)	76,245	(924,375)	(69,502)	(917,632)
Net income (loss) after taxes	642,044	(896,932)	875,783	620,895
Earnings attributable to non-controlling interest			(101,400)	(101,400)
Net income (loss) for the period	US$ 642,044	US$(896,932)	US$ 774,383	US$ 519,495

	Three Months Ended June 30, 2019			
	Colombia	Peru	Costa Rica	Total
Revenues:				
Rental revenue		US$ 316,673	US$ 1,964,339	US$ 2,284,012
Development fee income		1,164	(297)	867
Sub-total		320,837	1,964,042	2,284,879
Costs and expenses:				
Investment property expenses	US$ 738	89,704	210,002	300,534
General and administrative	155,104	182,235	707,078	1,044,417
Sub-total	155,842	272,029	917,080	1,344,951
Net operating (loss) profit	(155,842)	48,808	1,046,962	939,928
Other income/(expenses):				
Debt extinguishment		(208,280)	(236,318)	(444,598)
Right-of-use amortization	(5,336)	(6,942)	(10,210)	(22,488)
Depreciation and amortization	(7,119)	(4,843)	(6,513)	(18,475)
Foreign currency	(515)	32,179	2,822	34,486
Other income			21,994	21,994
Office lease financing cost	(1,795)	(2,520)	(1,264)	(5,561)
Interest expense		(124,782)	(851,965)	(976,747)
Deferred financing cost		(29,446)	(12,991)	(42,437)
Other expense	(100,199)	(9,359)	(172,631)	(282,189)
Net loss before taxes	(270,806)	(305,185)	(220,096)	(796,087)
Income tax benefit (expense)	21,822	(122,630)	(835,722)	(888,857)
Net loss after taxes	(248,984)	(427,815)	(1,055,818)	(1,732,617)
Loss attributable to non-controlling interest			57,459	57,459
Net loss of the year	US$(248,984)	US$(427,815)	US$ (998,269)	US$(1,675,068)

	Six Months Ended June 30, 2020			
	Colombia	Peru	Costa Rica	Total
Revenues:				
Rental revenue	US$ 958,080	US$ 1,435,087	US$ 6,831,181	US$ 9,224,348
Development fee income	1,225	(100)	75,751	76,876
Sub-total	959,305	1,434,987	6,906,932	9,301,224
Costs and expenses:				
Investment property expenses	121,025	309,811	872,138	1,302,974
General and administrative	338,581	338,540	1,231,401	1,908,522
Sub-total	459,606	648,351	2,103,539	3,211,496
Net operating profit	499,699	786,636	4,803,393	6,089,728
Other income/(expenses):				
Right-of-use amortization	(9,347)	(13,885)	(23,905)	(47,137)
Depreciation and amortization	(13,523)	(10,909)	(26,847)	(51,279)
Foreign currency	(239,065)	(203,282)	(35,923)	(478,270)
Other income	31,798	9,836	37,422	79,056
Office lease financing cost	(2,598)	(4,249)	(3,744)	(10,591)
Interest expense	(276,134)	(524,172)	(2,539,269)	(3,339,575)
Deferred financing cost		(25,586)	(86,322)	(111,908)
Other expense		(46,099)	(11,699)	(57,798)
Net income before taxes	(9,170)	(31,710)	2,113,106	2,072,226
Income tax expense	(38,134)	(1,094,681)	(150,788)	(1,283,603)
Net income (loss) after taxes	(47,304)	(1,126,391)	1,962,318	788,623
Earnings attributable to non-controlling interest			(271,143)	(271,143)
Net income (loss) for the period	US$ (47,304)	US$(1,126,391)	US$ 1,691,175	US$ 517,480

	Six Months Ended June 30, 2019			
	Colombia	Peru	Costa Rica	Total
Revenues:				
Rental revenue		US$ 631,335	US$ 3,774,491	US$ 4,405,826
Development fee income		1,165	373	1,538
Sub-total		632,500	3,774,864	4,407,364
Costs and expenses:				
Investment property expenses	US$ 738	157,980	448,860	607,578
General and administrative	322,250	352,523	1,227,738	1,902,511
Sub-total	322,988	510,503	2,722,032	2,510,089
Net operating (loss) profit	(322,988)	121,997	1,002,832	1,897,275
Other income/(expenses):				
Loss on debt extinguishment		(208,280)	(236,318)	(444,598)
Right-of-use amortization	(10,898)	(13,885)	(20,420)	(45,203)
Depreciation and amortization	(14,418)	(8,649)	(12,477)	(35,544)
Foreign currency	(21,479)	63,037	5,901	47,459
Other income		85	38,436	38,521
Office lease financing cost	(3,755)	(5,149)	(2,667)	(11,571)
Interest expense		(241,659)	(1,660,598)	(1,902,257)
Deferred financing cost		(34,381)	(22,988)	(57,370)
Other expense	(100,199)	(22,359)	(319,998)	(442,556)
Net loss before taxes	(473,737)	(349,244)	(132,863)	(955,844)
Income tax expense	(126,805)	(1,487,231)	(1,399,739)	(3,013,775)
Net loss after taxes	(600,542)	(1,836,475)	(1,532,602)	(3,969,619)
Loss attributable to non-controlling interest			89,895	89,895
Net loss for the period	US$(600,542)	US$(1,836,475)	US$(1,442,707)	US$(3,879,724)

	June 30, 2020			
	Colombia	Perú	Costa Rica	Total
Assets:				
Cash	US$ 633,776	US$ 4,939,229	US$ 5,969,436	US$ 11,542,441
Receivables and other assets	3,720,131	4,418,337	3,779,641	11,918,109
Deferred tax asset	587,093	688,529	656,334	1,931,956
Right-of-use	60,325	101,820	128,237	290,382
Investment property	88,309,212	68,596,516	151,557,937	308,463,665
Restricted cash	15,611	10,046,059	2,042,733	12,104,403
Vehicles, furniture and equipment, net	88,168	243,040	210,977	542,205
Total assets	93,414,316	89,033,530	164,345,315	346,793,161
Liabilities:				
Payables and accruals	3,195,771	1,817,778	2,212,926	7,226,475
Deferred tax liability	3,312,595	7,292,893	15,550,708	26,156,196
Office lease liability	68,227	113,561	129,691	311,479
Long-term debt	8,234,369	22,150,061	81,233,285	111,617,715
Security deposits		178,966	600,420	839,386
Total liabilities	14,810,354	31,553,259	99,787,030	146,151,251
Net assets/(liabilities)	US$78,603,621	US$57,480,271	US$ 64,558,285	US$200,641,910

	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	107,721,597
Security deposits		83,234	660,421	743,655
Total liabilities	13,619,933	26,629,510	101,397,456	141,646,899
Net assets/(liabilities)	US$85,989,970	US$59,565,685	US$ 61,003,824	US$206,559,479

7. CASH AND CASH EQUIVALENTS

Available cash and cash equivalents are in bank accounts and overnight deposits. Demand deposits bear interest at a negligible interest rate. As of June 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:

	June 30, 2020 (Unaudited)	December 31, 2019
Bank accounts:		
In local currency	US$ 709,586	US$ 5,405,420
In US dollars	5,159,883	5,184,378
Sub-total	5,869,469	10,589,798
Overnight deposits:		
In local currency	2,235	23,247
In US dollars	7,870,093	15,587,826
Sub-total	7,872,328	15,611,073
Total	US$13,741,797	US$26,200,871

8. RECEIVABLES

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

		June 30, 2020 (Unaudited)	December 31, 2019
(a)	Tenant trade receivables, net	US$ 550,836	US$ 375,411
(b)	Tenants notes receivables, net	1,156,937	1,071,551
(c)	Value added tax	3,209,698	3,237,996
	Income tax and tax credits	4,547	29,511
	Others	75,580	79,901
	Sub-total	4,997,598	4,794,370

(Continues)

	June 30, 2020 (Unaudited)	December 31, 2019
Value added tax - long term	US$(2,996,584)	US$(2,968,186)
Tenant notes receivable - long term	(1,024,286)	(921,666)
Total trade receivables	US$ 976,728	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 June 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:

June 30, 2020 (Unaudited)	0 to 30 Days	30 to 60 Days	60 to 90 Days	Over 90 Days	Total
Weighted average expected loss rate	0.6%	16.5%	33.1%	100%	
Gross carrying amount	US$297,967	US$150,138	US$88,897	US$398,891	US$ 935,894
Cash Security Deposit	(63,035)	(63,915)	(2,163)	(58,043)	(187,156)
Net carrying amount	US$294,932	US$ 86,223	US$86,734	US$340,848	US$ 748,737
Loss allowance provision	US$ 1,303	US$ 14,199	US$28,707	US$340,848	US$ 385,057

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	(17,511)	(3,265)	(2,816)	(48,275)	(71,867)
Net carrying amount	US$178,173	US$71,688	US$66,103	US$ 392	US$316,356
Loss allowance provision	US$ 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 June 30, 2020, loans outstanding to tenants bears a weighted average annual interest rate of 12.1 percent and have a weighted average remaining loan term of 6.8 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 June 30, 2020 and December 31, 2019 was determined as follows; the expected credit losses below also incorporate forward looking information.

June 30, 2020 (Unaudited)	Current Notes Receivables	Long Term Notes Receivables	Total
Weighted average expected loss rate	3.30%	0%	
Gross carrying amount	US$137,197	US$1,024,286	US$1,161,484
Loss allowance provision	US$ 4,547	US$	US$ 4,547

December 31, 2019	Current Notes Receivables	Long Term Notes Receivables	Total
Weighted average expected loss rate	3.13%	0%	
Gross carrying amount	US$154,731	US$921,666	US$1,076,397
Loss allowance provision	US$ 4,847	US$	US$ 4,847

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

	June 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	280,605		280,605	9,303		9,303

(Continues)

	June 30, 2020 (Unaudited)			December 31, 2019		
	Trade Receivables	Tenants Notes Receivables	Total	Trade Receivables	Tenants Notes Receivables	Total
Receivables written off during the year as uncollectible						
Unused amount reverse		US$ (300)	US$ (300)		US$(9,212)	US$ (9,212)
Ending balance	US$385,057	US$4,547	US$389,604	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 June 30,		Six Months Ending June 30,	
	2020	2019	2020	2019
Credit loss on accounts receivables	US$194,385	US$18,061	US$280,606	US$89,679
Credit loss on notes receivable	(462)	(10,025)	(300)	(9,520)
Total	US$193,923	US$ 8,036	US$280,306	US$80,159

(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 June 30, 2020, and December 31, 2019, value added tax receivable derived from the operations in Colombia, Peru and Costa Rica were US$143,995 (2019: US$220,422), US$3,044,445 (2019: US$3,005,428), US$22,470 (2019: US$12,146), respectively. During the six months ended June 30, 2020 and 2019, the Group collected US$183,762 (2019: US$402,925) of the outstanding value added tax in Peru.

9. OTHER CURRENT ASSETS

		June 30, 2020 (Unaudited)	December 31, 2019
(a)	Advance to suppliers	US$3,965,727	US$3,411,877
	Construction permit and other deposits	315,512	311,880
	Investment properties acquisition deposits	1,654,800	902,400
	Prepaid taxes	478,034	438,483
	Prepaid insurance	131,648	124,325
	Deal pursuit cost	239,662	257,313
	Rent incentives, net	105,590	129,282
	Other	243,677	42,540
		US$7,134,650	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 June 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$58,200	US$378,296	US$532,592
Additions		173,907	28,789	8,607	209,303
Retirements		(7,196)			(7,196)
Translation adjustment		(102)	(39)	(1,470)	(1,611)
Balance as of December 31, 2019	7,800	254,203	85,652	385,433	733,088
Additions	8,222	43,900	10,760	18,740	81,622
Translation adjustment		(2,300)	(1,799)	(22,348)	(26,447)
Balance as of June 30, 2020	16,022	295,803	94,613	381,825	788,263
Accumulated depreciation:					
Balance as of December 31, 2018	1,473	19,049	23,388	83,911	127,827
Additions	784	21,803	15,248	44,238	82,073
Retirements		(2,759)			(2,759)
Translation adjustment		(8)	1	(359)	(366)
Balance as of December 31, 2019	2,257	38,085	38,637	127,790	206,769
Additions	890	18,501	9,359	22,530	51,280
Translation Adjustment		(599)	(391)	(11,001)	(11,991)
Balance as of June 30, 2020	3,147	55,987	47,605	139,319	246,058
Net book value as of December 31, 2019	US$ 5,543	US$216,118	US$47,015	US$257,643	US$526,319
Net book value as of June 30, 2020	US$12,875	US$239,816	US$47,008	US$242,506	US$542,205

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 June 30, 2020, fair value of investment properties is determined as last valuation plus investments incurred during the interim period. For the six months ended June 30, 2020 and 2019, no gain or loss on valuation of investment properties was recorded.

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

	FMV as of June 30, 2020	# of Buildings (1)	NRA (1) (SM)	Leased %	Occupied %
Land bank:					
Colombia	US$ 22,953,436	6	133,067	n/a	n/a
Peru	14,881,846	3	62,629	n/a	n/a
Total land bank	37,835,282	9	195,696	n/a	n/a
Properties under development:					
Colombia	47,313,231	3	82,807	46.6%	14.8%
Peru	32,180,232	2	39,495	34.7%	34.7%
Costa Rica	9,119,242	1	9,240	100.0%	73.9%
Total properties under development	88,612,705	6	131,542	46.8%	21.2%
Operating properties:					
Colombia	18,042,545	1	23,483	100.0%	100.0%
Peru	21,534,439	1	22,276	100.0%	100.0%
(2) Costa Rica	142,438,964	11	127,607	97.6%	97.6%
Total operating properties	182,015,678	13	173,321	98.2%	98.2%
Total operating and properties under development	US$270,628,383	19	304,908	76.0%	66.6%
Total	US$308,463,665	28	500,604	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 June 30, 2020, the leased land and patios have a fair value of US$5,632,702 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 June 30, 2020, and December 31, 2019, the balance of investment properties included rent leveling assets of US$6,332,790 and US$3,623,027, respectively.

Fair market value as of June 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 six months ended June 30, 2020 and the year ended December 31, 2019 are as follows:

	June 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

(Continues)

	June 30, 2020 (Unaudited)	December 31, 2019
Land acquisitions, including closing cost		US$ 9,637,553
Construction	US$ 13,451,650	44,403,312
Financing cost	475,655	1,032,891
Lease commissions	57,380	871,741
Rent leveling	2,745,649	2,339,839
Translation effect from functional currency	(11,788,878)	(620,603)
Gain on valuation of investment properties		30,164,124
Ending balance	US$308,463,665	US$303,997,864

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

	June 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)		11.0
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:

	June 30, 2020 (Unaudited)	December 31, 2019
Trade payables	US$2,112,146	US$1,640,522
Value added tax	14,353	130,992
Professional services	3,858	119,154
Tax payable	198,440	703,009
Construction contract retainage	2,233,685	2,360,213
Interest and other financing costs	1,210,317	1,076,785
Employee benefits and other obligations	1,141,864	722,746
Investment properties acquisition closing costs	150,000	643,306
Leasing commissions	116,408	635,980
Other	45,948	43,605
Total	US$7,227,019	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 3.1 years at June 30, 2020.

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

In U.S. Dollars	**June 30, 2020 (Unaudited)**
2020	US$ 57,717
2021	111,962
2022	113,412
2023	52,350
2024	5,868
Total undiscounted rent payments	341,309
Less imputed interest	(29,830)
Total lease liability	US$311,479

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 3.1 and 2.3 years at June 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 lessor has the sole ability to exercise the option. The incremental borrowing rate was 7.0 percent at June 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 June 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 June 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$467,196
Translation effect from functional currency			(1,256)	(1,256)
Balance as of December 31, 2019	122,522	194,385	149,033	465,940
Additions	145,335			145,33
Retirements	(122,522)			(122,522)
Translation effect from functional currency			(19,101)	(19,101)
Balance as of June 30, 2020	145,335	194,385	129,932	469,652
Accumulated depreciation:				
Balance as of December 31, 2018	40,841	50,910	48,307	140,058
Additions	40,840	27,770	21,177	89,787
Translation effect from functional currency			(290)	(290)
Balance as of December 31, 2019	81,681	78,680	69,194	229,556
Additions	23,905	13,885	9,347	47,137
Retirements	(88,488)			(88,488)
Translation effect from functional currency			(8,935)	(8,935)
Balance as of December 31, 2019	81,681	78,680	69,194	229,556
Net book value as of December 31, 2019	US$ 40,841	US$115,705	US$ 79,839	US$236,385
Net book value as of June 30, 2020	US$128,237	US$101,820	US$ 60,326	US$290,383

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Right-of-use amortization expense	US$24,336	US$22,488	US$47,137	US$45,203

14. DEBT

As of June 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 June 30, 2020 (Unaudited)	Remaining Borrowing Capacity at June 30, 2020 (Unaudited)	Amount Outstanding at June 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$ 34,396,997	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		12,252,595	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		5,481,002	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		12,227,991	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		4,365,964	4,461,727
(2)	BAC Credomatic, S.A.	Costa Rica	US$	Mortgage Loan	Sep 18, 2034	110,325	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	118,745	3Mo LIBOR + 423 bps, no min. rate		US$ 1,000,000	3,489,485	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			8,144,309	
(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	23,147,037	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	2,338,976	IBR + 350 bps no min. rate	15,611	2,506,045	5,847,440	6,707,068
(3)	Bancolombia, S.A.	Colombia	COP	Financing Capital Lease	Sep 15, 2035	998,162	IBR + 350 bps no min. rate		US$ 4,847,150	2,495,404	6,707,068
	Total					US$13,276,634		US$12,048,778	US$37,576,195	114,338,222	110,533,680
	Long-term debt accrued financing cost									1,300,018	1,076,785
	Debt issuance cost, net									(2,810,208)	(1,036,889)
	Total debt									112,828,032	108,798,382
	Less: Current accrued financing cost									(1,210,317)	(1,076,785)
	Less: Current portion of long-term debt									(4,940,612)	(4,644,742)
	Total long-term debt									US$106,677,103	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 June 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 six months ended June 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. On June 30, 2020, the Group borrowed US$4,000,000 from the Tranche 1.

- **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$8,353,485) 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$2,863,473) 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 August 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$8,353,485 (COP$31,400 million). On December 19, 2019, Bancolombia S.A. disbursed 70 percent or US$5,847,440 (COP$21,980 million) of the financing capital lease. The remaining 30 percent or US$2,506,046 (COP$9,420 million) will be disbursed upon transfer of the property title of building 400 to Bancolombia S.A. Management expects to transfer the property to Bancolombia S.A. in August 2020. 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 June 30, 2020:

	Mortgage Loan	Financing Capital Lease	Total
Maturity:			
2020	US$ 2,318,051	US$ 64,799	US$ 2,382,850
2021	5,161,626	207,192	5,368,818
2022	5,785,911	223,588	6,009,499
2023	5,724,955	241,280	6,425,465
2024	6,184,185	260,374	6,848,828
Thereafter	79,957,152	7,345,610	87,302,762
Total	US$105,995,379	US$8,342,843	US$114,338,222

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

	June 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$105,995,379	7.0%	US$103,826,612
Financing capital lease	6.0%	8,342,843	7.6%	6,707,068
Total	6.2%	US$114,338,843	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 six months ended June 30, 2020 and 2019:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Gross interest expense	US$1,738,888	US$1,298,246	US$3,529,764	US$2,346,115
Gross commitment fees	94,684	41,139	259,498	86,139
Amortization of debt issuance cost	77,537	76,122	140,006	115,055
Total financing cost before capitalization	1,911,109	1,415,507	3,929,268	2,547,309
Capitalized amounts into investment properties	(210,834)	(396,323)	(477,785)	(587,682)
Net financing cost	US$1,700,275	US$1,019,183	US$3,451,483	US$1,959,627
Total cash paid for interest and commitment fees	US$1,322,554	US$1,027,908	US$3,532,923	US$2,360,885

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

	June 30, 2020 (Unaudited)	December 31, 2019
Beginning balance	US$103,076,855	US$ 44,784,168
Secured bank debt borrowings	14,723,982	101,538,760
Secured bank debt repayments	(10,031,234)	(38,943,296)
Long-term accrued interest	89,701	
Loss on debt extinguishment		444,598
Borrowing cost incurred	(138,130)	(2,476,176)
Borrowing cost amortization	140,006	228,118
Translation adjustment	(888,207)	
Change in current portion long term debt	(295,870)	(2,499,317)
Ending balance	US$106,677,103	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 LLP's ability to, among other matters, incurs in additional indebtedness under or create additional liens on the properties subject to the loans, change its corporate structure, make certain restricted payments, enter into certain transactions with affiliates, amend certain material contracts.

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

As of June 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.

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 six months ended June 30, 2020 and the year ended December 31, 2019, the Group received additional paid-in capital in cash for the amount of US$0 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 June 30, 2020 and December 31, 2019:

		Ownership Percentage		Non-Controlling Interest		Total Assets		Total Liabilities	
Partnership	Country	June 30, 2020 (Unaudited)	December 31, 2019	June 30, 2020 (Unaudited)	December 31, 2019	June 30, 2020 (Unaudited)	December 31, 2019	June 30, 2020 (Unaudited)	December 31, 2019
Latam Parque Logístico Coyol II	Costa Rica	50%	50%	US$8,129,425	US$7,858,285	US$31,876,454	US$31,589,900	US$15,567,587	US$15,823,318

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net earnings (loss) attributable to non-controlling	US$101,399	US$(57,550)	US$271,140	US$(89,895)

18. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Personnel cost	US$695,712	US$ 641,671	US$1,434,253	US$1,279,117
Services and professional fees	93,641	200,454	216,849	287,320
Office expenses	63,498	65,425	129,876	117,950
Bank service charges	7,711	8,486	16,511	23,109
Other	88,210	231,280	140,445	328,619
Total	US$948,772	US$1,147,316	US$1,937,934	US$2,036,115

19. OTHER EXPENSES

Other expenses are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Debt supervision fee			US$20,000	US$ 13,000
Other debt raising cost		US$100,199		100,199
Dead deal pursuit costs	US$8,602	9,359	37,191	9,359
Stabilized building acquisition closing costs	607	172,631	607	319,998
Total	US$9,209	US$282,189	US$57,798	US$442,556

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 June 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 six months ending June 30, 2020 and 2019, the weighted average tax rate for the Group is composed as follows:

	Three Months Ending June 30, 2020				
	Ordinary Income/ (Loss)	Tax Rate	Gain/(Loss) on Revaluation of Investment Properties	Tax Rate	Weighted Average Tax Rate
Colombia	US$ 565,799	32.0		10.0	32.0
Perú	27,443	29.5		29.5	29.5
Costa Rica	945,285	30.0		30.0	30.0
Total	US$1,538,527	30.7	US$	n/a	30.7

	Three Months Ending June 30, 2019				
	Ordinary Income/ (Loss)	Tax Rate	Gain/(Loss) on Revaluation of Investment Properties	Tax Rate	Weighted Average Tax Rate
Colombia	US$(270,806)	33.0		10.0	33.0
Perú	(305,185)	29.5		29.5	29.5
Costa Rica	(220,096)	30.0		30.0	30.0
Total	US$(796,087)	30.8	US$	n/a	30.8

	Six months ending June 30, 2020				
	Ordinary Income/ (Loss)	Tax Rate	Gain/(Loss) on Revaluation of Investment Properties	Tax Rate	Weighted Average Tax Rate
Colombia	US$ (47,304)	32.0		10.0	32.0
Perú	(1,126,391)	29.5		29.5	29.5
Costa Rica	1,962,318	30.0		30.0	30.0
Total	US$ 788,623	30.6	US$	n/a	30.6

	Six months ending June 30, 2019				
	Ordinary Income/ (Loss)	Tax Rate	Gain/(Loss) on Revaluation of Investment Properties	Tax Rate	Weighted Average Tax Rate
Colombia	US$ (473,737)	33.0		10.0	33.0
Perú	(349,244)	29.5		29.5	29.5
Costa Rica	(1,532,602)	30.0		30.0	30.0
Total	US$(2,355,583)	30.5	US$	n/a	30.5

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Income tax expense	US$121,282	US$326,090	US$ 209,746	US$ 734,237
Deferred income tax expense	796,352	610,440	1,073,858	2,352,136
Total	US$917,634	US$936,530	US$1,283,604	US$3,086,373

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	**2019**	**2020**	**2019**
Intra group withholding tax expense	US$28,894	US$55,085	US$58,570	US$93,144

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	**2019**	**2020**	**2019**
Profit (loss) before tax from continuing operations	US$1,585,097	US$(823,627)	US$2,180,354	US$ (951,156)
Income tax expense calculated at weighted average tax rate ~ 30.7%	US$ 487,047	US$(253,915)	US$ 667,062	US$ (290,381)
Non-taxable (income) losses	(565,171)	615,735	(536,328)	1,026,907
Tax attributable to change in fair value of investment properties	1,157,406	684,041	1,599,157	2,317,339
Effect of tax losses and temporary differences	(161,648)	(109,331)	(446,287)	32,508
Total	US$ 917,634	US$ 936,530	US$1,283,604	US$3,086,373

Deferred Tax - As of June 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:

	June 30, 2020 (Unaudited)	**December 31, 2019**
Balance at beginning of the year	US$1,364,557	US$ 1,638,732
Employee benefits	87,539	(12,927)
Net operating loss and pre-operating expenses	1,161,926	2,247,242
Net operating losses valuation reserve	(515,547)	(2,331,078)
Other accruals	(88,038)	(181,385)
Translation effect from functional currency	(78,481)	(12,223)
Unrealized exchange loss		16,196
Balance at the end of the year	US$1,931,956	US$ 1,364,557

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

	June 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	1,599,157	7,011,400
Other accruals	199,593	60,353
Translation effect from functional currency	(546,472)	(9,717)
Balance at the end of the year	US$26,156,196	US$24,903,918

21. BALANCE AND TRANSACTIONS WITH RELATED PARTIES

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Interest income - Latam Logistics Investments LLC	US$67,837	US$62,835	US$135,675	US$112,710
Total	US$67,837	US$62,835	US$135,675	US$112,710

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

	June 30, 2020 (Unaudited)	December 31, 2019
Accounts receivable:		
Latam Logistics Investments LLC	US$3,692,610	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.

		June 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$13,741,797		US$ 13,741,797	US$ 13,741,797
Receivable	8	4,997,598		4,997,598	4,997,598
Other assets	9	7,134,650		7,134,650	7,134,650
Due from affiliates	21	3,692,610		3,692,610	3,692,610
Restricted cash	14	12,104,403		12,104,403	12,104,403
Total financial assets		US$41,671,058	US$	US$ 41,671,058	US$ 41,671,058

(Continues)

	Notes	June 30, 2020 (Unaudited) Cash and Accounts Receivable	Other Financial Liabilities	Total Carrying Amount	Fair Value (Amortized Cost)
(i) Financial liabilities not measured at fair value:					
Payables and accruals	12		US$ 7,227,019	US$ 7,227,019	US$ 7,227,019
Lease liability	13		311,479	311,479	311,479
Security deposits	15		839,386	839,386	839,386
Long-term debt	14		111,617,715	111,617,715	111,617,715
Total financial liabilities		US$	US$119,995,599	US$119,995,599	US$119,995,599

	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
Other assets	9	5,618,100		5,618,100	5,618,100
Due from affiliates	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$52,225,854	US$	US$ 52,225,854	US$ 52,225,854
(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

(i) The carrying amounts of cash, accounts receivable, trade accounts payable, accrued expenses, due to/from affiliates, security deposits and long-term debt are a reasonable approximation of fair value. The carrying amounts of cash, accounts receivable, trade accounts payable, accrued expenses, due to/from affiliates, security deposits and long-term debt are a reasonable approximation of fair value.

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	June 30, 2020 (Unaudited)	December 31, 2019
Cash	7	US$13,741,797	US$26,200,871
Receivables	8	4,997,598	4,794,370
Due from affiliates	21	3,692,610	3,556,935
Other assets	9	7,134,650	5,618,100
Restricted cash	14	12,104,403	12,055,578
		US$41,671,058	US$52,225,854

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.

June 30, 2020 (Unaudited)	Notes	Carrying Amount	Contractual Cash Flows	
			Total	12 Months or Less
Payables and accruals	12	US$ 7,227,019	US$ 7,227,019	US$ 7,227,019
Lease liability	13	311,479	341,309	115,437
Security deposits	15	839,386	839,386	
Long-term debt	14	111,617,715	114,427,923	4,940,612
		US$119,995,599	US$122,835,637	US$12,283,068

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$116,800,999	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:

	June 30, 2020 (Unaudited)				
	Costa Rican Colones	Colombian Pesos	Peruvian Soles	U.S. Dollars	Total
Cash	US$ 3,497	US$ 633,776	US$ 74,548	US$ 13,029,976	US$ 13,741,797
Receivables	34,712	146,412	3,079,035	1,737,439	4,997,598
Due from affiliates				3,692,610	3,692,610
Other assets	49,044	3,573,719	196,533	3,364,398	7,134,650
Lease Right of Use		60,325		230,057	290,382
Restricted cash		15,611		12,088,792	12,104,403
Sub-total	87,253	4,429,843	3,350,116	34,143,272	41,961,440
Payables and accruals	(213,121)	(2,984,280)	(231,201)	(3,798,417)	(7,227,019)
Lease liability		(68,227)		(243,252)	(311,479)
Security deposits				(839,386)	(839,386)
Long-term debt		(8,264,369)		(103,353,346)	(111,617,715)
Sub-total	(213,121)	(11,316,876)	(231,201)	(108,234,401)	(119,995,599)
Net	US$(125,868)	US$ (6,887,033)	US$3,118,915	US$ (74,091,129)	US$ (78,034,159)

	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 affiliates				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	142,034	8,983,404	3,318,673	40,018,128	52,462,239
Payables and accruals	(740,680)	(1,713,034)	(90,225)	(5,532,373)	(8,076,312)
Lease liability		(88,798)		(170,637)	(259,435)

(Continues)

	December 31, 2019				
	Costa Rican Colones	Colombian Pesos	Peruvian Soles	U.S. Dollars	Total
Security deposits				US$ (743,655)	US$ (743,655)
Long-term debt		US$(6,662,514)		(101,059,083)	(107,721,597)
Sub-total	US$(740,680)	(8,464,346)	US$ (90,225)	(107,505,748)	(116,800,999)
Net	US$(598,646)	US$ 519,058	US$3,228,448	US$ (67,487,620)	US$ (64,338,760)

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

	Average Rate			
	Three Months Ended June 30, 2020		Six Months Ended June 30, 2020	
	2020	2019	2020	2019
Costa Rican Colones	¢ 575.49	¢ 595.97	¢ 574.88	¢ 599.89
Peruvian Soles	S/ 3.475	S/ 3.321	S/ 3.439	S/ 3.323
Colombian Pesos	COP$3,846.10	COP$3,240.96	COP$3,690.93	COP$3,189.40

	Reporting Date			
	Buy Rate		Sell Rate	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Costa Rican Colones	¢ 577.51	¢ 570.09	¢ 583.49	¢ 576.49
Peruvian Soles	S/ 3.516	S/ 3.311	S/ 3.522	S/ 3.317
Colombian Pesos	COP$3,759	COP$3,277	COP$3,759	COP$3,277

Sensitivity Analysis - A 10 percent strengthening (weakening) of the U.S. dollar against the local currencies of the subsidiaries as of June 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.

June 30, 2020 (Unaudited)	Strengthening	Weakening
Profit or loss	US$(389,398)	US$389,398
Equity	US$(389,398)	US$389,398

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 six months ended June 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 June 30, 2020 (Unaudited)	1%	2%
Increase in interest rate	14	US$114,338,222	US$(530,970)	US$(1,061,939)
Decrease in interest rate	14	US$114,338,222	US$ 94,142	US$ 135,856

	Note	Long-term Debt with Variable Interest Rate as of June 30, 2019	1%	2%
Increase in interest rate	14	US$83,408,109	US$(417,040)	US$(834,081)
Decrease in interest rate	14	US$83,408,109	US$ 94,000	US$ 188,000

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 June 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

Additional Capital Contributions - In July 2020, the Group received a capital contribution from JREP I Logistics Acquisition L.P. amounting to US$6,700,000. The usage of the proceeds was mainly for the construction of the Group ongoing development projects.

COVID-19 Impact - 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.

Concessions in rents after June 30, 2020 have been found to be immaterial to the budgeted income for 2020.

25. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements as of June 30, 2020 were authorized for issue by Group's management on September 11, 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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