



Asamblea de Propietarios de la PH Bahía Playa Serena Torre 200



Annual report 2020

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

| | |
|---|-------|
| Independent Auditors' Report | 1-4 |
| Statements of Financial Position | 5 |
| Statements of Profit and Loss for the year and Accumulated Surplus | 6 |
| Statements of Cash Flows | 7 |
| Notes to the Financial Statements | 8-26 |
| Additional financial information, combined financial statements | 27-29 |

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200



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INDEPENDENT AUDITORS' REPORT

March 17, 2021

To the Board of Directors and
ASAMBLEA DE PROPIETARIOS DE LA PH BAHÍA PLAYA SERENA – Torre 200
Panama, Republic of Panama

Dear all:

Opinion

We have examined the financial statements of ASAMBLEA DE PROPIETARIOS DE LA PH BAHÍA PLAYA SERENA – TORRE 200 (hereinafter the "Entity"), which are comprised by the balance sheet as of December 31, 2020, and the related income statement, accumulated surplus statement, and cash flows for the year then ended, as well as the notes which include the most important and relevant accounting policies.

The Condo Board Presidency of the Entity has not approved the bank confirmation request made by us as part of our audit tests. Accordingly, we were unable to obtain evidence of the absence of restrictions or pledges on the bank account held by the Entity or the absence of obligations contracted with the bank.

In Note 2 of the financial statements, the Entity reveals the inexistence of accounting records for the years before 2019 and the procedure applied by the Administration to determine opening balances. Furthermore, the financial statements for the year 2019 have not been audited.

In our opinion, except for any effect that could derive from the audit limitation indicated in the previous paragraph, the aforementioned financial statements present reasonably, in all material aspects, the financial situation as of December 31, 2020 for the ASAMBLEA DE PROPIETARIOS DEL P.H. BAHIA PLAYA SERENA – TORRE 200, the result of its operations, accumulated surplus and cash flows for the year then ended, in compliance with the International Financial Reporting Standards for Small and Medium Entities (IFRS for SMEs).

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Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to audits of financial statements in the Republic of Panama, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and adequate to provide our opinion.

Responsibilities of Management of the Entity for the financial statements

Management is responsible for the reasonable preparation of the financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities. Management is also responsible for designing, implementing, and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those in charge of governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on the financial statements.

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also consider the following:

- Identify and assess the risks of material misstatement of the financial statements due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Entity.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

We inform those charged with governance of the Entity regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We are responsible for the direction, supervision and execution of the Entity's audit. We are solely responsible for our audit opinion.

Sincerely yours,

CHEN, GORDÓN Y ASOCIADOS



Public Accountant Celia Rivera Carrión
Professional Licensed under N° 166-2004

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

ASAMBLEA DE PROPIETARIOS DE LA PH BAHÍA PLAYA SERENA - TORRE 200

STATEMENTS OF

financial position

As at December 31, 2020 and 2019

(Amounts expressed in balboas)

| | NOTES | 2020 | 2019 (UNAUDITED) |
|--|-------|----------------|---------------------|
| ASSETS | | | |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | 4 | 61.854 | 6.279 |
| Accounts receivable | 5 | 311.203 | 275.156 |
| Assets classified as held for sale | 6 | 225.000 | 257.500 |
| Property unit 5E in 100 Tower | 7 | 245.000 | 290.000 |
| Total current assets | | 843.057 | 828.935 |
| NON-CURRENT ASSETS: | | | |
| Account receivable from the Asamblea de Propietarios of PH Bahía Playa Serena | 8 | 32.367 | 32.367 |
| Furniture and equipment, net | 9 | 6.957 | 5.364 |
| Total non-current assets | | 39.324 | 37.731 |
| TOTAL ASSETS | | 882.381 | 866.666 |
| LIABILITIES AND ACCUMULATED SURPLUS | | | |
| CURRENT LIABILITIES: | | | |
| Accounts payable to suppliers | 10 | 3.951 | 7.458 |
| Account payable to the Asamblea de Propietarios of PH Bahía Playa Serena | 11 | 12.885 | 8.059 |
| Advances received - maintenance fees | 12 | 24.500 | 27.546 |
| Deposits to be identified | | 1.350 | 500 |
| Social Security payable | | 2.398 | 2.469 |
| Bahia Resort Corporation | 7 | 245.000 | 290.000 |
| Total current liabilities | | 290.085 | 336.031 |
| NON-CURRENT LIABILITIES: | | | |
| Accrual for severance benefits | 17 | 30.683 | 24.041 |
| Total non-current liabilities | | 30.683 | 24.041 |
| Total liabilities | | 320.768 | 360.073 |
| ACCUMULATED SURPLUS: | | | |
| Revenues over accrued expenses | | 561.614 | 506.594 |
| Total accumulated surplus | | 561.614 | 506.594 |
| TOTAL LIABILITIES AND ACCUMULATED SURPLUS | | 882.381 | 866.666 |

The accompanying notes are an integral part of these financial statements

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

ASAMBLEA DE PROPIETARIOS DE LA PH BAHÍA PLAYA SERENA - TORRE 200

STATEMENTS OF

Profit and loss for the year and accumulated surplus

For the years ended December 31, 2020 and 2019
(Amounts expressed in balboas)

| | NOTES | 2020 | 2019 (UNAUDITED) |
|---|-------|----------------|---------------------|
| REVENUES | | | |
| Condo maintenance fees from Co-owners | 13 | 355.800 | 357.300 |
| Extraordinary fee | 14 | - | 18.963 |
| Initial management fund | 15 | - | 12.000 |
| Other revenues | 16 | 1.911 | 16.476 |
| Total revenues | | 357.711 | 404.739 |
| OPERATING, GENERAL AND ADMINISTRATIVE EXPENSES | | | |
| Salaries and other remunerations | 17 | 112.857 | 112.455 |
| Basic services | 18 | 54.593 | 66.582 |
| Maintenance services | 19 | 28.046 | 26.324 |
| Security and surveillance services | | 22.628 | 22.998 |
| Repairs | 20 | 12.830 | 40.775 |
| Professional services | 21 | 13.619 | 17.499 |
| Loss from market value fluctuation and payment in kind received | 22 | 32.500 | 57.500 |
| Managed Restaurants | 16 | - | 11.883 |
| Cleaning products (including COVID-19 protection products) | | 5.648 | 6.798 |
| Pool chemicals and supplies | | 3.188 | 6.326 |
| Insurance expenses | | 3.483 | 3.468 |
| Minor tools and equipment | | 3.286 | 4.141 |
| Depreciation expense | 9 | 1.662 | 638 |
| Other | 23 | 8.352 | 11.518 |
| Total operating, general and administrative expenses | | 302.691 | 388.905 |
| Excess of revenues over expenses for the year | | 55.020 | 15.834 |
| Excess of revenues over expenses as of January 1 | | 506.594 | 490.760 |
| Excess of revenues over expenses as of December 31 | | 561.614 | 506.594 |

The accompanying notes are an integral part of these financial statements

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

ASAMBLEA DE PROPIETARIOS DE LA PH BAHÍA PLAYA SERENA - TORRE 200

STATEMENTS OF

Cash flows

For the years ended December 31, 2020 and 2019
(Amounts expressed in balboas)

| | NOTES | 2020 | 2019 (UNAUDITED) |
|--|----------|----------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Excess of revenues over expenses for the year | | 55.020 | 15.834 |
| Adjustments of non-cash revenues and expenses: | | | |
| Depreciation of furniture and equipment | 9 | 1.662 | 638 |
| Accrual for seniority premium and indemnity | 3 and 17 | 6.641 | 4.946 |
| Reserve for market value fluctuation and payment in kind of apartment 14D | 6 | 32.500 | 57.500 |
| Changes in operating assets and liabilities: | | | |
| (Increase) decrease in accounts receivable from co-owners | 5 | (36.048) | 219.722 |
| (Decrease) increase in accounts payable to suppliers | 10 | (3.507) | 7.177 |
| (Decrease) increase in advances received – Condo maintenance fees | | (3.046) | 27.546 |
| Increase in deposits to be identified | | 850 | 500 |
| (Decrease) increase in Social Security payable | | (71) | 1.178 |
| Increase in account payable to Bahia Resort Corporation | 7 | - | 268.025 |
| Cash flows from operating activities | | 54.002 | 603.065 |
| CASH FLOWS USED IN INVESTING ACTIVITIES | | | |
| Purchases of equipment | 9 | (3.255) | (5.549) |
| Cash flows from investing activities | | (3.255) | (5.549) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Increase in assets classified as held for sale | 6 | - | (315.000) |
| Increase due to investment in property unit 5E in 100 Tower | 7 | - | (290.000) |
| Increase in account payable to the Owners' Meeting of PH Bahía Playa Serena | | 4.827 | 6.859 |
| Cash flows from financing activities | | 4.827 | (598.141) |
| Net increase (decrease) in cash and cash equivalents | | 55.575 | (626) |
| Cash and cash equivalents at the beginning of year | | 6.279 | 6.905 |
| Cash and cash equivalents at the end of year | 4 | 61.854 | 6.279 |

The accompanying notes are an integral part of these financial statements

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

NOTES TO THE FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019
(Amounts expressed in balboas)

1- GENERAL INFORMATION

All content in this report is an English translation of its original Spanish language version. For all events, the version that prevails is the original in Spanish.

On May 26, 2014, by means of a public deed, Property number 419045 was incorporated into the condominium regime. This proceeding involved the segregation of each unit to form separate properties. Accordingly, the Owners' Meeting of Asamblea de Propietarios de la PH Bahía Playa Serena – Torre 200 arises (hereinafter referred to as the "Entity" or "Tower 200").

Tower 200 is built on a plot of land that is located in Nueva Gorgona, Chame District, Panama Oeste Province. One 30-story tower composed of 129 units, twenty-seven (27) of which are one-bedroom (1) units, seventy-six (76) of which are two-bedroom (2) units; twenty-six (26) of which are three-bedroom (3) units; one hundred and fifty-nine (159) parking spaces and fifty-one (51) storage spaces.

Tower 200 common areas in accordance with public deed are as follows:

- Swimming Pool
- Observation Deck
- Terrace
- Sport Courts
- Children's play area
- Restaurant
- Sport Bar

2- ACCOUNTING RECORDS AVAILABLE TO PREPARE THE FINANCIAL STATEMENTS

The accompanying financial information, as at and for the years ended December 31, 2020 and 2019, are the first financial statements prepared by the Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200 since its incorporation on May 26, 2014.

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

The accompanying financial information has been prepared with the following limitations:

I.- The financial information for years from 2014 to 2016 was requested to the predecessor custodians. The management did not receive any answer; accordingly, were unable to recover such data.

II.- The current administration keeps detailed information (incorporated into a software that is not an accounting record) from 2017 to current date.

Given the significant limitations to produce financial information that includes all the historical records of the entity, Management opted for recording the financial information by performing the following procedures:

- Record the opening balances, by taking December 31, 2018 as cutoff date. One month of data recorded for an approximate of 300 records.
- Record all the accounting information for 2019 in order to be able to produce financial statements that are comparative to 2020. Twelve months of accounting records for an approximate of 3,000 records.
- Record all the accounting information for 2020. Twelve months of accounting records for an approximate of 3,500 records.

In short, 25-month accounting data were recorded for approximately 6,800 accounting records.

The above-mentioned procedures gave as result the accompanying financial statements for the years ended 2019 and 2020.

Had the administration been able to have the accounting information for the years from 2014 to 2018 available (55 month accounting records) the results would have been different or significantly different to current results.

In accordance with the evaluation made, the main differences might have arisen in:

- Accounts receivable from or payable to the towers.
- Accumulated surpluses.
- Potential assets or liabilities in favor of or to the Property developer.

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

3.- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation – The financial statements have been prepared by the entity in accordance with international standards of accounting and reporting accepted in Panama (ISAR), which are based on International Financial Reporting Standards for Small and Medium-sized Entities (SMEs), 2017 version, as authorized by the International Accounting Standards Board (IASB).

The articles of the Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200 provides for a cutoff of its accounts and the preparation and publication of general-purpose financial statements once a year on December 31. For legal reporting purposes in Panama, the separate or individual financial statements are the only financial statements of entities.

The financial statements are presented in balboas, which is the functional currency of the entity. The balboa, the monetary unit of the Republic of Panama is at par and freely exchangeable with the United States dollar (US\$). The Republic of Panama does not issue its own paper currency and, in lieu, the dollar of the United States of America is used as legal tender.

Cash and cash equivalents – For the purpose of presentation in the statement of financial position, cash and cash equivalents includes cash on hand and cash in banks. Cash is not pledged.

Revenue recognition – Revenues from condominium maintenance fees are recognized as revenues using the accrual basis of accounting. They are generated for the established purposes, associated these purposes with the administration, conservation, repair of common goods and those of the same nature that are derived from the regulation of use and do not constitute reserves for other different purposes.

Expense recognition – Expenses are recognized in the statements of profit and loss when there is a decrease in future economic benefits related to decreases in an asset or increases in a liability that can be reliably measured. This implies that an expense is simultaneously recorded with the increase in liability or decrease in asset.

The entity recognizes expenses immediately when they do not generate future economic benefits or do not meet the requirements to be recorded as an asset.

Furniture and equipment – These assets are stated at cost; less accumulated depreciation and accumulated impairment losses.

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

Depreciation is calculated using the straight-line method based on the originally estimated useful lives of the assets. The following rates are used for depreciation:

- Restaurant furniture 20%
- Drinking water pump 20%
- Computers 33%
- Air conditioner 33%
- Printer 33%

Financial instruments – Financial assets and financial liabilities are recognized in the statement of financial position of the entity when they have become a party to the contractual provision of the instrument.

Accounts receivable – Accounts receivable include condominium maintenance fees (HOA) from co-owners, which are presented at their par value. The accounting records do not include any allowance for doubtful accounts because the good standing certificate granted by the entity hedges the collection of maintenance fees.

Trade accounts payable - Trade accounts payable do not explicitly bear interest and are initially recognized at fair value and subsequently they are carried at their amortized cost.

Classification of current and non-current financial assets and liabilities - Financial assets and liabilities shown in the statements of financial position are classified according to maturity as current and non-current depending on whether they are expected to be realized or settled within twelve months or less (current) or more than 12 months (non-current).

Accrual for severance benefits – Current labor regulations require that, at the end of the employment relationship, whatever its cause, the employer recognizes in favor of the employee a seniority premium at the rate of one week's salary for each year of service, for which the entity has established an accrual. In addition, Tower 200 is liable to pay employees who are dismissed without justifiable cause; for which a provision was recorded for the percentage required by labor regulations.

Tower 200 has created the accrual for severance benefits, which includes, in addition to the monthly portion corresponding to the employee's seniority premium, consisting of 1.92% of the total accrued salaries required by current labor regulations, 0.654% of salaries in respect of indemnity corresponding to 5% of the percentage required by regulations.

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

Use of estimates - The preparation of financial statements in conformity with accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and their accompanying notes. These estimates have been made based on information available at December 31 of each year on analyzed events and it is possible that future events compel their modification in the following periods.

Principles of Consolidation – The financial statements of Tower 200 include the financial statements of Bahía T1 Apto. 5E, S.A.

There is a controlling interest in this company since December 17, 2019 when the Property developer assigned 100% of its shares in such company. Bahía T1 Apto. 5E, S.A. has been inactive and owns a single asset, which is comprised of apartment 5E located in Tower 100.

4.- CASH AND CASH EQUIVALENTS

For reporting purposes of the statements of cash flows, cash and cash equivalents include cash and banks. Cash and cash equivalents at the end of the year, as shown in the statements of cash flows, may be reconciled with the related items in the statement of financial position as follows:

| | 2020 | 2019 |
|--|---------------|--------------|
| <i>Petty cash</i> | 200 | 200 |
| <i>Current account - Banco General</i> | 61.654 | 6.079 |
| Total | 61.854 | 6.279 |

Since the national emergency arose, Management created a cash reserve to cover any contingency that might occur during the pandemic. This cash reserve at December 31, 2020 is equivalent to approximately 3 months of expenses to be incurred by Tower 200.

5.- ACCOUNTS RECEIVABLE

Accounts receivable include condominium maintenance fees (HOA) from co-owners.

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

The aging of these accounts receivable is summarized below:

| | 2020 | 2019 |
|----------------------|----------------|----------------|
| <i>1 to 30 days</i> | 8.206 | 7.198 |
| <i>31 to 60 days</i> | 6.250 | 7.117 |
| <i>61 to 90 days</i> | - | - |
| <i>Over 90 days</i> | 296.747 | 260.840 |
| Total | 311.203 | 275.156 |

Management has not recorded an allowance for doubtful accounts, as maintenance fees are hedged with the same real estate unit that gives rise to it. Management has adopted the practice of not granting the good standing certificate to units that are not solvent with their payments. The solvency certificate (good standing) is an essential document to carry out purchase-sale transactions of properties.

Default interest

According to current legislation, a default interest of 20% is charged on maintenance fees in arrears. A maintenance fee is considered in default when the payment is 61 days past due.

During 2020, management, in agreement with the board of directors, decided to suspend the default charges, in response to the situation generated by the pandemic. Default interest payment could be reactivated on a prospective basis, without prior notice.

Debts of the Property developer

Accounts receivable include debts of the Property developer, which are described below:

| | 2020 | 2019 |
|----------------------|----------------|----------------|
| <i>1 to 30 days</i> | 5.050 | 3.200 |
| <i>31 to 60 days</i> | 5.050 | 6.200 |
| <i>61 to 90 days</i> | - | - |
| <i>Over 90 days</i> | 293.797 | 256.624 |
| Total | 303.897 | 266.024 |

On December 18, 2019, the condominium board presidents of both towers entered into a tripartite agreement with the Property developer. Under this agreement Bahía Resort Corporation acknowledged a debt for \$266,000 owed to Tower 200. This debt should be paid by assigning the shares of the entity named Bahía T1 APTO 5E, S.A., the single owner of apartment 5E located in Tower 100 of this property.

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

One clause of such tripartite agreement set forth that the parties agreed that the Property developer should pay the debt owed to Tower 100 of B/. 40,000 and Tower 200 for an amount of B/. 266,000, B/. 306,000 in total, immediately after the ratification of this tripartite agreement by both towers.

The regular annual co-owners' meetings were held on January 25, 2020 (Tower 100 and Tower 200). The meeting agenda included the approval of the above-mentioned tripartite agreement; however, several owners requested to leave evidence of their nonconformity in the minutes as to the way the tripartite agreement was carried out, reason for which it was decided that the owners concerned should form a group to examine the agreement and then submit their opinions. Then, the tripartite agreement was excluded from the agenda of the day and accordingly, it was not perfected and becomes unenforceable.

Though the tripartite agreement signed by the condo board presidents of both towers and the Property developer provided that the owners' meeting should be expected to ratify this agreement on December 18, 2019, the Property developer assigned, in favor of Tower 200, the shares held by Bahía T1 APTO 5E, S.A., being 200 Tower the current owner of apartment 5E, although the agreement had not been perfected.

The debtor also agreed to deliver one storage space and one covered tandem parking space through this transaction to be incorporated into the property unit 14D in Tower 200.

Therefore, the accounting records show the accumulated debt of the developer until the aforementioned situation of the tripartite agreement is not resolved between the parties involved.

6.- ASSETS CLASSIFIED AS HELD FOR SALE

At July 31, 2018, the Property developer had accumulated debts for maintenance fees totaling \$315,000. For purposes of honoring that accrued liability, the debtor offered the delivery of one of its property units located in Tower 200, i.e., apartment 14D.

The Board of Directors convened an extraordinary co-owners' meeting on August 4, 2018, to decide whether to accept this payment proposal. At that meeting the majority of co-owners decided to accept that property unit for the assigned value of \$315,000.

Subsequently, the legal delivery of that property unit was recorded in July 2019. At that date, the value of the asset, according to appraisal made, was \$270,000 so a loss from payment in kind of \$45,000 resulted from this operation.

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

Two new appraisals were obtained for the years ended December 31, 2019 and 2020, which gave as result that the market value of this asset was \$257,500 at December 31, 2019 and \$225,000 at December 31, 2020. Therefore, an impairment loss of that asset of \$12,500 was recorded for the year ended 2019, while the additional loss recorded for the year ended 2020 was \$32,500.

This transaction is summarized below:

| | At assigned value | Less loss | At market value |
|--------------------------|--------------------------|------------------|------------------------|
| <i>July 31, 2019</i> | <i>315.000</i> | <i>45.000</i> | <i>270.000</i> |
| <i>December 31, 2019</i> | <i>270.000</i> | <i>12.500</i> | <i>257.500</i> |
| <i>December 31, 2020</i> | <i>257.500</i> | <i>32.500</i> | <i>225.000</i> |

The loss at July 31, 2019 originates from the accepted values of that payment in kind. While the two additional losses, one at December 31, 2019 and the other at December 31, 2020, were caused by an impairment in market value.

7.- PROPERTY UNIT 5E IN 100 TOWER

On December 17, 2019, the condominium board presidents of Tower 100 and Tower 200 entered into a tripartite agreement with Bahía Resort Corporation. Under the agreement the parties agreed that Bahía Resort Corporation would pay the debt for a total amount of \$306,000 owed to both towers. This would be effective after the ratification of that tripartite agreement by the owners' meeting.

To this purpose, Bahía Resort Corporation would transfer the shares of Bahía T1 APTO 5E, S.A., the owners' meeting of which was the owner of apartment 5E, located in 100 Tower.

Since such transfer depended on the approval of the tripartite agreement by the co-owners, the transfer of shares of that entity had to occur at a date after its ordinary annual meeting. This meeting took place on January 25, 2020.

However, 40 days before the regular annual meeting of co-owners, 100% of the shares of Bahía T1 APTO 5E, S.A. were transferred in favor of 200 Tower. Consequently, that entity became the sole owner of that company and indirectly the owner of 5E apartment located in 100 Tower.

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

Subsequently, on January 25, 2020, the co-owners did not ratify the tripartite agreement; therefore, the agreement was not perfected and became unenforceable.

Due to these events Tower 200 ended up owning an asset (the shares of Bahía T1 APTO 5E, S.A.) with a carrying value of \$290,000 (a value that is equal to the market value of apartment 5E, at December 31, 2019) and, in contrast, an equivalent debt with Bahia Resort Corporation. This was the operation because there was no way to apply it to the Property developer's debt for \$306,000 as long as the tripartite agreement is not accepted, amended or otherwise *ipso jure* resolved.

At December 31, 2020, the market value of apartment 5E was \$245,000 i.e., the value assigned to the investment in the associate, with balancing entry in liabilities in favor of the Property developer.

Since the Asamblea de Propietarios de la PH Bahía Playa Serena – Torre 200 is the sole owner of Bahía T1 APTO 5E, S.A., the underlying asset rather than the investment is shown when presenting the financial statements, since it is eliminated in the consolidation.

8.- ACCOUNT RECEIVABLE FROM ASAMBLEA DE PROPIETARIOS DE LA PH BAHÍA PLAYA SERENA

The account receivable from Asamblea de Propietarios de la PH Bahía Playa Serena corresponds to cash delivered by Tower 200 to Tower 100, to complete the cash flow required to reimburse the painting expense of 100 Tower. This operation is in the understanding that Tower 100 is liable to contribute, with an equal sum of money, at the time or opportunity when 200 Tower decides to paint its external structure.

This debt has no defined maturity and is non-interest bearing. It is classified as long-term as it is expected to be payable after December 31, 2021.

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

9.- FURNITURE AND EQUIPMENT, NET

Furniture and equipment, net are composed as follows:

| | Restaurant furniture | Drinking water pump | Air conditioner | Office equipment | Total |
|---------------------------------|-------------------------|------------------------|-----------------|---------------------|--------|
| Cost | | | | | |
| December 31, 2018 | - | - | - | 563 | 563 |
| Additions for the year | 5.549 | - | - | - | 5.549 |
| December 31, 2019 | 5.549 | - | - | 563 | 6.112 |
| Additions for the year | - | 1.197 | 522 | 1.535 | 3.255 |
| December 31, 2020 | 5.549 | 1.197 | 522 | 2.098 | 9.367 |
| Accumulated depreciation | | | | | |
| December 31, 2018 | - | - | - | -109 | -109 |
| Annual depreciation | -451 | - | - | -188 | -638 |
| December 31, 2019 | -451 | - | - | -297 | -748 |
| Annual depreciation | -1.082 | -80 | -43 | -457 | -1.662 |
| December 31, 2020 | -1.533 | -80 | -43 | -754 | -2.410 |
| Carrying value | | | | | |
| December 31, 2020 | 7.082 | 1.118 | 478 | 1.345 | 6.957 |
| December 31, 2019 | 5.098 | - | - | 266 | 5.364 |

10.- ACCOUNTS PAYABLE TO SUPPLIERS

They correspond to accounts payable to providers of consumables and services. These accounts payable are generated during the normal course of daily operations. They are non-interest bearing, their maturity ranges between 30 and 60 days.

11.- ACCOUNT PAYABLE TO ASAMBLEA DE PROPIETARIOS DE LA PH BAHÍA PLAYA SERENA

The account payable to the Asamblea de Propietarios de la PH Bahía Playa Serena is composed as follows:

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

- Short-term loan granted in November 2019 for \$3,000, to complete the payroll payable to the employees of the Owners' Meeting of PH Bahía Playa Serena- Torre 200.
- An account payable for \$3,000, equivalent to twelve condominium maintenance fees for 2020 of apartment 5E, owned by Bahía T1 APTO 5E, S.A., a company owned by the Owners' Meeting of PH Bahía Playa Serena - Torre 200.
- A net balance payable for \$6,885 (December 31, 2019 B / .5,059), resulting from operating expenses incurred during 2020. The expenses for the common areas are distributed in equal portions to each tower. Then, at year-end, the common expenses are equally distributed between the towers for years 2019 and 2020.

These accounts do not include cash flows that might have been generated in prior years to 2019 due to the limitations mentioned in note 2 to these financial statements.

12.- ADVANCES RECEIVED – CONDO MAINTENANCE FEES

They correspond to condominium maintenance fees paid in advance by co-owners. These prepaid condominium maintenance fees shall be earned as revenues during 2021. Condominium maintenance fees collected in advance are non-interest bearing.

13.- CONDO MAINTENANCE FEES OF CO-OWNERS

Revenues from condominium maintenance fees (HOA) are categorized by type of property unit as follows:

| | 2020 | 2019 |
|-------------------------|----------------|----------------|
| <i>Apartment Type A</i> | <i>72.000</i> | <i>72.000</i> |
| <i>Apartment Type B</i> | <i>75.000</i> | <i>75.000</i> |
| <i>Apartment Type C</i> | <i>21.600</i> | <i>21.600</i> |
| <i>Apartment Type D</i> | <i>78.000</i> | <i>79.500</i> |
| <i>Apartment Type E</i> | <i>75.000</i> | <i>75.000</i> |
| <i>Apartment Type F</i> | <i>34.200</i> | <i>34.200</i> |
| Total | 355.800 | 357.300 |

14.- EXTRAORDINARY CONDO MAINTENANCE FEE

In February 2019, an inspection was carried out in pool number 3. As a result, a technical report was obtained, which stated that the metal structure surrounding that pool was completely corroded; therefore, it was required to replace the entire base and the floor built above it.

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

The total cost of the repair was \$40,653, being equally distributed between the two towers. In order to complete the expenditure that corresponded to Tower 200 in March 2019, each apartment was notified of an extraordinary fee of \$147. This fee was honored by the 129 property units of 200 Tower. Repairs began in July 2019 and ended in September of the same year.

15.- INITIAL MANAGEMENT FUND

The initial management fund corresponds to the contractual clause, included in the purchase-sale documents of property units, which, upon each sale, originates an amount of \$3,000 in favor of the entity. The amount generated during the year ended December 31, 2019 corresponds to the contribution for the sale of four property units during 2019.

16.- OTHER REVENUES

Other revenues include the following items:

| | 2020 | 2019 |
|------------------------------|--------------|---------------|
| <i>Default interest</i> | 929 | 4.890 |
| <i>Penalties</i> | - | 175 |
| <i>Cards and tokens</i> | 502 | 1.070 |
| <i>Beach access controls</i> | - | 60 |
| <i>Food and beverages</i> | - | 10.169 |
| <i>Other</i> | 481 | 112 |
| Total | 1.911 | 16.476 |

Sales managed by the residential complex itself, made during the periods in which the restaurants were not granted in concession to third parties are reported within food and beverage caption.

The loss during the year ended December 31, 2019 from the sale of food and beverages is as follows:

| | |
|------------------------------------|---------------|
| <i>Sales of food and beverages</i> | 10.169 |
| <i>Costs incurred</i> | -11.883 |
| Net loss | -1.714 |

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

During the year ended December 31, 2020, the three restaurants were granted as concessions to a third party.

Due to the pandemic, there was no standardized activity and therefore the openings and closures of the restaurants were fluctuating as required by the government and the flow of diners. During 2020, restaurants generated neither revenues nor expenses.

17.- SALARIES AND OTHER REMUNERATIONS

Expenses for salaries and other remunerations for the year ended December 31 are detailed below:

| | 2020 | 2019 |
|---------------------------------|----------------|----------------|
| Salaries | 70.409 | 67.735 |
| Vacations | 6.451 | 6.506 |
| Overtime hours | 99 | 749 |
| Paid extra for working Sundays | 2.212 | 3.090 |
| Thirteenth month | 7.250 | 6.750 |
| Productivity premium | 3.000 | 2.975 |
| Seniority premium | 1.536 | 1.511 |
| Indemnity | 5.225 | 5.140 |
| Notice | 200 | 527 |
| Paid extra for working holidays | 3.216 | 2.718 |
| Employer's Social Security | 10.021 | 11.445 |
| Employer's Education Security | 1.242 | 1.277 |
| Employer's Professional Risk | 1.286 | 1.218 |
| Employer's Thirteenth month | 614 | 747 |
| Penalties and/or extra payments | 95 | 67 |
| Total | 112.857 | 112.455 |

The movement of the accrual for severance benefits has been as follows:

| | Accrual of Seniority | Accrual of Indemnity | Total Accruals |
|--------------------------------|-------------------------|-------------------------|-------------------|
| Provision at December 31, 2018 | 4.339 | 14.757 | 19.095 |
| Accruals for the year | 1.124 | 3.822 | 4.946 |
| Payments for the year | - | - | - |
| Provision at December 31, 2019 | 5.463 | 18.579 | 24.041 |
| Accruals for the year | 1.338 | 5.303 | 6.641 |
| Payments for the year | - | - | - |
| Provision at December 31, 2020 | 6.801 | 23.882 | 30.683 |

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

18.- BASIC SERVICES

Basic services comprise the following:

| | 2020 | 2019 |
|--|---------------|---------------|
| <i>Electricity</i> | 30.477 | 40.672 |
| <i>Drinking water</i> | 7.566 | 7.517 |
| <i>Garbage collection service</i> | 3.305 | 3.689 |
| <i>Internet connection and telephony</i> | 1.009 | 1.682 |
| <i>Diesel</i> | 2.842 | 4.529 |
| <i>Domestic gas</i> | 9.394 | 8.492 |
| Total | 54.593 | 66.582 |

19.- MAINTENANCE SERVICES

Maintenance services include the following contracts:

| | 2020 | 2019 |
|--|---------------|---------------|
| <i>Elevators</i> | 13.643 | 14.740 |
| <i>Wastewater treatment plant</i> | 3.472 | 4.612 |
| <i>Power plant</i> | 3.214 | 3.505 |
| <i>Fire alarm and CCTV</i> | 2.247 | 1.418 |
| <i>Fire and drinking water pumps</i> | 1.523 | 842 |
| <i>Artificial lake</i> | 211 | 198 |
| <i>Office equipment</i> | 192 | 37 |
| <i>Gardening equipment</i> | 25 | 219 |
| <i>Fire extinguishers</i> | 519 | 580 |
| <i>Gym</i> | - | 173 |
| <i>Maintenance fees - Apartment 5E</i> | 3.000 | - |
| Total | 28.046 | 26.324 |

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

20.- REPAIRS

Repairs are composed as follows:

| | 2020 | 2019 |
|------------------------------------|---------------|---------------|
| <i>Pools</i> | 1.343 | 27.212 |
| <i>Gym and Spa</i> | 67 | 2.232 |
| <i>Building</i> | 1.987 | 3.171 |
| <i>Social Area and Common Area</i> | 4.445 | 5.691 |
| <i>Video games</i> | 3 | 233 |
| <i>Air Conditioners</i> | 405 | 110 |
| <i>Tennis Court</i> | 64 | 80 |
| <i>Children's Park and Lounge</i> | 109 | 446 |
| <i>Beach area</i> | 378 | 627 |
| <i>Renovation of lobby area</i> | 3.970 | - |
| <i>Other</i> | 59 | 974 |
| Total | 12.830 | 40.775 |

21.- FEES

Expenses incurred in fees are comprised as follows:

| | 2020 | 2019 |
|--|---------------|---------------|
| <i>Legal Services</i> | 3.243 | 1.792 |
| <i>Lifeguard</i> | 1.650 | 3.660 |
| <i>Engineering service</i> | - | 875 |
| <i>Courier service</i> | 723 | 753 |
| <i>Temporary security</i> | 1.445 | 1.165 |
| <i>Other (mainly staff hired on a temporary basis)</i> | 6.559 | 9.254 |
| Total | 13.619 | 17.499 |

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

22.- LOSSES FROM PAYMENT IN KIND AND IMPAIRMENT OF MARKET VALUE OF PROPERTY RECEIVED IN PAYMENT

Losses from payment in kind and impairment of market value of property received in payment are as follows:

| | 2020 | 2019 |
|---|---------------|---------------|
| Loss incurred in payment in kind received for apartment 14D | - | 45.000 |
| Loss from market value fluctuation of apartment 14D | 32.500 | 12.500 |
| Total | 32.500 | 57.500 |

23.- OTHER EXPENSES

Other expenses comprise the following items:

| | 2020 | 2019 |
|--|--------------|---------------|
| Transportation services | 475 | 1.329 |
| Bank Charges | 369 | 773 |
| Appraisals, certifications and property taxes | 1.428 | 130 |
| Uniforms for staff | 648 | 1.111 |
| Software, licenses and other technology expenses | 1.040 | 1.419 |
| Fumigation services | 1.094 | 1.626 |
| Office supplies | 302 | 774 |
| Prints, signs and bracelets | 1.069 | 966 |
| Board of Directors' and co-owners' meetings | 714 | 213 |
| Gardening supplies | 460 | 1.618 |
| Employee care | 621 | 712 |
| Entertainment and other activities | 27 | - |
| Christmas party | 105 | 848 |
| Total | 8.352 | 11.518 |

24.- INCOME TAXES

PH's registered under the condominium regulation regime, in accordance with article 31 of Law 13 enacted on April 28, 1993, as amended by Law 39 enacted on August 5, 2002, are tax-exempted because their purpose is to comply with the obligations associated with the management, preservation, and repair of common assets and those similar obligations kept within the parameters of the regulatory regime of condominiums and have no profit purposes.

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

25.- COVID-19

On January 30, 2020, the World Health Organization (WHO) declared the outbreak of the new SARS-CoV-2 or COVID-19 as a "Public Health Emergency of International Concern". On March 11, 2020, WHO confirmed that the COVID-19 outbreak reached pandemic level, which could significantly affect all countries. In order to deal with this international public health emergency, the Panamanian government adopted various containment measures, aimed at restricting the free movement of persons, including quarantine, social isolation, temporary closure of companies and businesses, among other measures. The Government of Panama also took steps to preserve access to essential services during this health emergency, such as water and electricity, especially for lower-income residential customers, small and medium-sized enterprises, and institutions that provide other essential services, such as health facilities. These measures relate to temporary suspension of power outage due to non-payment and deferral of payment of electricity bills for a certain number of months, without interest or penalties chargeable to customers.

Tower 200 adopted procedures to prevent or mitigate the effects of COVID-19 contagion on the labor field, while ensuring the continuity of the day-to-day operations of the residential complex. This has been made possible thanks to the use of telework, for employees whose work can be carried out remotely and other measures at the individual level, for each type of activity that takes place on a daily basis in this residential complex.

All of Tower 200's efforts remain focused on ensuring proper and safe operations, while safeguarding the health and safety of employees and residents, by meeting the various measures to contain the pandemic.

In relation to the degree of uncertainty generated within the macroeconomic and financial environment in which the entity operates and its effects on profits and losses at December 31, 2020, there has been a slight increase in the delinquency of maintenance fees and an impairment of the value of their properties.

26.- FINANCIAL RISKS

On March 13, 2020, the Government of Panama declared a state of national emergency as a result of the effects generated by the infectious disease COVID-19 caused by coronavirus.

Thereafter, Tower 200 implemented a plan to mitigate the financial risks associated with that state of emergency. A sensitivity analysis was developed for this purpose. A sensitivity analysis is a management tool that allows the entity to foresee expected results based on a number of variables, thus helping to understand uncertainties, limitations and scopes of the state of emergency in terms of their financial effects.

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

Financial risks that were considered in the analysis follow:

- *Liquidity risk.* This risk refers to the possibility of incurring losses for not having sufficient cash to meet committed payment obligations when due and not being able to carry out normal activities under the usual conditions.
- *Credit risk.* This risk refers to the possibility of suffering a loss because of a default by our counterparty in a financial transaction, that is, the risk that we would not be able to collect monthly maintenance fees.
- *Market risk.* It is a systemic risk arising from the condition of global market uncertainty that affects, to a greater or lesser degree, all existing assets in the economy.

In order to have a risk control tool a simulation model was developed, based on three scenarios i.e., optimistic, probable and pessimistic. For each of them, a number of variables were taken into account that, if given, led to economic-financial strategies in line with the scenario that was generated, as the pandemic progressed.

The evolution of the pandemic between March and December 2020 had a development that allowed us to operate in the probable scenario during all the months.

At December 31, 2020, the conclusion of the risks is as follows:

- *Liquidity risk.* Tower 200 has operated and continues to operate with a reasonable margin of liquidity. Policies require the preparation of monthly revenue and expense budgets. Therefore, an expense is agreed only if the month's cash flow covers it. In addition, the Board of Directors agreed to maintain a cash reserve of no less than two months of expenses, determined on the basis of the average disbursements of the previous months. In conclusion, liquidity risk is appropriately mitigated at the end of the 2020 financial year.
- *Credit risk.* Maintenance fees receivable have been monitored throughout 2020. The delinquency statistics, compared to those of the previous year, allow for concluding that there has been no significant change in delinquency. Co-owners in default are basically the same as before the national emergency. Therefore, the conclusion is that at the end of the 2020 financial year the credit risk has not disproportionately increased.
- *Market risk.* Market prices have had the evolution specified below. Tower 200 owns non-monetary assets and is therefore exposed to market value fluctuations or impairment, in its statement of profit and loss. The loss for the year ended December 31, 2020, due to impairment in the market value of the property unit 14D, was \$32,500. Finally, as additional data, based on available information, the value of the square meter has evolved from approximately \$2,028 at December 31, 2019 to \$1,772 at December 31, 2020. That value fluctuates depending on the quality of the property and the view it offers

The conclusion on risks, at December 31, 2020, might change in the future, as these are dynamic variables that require constant monitoring and measurement, in order to have an appropriate risk mitigation plan.

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

27.- SUBSEQUENT EVENTS

From January 1, 2021 to the date of issuance of these financial statements, we are not aware of any financial or any other events that significantly affect the financial position and the results presented.

28.- APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by management and the current board of directors and authorized for issuance on March 17, 2021.

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

ASAMBLEA DE PROPIETARIOS DE LA PH BAHÍA PLAYA SERENA - TORRE 200 and PH BAHIA PLAYA SERENA

COMBINED STATEMENT OF

financial position

As at December 31, 2020
(Amounts expressed in balboas)

| | Asamblea de Propietarios de la PH Bahía Playa Serena | Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200 | Eliminations | | Combined Statement of Financial Position |
|--|---|---|---------------|---------------|--|
| | | | Dr | Cr | |
| ASSETS | | | | | |
| CURRENT ASSETS: | | | | | |
| Cash and cash equivalents | 46.908 | 61.854 | - | - | 108.761 |
| Accounts receivable | 68.206 | 311.203 | - | - | 379.409 |
| Account receivable from Asamblea de propietarios of PH Bahía Playa Serena - Torre 200 | 12.885 | - | - | 12.885 | - |
| Assets classified as held for sale | - | 225.000 | - | - | 225.000 |
| Property unit 5E in 100 Tower | - | 245.000 | - | - | 245.000 |
| Total current assets | 127.999 | 843.057 | - | 12.885 | 958.171 |
| NON-CURRENT ASSETS: | | | | | |
| Account receivable from Asamblea de Propietarios of PH Bahía Playa Serena | - | 32.367 | - | 32.367 | - |
| Furniture and equipment, net | 8.819 | 6.957 | - | - | 15.776 |
| Total non-current assets | 8.819 | 39.324 | - | 32.367 | 15.776 |
| TOTAL ASSETS | 136.818 | 882.381 | - | 45.252 | 973.947 |
| LIABILITIES AND ACCUMULATED SURPLUS | | | | | |
| CURRENT LIABILITIES: | | | | | |
| Accounts payable to suppliers | 6.173 | 3.951 | - | - | 10.124 |
| Account payable to the Asamblea de Propietarios of PH Bahía Playa Serena | - | 12.885 | 12.885 | - | - |
| Advances received - maintenance fees | 18.357 | 24.500 | - | - | 42.857 |
| Deposits to be identified | 2.850 | 1.350 | - | - | 4.200 |
| Social Security payable | 2.108 | 2.398 | - | - | 4.506 |
| Bahia Resort Corporation | - | 245.000 | - | - | 245.000 |
| Total current liabilities | 29.487 | 290.085 | 12.885 | - | 306.687 |
| NON-CURRENT LIABILITIES: | | | | | |
| Accounts payable to the Asamblea de Propietarios of PH Bahía Playa Serena - Torre 200 | 32.367 | - | 32.367 | - | - |
| Accrual for severance benefits | 25.369 | 30.683 | - | - | 56.052 |
| Total non-current liabilities | 57.736 | 30.683 | - | - | 56.052 |
| Total liabilities | 87.224 | 320.768 | 45.252 | - | 362.739 |
| ACCUMULATED SURPLUS: | | | | | |
| Revenues over accrued expenses | 49.594 | 561.614 | - | - | 611.208 |
| Total accumulated surplus | 49.594 | 561.614 | - | - | 611.208 |
| TOTAL LIABILITIES AND ACCUMULATED SURPLUS | 136.818 | 882.381 | 45.252 | - | 973.947 |

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

ASAMBLEA DE PROPIETARIOS DE LA PH BAHÍA PLAYA SERENA - TORRE 200 and PH BAHIA PLAYA SERENA

COMBINED STATEMENT OF

Profit and loss for the year and accumulated surplus

For the year ended December 31, 2020

(Amounts expressed in balboas)

| | Asamblea de | Asamblea de | Eliminations | | Combined Statement of Profit and Loss and Accumulated Surplus |
|---|--|--|--------------|----------------|---|
| | Propietarios de la PH Bahía Playa Serena | Propietarios de la PH Bahía Playa Serena - Torre 200 | Dr | Cr | |
| REVENUES | | | | | |
| Condo maintenance fees from Co-owners | 319.200 | 355.800 | 3.000 | - | 672.000 |
| Other revenues | 857 | 1.911 | - | - | 2.768 |
| Total revenues | 320.057 | 357.711 | 3.000 | - | 674.768 |
| OPERATING, GENERAL AND ADMINISTRATIVE EXPENSES | | | | | |
| Salaries and other remunerations | 112.857 | 112.857 | - | - | 225.713 |
| Basic services | 56.131 | 54.593 | - | - | 110.724 |
| Maintenance services | 29.107 | 28.046 | - | 3.000 | 54.153 |
| Security and surveillance services | 22.628 | 22.628 | - | - | 45.256 |
| Repairs | 22.286 | 12.830 | - | - | 35.116 |
| Professional services | 12.523 | 13.619 | - | - | 26.142 |
| Loss from market value fluctuation and payment in kind received | - | 32.500 | - | - | 32.500 |
| Cleaning products (including COVID-19 protection products) | 5.648 | 5.648 | - | - | 11.296 |
| Pool chemicals and supplies | 3.188 | 3.188 | - | - | 6.376 |
| Insurance expenses | 3.304 | 3.483 | - | - | 6.787 |
| Minor tools and equipment | 3.286 | 3.286 | - | - | 6.572 |
| Depreciation expense | 1.785 | 1.662 | - | - | 3.447 |
| Other | 6.914 | 8.352 | - | - | 15.266 |
| Total operating, general and administrative expenses | 279.657 | 302.691 | - | 3.000 | 579.347 |
| Excess of revenues over expenses for the year | 40.401 | 55.020 | 3.000 | (3.000) | 95.421 |
| Excess of revenues over expenses as of January 1 | 9.194 | 506.594 | - | - | 515.787 |
| Excess of revenues over expenses as of December 31 | 49.594 | 561.614 | 3.000 | (3.000) | 611.208 |

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

Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200

1- ADDITIONAL FINANCIAL INFORMATION. COMBINED FINANCIAL STATEMENTS

The combined financial statements of the Owners' Meeting of PH Bahía Playa Serena and the Owners' Meeting of PH Bahía Playa Serena – Torre 200 have been prepared by management for purposes of additional analysis. This information is prepared in conformity with the basis set forth for the preparation of financial statements presented as basic information.

The combined financial statements are those showing the operating results and financial position of both towers, as if they were a single economic unit. In addition, they express the strength of the two entities that are part of the combination, both of assets and liabilities, and of the results obtained.

The combination of the financial statements provides co-owners with a more comprehensive view of the combined statement of financial position and the statement of revenues and expenses, which would not have been possible to represent otherwise as a whole.

