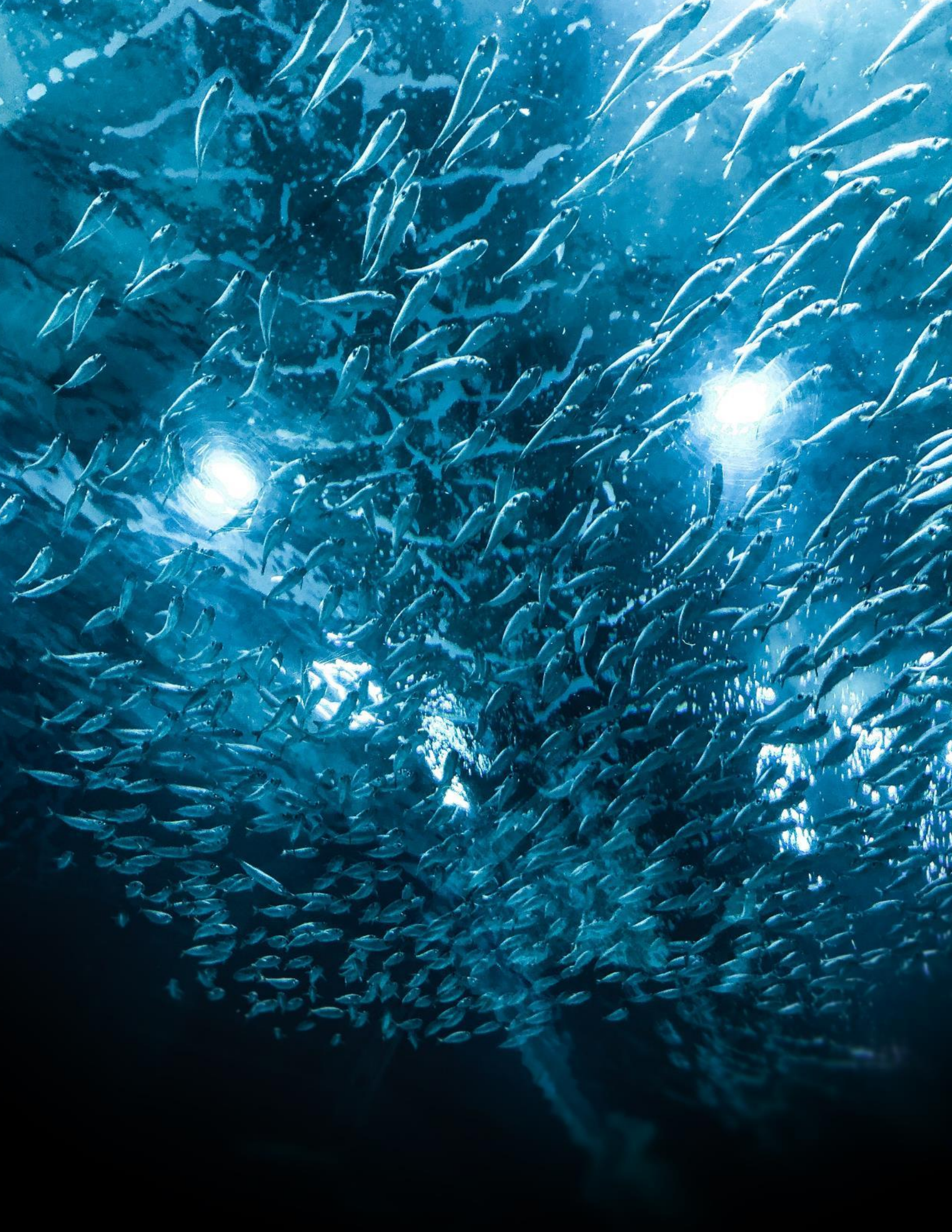




Annual report 2021

Asamblea de Propietarios de la PH Bahía Playa Serena

1. Letter to the Board of Directors
2. Independent Auditors' Report
3. Audited Financial Statements



Financial statements for the years ended December 31, 2021 and 2020

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Nueva Gorgona, May 2, 2022

Dear owners,
PH Bahía Playa Serena

Dear Owners,

Hereby and in accordance with the provisions of articles 49, numeral 14, article 62, article 80, second numeral and article 89 of Law 284 dated February 14, 2022, which establishes the horizontal property regime, we are pleased to provide you with the attached audited financial statements as of and for the year ended December 31, 2021 and 2020.

In terms of the pandemic situation and from an economic point of view, the year ended December 31, 2021 was much better than the previous year. During 2021, the spread of COVID-19 slowed as a result of vaccination, with 73 percent of the population at least partially vaccinated. The Omicron variant triggered a new spike, but the number of new cases dropped by 85 percent. Economically, according to World Bank data, Panama's GDP has recovered from the COVID-19 crisis with a growth of 15.3 percent in 2021.

Regarding the financial performance of the Assembly of Owners of the PH Bahía Playa Serena, during the twelve-month period ended December 31, 2021, revenues reached a total of B/.321,634, just B/.1,577 higher than the of the year 2020, while the expenses totaled B/.349,448, an increase of B/.69,791 with respect to those of the year 2020. Thus, in the year 2021 we had an excess of expenses over income of B/.27,814 and a negative cash flow of B/.17,614. The greater demand for expenses was supported during the year 2021 with the cash surpluses that were accumulated during the year 2020.

We hope that the attached audited report will allow you to evaluate the financial situation of our PH.

Finally, we want to express our gratitude to all the owners for the continuous support we have received since the beginning of this management.

Sincerely,

Board of Directors

Asamblea de Propietarios de la PH Bahía Playa Serena



CHEN, GORDÓN
Y ASOCIADOS

DESDE 1977

Luis Chen González
Gustavo Gordón Lay
Gonzalo Justiniani Ramírez
Gil Ng Arcia
Celia Rivera Carrión
Vanessa Chen Aguilera
Jorge Bethancourth Batista

INDEPENDENT AUDITORS' REPORT

April 29, 2022

To the Board of Directors and
ASAMBLEA DE PROPIETARIOS DE LA P.H. BAHÍA PLAYA SERENA
Panama, Republic of Panama

Dear all:

Opinion

We have examined the financial statements of ASAMBLEA DE PROPIETARIOS DE LA P.H. BAHÍA PLAYA SERENA (hereinafter the "Entity"), which are comprised by the balance sheet as of December 31, 2021, 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.

In our opinion, the aforementioned financial statements present reasonably, in all material aspects, the financial situation as of December 31, 2021 for the ASAMBLEA DE PROPIETARIOS DEL P.H. BAHIA PLAYA SERENA, 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).

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.

CONTADORES PÚBLICOS - AUDITORES INDEPENDIENTES - CONSULTORES - SERVICIOS PERICIALES
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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.

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.

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.

Report on Other Legal and Regulatory Requirements

In compliance with the requirements in article 13 of Law No. 280 of December 30, 2021, which regulates the public accountant profession in the Republic of Panama, we declare that the independent audit work we carried out for the Entity, was executed physically in Panamanian territory, as well as, informing that the audit team was constituted by: Celia Rivera Carrión (Partner In Charge), Jorge Bethancourth, and Graciela Rudas.

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

STATEMENT OF

Financial position

As of December 31, 2021 and 2020
(Amounts expressed in balboas)

	NOTES	2021	2020
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	4	29,293	46,908
Accounts receivable	5	20,459	68,206
Account receivable from Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200	6	17,429	12,885
Total current assets		67,182	127,999
NON-CURRENT ASSETS:			
Furniture and equipment, net	7	19,655	8,819
Total non-current assets		19,655	8,819
TOTAL ASSETS		86,837	136,818
LIABILITIES AND ACCUMULATED SURPLUS			
CURRENT LIABILITIES:			
Accounts payable to suppliers	8	12,525	6,173
Advances received - condo maintenance fees	9	17,173	18,357
Deposits to be identified		2,830	2,850
Social Security payable		2,643	2,108
Total current liabilities		35,172	29,487
NON-CURRENT LIABILITIES:			
Account payable to Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200	10	-	32,367
Accrual for severance benefits	13	29,884	25,369
Total non-current liabilities		29,884	57,736
Total liabilities		65,056	87,224
ACCUMULATED SURPLUS:			
Revenues over accrued expenses		21,781	49,595
Total accumulated surplus		21,781	49,595
TOTAL LIABILITIES AND ACCUMULATED SURPLUS		86,837	136,818

The accompanying notes are an integral part of these financial statements

ASAMBLEA DE PROPIETARIOS DE LA PH BAHÍA PLAYA SERENA

STATEMENTS OF

Profit and loss for the year
and accumulated surplus

For the years ended December 31, 2021 and 2020
(Amounts expressed in balboas)

	NOTES	2021	2020
REVENUES			
Condo maintenance fees	11	319,200	319,200
Other revenues	12	2,434	857
Total revenues		321,634	320,057
OPERATING, GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries and other remunerations	13	123,182	112,857
Basic services	14	70,112	56,131
Maintenance services	15	34,988	29,107
Security and surveillance services		22,916	22,628
Repairs	16	36,258	22,286
Fees	17	26,906	12,523
Cleaning products		5,874	5,648
Pool chemicals and supplies		4,561	3,188
Insurance expenses		4,256	3,304
Minor tools and equipment		5,718	3,286
Depreciation expense		3,847	1,785
Other expenses	18	10,832	6,914
Total operating, general and administrative expenses		349,448	279,657
(Deficit) excess of revenues over expenses for the year		(27,814)	40,401
Excess of revenues over expenses as of January 1		49,595	9,194
Excess of revenues over expenses as of December 31		21,781	49,595

The accompanying notes are an integral part of these financial statements

ASAMBLEA DE PROPIETARIOS DE LA PH BAHÍA PLAYA SERENA

STATEMENTS OF
Cash flows

For the years ended December 31, 2021 and 2020
(Amounts expressed in balboas)

	NOTES	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit) excess of revenues over expenses for the year		(27,814)	40,401
Adjustments of non-cash revenues and expenses:			
Depreciation of furniture and equipment	7	3,846	1,786
Accrual for seniority premium and indemnity	13	6,100	5,949
Changes in operating assets and liabilities:			
Decrease (increase) in accounts receivable from owners		47,747	(15,096)
Increase (decrease) in accounts payable to suppliers		6,353	(695)
Decrease in advances received - condo maintenance fees		(1,183)	(2,470)
(Decrease) increase in deposits to be identified		(20)	2,600
Increase in Social Security payable		536	197
Decrease in accounts payable to Tower 200		(32,367)	-
Cash flows from operating activities		3,198	32,671
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of equipment	7	(14,683)	(5,240)
Cash flows from investing activities		(14,683)	(5,240)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in account receivable from the Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200		(4,544)	(4,827)
Social benefit payments	13	(1,585)	-
Cash flows from financing activities		(6,129)	(4,827)
Net (decrease) increase in cash and cash equivalents		(17,614)	22,605
Cash and cash equivalents at the beginning of year		46,908	24,303
Cash and cash equivalents at the end of year	4	29,293	46,908

The accompanying notes are an integral part of these financial statements

Notes to the financial statements

For the years ended December 31, 2021 and 2020
(Amounts expressed in balboas)

1. GENERAL INFORMATION

On December 7, 2011, by means of a public deed, Properties number 358.215 and 14.141 were incorporated into the condominium regime. This proceeding involved the segregation of each unit to form separate properties. Accordingly, the Owners' Meeting named PH Bahía Playa Serena arises (hereinafter referred to as the "Meeting" or "Torre 100 or 100 Tower").

Torre 100 is built on a plot of land that is located in Nueva Gorgona, Chame District, Panamá Oeste Province. One 30-story tower composed of 110 property units, seventeen (17) of which are one-bedroom (1) units, eighty (80) of which are two-bedroom (2) units, thirteen (13) of which are three-bedroom (3) units, one hundred and fifteen (115) parking spaces and fifty-four (54) storage spaces.

Torre 100 common areas in accordance with public deed are as follows:

- Event room.
- Administrative offices.
- Wet SPA.
- Massage and hairdressing rooms.
- Gym.
- Social areas with swimming pool.
- Jacuzzi.
- Solarium.
- Children's pool.
- Snack Bar.
- Restrooms.

2. ACCOUNTING RECORDS AVAILABLE TO PREPARE THE FINANCIAL STATEMENTS

The accompanying financial information, as of and for the years ended December 31, 2021 and 2020, comes from the monthly accounting records of the Assembly.

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

- a. All the documentation prior to year 2013 was destroyed by an accident in the basements of this residential complex (flooding).

- b. The financial information for years from 2014 to 2016 was requested to the predecessor custodians. We did not receive any answer; accordingly, we were unable to recover such data.
- c. The current administration only keeps information (incorporated into a software that is not an accounting record) with the data and supports from the year 2017 to December 31, 2018.

Given the significant limitations to produce financial information that includes all the historical records of the Owners' Meeting of PH Bahía Playa Serena, 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 to be able to produce financial statements that are comparative to 2020. Twelve months of accounting records for an approximate of 3,000 records.
- Loading of all accounting information for the years 2021 and 2020. Twenty-four months of accounting records for approximately 7,000 records.

In summary, 37 months of accounting data have been recorded for an approximate total of 10,000 accounting records.

The above-mentioned procedures gave as result the accompanying financial statements for the years ended 2021 and 2020.

Had we been able to have the accounting information for the years from 2011 to 2016 (84-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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation - The financial statements have been prepared by the Meeting 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 association of the Meeting 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.

Revenue recognition - Revenues from condo maintenance fees are recognized as revenues using the accrual basis of accounting. These revenues are earned from management, preservation, repair of common assets and those similar revenues earned from the co-owner regulation and do not comprise accruals for other 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.

Expenses are recognized by the Meeting 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.

Depreciation is charged to distribute the cost of the assets over their estimated useful life, applying the linear or straight-line amortization method. Capitalizable assets are assigned a useful life of five years, for an annual depreciation of 20%, except for computers and printers whose useful life is only three years, for an annual depreciation of 33%.

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

Cash and cash equivalents - Includes petty cash and current account in a local bank. The cash is not pledged.

Accounts receivable - Accounts receivable include condo maintenance fees from owners, which are presented at their par value. The accounting records do not include any allowance for doubtful accounts because the collection of maintenance fees is hedged by the good standing certificate granted by the Meeting.

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 Meeting has established an accrual. In addition, the Meeting 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 100 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.

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.

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:

	2021	2020
Petty cash	200	200
Current account - Banco General	29,093	46,708
Total	29,293	46,908

Due to the national emergency situation, management established a cash reserve to cover any contingency that could occur during the pandemic. The cash reserve as of December 31, 2021 is equivalent to just under one month of expenses for Tower 100. More than two months as of December 31, 2020.

5. ACCOUNTS RECEIVABLE

Accounts receivable include condo maintenance fees from owners.

The aging of these accounts receivable is summarized below:

	2021	2020
1 to 30 days	5,497	6,880
31 to 60 days	2,100	3,250
61 to 90 days	1,070	-
Over 90 days	11,792	58,076
Total	20,459	68,206

The administration has not accounted for a provision for doubtful collection since the common expense quotas are sufficiently guaranteed with the restriction of a good standing of the housing units in arrears. 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

In accordance with current legislation, common expense fees in arrears generate 20% interest. In accordance with the Law, the last day of the month is considered as the payment deadline.

Debts of the Property developer

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

	2021	2020
1 to 30 days	1,750	1,750
31 to 60 days	1,000	1,500
61 to 90 days	550	-
Over 90 days	750	43,750
Total	4,050	47,000

On December 18, 2019, the condo board presidents of both towers entered into a tripartite agreement with the Property developer. Under this agreement Bahía Resort Corporation acknowledged a debt for B/.40,000 owed to the Owners' Meeting of PH Bahía Playa Serena. 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 100 Tower of this residential complex.

One clause of such tripartite agreement set forth that the parties agreed that the Property developer should pay the debt owed to the Asamblea de Propietarios de la PH Bahía Playa Serena for an amount of B/.40,000 and the Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200 for an amount of B/.266,000, B/.306,000 in total, immediately after the ratification of this tripartite agreement by both owners' meetings.

The regular annual 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.

Therefore, the accounting records as of December 31, 2020 showed the accumulated debt of the promoter until the aforementioned situation of the tripartite agreement was not resolved between the parties involved.

During the year 2021, the parties renegotiated the aforementioned debts, in this process the Assembly of Owners of the PH Bahía Playa Serena was excluded as an interested party, therefore the accumulated debt of B/.40,000 remained receivable until the moment in which the Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200 culminated the approval of a new tripartite agreement. As of that date, the debt of B/.40,000 became a debt of Tower 200 in favor of Tower 100, later both towers compensated the debts receivable or payable until the concurrence of B/.40,000.

6. ACCOUNT RECEIVABLE FROM ASAMBLEA DE PROPIETARIOS DE LA PH BAHÍA PLAYA SERENA – TORRE 200

The account receivable from the Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200 is composed as follows:

- Short-term loan granted in November 2019 for B/.3,000, to complete the payroll payable to the employees of the Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200.
- An account receivable for B/.6,000, equivalent to twenty-four condo maintenance fees for 2021 and 2020 of apartment 5E, owned by Bahía T1 APTO 5E, S.A., a company owned by the Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200.
- Net balance receivable, for an amount of B/.8,429 as of December 31, 2021, amount that arises from operating disbursements made throughout the year 2021 and 2020. Expenses for common areas are distributed 50% per tower. In this way, at the end of the year, the common expenses remain in a balance in equal parts, the above for the years 2021, 2020 and 2019.

It does not include the cash flows that could have been generated in the years prior to 2019, due to the limitations already mentioned in note 2 to these financial statements.

7. FURNITURE AND EQUIPMENT, NET

Furniture and equipment, net are composed as follows:

	Furniture and office equipment	Restaurant furniture	Pumps	Drinking water pressure tanks	Other equipment	Total
Cost						
December 31, 2019	563	5,549	-	-	-	6,112
Additions for the year	1,535	-	3,705	-	-	5,240
December 31, 2020	2,098	5,549	3,705	-	-	11,352
Additions for the year	1,400	-	8,089	1,823	3,370	14,683
December 31, 2021	3,498	5,549	11,794	1,823	3,370	26,035
Accumulated depreciation						
December 31, 2019	(297)	(451)	-	-	-	(748)
Annual depreciation	(457)	(1,082)	(247)	-	-	(1,786)
December 31, 2020	(754)	(1,533)	(247)	-	-	(2,534)
Annual depreciation	(800)	(1,082)	(1,612)	(152)	(200)	(3,846)
December 31, 2021	(1,554)	(2,615)	(1,859)	(152)	(200)	(6,380)
Carrying value						
December 31, 2021	1,944	2,934	9,935	1,671	3,170	19,655
December 31, 2020	1,344	4,017	3,458	-	-	8,819

Water pumps include pumps for: drinking water, swimming pools, artificial lakes and water jets.

The other equipment includes air conditioners for a net value of B/.1,378 and a high-pressure washer for B/.1,792.

8. 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.

9. ADVANCES RECEIVED - CONDO MAINTENANCE FEES

They correspond to condo maintenance fees paid in advance by owners. These prepaid condo maintenance fees shall be earned as revenues during 2022. Condo maintenance fees collected in advance are non-interest bearing.

10. ACCOUNT PAYABLE TO ASAMBLEA DE PROPIETARIOS DE LA PH BAHÍA PLAYA SERENA - TORRE 200

As of December 31, 2020, the account payable to the Asamblea de Propietarios de la PH Bahía Playa Serena for a total of B/.32,367 corresponded to cash delivered by Torre 200 to Tower 100, to complete the necessary cash flow for the painting of Tower 100. During the year 2021 this debt was paid by Torre 100 through a compensation of balances with Tower 200.

11. CONDO MAINTENANCE FEES

Condo maintenance fees are categorized by type of property unit as follows:

	2021	2020
Apartment Type A	66,000	66,000
Apartment Type B	51,000	51,000
Apartment Type C	9,600	9,600
Apartment Type D	57,000	57,000
Apartment Type E	69,000	69,000
Apartment Type F	21,600	21,600
Apartment Type G	24,000	24,000
Apartment Type AB	8,400	8,400
Apartment Type DE	12,600	12,600
Total	319,200	319,200

Condo maintenance fees have remained unchanged since 2011. However, during that time cumulative inflation has been 24%, minimum wages have been adjusted upwards by 77%, energy costs have increased notably. All this has affected and will continue to affect the financial performance of Tower 100.

12. OTHER REVENUES

Other revenues include the following items:

	2021	2020
Default interest	-	150
Penalties	475	50
Cards and tokens	540	400
Other	1,419	257
Total	2,434	857

During the years 2021 and 2020, the three restaurants were under a concession regime to a third party. During the years 2021 and 2020 the restaurants did not generate income or expenses.

13. SALARIES AND OTHER REMUNERATIONS

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

	2021	2020
Salaries	74,575	70,409
Vacations	8,085	6,451
Overtime hours	246	99
Paid extra for working Sundays	3,303	2,212
Thirteenth month	7,562	7,250
Productivity premium	3,588	3,000
Seniority premium	1,427	1,536
Indemnity	4,855	5,225
Notice	850	200
Paid extra for working holidays	3,859	3,216
Employer's Social Security	11,333	10,021
Employer's Education Security	1,355	1,242
Employer's Professional Risk	1,405	1,286
Employer's Thirteenth month	489	614
Bonus	250	-
Extra payment	-	95
Total	123,182	112,857

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

	Accrual of Seniority	Accrual of Indemnity	Total Accruals
Provision at December 31, 2019	4,413	15,008	19,420
Accruals for the year	1,352	4,597	5,949
Payments for the year	-	-	-
Provision at December 31, 2020	5,764	19,605	25,369
Accruals for the year	1,386	4,714	6,100
Payments for the year	(818)	(767)	(1,585)
Provision at December 31, 2021	6,333	23,552	29,884

14. BASIC SERVICES

Basic services comprise the following:

	2021	2020
Electricity	38,076	30,920
Drinking water	7,498	7,566
Garbage collection service	5,065	3,055
Internet connection and telephony	1,838	1,259
Diesel	3,558	3,028
Domestic gas	14,078	10,304
Total	70,112	56,131

15. MAINTENANCE SERVICES

Maintenance services include the following contracts:

	2021	2020
Elevators	14,176	14,836
Wastewater treatment plant	3,392	3,472
Power plant	7,258	3,450
Gym	300	-
Fire alarm and CCTV	4,046	5,000
Fire and drinking water pumps	1,318	1,687
Artificial lake	330	192
Playground	509	-
Office equipment	257	25
Gardening equipment	80	445
Fire extinguishers	529	-
Fire sprinkler systems	2,794	-
Total	34,988	29,107

16. REPAIRS

Repairs are composed as follows:

	2021	2020
Concessions	618	-
Pools	1,554	1,343
Spa	1,969	67
Building	10,490	123
Social Area and Common Area	10,640	4,445
Air Conditioners	1,689	350
Tennis court and multipurpose	8,091	64
Children's Park and Lounge	385	109
Beach area	230	378
Renovation	467	14,857
Other	125	549
Total	36,258	22,286

17. FEES

Expenses incurred in fees are comprised as follows:

	2021	2020
Legal Services	3,478	2,038
Lifeguard	3,000	1,650
Courier service	77	831
External audit	4,815	-
Temporary security	-	1,445
Technical support	633	-
Other (mainly staff hired on a temporary basis) to cover vacations)	14,904	6,559
Total	26,906	12,523

18. OTHER EXPENSES

Other expenses comprise the following items:

	2021	2020
Transportation services	738	475
Bank Charges	491	606
Legal and notary public expenses	20	30
Uniforms for staff	1,623	648
Software, licenses and other technology expenses	789	1,040
Fumigation services	1,017	1,094
Office supplies	952	302
Prints, signs and bracelets	513	1,069
Owners' meetings	1,748	437
Gardening supplies	1,302	460
Employee care	1,261	621
Entertainment and other activities	216	27
Christmas	163	105
Total	10,832	6,914

19. INCOME TAXES

Owners' Meetings 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.

20. 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, basically 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 basically 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.

100 Tower 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 100 Tower'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 in the macroeconomic and financial environment in which the Assembly of Owners of the PH Bahía Playa Serena operates and its effects, on the results as of December 31, 2020, these are related to a small increase in the delinquency of common expense quotas and a relatively important decrease in expenses.

During the year 2021, a relative "normality" was progressively returned. With which there was a much greater influx of owners, residents and visitors. This greater influx impacted the variable costs due to the greater demand generated. Likewise, this relative "normality" facilitated initiatives to attend to repairs and maintenance that had been deferred.

21. 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, the Meeting 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 Meeting 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.

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 as a result 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.

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

Liquidity risk. The Meeting 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, the liquidity risk was appropriately mitigated in the financial years indicated.

Credit risk. Maintenance fees receivable have been monitored. The delinquency statistics, compared to those of the previous year, allow for concluding that there has been no significant change in delinquency. 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. During 2021, the credit risk was much lower since it was possible to recover overdue debts from the promoter.

Market risk. Market prices have had the evolution shown below. 100 Tower does not own non-monetary assets and accordingly, it is not exposed to market value fluctuations or impairment, in its statement of profit and loss. Based on available information, the value of the square meter has evolved from approximately B/.1,772 at December 31, 2020 to an approximate of B/.1,744 for December 2021. 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.

22. SUBSEQUENT EVENTS

From January 1, 2022 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.

23. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by management and the current board of directors and authorized for issuance on May 2, 2022.

ASAMBLEAS DE PROPIETARIOS DE LA PH BAHÍA PLAYA SERENA Y
LA PH BAHÍA PLAYA SERENA - TORRE 200

COMBINED STATEMENT OF
Financial position

As of December 31, 2021
(Amounts expressed in balboas)

	Asamblea de	Asamblea de	Eliminations		Combined Statement of Financial Position
	Propietarios de la PH Bahía Playa Serena	Propietarios de la PH Bahía Playa Serena - Torre 200	Dr	Cr	
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	29,293	103,491	-	-	132,784
Accounts receivable	20,459	39,788	-	-	60,248
Account receivable from Asamblea de Propietarios de la PH Bahía Playa Serena - Torre 200	17,429	-	-	17,429	-
Prepaid expenses	-	85,437	-	-	85,437
Assets classified as held for sale	-	258,198	-	-	258,198
Property unit 5E in 100 Tower	-	245,000	-	-	245,000
Total current assets	67,182	731,915	-	17,429	781,667
NON-CURRENT ASSETS:					
Furniture and equipment, net	19,655	12,645	-	-	32,300
Total non-current assets	19,655	12,645	-	-	32,300
TOTAL ASSETS	86,837	744,559	-	17,429	813,967
LIABILITIES AND ACCUMULATED SURPLUS					
CURRENT LIABILITIES:					
Accounts payable to suppliers	12,525	65,219	-	-	77,744
Account payable to Asamblea de Propietarios de la PH Bahía Playa Serena	-	17,429	17,429	-	-
Advances received - condo maintenance fees	17,173	29,090	-	-	46,263
Deposits to be identified	2,830	2,400	-	-	5,230
Social Security payable	2,643	2,951	-	-	5,594
Playa Star, S.A.	-	43,200	-	-	43,200
Total current liabilities	35,172	160,289	17,429	-	178,032
NON-CURRENT LIABILITIES:					
Accrual for severance benefits	29,884	34,084	-	-	63,968
Total non-current liabilities	29,884	34,084	-	-	63,968
Total liabilities	65,056	194,373	17,429	-	242,000
ACCUMULATED SURPLUS:					
Revenues over accrued expenses	21,781	550,186	-	-	571,967
Total accumulated surplus	21,781	550,186	-	-	571,967
TOTAL LIABILITIES AND ACCUMULATED SURPLUS	86,837	744,559	17,429	-	813,967

The accompanying note is an integral part of these combined financial statements

ASAMBLEAS DE PROPIETARIOS DE LA PH BAHÍA PLAYA SERENA Y
LA PH BAHÍA PLAYA SERENA - TORRE 200

COMBINED STATEMENT OF

Profit and loss for the year
and accumulated surplus

For the year ended December 31, 2021
(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 Profit and Loss and Accumulated Surplus
			Dr	Cr	
REVENUES					
Condo maintenance fees	319,200	355,800	3,000	-	672,000
Other revenues	2,434	19,605	-	-	22,039
Total revenues	321,634	375,405	3,000	-	694,039
OPERATING, GENERAL AND ADMINISTRATIVE EXPENSES					
Salaries and other remunerations	123,182	123,182	-	-	246,364
Basic services	70,112	63,645	-	-	133,757
Maintenance services	34,988	36,856	-	3,000	68,844
Security and surveillance services	22,916	22,916	-	-	45,832
Repairs	36,258	68,337	-	-	104,595
Fees	26,906	26,688	-	-	53,594
Loss from market value fluctuation	-	9,000	-	-	9,000
Cleaning products	5,874	5,874	-	-	11,747
Pool chemicals and supplies	4,561	4,561	-	-	9,122
Insurance expenses	4,256	4,494	-	-	8,750
Minor tools and equipment	5,718	5,718	-	-	11,437
Depreciation expense	3,847	3,160	-	-	7,006
Other expenses	10,832	12,402	-	-	23,234
Total operating, general and administrative expenses	349,448	386,833	-	3,000	733,281
Deficit of revenues over expenses for the year	(27,814)	(11,428)	3,000	(3,000)	(39,242)
Excess of revenues over expenses as of January 1	49,595	561,614	-	-	611,209
Excess of revenues over expenses as of December 31	21,781	550,186	3,000	(3,000)	571,967

The accompanying note is an integral part of these combined financial statements

Note to the combined financial statements

For the year ended December 31, 2021
(Amounts expressed in balboas)

1. COMBINED FINANCIAL STATEMENTS

The combined financial statements of the Asamblea de Propietarios de la PH Bahía Playa Serena and the Asamblea de Propietarios de la 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 Owners' Meetings that are part of the combination, both of assets and liabilities, and of the results obtained.

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





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