

Annual Report

2023



Message from the President of the Board

Dear Shareholders,

On behalf of the Board of Directors of Latinex Holdings, Inc., I am pleased to address you to discuss the performance of your company.

From an operational standpoint, the primary market recorded USD 4.094 billion, and the secondary market registered USD 1.618 billion in trades. Additionally, repos totaled USD 769 million. Therefore, the total volume traded on Latinex (primary market, secondary market, and repos) reached USD 6.481 billion.

The securities custody activity continued to show excellent performance. Latinclear closed the year with a record custody balance of USD 31.7 billion.

The group achieved total revenues of USD 9.3 million, resulting in a profit after tax of USD 2.4 million, an increase of 14.1% over the previous year. This corresponds to a basic earnings per share of USD 0.1603 at the end of 2023, and represents an average return on equity of 16.3%, an increase of 10.5% over the previous year.

The company's financial results remain very favorable, both for the company itself and for its shareholders. It is a debt-free company with no significant commitments and a solid equity base, which allows us to maintain a healthy and fair dividend policy, even considering the significant investments we have been making over the past few years, especially in systems.

From a corporate perspective, the Board of Directors has undertaken the task of reviewing and updating our strategic plan once again, always with the mission of driving the development of the local market and, at the same time, making Panama an international hub for the capital markets. There are several topics driving this exercise. One of them is that the modernization process of Latinclear's systems continues at a good pace and, once in production, should be fully leveraged by us along with our Nasdaq trading system.

Another aspect that is prompting us to refocus our strategy is that we were able to successfully launch Phase 2 of the i-Link with Euroclear. It is worth noting that we have had Phase 1 in operation for several years, which pertains to debt securities issued by the Republic of Panama and quasi-governmental entities.



Message from the President of the Board

With the launch earlier this year of Phase 2, issuers of Panamanian corporate debt securities, as well as multilateral and supranational entities under Panamanian Law that are listed on Latinex, now have the possibility to connect with international investors. This allows them to expand and diversify their investor base, along with better liquidity and market growth through their securities, which would now be "euroclearable." This milestone significantly advances the development of the Panamanian capital market and consolidates Panama's position as an international hub in this area.

Likewise, at the end of last year, the Superintendency of the Securities Market issued Agreement No. 8-2023, which establishes the rules applicable to simplified processing investment accounts in brokerage houses. This agreement aims to promote financial inclusion and access to the securities market for low-risk clients, with accounts that meet certain basic requirements, among them, that they must be opened by individuals in an individual capacity, that the holder can only maintain one account of this type, and that the opening balance and assets under management cannot exceed USD 250,000.00 throughout the entire account relationship. This is excellent news that we hope will help democratize access to the stock market and, incidentally, provide greater liquidity and depth.

On the other hand, at the institutional level, we remain committed to various initiatives and participate in multiple alliances and forums, as part of our efforts to address environmental, social, and corporate governance (ESG) factors from the business.

I would also like to mention that last year we held our traditional Investor Forum and, at the same time, we hosted the General Assembly and Annual Meeting of the Ibero-American Federation of Exchanges (FIAB), which gave us great visibility, both locally and internationally. Moreover, it provided us with the opportunity to highlight the magnificent work of our Executive President, Olga Cantillo, who held the FIAB presidency from 2021 to 2023. I never tire of emphasizing that Olga was the first woman to hold that position and that she achieved many accomplishments during her tenure.

My final message is that the Board of Directors and management are very committed and satisfied with the company's performance and look to its future with optimism.

Sincerely,



Arturo Gerbaud
President of the Board



**Latinex
Holdings**

Latinex Holdings, Inc.

The Company is a publicly held company whose common stock is traded on the Bolsa Latinoamericana de Valores, S.A. (Latinex). To date, there are no controlling shareholders, and the Directors are not, directly or indirectly, individually or jointly, beneficial owners of a controlling number of the Company's shares. No director, directly or indirectly, is a major supplier of goods or services to the Company; however, certain directors are officers of companies that maintain relationships with the Company and its Subsidiaries. The officers of the subsidiaries are independent of the directors and shareholders.



Latinex
Bolsa Latinoamericana de Valores

Bolsa Latinoamericana de Valores, S.A. (Latinex)

The Bolsa Latinoamericana de Valores, S.A. (Latinex) is, within the organized market in Panama in which securities are traded, the entity which intermediates between buyers and sellers. It is self-regulated, has been operating since June 1990, and its regulator is the Superintendencia del Mercado de Valores de Panamá. Its official name, through June 2021, was Bolsa de Valores de Panamá, S.A., at which time the name change and a new corporate image were introduced.



Latinclear
Central Latinoamericana de Valores

Central Latinoamericana de Valores, S.A. (Latinclear)

A self-regulated company specialized in the custody and administration of securities, it also provides electronic securities clearing and settlement services. Latinclear also maintains custody and operating agreements with several regional central custodians, which in turn facilitates the purchase/sale of securities registered in these markets. It also maintains international custody relationships with global market infrastructures. It began operations in 1997.

Dignitaries

Arturo Gerbaud
President

Roberto Brenes
Vice President

Carlos Mendoza
Treasurer

Mónica García De Paredes de Chapman
Secretary

Executives of the Subsidiaries

Olga Cantillo
Executive President

Lerzy Batista
Senior Vice President - Commercial

Anyelis Marrero
Vice President - Compliance

Ernesto Rivera
Vice President - Technology

Manuel Batista
Vice President - Finance and Strategic Innovation

María Guadalupe Caballero
Vice President - Operations

Rosario Fernández
Assistant Vice President - Compliance

Diana García
Manager - Corporate Communications

Nayarith Oliva
Internal Auditor

Julio Hernández
Risk Officer



Arturo Gerbaud
Independent Director and President

Mr. Gerbaud is a graduate in Law and Political Science from Panama's Universidad Santa María la Antigua and holds a Master of Law Degree (LL.M.) from the Duke University School of Law, Durham, North Carolina, U.S.A. He has more than 30 years of legal practice experience, mainly in the areas of banking and finance, capital markets, and mergers and acquisitions. Since 1990 he has worked at law firm Alemán, Cordero, Galindo & Lee, of which since 1992 he is a partner. Mr. Gerbaud is a member of the Panamanian Bar Association and was a member, from 2003 to 2019, of the Board of Directors of the Superintendency of Banks of Panama.

Roberto Brenes
Director and Vice President

Mr. Brenes holds a Master's Degree in Business Administration from Columbia University with an emphasis in finance and operations research, and a Bachelor's Degree in Business Administration and Economics from the Instituto Tecnológico de Monterrey. He has more than 50 years of professional experience, mainly in banking and the capital markets. Mr. Brenes is currently a Director of Canal Bank and President of Singular Securities. From 2003 to October 2015, Mr. Brenes served as Executive Vice President and General Manager of the Bolsa de Valores de Panamá, S.A. (today Bolsa Latinoamericana de Valores, S.A.) and was, from 1999 to 2003, a commissioner of the National Securities Commission of Panama (today Superintendencia del Mercado de Valores de Panamá). He served as General Manager of Canal Bank from 2016 to 2019.

Mónica García De Paredes de Chapman
Director and Secretary

Ms. de Chapman holds a Bachelor's Degree in Business Administration from George Washington University and a Master's Degree in Business Administration from the INCAE Business School. She has more than 30 years of experience working in finance and more than 15 years participating as a member of several Boards of Directors. From 2008 through 2010 Ms. de Chapman was President of the Panama Chamber of Issuers and President of the Board of Directors of the Asociación Directoras de Panamá (ADP). She is also a founding member and President of the Psoriasis Foundation of Panamá.

Ms. de Chapman currently serves on the board of directors of Global Bank Corp., Progreso, S. A., Aseguradora Global, Global Valores, S.A., the Fondo Global de Inversiones, the SUR Fund, and Nuevos Hoteles de Panamá.

At Global Bank, Ms. de Chapman chairs the Corporate Governance and Sustainability Committee as well as the Prevention of Money Laundering Committee. She is also a member of the bank's Risk Committee. In Latinex, Ms. de Chapman presides over the Sustainability and CSR Committee and participates in the Corporate Governance, Technology, and Investment Committees.

Board of Directors

Carlos Mendoza
Director and Treasurer

Mr. Mendoza received his university education at Harvard, where he earned a Bachelor's of Arts Degree in Economics from Harvard College and a Master's of Public Policy Degree from Harvard University's John F. Kennedy School of Government.

Mr. Mendoza has more than 30 years of experience in finance and the financial security markets. He is currently Director for Corporate Finance of ASSA Insurance Company. For 16 years, as part of the Inversiones Bahía team, he actively participated as an investment banker in private equity investments as well as mergers and acquisitions in the banking, insurance, telecommunications, media, air transportation, retail, distribution, and energy sectors. Prior to that, Mr. Mendoza worked at Banco Continental de Panama and Wall Street Securities. In the latter, he led the development, registration and listing of the first mutual fund which invested in Panamanian company shares, as well as that of two other funds. He began his professional career at Chase Manhattan Bank.

Christine Müller
Director

Ms. Müller holds a double Bachelor's Degree in Economics and Psychology from the University of Pennsylvania, and an MBA from the IESE Business School. She has more than 15 years of experience in the areas of estate planning, finance, risk management and corporate governance. Ms. Müller is the founder and CEO of Atlas Solutions, a provider of corporate, legal, and financial services for individuals and institutions. Prior to that, Ms. Müller worked in the areas of wealth management at Merrill Lynch, UBS, and in the Treasury of Banco General, S.A. She served as a director of Banco Delta, S.A., where she chaired the Asset and Liability (ALCO) and Human Resources Committees. Ms. Müller is an active member of the Asociación Directoras de Panamá and provides advisory services to family businesses.

Ana Graciela Méndez
Director

Ms. Méndez holds a Master's Degree in Finance from the A.B. Freeman School of Business at Tulane University (USA) and from the School of Business of the Universidad Francisco Marroquín (Guatemala). She completed a Senior Management Program at the Haas School of Business at UC Berkeley (USA) and obtained a Bachelor's of Science Degree in Business and Economics with a major in Economics and Mathematics from the Albertus Magnus College (USA). As of December 2017, Ms. Méndez has held the position of Executive Vice President of Finance (CFO) of the Banco Latinoamericano de Comercio Exterior (Bladex), a Panama-based multinational entity specialized in trade finance in Latin America and the Caribbean. Bladex is listed on the New York Stock Exchange (NYSE). As of 1990, the year she began her career with Bladex, Ms. Méndez has held various positions with the bank, including executive positions in the areas of Finance, Business and Economics.

Gary Chong-Hon
Director

Mr. Chong-Hon holds a Master's Degree in Business Administration (corporate finance and strategy) from Georgetown University (The Robert Emmett McDonough School of Business), and a Bachelor's of Science Degree in Business Administration (finance and international business) from Villanova University. He has more than 20 years of experience working in the areas of investment banking, consulting, financial markets, and securities. Mr. Chong-Hon currently holds the position of Vice President of Investment Banking at Banco General, S.A. Previously, Mr. Chong-Hon worked at KPMG Consulting, Inc. (Miami, FL) as a financial services consultant for the real estate and hospitality sectors. Currently, he is the Treasurer of the Fundación Pro-Enfermos Contra el Cáncer (Fundacáncer) and of the Fundación Doña Vida.

Manuel Alemán
Director

Mr. Alemán received his Bachelor's of Arts Degree in Economics from Purdue University in Indiana, USA, and his MBA from Duke University in North Carolina, USA. He has 22 years of experience in the financial sector. From 2002 to 2005 Mr. Alemán worked in Citibank's Treasury, then in Citivalores as a securities broker and manager, focused on the expansion of Citivalores' client base in Panama and the region. For the past 15 years Mr. Alemán has been a VPA at BG Valores, where he has been responsible for managing relationships with institutional, regional, and family-office clients, as well as their respective investment portfolios. He currently leads a team of brokers in the UHNW segment. He is a member of the Investment Committee of the Fondo General de Inversiones. From 2018 to 2023 Mr. Alemán represented, in his capacity as Director and Dignitary, the financial sector in the Chamber of Commerce, Industries and Agriculture of Panama. Mr. Alemán also participated as a member of the Chamber's Executive Committee, the Banking Committee, and the Digital Economy Committee. He has several accreditations in respect of specialized courses in financial markets provided by investment banks and academic institutions.

José Montero
Independent Director

Mr. Montero holds a Master's Degree in Business Administration from Cornell University and a Bachelor's Degree in Aeronautical Studies from Embry-Riddle Aeronautical University. He has more than 27 years of experience working in the financial area of the aviation industry. Since March 2013 Mr. Montero has been the Senior Vice President of Finance and CFO of Copa Holdings, S.A. He began his career with Copa Airlines in 1993 and has held various technical, supervisory, and administrative positions within the company, such as Flight Operations Manager, Director of the System Operations Control Center (SOCC) and, from 2004 to 2013, Director of Strategic Planning.

Jorge Vallarino
Director

Mr. Vallarino holds a Bachelor's Degree in Finance from Florida International University in Florida. He has been a partner with law firm Morgan & Morgan since 2015 and has over 26 years of experience in different segments of the securities and banking markets. Mr. Vallarino began his career with MMG Bank, where he focused on balance sheet and trading desk operations. He currently serves as VP of Treasury & Finance at MMG Bank, where he additionally supervises the management of MMG's family of funds and the group's operational infrastructure. Mr. Alemán holds Securities Broker and Principal Executive licenses granted by the Superintendency of the Securities Market of Panama.

Olga Cantillo
Executive President

Ms. Cantillo has over 33 years of professional experience in the financial industry, specializing in the banking and securities markets, and has been responsible for investment and banking operations in several local and regional financial institutions.

She is a member of the Executive Committee and President of the Work Subcommittee of the Ibero-American Federation of Exchanges and Securities Markets (FIAB), a member of the Executive Committee of the Association of Central Securities Depositories of the Americas (ACSDA), Secretary of the Capital Markets Association of the Americas (AMERCA), a member of the Independent Advisory Committee of the Board of Directors of the Sustainable Securities Exchanges of the United Nations (SSE), a member of the Advisory Committee of the Latin American and Caribbean Network of the Glasgow Financial Alliance for Net Zero (GFANZ), Director of the Calicanto Foundation, and founding associate of the Asociación Directoras de Panamá (ADP). Among other positions, Ms. Cantillo has also served as President of the Ibero-American Federation of Exchanges and Securities Markets (FIAB) (2021 – 2023) and as an Independent Director of BI Bank (2018 – 2023). She holds Securities Broker and Principal Executive Licenses granted by the Superintendency of the Securities Market of Panama.

Standing Committees

The standing committees of the Board of Directors are part of the Company's self-regulatory management architecture. The committees are entrusted with the objective of looking after the shareholders' best interests as well as, in general, that of the Company and its Subsidiaries.

Audit Committee

The Audit Committee's primary function is to ensure the appropriate operation of the Company's internal control system as well as the integrity of the Company's and its Subsidiaries' financial information. As of December 31st of 2023, it is comprised of three (3) directors and one (1) member external to the Board of Directors with the necessary experience and knowledge to fulfill the role's functions and responsibilities. By decision of the Board, this committee may include an external member to the Board of Directors with the necessary experience and knowledge to fulfill the position's functions and responsibilities. All members have the right of voice and vote. With the right to speak, the Executive President, the Senior VP - Commercial and the Internal Auditor of the Latinex Group, as well as advisors or any other guest determined by the Committee, may be invited to participate in the Committee's meetings.

Members

Roberto Brenes (President)
José Montero
Ana Graciela de Méndez
Jorge Cano (External member)

Risk Committee

Based on best practices and international standards, the Risk Committee's principal function is to identify, establish and implement criteria to minimize the risks inherent to the operation of the Company and its Subsidiaries. As of December 31st of 2023, it is comprised of three directors with the necessary experience and knowledge to fulfill the roles' functions and responsibilities. All members have the right of voice and vote. With a right of voice, the general managers, the Risk Officer, and the compliance officers of the Company, as well as advisors or any other guest determined by the Committee, may be invited to participate.

Members

Gary Chong-Hon (Ad-Hoc President)
Roberto Brenes
Manuel Alemán

Investments and Finance Committee

The Investments and Finance Committee's main responsibilities are: i) to establish the internal rules and guidelines for the investment in fixed- and variable-income securities, including maximum investment limits, and to determine the financial requirements which must be met by the companies in which the Company and its Subsidiaries invest; and ii) to ensure the effective and efficient management of all investment funds, as well as compliance with the strategic and financial plans and capital structure of the Company and its Subsidiaries; and, as deemed necessary, to make recommendations to the Board. It is comprised of three (3) directors and one (1) member external to the Board of Directors with the necessary experience and knowledge to fulfill the role's functions and responsibilities. All members have the right of voice and vote. With the right of voice, the general managers and other officers and managers of the subsidiary companies, as well as advisors and any guest determined by the Committee, may be invited to participate.

Members

Carlos Mendoza (President)
Mónica García De Paredes de Chapman
Jorge Raúl Vallarino
Mitzi Alfaro de Pérez (External Member)

Corporate Governance Committee

To improve the overall management and performance of the Company and its Subsidiaries, the Corporate Governance Committee oversees the operation of the corporate governance structure and overall compliance with best practices. It is comprised of four (4) directors, of which one (1) meets the independence criterion, and one (1) additional member, external to the Board of Directors, with the necessary experience and knowledge criteria to fulfill the role's functions and responsibilities. All members have the right of voice and vote. With the right of voice, the Executive President, the Senior Vice President – Commercial, and other officers or executives of the subsidiary companies, as well as advisors and any guest determined by the Committee, may be invited to participate.

Members

Christine Müller (President)
Arturo Gerbaud
Carlos Mendoza
Mónica García De Paredes de Chapman
Marielena García-Maritano (External Member)

Human Capital Committee

The Human Capital Committee oversees all matters related to the selection, remuneration, termination, succession plans for, and the evaluation of the Company and its Subsidiaries' key executives. As of December 31st of 2023, it is comprised of the President of the Board of Directors and four (4) directors, of which one (1) meets the independence criterion. By decision of the Board, the committee may include one (1) member, external to the Board of Directors, with the necessary experience and knowledge to fulfill the role's functions and responsibilities, as well as meeting the required independence criteria. All members have the right of voice and vote. With the right of voice, the Executive President of the Company, the Latinex Group's Vice President – Human Capital and Administrative Services, as well as advisors and any other guest determined by the Committee, may be invited to participate.

Members

Arturo Gerbaud (President)
Gary Chong-Hon
Carlos Mendoza
José Montero
Mónica García De Paredes de Chapman

Sustainability and Corporate Social Responsibility (CSR) Committee

The purpose of the Sustainability and CSR Committee is to establish and promote the corporate sustainability strategy and policies of the Company and its Subsidiaries, ensure the proper management of the Environmental, Social and Corporate Governance (ESG) factors as they pertain to the Group, and, in turn, promote these factors throughout the local securities market. This committee is comprised of (5) directors. By decision of the Board, this committee may also include a member external to the Board of Directors with the necessary experience and knowledge to fulfill the role's functions and responsibilities. All members have the right of voice and vote. With the right of voice, the Executive President, the Assistant Vice President – Sustainable Development and RSE, and the Latinex Group's Assistant Vice President – Human Capital and Administrative Services, and other officers or managers of the subsidiary companies, as well as advisors or any other guest determined by the Committee, may be invited to participate.

Members

Mónica García De Paredes de Chapman (President)
Carlos Mendoza
Christine Müller
Gary Chong-Hon
Jorge Vallarino
Ana Graciela de Méndez

Committees of the Subsidiaries

In addition, each of the subsidiaries (Bolsa Latinoamericana de Valores, S.A. and Central Latinoamericana de Valores, S.A.) maintain the following standing committees:

Audit Committee

Ethics and Compliance Committee

Risk Committee

Technology Committee

Corporate Governance

Pursuant to the provisions contained in the Articles of Incorporation and the Bylaws, the Company and its Subsidiaries have been developing and adopting, on a continuous and voluntary basis, a corporate governance structure with the purpose of:

Defining the best practices to be pursued by Latinex Holdings, Inc., and its Subsidiaries with its stakeholders (shareholders, members of the Board of Directors and committees, customers, suppliers and creditors, strategic allies, the State, regulatory entities, the media, and the public, among others).

Supporting the Board of Directors in the review, evaluation and permanent surveillance of the Company's accounting, financial and risk-control systems.

Following-up on the procedures of the internal management control systems.

Establishing a clear framework for the identification of risks, their corresponding verification and control.

Establishing clear rules for the delegation of authority and responsibilities.

Establishing efficient decision-making processes.

In respect of its decision-making activities and policies, establishing explicit guidelines for the operation of the Board of Directors.

The Company adopted a Code of Corporate Governance aimed at defining the best practices to be followed by Latinex Holdings, Inc. and its Subsidiaries with its stakeholders, as well as the process for receiving and addressing grievances, complaints and/or claims, in addition to what is required in keeping with the provisions of the law, the articles of incorporation and bylaws of each company, and any other policy duly approved by the Board of Directors.



Code of Ethics and Conduct

The Company and its Subsidiaries have adopted a Code of Ethics and Conduct to ensure all directors, officers, members, and guests of the committees of the Board of Directors, as well as the Company's associates adhere to the highest standards of conduct. The code governs relations in respect of principles of honesty and integrity, diligence, and loyalty; includes specific rules for dealing with conflicts of interest; and regulates prohibited conducts such as, among others, the use of confidential and privileged information, dishonest or unfair behavior, bribery, and corruption.

The code includes specific policies related to bribery and corruption with the intended purpose of preventing, detecting, and punishing any act of bribery or corruption reported or detected in the companies of the Grupo Latinex.

Committees' Activity and Performance Reports

Corporate Governance

In 2023, the Company and its Subsidiaries followed through with several initiatives designed to progressively strengthen the Group's corporate governance standards, in the process aligning them with locally-applied standards, and adopting international best practices. Of the above-noted initiatives, the following are worth highlighting:

The modification of the Bylaws of the Company and its Subsidiaries was approved, which followed on the heels of a comprehensive review and update of the document, in the process generating improvements in several aspects such as raising the percentage of attendance for members of the Board of Directors and establishing similar standards for External Members.

The modification of the Personal Data Protection Policy was approved, to regulate the usage of photos and/or recordings produced or obtained in the context of events organized by the Latinex Group, as well as the appropriate management, as it may apply, of minors' personal data.

Internal Audit

By identifying opportunities for improvement that enhance effectiveness by means of the implementation of key controls intended to minimize risk and which serve to preserve and strengthen the high standards of the Company and its Subsidiaries, the execution of the 2023 audit plan contributed positively to the management of the Group's processes. The use of diverse templates for the preparation, implementation and follow-up of the audit tool streamlined processes and optimized the area's resources. In the same manner, to maintain the transparency and independence of the audit function, noteworthy efforts were invested in the selection and hiring process of the Group's new external auditor, PWC.

Risk

In 2023, the organization's Risk Management Department designed and implemented a self-assessment-based, money-laundering methodology, which, by calculating the level of exposure to this particular risk, provides management and directors with an overview of the results of the established procedures and controls. In addition, significant progress was made in updating the process and control inventories that support the organization's operational risk management, which in turn is complemented with the periodic update and approval by the Board of Directors of the Group's risk appetite indicators.

Lastly, an evaluation based on the ISO 22301 Standard was undertaken of the status of the Group's Business Continuity Management System, from which a roadmap was drawn up to strengthen and align this management tool to prevailing international standards.

Sustainability and CSR

The year 2023 was one of noteworthy achievements in respect of the management of the Company's Environmental, Social and Corporate Governance (ESG) factors. Based on the results of the materiality analysis carried out in 2021, the Sustainability and CSR Committee established the definition and approval of the strategic priorities and their respective objectives, thereby shaping the sustainability strategy of Latinex Holdings, Inc. and Subsidiaries for the period 2022-2024. This strategy will in turn be instrumental in guiding the Group's sustainability actions and initiatives in the coming years.

In keeping with the Group's steadfast commitment to sustainability, the Environmental Policy was ratified, thereby reinforcing the resolve to promote the highest environmental and climate action standards. In addition, the Human Rights Policy was approved, formalizing our commitment to nationally and internationally recognized human rights. All of this is in line with the highest international standards in matters relating to sustainability, thus contributing to the sustainable development of communities while operating in accordance with the Company's commitment and strategic focus.

Committees' Activity and Performance Reports

Ethics and Compliance

In 2023, the Compliance area successfully executed its intended activity plan, which, for the most part, encompassed the administration of the Money Laundering Prevention Program of the company's subsidiaries, and the review, analysis, and monitoring of local and international standards and laws with a view to assessing the extent to which they should apply to the Company and its Subsidiaries.

In addition, based on what is foreseen in terms of complying with the requirements of the Group's strategic, operational-efficiency pillar, the company's subsidiaries' achieved noteworthy progress in the digital transformation of the processes and/or services with the goal of generating positive breakthroughs for internal (by optimizing efficiencies and the use of resources) and external users (by strengthening relationships and offering services adapted to the specific needs of the Company's different stakeholders). Among the projects implemented in 2023 we highlight the following:

The "Latinex Virtual" portal was launched. It is intended to automate and digitalize the different processes and services offered by the Company's subsidiaries.

In the context of the Latinex Virtual portal project, the first flow feature was implemented, which makes it possible to carry out hybrid inspections of members (i.e., Brokerage Firms and Participants).

The automatic transmission of members' reports from the Superintendency of the Securities Market (SMV) to the Company's subsidiaries (Latinex and Latinclear) was successfully automated. This improvement allows for greater efficiency in respect of the members' internal processes, avoids report-delivery duplications, and optimizes the communication among all relevant parties.

The update and implementation of new internal and external rules is also worth noting, since its main objective is to promote the Group's ethical standards and to provide superior efficiency to the local securities market:

The Internal Regulations of the Company's Subsidiaries were updated to eliminate the presentation of certain reports to members (stock exchange brokers and/or participants).

The Code of Ethics and Conduct for Suppliers was approved for the Company and its Subsidiaries, which aims to ensure suppliers adhere to ethical rules and conduct consistent with the Group's policies.

Modifications to the Code of Ethics and Conduct of the Group were approved to strengthen the procedure for dealing with conflicts of interest; further, a comprehensive review of the document was undertaken.

In addition, in 2023 we worked together with the Superintendencia del Mercado de Valores (SMV) on several regulatory initiatives to continue promoting the local securities market through new products and services, and adapting them, in the process, to international practices and standards.

Committees' Activity and Performance Reports

Human Capital

Training and Education

In line with the Group's commitment to the development of its human capital, our efforts in this regard were focused on the growth and development of the continuing education concept, which effectively meant supporting diverse training programs ranging from technical skills to soft competencies, thus strengthening the individual and collective capabilities of the workforce. In this respect, we would highlight the following programs: Strategic Alignment, Agile Methodologies, Time Management and Productivity, and Stock Market Rx. At the same time, integration activities were promoted to foster a collaborative and positive work environment. Further, training was also provided to address regulatory issues such as: Prevention of Money Laundering, the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction, Personal Data Protection, and Risk and Sustainability.



Recognition

For Latinex, it was highly gratifying to recognize and celebrate the academic achievements of its employees. In this regard, we are particularly proud to mention that six (6) members of the team who obtained their higher education degrees in 2023. It is for this reason -- namely to continue promoting academic and professional growth -- that a pilot higher-education scholarship plan was launched. This initiative seeks to support employees in their educational development, thereby providing them with the opportunity to advance in their careers and, in process, to contribute to the advancement of their respective communities.

Special recognition was also bestowed on the children of employees whose efforts led to outstanding results in their primary and secondary education. We feel their talent and success are also part of what makes our great corporate family stand out.

In 2023 we had a total of five (5) interns and two (2) professional trainees, who provided support in the areas of Technology, Sustainable Development and CSR, Accounting and Finance, Administrative Services and Corporate Communication.

Well-being and Security

The physical, mental health and the well-being of our team will continue to be a top priority. To this end, health days and vaccination fairs were held to ensure that all our associates have access to preventive medical services. In addition, flexible working hours were maintained to adapt to the individual and family needs of employees, recognizing the importance of a healthy balance between work and personal life. Also, financial intelligence talks were provided, in which key issues that go beyond just income and expense management were addressed, in the process highlighting the profound interconnection between financial, mental, and physical health.



Annual Summary

The year 2023 was a period of strengthening for stock markets worldwide, reversing the decline seen in 2022. The Federal Reserve of the United States continued to raise interest rates as a measure to control inflation levels. Although the incremental effect of these rate increases is not immediate, Panama did experience higher growth in interest rates in 2023.

Regarding opportunities, the market has continued to reinforce compliance, transparency, and best international practices, further bolstering the sector and strengthening the foundations for the ongoing development. The securities custody center, Latinclear, reached a record figure in assets under custody, surpassing USD 31.7 billion, representing a growth of 15.5%. This growth was mainly supported by the issuance of fixed-income instruments, the recovery of market prices of local instruments, and deposits of investment funds listed in 2023.

Additionally, during 2023, the increase in trading volume was supported by an increase in securities of the Republic of Panama amounting to USD 2.105 billion, negotiable commercial securities (VCNs) amounting to USD 1.154 billion due to investors' preference for short-term instruments, and repos amounting to USD 769 million, which were used as a financing mechanism.

Latinex in Numbers

Market Valuation

40,600

USD million

53% Fixed Income
47% Variable Income
1,800+ Instruments

Volumen promedio diario

24

USD million

73% corporate
10,000+ transactions

Assets under Custody

31,774

USD million

↑15.5% vs. 2022
18% in iLink
5% International

Issuers

267

↑16 vs. 2022
24 New
8% International*

ESG Issues

700

USD million

Listed value

14 New classifications
142+ USD MMs
Primary Market

Investment Funds

67

↑10 vs. 2022
Assets under Mgt: 3,300+
USD million

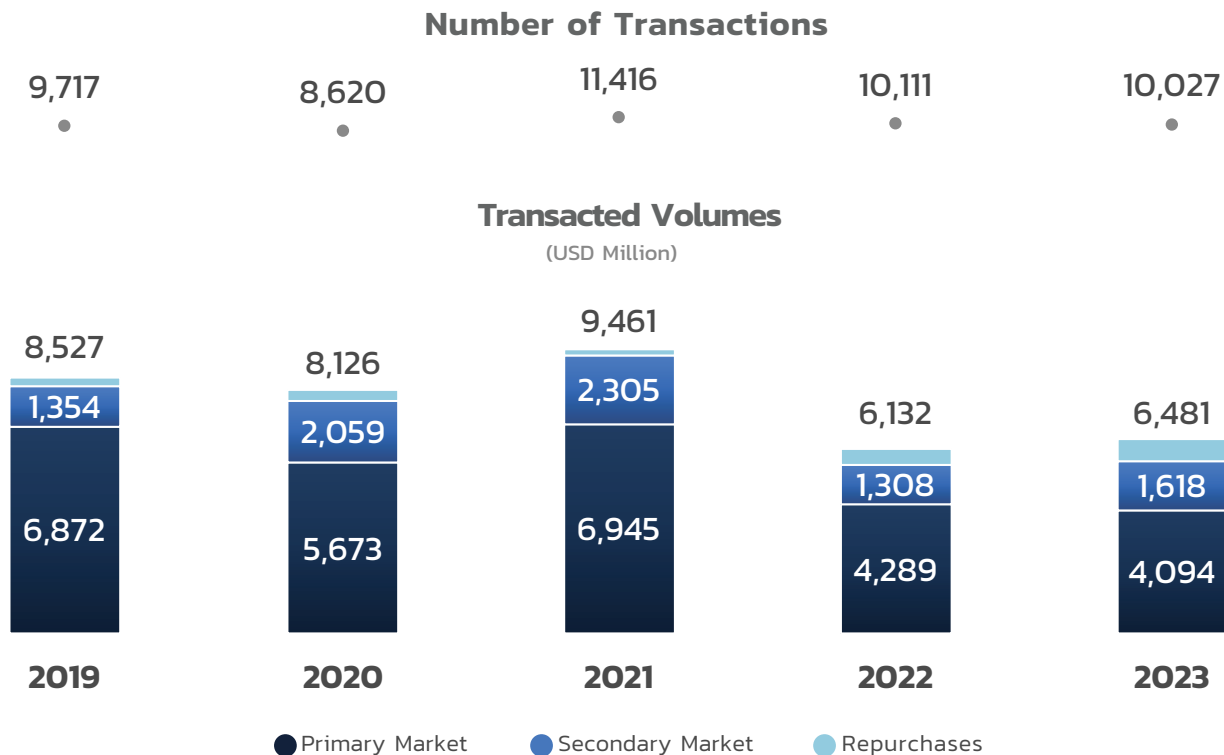
*It is understood by internationals as foreign issuers or those whose main flow comes from abroad.

Latinex in Numbers

Transacted Volumes

The year 2023 closed with a 5.7% increase compared to the total trading volume in 2022. However, similar to 2022, there was less activity in the issuance of new primary market securities. The volume was supported by higher activity in repos, refinancings of local fixed-income issuances, and liability management operations by the Republic of Panama (RPMA).

In contrast to the years 2019–2021, where international issuances on average represented 16.9% of the traded volume, in 2023 these issuances represented 1.0% of the volume. This trend has continued since 2022 and is evident in the rest of Latin America and the Caribbean, where there is a lower number of issuances aimed at an international market, mainly issued under the New York Law format.



↑ **44%**
Repurchases

↑ **24%**
Secondary Market

↓ **5%**
Primary Market

*It is understood by internationals as issues registered in Panama aimed at international investors under a 144a/RegS format.

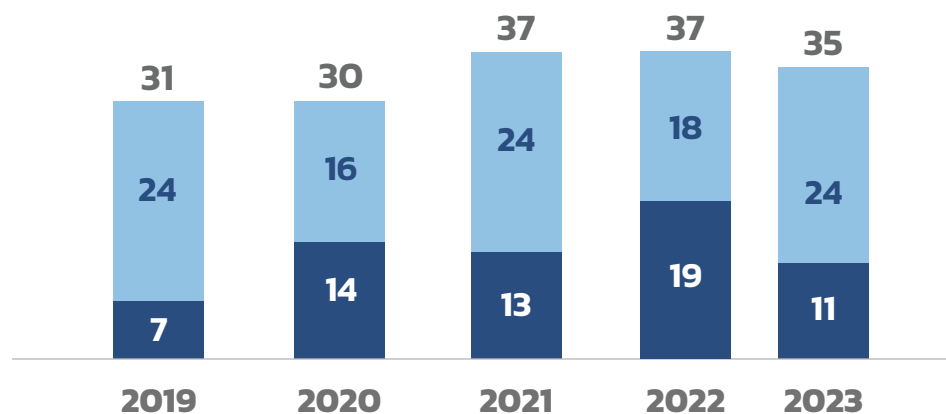
List of Corporate Issues

In 2023, 35 issuers were listed, 24 of which were new and three foreign (Chile, Guatemala and Honduras), thus registering a total of 267 Latinex issuers, which equates to a 9.6% growth over the prior year. 8.2% of the issuers fall under the category of international issuers. In addition, listings included 2 thematic issues, 1 green VCN and 1 green bond, thereby attaining a total of 7 thematic issues for an amount totaling more than USD 700 million.

In addition, there are 21 issuances in the 2024 pipeline for a total exceeding USD 1.5 billion, including one from Costa Rica and Ecuador, and three thematic issues. Of the latter, one is intended to be a green bond, and the other two a blue and a social bond, both a first for the Panama market.

Breakdown of Issues

(By type of issuer)



- Existing issuers
- New issuers

Issuances Listed in 2023

N°	Issuer	Market	Instrument	Market Value (USD MM)
1	MMD-21, S.A.	P	Corporate Bonds	8.0
2	Fondo De Inversión Inmonbiliaria Valle Lindo, S.A.	P	Funds	1.0
3	Productos Alimenticios Pascual, S.A.	P	Corporate Bonds	54.0
4	Los Castillos Real Estate, Inc.	P	Corporate Bonds	75.0
5	Administradora E Inmobiliaria, S.A.	P	Vcns	80.0
6	Bi-Bank, S.A.	P	Vcns	50.0
7	Durex Property Group, S.A.	P	Corporate Bonds	70.0
8	Green Tower Properties, Inc.	P	Funds	88.2
9	Primus Capital, S.A.	P	Vcns	80.0
10	Cervelló Holding, S.A.	P	Funds	1.0
11	BLADEX	P	Corporate Bonds	300.0
12	Global Supreme Investment Corp.	P	Corporate Bonds	50.0
13	Hyland Comillonesercial, Corp.	P	Corporate Bonds	23.5
14	Better Retail Fund, Inc.	P	Funds	252.2
15	Comillonesercial Center Fund, Inc.	P	Funds	10.0
16	Multibank, Inc.	P	Corporate Bonds	200.0
17	BG Metal Trade, INC.	P	Vcns	20.0
18	IFG Real Estate Fund, INC.	P	Funds	100.0
19	Desarrollo Inmobiliario del este, S.A.	P	Funds	4.1
20	Hipotecaria Metrocredit, S.A.	P	Corporate Bonds	200.0
21	Parque Eólico Toabré	P	Green Bonds	200.0
22	TAD Real Estate, S.A.	P	Corporate Bonds	50.0
23	Fideicomiso Ithaca Investment Trust	P	Corporate Bonds	40.0
24	IFG Investment Opportunities Fund, INC.	P	Funds	-
25	Inmobiliaria SDS, INC.	P	Corporate Bonds	30.0
26	Urca Global Fund, INC.	P	Funds	-
27	Financial Realty Services, S.A.	P	Corporate Bonds	30.0
28	Boulevard Holding, S.A.	P	Corporate Bonds	30.0
29	Global Bank Corporation	P	Corporate Bonds	200.0
30	Universidad Francisco Marroquin	P	Corporate Bonds	100.0
31	Alutech, S.A. de C.V.	P	Corporate Bonds	100.0
32	ORI RE DEVELOPMENT, Inc.	P	Corporate Bonds	30.0
33	X DEVELOPMENT, S.A.	P	Corporate Bonds	60.0
34	Mercantil Servicios Financieros Internacional, S.A.	S	Preferred Shares	-
35	Mercantil Servicios Financieros Internacional, S.A.	S	Corporate Bonds	10.0
Total				2,547.0

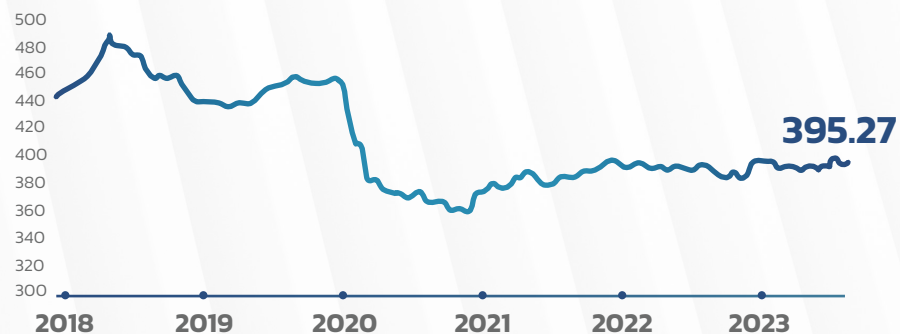
Nota:

| P = Primary Market | S = Secondary Market | Market Value = Nominal Value x Market Price
| *Foreign Issuer

LTXSI Index

YTD: 2.11%

(2018 - 2023)



The LTXSI index is a total return index that tracks the main stocks in the market. At the end of 2023, it was composed of 17 out of the 33 common stocks listed on the exchange. Over its 52-week performance, the index reached a maximum value of 400.52 and a minimum of 378.52.

Composition of the LTXSI Index

Ticker	Issuer	Last Price*	52 Weeks		Capitalization
			Min.	Máx.	
ASSA	Grupo Assa, S.A.	86.00	86.00	99.00	885,246,576
CANAL	Canal Bank, S.A.	1.84	1.84	1.89	124,941,078
EGIN	Empresa General de Inversiones, S.A.	98.81	90.00	101.49	4,022,617,324
GBGR	GB Group Corporation	31.50	30.00	33.09	606,159,297
GMUN	Grupo Mundial Tenedora, S.A.	1.74	1.74	1.74	33,603,174
GPRI	Grupo Prival S.A.	48.00	43.00	48.00	144,510,524
LTXH	Latinex Holdings, Inc.	1.96	1.95	2.39	23,019,945
LTXHB	Latinex Holdings, Inc. (B)	1.90	0.00	0.00	5,607,423
MELO	Grupo Melo, S.A.	51.00	50.00	57.50	130,104,150
MSFIA	Mercantil Servicios Financieros Internacional ,S.A. (A)	115.00	115.00	115.00	283,884,630
MSFIB	Mercantil Servicios Financieros Internacional ,S.A. (B)	107.50	107.00	107.51	187,478,280
METH	Metro Holding Enterprises, Inc.	27.00	26.00	27.00	194,723,816
MHCH	MHC Holding Ltd	48.00	43.00	48.50	718,873,883
PPHO	Panama Power Holdings, Inc.	6.15	5.50	6.15	101,936,318
PERUTIL	Perutil, S.A.	349.87	349.87	349.87	700,640,000
UNEM	Union Nacional de Empresas, S.A.	32.24	29.99	35.99	157,362,789
UNEMB	Union Nacional de Empresas, S.A. (B)	27.98	27.98	30.99	14,875,200

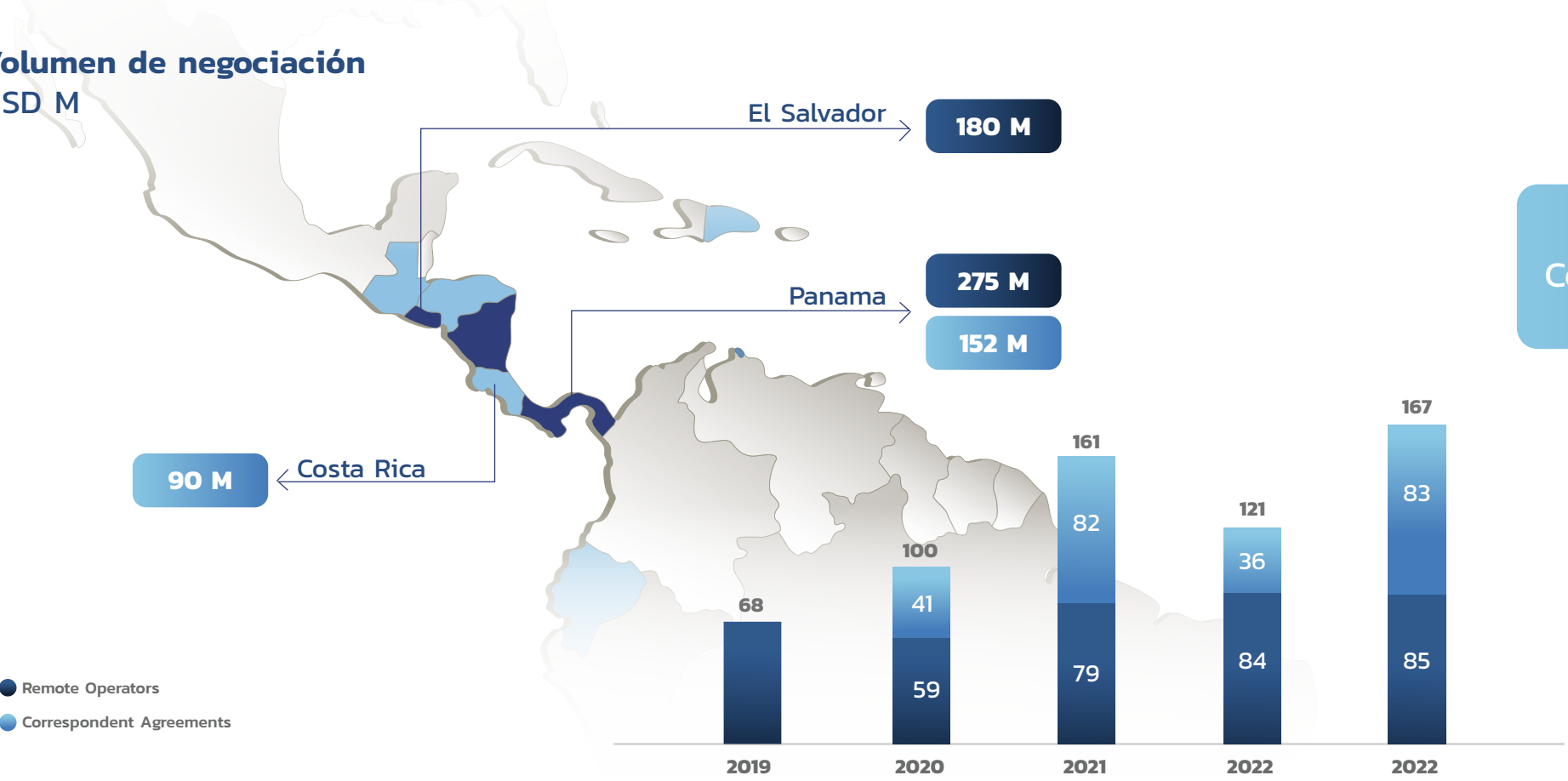
*Refers to the date on which the last stock price was set

Market Integration

With more than 3,040 executed transactions and a total volume of USD 696 million, Latinex is motivated to advance with the integration of the markets. In this regard, the following was formalized during 2023:

- | Execution of an agreement with Nicaragua to be a Remote Operator (“Operador Remoto” in Spanish).
- | Execution of the approval of a one-way agreement with Honduras for correspondent agreements.

Volumen de negociación USD M



455 M
Remote Operators

242 M
Correspondent Agreements

Cumulative
696 M
Volume
3,040
Transactions

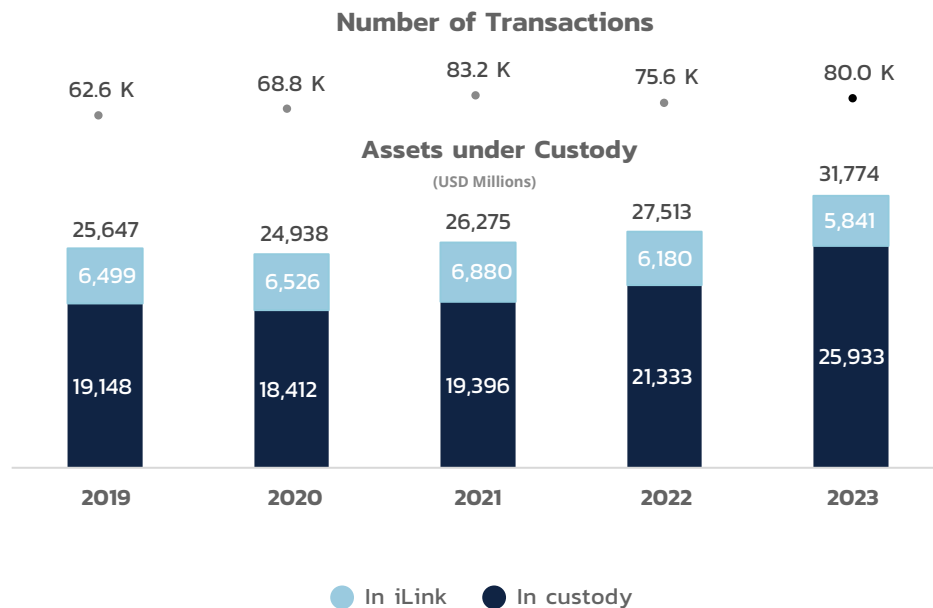
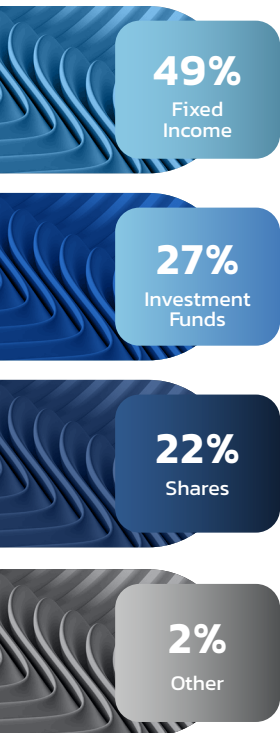
Note: Indicated amounts for each country reflect where the securities trade. Operations executed between Panama, El Salvador, Costa Rica, and Guatemala.

Assets Under Custody

Our assets under custody exceed USD 31.7 billion, an increase of 15.5% in comparison with 2022. This is primarily attributable to the recovery of the market price of local instruments, and by the level of deposit activity in primary market accounts for investment funds listed in 2023.

For its part, custody assets in iLink decreased by 5.5% due to maturities that were rolled over for lower amounts and by downward movements in RPMA market prices.

At the transactional level, by yearend 2023 we processed a total of 80,042 transactions, an increase of 5.9% versus the cumulative figure for 2022 and 17.3% above the cumulative average of the last five years. This is supported by increased activity in the creation of series and classes in the local market, thereby surpassing the 1,800 instruments issued and outstanding in 2023.



iLink

We continue with Phase I of iLink, an international link with Euroclear Bank that allows the internationalization of issuances from the Republic of Panama and quasi-Panamanian government entities. By the end of 2023, thanks to Phase I, more than USD 5,841 million had been migrated to Euroclear Bank, representing 18% of the total custody, with a total of USD 1,540 million, or 26.4% of the migrated balance, held by international investors

Composition 2023

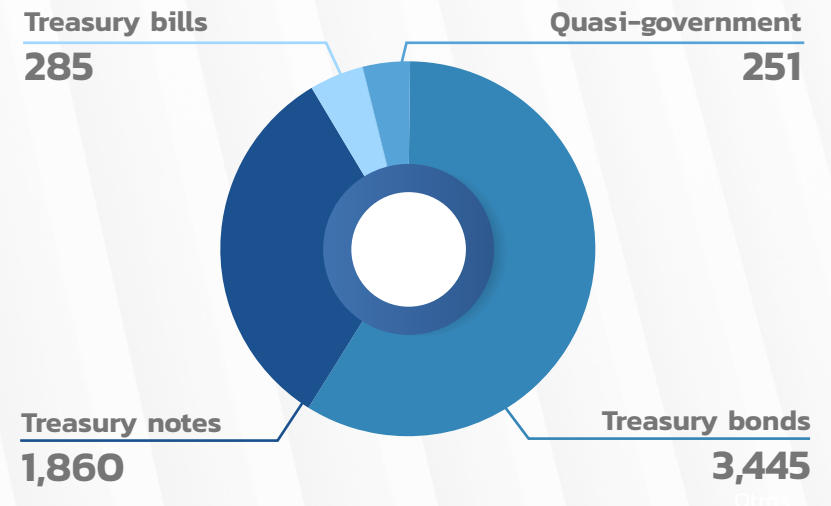
Investors

74%
Local

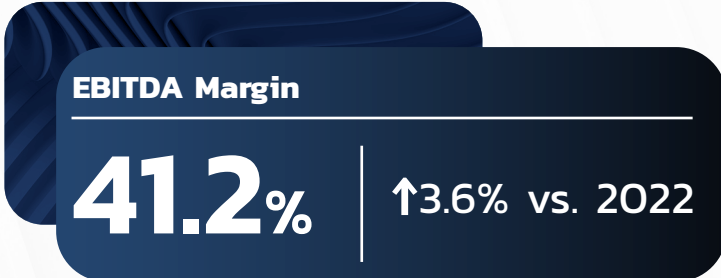
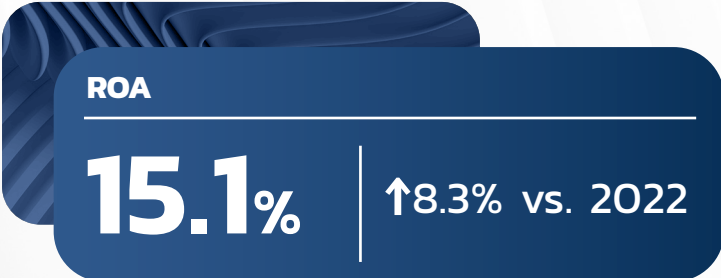
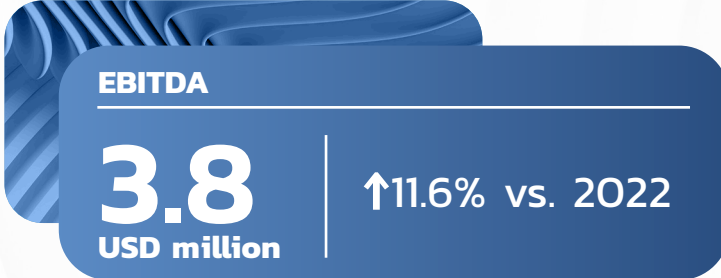
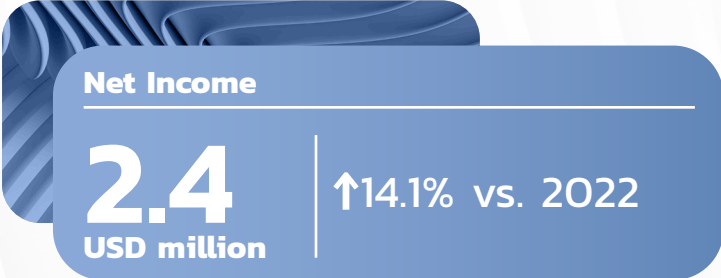
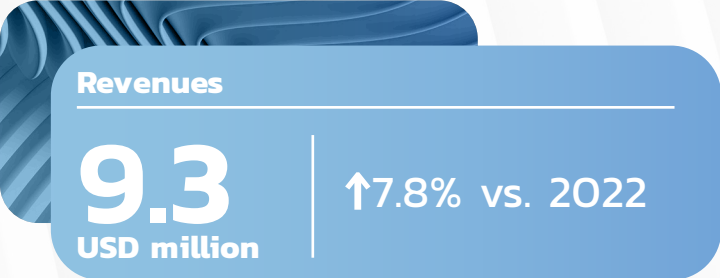
26%
International

USD 5,841 MM
in iLink

By type of instrument USD MMs



Latinex in Numbers

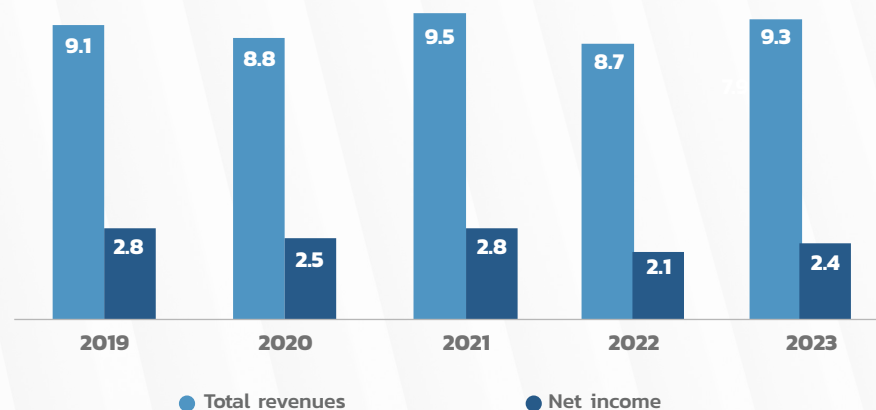


Latinex Holdings

In 2023 Latinex Holdings generated total revenues of USD 9.3 million, an increase of 7.8% in comparison with 2022, a result mainly attributable to: (i) an increase in local-custody volumes, (ii) fees related to the provision of administration services to participants in local issues, and (iii) incremental activity in the repurchases market. This in turn led to a net profit for the year of USD 2.4 million, resulting in an EPS of USD 0.1603 versus USD 0.1404 in 2022.

The Company closed out 2023 with total assets of USD 15.6 million and shareholders' equity of USD 14.5 million, thereby posting a return on assets (ROA) of 15.1% and a return on equity (ROE) of 16.3%.

Results (USD M)



Indicators

2019	2020	2021	2022	2023	
21.1%	18.6%	19.4%	14.8%	16.3%	ROE
19.1%	16.7%	17.6%	14.0%	15.1%	ROA
46.8%	44.9%	45.9%	39.8%	41.2%	EBITDA Margin

Share Performance Summary

December 2023

Per share price

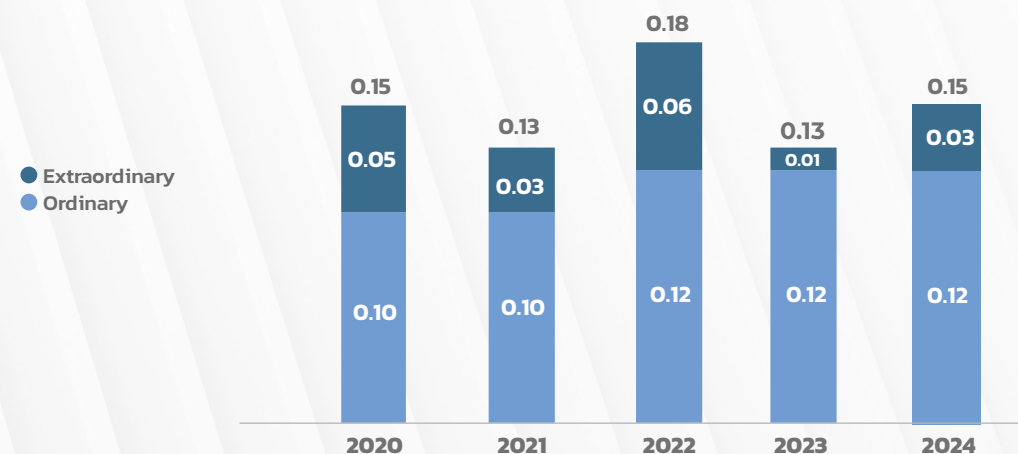
LTXH	LTXHB:
1.96	1.90
-17.9%	0.0%

Dividend yield

LTXH	LTXHB:
6.6%	6.8%

Dividends Distribution

At the Company's Board of Directors meeting held on February 21, 2024, an ordinary cash dividend of USD 0.12 per share was declared, to be distributed in four equal payments of USD 0.03 each, in March, June, September and December 2024. In the same meeting, an extraordinary cash dividend of USD 0.03 per share was also declared, to be distributed in two equal payments of 0.015 each in May and August 2024.



Operational Efficiency

Gestión 2023

Investments in technology and the ongoing, digital transformation of the business are key elements of the Group's operating strategy, which seeks, as its central objective, to leverage the services the Group offers its customers by means of the steady incorporation of innovative technological and financial tools to achieve continuous and incremental market efficiencies.



- > **Replacement of Sicus:** PERCIVAL Software was selected as the platform that will replace Sicus. The project has been launched, is progressing in accordance with the initially agreed-upon timetable, and the production start-up date is foreseen for the last quarter of 2024.



- > **NASDAQ ME upgrade and migration to the cloud:** The year 2023 was concluded with an 80% implementation and adherence to the established work schedule to conclude the project in the second quarter of 2024. This upgrade will feature best market practices and enhanced functionalities for its users, having listened to the needs shared by the brokers with the Latinex Group.



- > **Websites:** We worked on the design, programming, and construction of the Group's websites for their production release and launch in the first half of 2024.



- > **Digital transformation of processes:** During 2023, the "Latinex Virtual" Portal was launched with the aim of automating and digitizing various processes and services offered by the Company's subsidiaries. Additionally, the first workflow was introduced on the "Latinex Virtual" portal to facilitate hybrid inspections of the Stock Exchange Posts and Participants.



- > **ISO 27001:2022 Certification:** We concluded the certification process (without objections) for Latinex and NASDAQ ME. This makes us one of the first companies to obtain the 2023 certification update.

Development of the local market

For the development of the local market, throughout the year 2023, Latinex continued to work hand in hand with the Superintendencia of the Securities Market (SMV), aiming to promote initiatives to foster the local securities market. As a result, and in conjunction with other market stakeholders, the SMV issued an agreement establishing rules for the simplified opening of investment accounts by brokerage houses to promote financial inclusion and access to the securities market.



Progress continued towards digital transformation in order to generate positive impacts with Latinex's Stakeholder Groups. Through a Memorandum of Understanding signed with the SMV in February 2023, the automatic transmission of Member reports from the Superintendencia of the Securities Market to Latinex and Latinclear was successfully automated. This automation had positive impacts by eliminating duplicate report submissions and making the process more agile and efficient.



The creation of long-term corporate debt instruments was automated on Bloomberg, making Latinex the world's first market with automatic loading of fixed-income instruments. As next steps, work will be done on the automated loading of corporate events for common stocks, automatic creation of debt instruments with mortgage collateral, and automatic loading of Net Asset Value per Share for investment funds.



Progress was made in developing the Panamanian Carbon Exchange, which, by Decree No. 100 of October 20, 2020, instructs its creation to MiAmbiente. The board, composed of MiAmbiente, the Panamanian Capital Market Association (APAMEC), and the Ministry of Economy and Finance (MEF), proposed Latinex as the operating company of this National Carbon Market (MNC).



Securities Market Education Program (Programa de Educación Bursátil or P.E.B.)

2023

Market Opening



First Latinex Hackathon

+100
contestants



Execution of the school and university visit plan

+900
trained **28**
visits

Seminar Launch

Ella Invierte
(Gender Focus)

+100
participants

Structuring of issuances and market operations

+60
participants

Strategic Alliances

8
allies **11**
sponsors

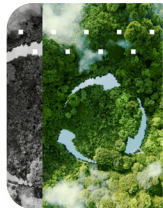
Reach
+3,000

Trained individuals



Sustainable Finance

2023



Reporte de Sostenibilidad 2022

In 2023, the implementation of the 2022-2024 Sustainability Strategy was prominent, reaffirming our commitment to the development of sustainable finance, guiding our sustainability actions in 2024, and orienting our actions for the coming years. In addition, notable and synergistic achievements in the management of Environmental, Social and Corporate Governance (ESG) factors were completed, evidencing our firm commitment to sustainable development. This approach, part of our accountability strategy with respect to our external stakeholders, was described in our **second Sustainability Report, based on international GRI and SASB standards.**



In addition, Latinex was recognized by MiAmbiente for being one of the 50 Organizations committed to complying with the calculation and delivery of its greenhouse gas (GHG) emissions inventory. Two awards were received: **the "Top 50" Seal** for the Latinex Group's commitment to achieve carbon neutrality by 2050, and the **Carbon Footprint Inventory 2022** recognition for the management of our organizational carbon footprint.

Sustainable Finance



During Latinex's flagship event, the Investor Forum, Market Champions were awarded the new **ASG Recognitions**, which include categories such as commitment to reporting and voluntary disclosure of ESG factors, diversity and inclusion, gender equality, and environmental protection.



On the sidelines of **COP28** in Dubai, Latinex demonstrated its strong commitment to sustainability by joining the **Net Zero Financial Services Providers Alliance (NZFSPA)**, thereby committing to a transition to zero emissions by 2050. In addition, in response to the calls for climate action at COP28, Latinex actively supports the establishment of market infrastructures that will enable consistent and comparable global climate disclosures. The Company is committed to promoting the adoption or use of the ISSB Climate Norms as the global climate baseline.



Latinex also participated in various initiatives, committees, or associations such as: the allSFI Alliance and the delivery of the **Comparative Analysis of Sustainable Finance Taxonomies (Colombia-EU taxonomies)**, the **WFE Sustainability Working Group**, the FIAB Sustainability Committee, and the Sustainable Finance Working Group for **Panama's Sustainable Finance Taxonomy**.



In 2023 Latinex marked a milestone by joining more than 25 stock exchanges in the first **Ring the Bell for Climate event**, in parallel to the UNFCCC COP28. It was a proud moment for Latinex as it reaffirms our commitment to the development of sustainable finance and the key role it is playing in global climate finance.

To date, these initiatives have made it possible for Latinex to generate more than **USD 700 million in social, green and sustainable listings**.

International Capital Market Hub

During 2023, work continued on the integration of regional markets, which, under remote operator models and correspondent agreements, have enabled the trading of over USD 700 million through more than 3,040 transactions. In March, Nicaragua's incorporation into the Integrated Stock Market of El Salvador – Panama was formalized with the signing of an agreement between the Stock Exchanges and Depositories of the three countries. Similarly, the Central American Stock Exchange (BCV) in Honduras and the Central Latin American Securities Depository (Latinclear) signed a Contract for Deposit, Custody, Administration, and Registration of Securities. This pioneering agreement establishes and regulates mechanisms and services that will enable clients of the Central American Stock Exchange in Honduras to carry out transactions in Panama with securities deposited in Latinclear.

As of now, Latinex has access to the markets of El Salvador, Nicaragua, Costa Rica, Guatemala, Honduras, and Colombia.

By the end of 2023, through the collaboration between Clearstream Banking and Latinclear, the launch for the internationalization of Panamanian funds was carried out through the Vestima platform. With this, investment funds registered with the Superintendence of the Securities Market (SMV) in Panama and listed on the Latin American Securities Exchange, S.A. (Latinex) can apply to be incorporated into the Vestima platform for acquisition by international investors. Thus, funds listed in the local market can list their participation units in the international market.

Regarding the international listing project (Listing), which aims to create a platform in Panama for listing international issuances on Latinex in the secondary market that currently do not come to the Panamanian market, the proposal for the Project Agreement for the regulation of this service was presented to the Superintendence of the Securities Market (SMV) during 2023.

iLink

During the year 2023, the international link, iLink, with Euroclear Bank experienced significant advancements and achievements. Among them, the issuance of the PaBono2033 by the Republic of Panama for a total of USD 700 million took place in the third quarter of the year.

Successful operational tests for Phase II of iLink for corporate, multilateral, and/or supranational issuances were completed, paving the way for its implementation in February 2024.

Lastly, approval was obtained for the Service and Fees for this Phase II. These milestones represent a step in strengthening and developing the Panamanian capital market.



Promotion and Strategic Alliances

Roadshows



El Salvador

- 6** exhibiting companies from the Panamanian market
- 4** Panamanian companies as companions
- 80** attendees from both markets



Costa Rica

- 5** Panamanian companies
- 90** attendees from both markets

ProPanama Trade Missions



Chile

Participation in market promotion panels



18 Latinex Bell Ringing



Webinars



- 4** webinars
- +500** attendees

Workshops



Thematic Emissions Workshop for the real sector with **+35** issuers and in partnership with BID Invest

El Podcast de Latinex



9 episodes



+1,350 views



+700 plays

Latinex Participation in Stakeholder Events

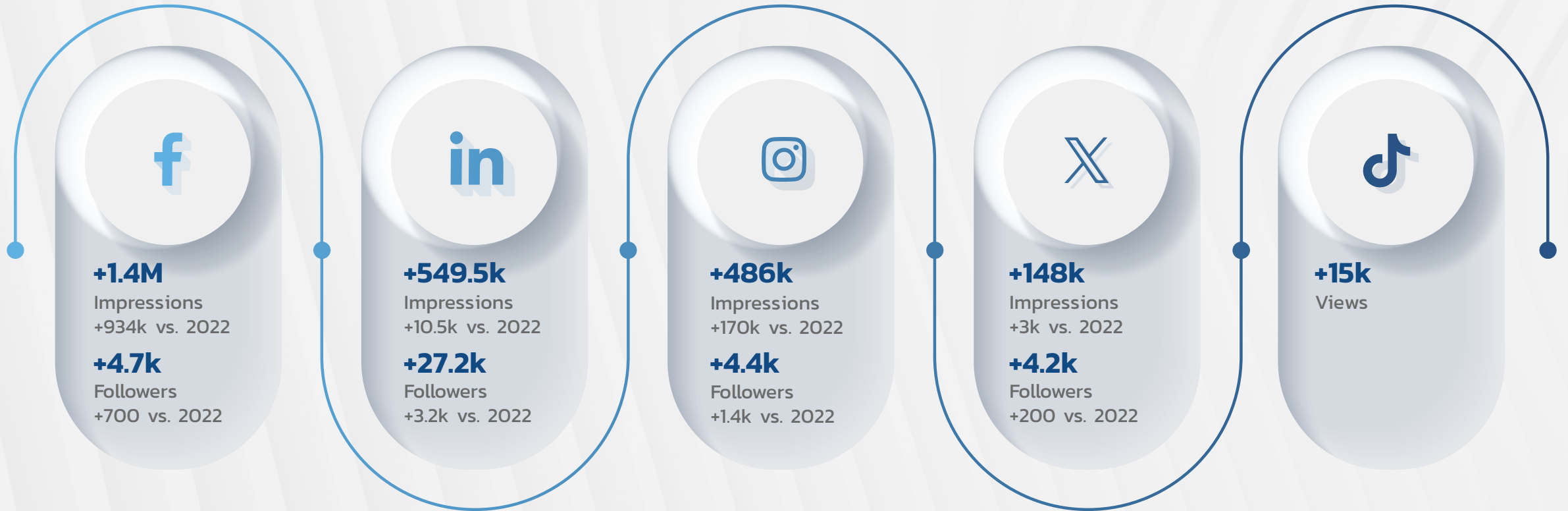
+30 events as exhibitors or national and international panelists

Market Information



Market promotion

Social Media



During 2023, there was significant growth across all of Latinex's networks as a source of market information.

This growth is based on new initiatives implemented during the year, such as "The Latinex Podcast," which transitioned from being promoted solely on the Spotify platform as audio to also having video content and being promoted on YouTube, making the podcast more appealing to the audience.

Additionally, over 18 in-person Bell Ringing events were conducted, which attracted significant foot traffic to Latinex's networks due to the interest generated by each issuer.

Finally, another reason for this increase compared to 2022 was the Investor Forum, held in conjunction with the 50th anniversary of the General Assembly and Annual Meeting of the FIAB, making Latinex's networks the focal point for information, sponsors, and activities of these events.

Presentation of results and strategy

Latinex kicked off the events of 2023 with the presentation to stock exchange posts, participants, regulators, issuers, guilds, and other stock market stakeholders of the results of the Panamanian capital market for 2022 and the strategy for 2023.



Ring the Bell for Gender Equality

For the sixth consecutive year, Latinex joined over 122 exchanges worldwide and participated in the Ring the Bell for Gender Equality event commemorating International Women's Day, reaffirming its commitment to Sustainable Development Goal (SDG) No. 5: Gender Equality. This action urges private and governmental entities to adopt initiatives in support of achieving this goal.



Roadshows and Trade Missions

In March 2023, the Roadshow and Trade Mission of market players from Panama in El Salvador took place. The event included participation from 6 Panamanian exhibiting companies and 4 Panamanian companies accompanying the trade mission. The event had an audience of over 80 participants.

Similarly, in August, the Roadshow and Trade Mission were held in Costa Rica, with participation from 5 Panamanian exhibiting companies and 7 others accompanying the trade mission. The event had an audience of over 90 participants.



Workshop with IDB Invest

With the aim of conducting a working session among different companies in the real sector to generate knowledge and exchange experiences for potential thematic bond issuances, and discuss the role played by various actors in the securities market to promote thematic bond issuance in the Panamanian market, Latinex, together with IDB Invest, conducted the workshop "Exchange of Experiences and Development Potential of a Sustainable Bond Issuance Market in Panama: Real Sector Issuers", which was attended by more than 35 issuers.



Latinex Hackathon

Latinex celebrated the thrilling final of its first Hackathon "Access to the Capital Market," an event that brought together passionate innovators and technology experts in an atmosphere of creativity and challenge. The finalists developed technological solutions for challenges related to the capital market such as "Order Placement and Routing," "Access to Market Information," and "KYC and Investor Risk Profile."



FIMVA and Miércoles Bursátiles de las Américas

The Stock Exchange of El Salvador hosted the V International Forum of Issuers of the Securities Markets of the Americas (FIMVA), an annual event of the Association of Securities Markets of the Americas (AMERCA), of which Latinex is a part along with 9 other stock exchanges in the region. This event had more than 400 attendees and featured 2 Panamanian exhibiting companies during the conference sessions.

In line with the support and promotion of the markets that make up AMERCA, the initiative of "Bursatiles Wednesdays of the Americas" continued, a series of joint webinars with interest for the 10 markets, with the Panamanian market being one of those with the highest number of participants throughout the year.



Journalist Day celebration

Latinex, together with the Superintendencia del Mercado de Valores and APAMEC, organized an event to honor all journalists who constantly support them with their coverage of the Capital Markets, commemorating Journalist Day. During this event, they also presented an update on the market from each of the organizers' work points



50th General Assembly and Annual Meeting of FIAB and Latinex Investor Forum

Latinex successfully hosted the 50th General Assembly and Annual Meeting of the Ibero-American Federation of Stock Exchanges (FIAB), marking its return as host after eight years. The event was held in conjunction with its flagship event, the Investor Forum in its twenty-fourth edition, featuring an agenda with trending topics and prominent speakers.

This event marked a significant milestone for Panama's financial community as it was the first in-person venue for the FIAB General Assembly since 2019, when the pandemic necessitated virtual events. Latinex's return as host of this important event confirms the sustained growth and importance of Panama's stock market in the region.

The FIAB General Assembly brings together representatives from 24 stock exchanges and financial markets in Latin America, the Caribbean, and Spain. It is a key forum for discussing trends, challenges, and opportunities in financial markets. On this occasion, the event took on special significance as it celebrated its 50th anniversary.



 **+1,000**
Attendees

In-person
+700
Virtual
+300

51
Sponsors

+25
National and International
Speakers

 Local
57%

 International
43%

4
Strategic Allies

We continue to strengthen our global presence

Presidency of the Working Subcommittee



Secretary



Executive Committee



Secretary



Advisor Committee



Members



In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office



Risk Rating



Operational Efficiency



By 2024, the company will complete the project to replace the Latinclear trading system with the "Depend & Hubble" custody system from Percival, widely recognized and used in over 18 countries. Additionally, Latinex's trading system, Nasdaq ME, will complete its upgrade process and migration to the cloud. This upgrade will include best market practices and enhanced functionalities in response to the needs expressed by market brokers.

In the same technological line, the new Latinex Group websites will be launched in the second quarter of 2024. These sites will facilitate information search and improve user experience by offering personalized analysis, multilingual content, and real-time data.



Local Market Development



The company continues to work on initiatives aimed at driving the development of the local market. As part of this strategy, the Stock Market Education Program stands out as a fundamental pillar. With the aim of contributing to quality education, new courses and training sessions will be launched, thus creating a publicly accessible educational ecosystem for the market.

To facilitate access to these courses, a specific section will be enabled on the group's website, where interested individuals can explore the various options offered by the Stock Market Education Program. Additionally, the possibility of making payments automatically through the website will be implemented.

Beyond regular courses, two new initiatives will be introduced. The first is the Stock Market Competition, designed for university students, with the aim of fostering interest and participation in the financial market from an early stage. The second initiative is the Latinex Hackathon, an event open to the public aimed at fostering innovation and creativity in the financial field, while promoting collaboration among professionals and enthusiasts in the sector.



Sustainable Finance



In the realm of Sustainable Finance, the company will continue working on actions that promote a transparent and efficient Panamanian stock market, under the highest standards of Corporate Governance. This will contribute to the country's social and economic development.

We will continue to work with local, regional, and international strategic allies to promote thematic issuances and develop Environmental, Social, and Corporate Governance (ESG) reports, as well as to provide education on updated trends and standards to all actors in the Panamanian capital market.

For 2024, the update of the SVS Securities Issuance Guide is planned, with the support of the IDB and in collaboration with the Climate Bonds Initiative, reaffirming Latinex's commitment to a high-quality sustainability market. The company is also collaborating with the Ministry of Environment in the development of a Voluntary National Carbon Market, which will allow environmental project managers to commercialize their carbon credits.

With the aim of generating knowledge and exchanging experiences among issuers of thematic bonds, investors, and the stock market to drive the issuance of thematic bonds in the Panamanian market, the workshop "Thematic Bond Issuance in Panama for Financial Institutions" will be held, in collaboration with IDB Invest.



International Hub



The company is working on several initiatives for the international market, including the "listing" project for international issuances. A niche of issuances that are currently not being captured in the market has been identified, and Latinex aims to make Panama a hub for the capital market, acting as a meeting point for both local and international issuers. With this project, foreign companies that meet certain eligibility criteria will be able to list their issuances on Latinex's secondary market expeditiously and with fewer requirements.

Access to Phase II of the iLink connection with Euroclear Bank will be promoted through various initiatives to internationalize corporate debt issuances and those of multilateral and/or supranational organizations, which was launched in February 2024. This will allow issuances listed on Latinex and meeting the requirements to be Euroclearable and available to international investors.

Additionally, roadshows will be conducted in other markets, such as the Roadshow with El Salvador and Nicaragua during the second quarter of the year, participation in trade missions to countries aligned with the Group's strategy, and continued collaboration with strategic allies such as ProPanama, the IDB/IDB-Invest, and CAF, among others.



Registered Issuers

ABSA FINANCIAL CORP.	CHEQUEEFFECTIVO, S. A. (1)
ADMINISTRADORA E INMOBILIARIA, S.A.	CM REALTY, S.A.
AEROPUERTO INTERNACIONAL DE TOCUMEN, S.A.	COCHEZ Y COMPAÑÍA, S.A.
AES CHANGUINOLA, S.R.L.	CODERE TRUST
AES PANAMA GENERATION HOLDINGS S. DE R.L.	COLFINANZAS, S.A.
ALBROOK LEASING COMPANY, INC.	COMMERCIAL CENTER FUND, INC.
ALIADO FACTORING, S.A.	COMPAÑÍA AZUCARERA LA ESTRELLA, S.A.
ALIADO LEASING, S.A.	COMPAÑÍA INSULAR AMERICANA, S.A.
ALUTECH, S.A. DE C.V.	CONDADO PROPERTIES, INC.
ARROW CAPITAL CORP.	CORPORACIÓN ANDINA DE FOMENTO
AV FUNDS, INC.	CORPORACIÓN BELLAVISTA DE FINANZAS, S.A.
AVNER PERRY INVESTMENTS, S.A.	CORPORACIÓN DE CRÉDITO, S.A.
BAC HOLDING INTERNATIONAL, CORP.	CORPORACIÓN DE FINANZAS DEL PAÍS, S.A.
BAC INTERNATIONAL BANK, INC.	CORPORACIÓN INTERAMERICANA PARA EL FINANCIAMIENTO DE INFRAESTRUCTURA, S.A. (CIFI)
BANCO ALIADO, S.A.	CORREAGUA INTERNACIONAL, S.A.
BANCO BAC SAN JOSÉ, S.A.	CREDICORP BANK, S.A.
BANCO CENTROAMERICANO DE INTEGRACIÓN ECONÓMICA	DÉCIMO CUARTO FIDEICOMISO DE BONOS DE PRÉSTAMOS HIPOTECARIOS
BANCO DELTA, S.A.	DÉCIMO FIDEICOMISO DE BONOS DE PRÉSTAMOS HIPOTECARIOS
BANCO FICOHSA (PANAMÁ), S.A.	DÉCIMO PRIMER FIDEICOMISO DE BONOS DE PRÉSTAMOS HIPOTECARIOS
BANCO GENERAL, S.A.	DÉCIMO QUINTO FIDEICOMISO DE BONOS DE PRÉSTAMOS HIPOTECARIOS
BANCO INTERAMERICANO DE DESARROLLO	DÉCIMO SEGUNDO FIDEICOMISO DE BONOS DE PRÉSTAMOS HIPOTECARIOS
BANCO INTERNACIONAL DE COSTA RICA, S.A.	DÉCIMO SEXTO FIDEICOMISO DE BONOS DE PRÉSTAMOS HIPOTECARIOS
BANCO LA HIPOTECARIA, S.A.	DÉCIMO TERCER FIDEICOMISO DE BONOS DE PRÉSTAMOS HIPOTECARIOS
BANCO LATINOAMERICANO DE COMERCIO EXTERIOR, S.A. (BLADEX)	DESARROLLO INMOBILIARIO DEL ESTE, S.A.
BANCO NACIONAL DE PANAMÁ	DESARROLLOS COMERCIALES, S.A.
BANCO PICHINCHA PANAMÁ, S.A.	D-FOUR, S.A.
BANCO POPULAR Y DE DESARROLLO COMUNAL DE COSTA RICA	DOLPHY PLAZA COMERCIAL, S.A.
BANCO PROMERICA DE COSTA RICA, S.A.	DUREX PROPERTY GROUP, S.A.
BANESCO, S.A.	ELECTRON INVESTMENT, S.A.
BANISI, S.A.	ELEKTRA NORESTE, S.A.
BANISTMO, S.A.	EMERALD CAY BOCAS, S.A.
BAVARIAN REAL ESTATE, INC.	EMPRESA DE TRANSMISIÓN ELÉCTRICA, S.A.
BAYPORT ENTERPRISES, S.A.	EMPRESA GENERAL DE INVERSIONES, S.A.
BCR FONDO DE INVERSIÓN INMOBILIARIO DEL COMERCIO Y LA INDUSTRIA (FCI) NO DIVERSIFICADO	EMPRESAS MELO, S.A.
BCR FONDO DE INVERSIÓN INMOBILIARIO NO DIVERSIFICADO	ENA MASTER TRUST
BCT BANK INTERNATIONAL, S.A.	ENCINA FUND, INC.
BERBEL INVESTMENTS, CORP.	F.C. INMOBILIARIA, S.A.
BETTER RETAIL FUND, INC.	FIDEICOMISO DE FOMENTO TURISTICO
BG METAL TRADE, INC.	FIDEICOMISO ENA NORTE
BI-BANK, S.A.	FIDEICOMISO INMOBILIARIO CASAS GRANDES
BICSA FACTORING, S.A.	FIDEICOMISO ITHACA INVESTMENT TRUST
BOULEVARD HOLDING, S.A.	FINANCIA CREDIT, S.A.
CABEI CENTRAL AMERICAN FUND PLC.	FINANCIAL REALTY SERVICES, S.A.
CAJA DE AHORROS	FINANCIERA EL SOL, S.A.
CALDERA ENERGY CORP.	FINANCIERA FAMILIAR, S.A.
CANAL BANK, S.A.	FINANCIERA FINACREDIT, S.A.
CANAL FONDO DE LIQUIDEZ MEJORADA, S.A.	FINANCIERA PACÍFICO INTERNACIONAL, S.A.
CANAL MULTISTRATEGY FAMILY OF FUNDS, INC.	FINANZAS Y CRÉDITOS DEL HOGAR, S.A. (FINANCIERA LA GENEROSA) (1)
CENTRO COMERCIAL BALBOA BOUTIQUES, S.A.	FONDO DE INVERSIÓN INMOBILIARIA GIBRALTAR
CERVELLÓ HOLDING, S.A.	FONDO DE INVERSION INMOBILIARIO LOS CRESTONES

(1) The negotiation of securities on the Stock Exchange of Panama is suspended.

Registered Issuers

FONDO DE INVERSIÓN INMOBILIARIO VISTA	INVERSIONES INMOBILIARIAS ARROCHA, S.A.	PERUTIL, S.A.	UNIBANK, S.A.
FONDO DE INVERSIÓN INMOBILIARIA VALLE LINDO, S.A.	INVERSIONES LEINA, S.A.	PETRÓLEOS DELTA, S.A.	UNICORP TOWER PLAZA, S.A.
FONDO DE INVERSIÓN POPULAR INMOBILIARIO ZETA NO DIVERSIFICADO	INVERSIONES TERRALUNA, S.A.	PF STRUCTURED NOTES, INC.	UNIÓN NACIONAL DE EMPRESAS, S.A.
FONDO GENERAL DE INVERSIONES, S.A.	INVERSIONES TERRALUZ, S.A.	PHOENIX REAL ESTATE FUND, INC.	UNIVERSIDAD FRANCISCO MARROQUIN
FONDO GENERAL DE RETORNO TOTAL, S.A.	INVERTIS GLOBAL INCOME FUND, S.A.	POWER GEN, S.A.	URBAN DEVELOPMENT GROUP, S.A.
FONDO GLOBAL DE INVERSIONES, S.A.	ISTMO COMPAÑÍA DE REASEGUROS, INC. (1)	PREMIER INDEX FUND, S.A.	URCA GLOBAL FUND, INC.
FONDO RENTA FIJA VALOR, S.A.	KADIMA HOLDINGS, S.A.	PREMIER LATIN AMERICAN BOND FUND, S.A.	VANTAGE PROPERTIES TRUST
FONDO RENTA SOSTENIBLE GLOBAL, S.A.	LA CORUÑA INVESTMENTS, S.A.	PREMIER MEDIUM TERM BOND FUND, S.A.	VERDEMAR INVESTMENT CORPORATION, S.A.
FOUNTAIN HYDRO POWER CORP.	LA HIPOTECARIA (HOLDING), INC.	PREMIUM PROPERTIES INTERNATIONAL, S.A.	VILGOLY CAPITAL, INC
FRANQUICIAS PANAMEÑAS, S.A.	LATAM REAL ESTATE GROWTH FUND, INC.	PRIMA SOCIEDAD DE INVERSION INMOBILIARIA, S.A.	WORLDLAND INVESTMENT, S.A.
G.B. GROUP CORPORATION	LATIN AMERICAN KRAFT INVESTMENTS, INC. Y SUBSIDIARIAS	PRIMER FIDEICOMISO DE BONOS DE PRÉSTAMOS PERSONALES CCB	X DEVELOPMENT, S.A.
GASES DE PETRÓLEO, S.A.	LATINEX HOLDINGS, INC.	PRIVAL BANK, S.A.	YMMMA, CORP.
GLOBAL BANK CORPORATION	LATSONS REALTY INVESTMENT COMPANY, S.A.	PRIVAL BOND FUND	
GLOBAL SUPREME INVESTMENT CORP.	LEASING BANISTMO, S.A.	PRIVAL MULTI-STRATEGY INCOME & GROWTH FUND, S.A.	
GOLDEN FOREST, S.A.	LION HILL CAPITAL 2, S.A.	PRIVAL REAL ESTATE FUND, S.A.	
GREEN TOWER PROPERTIES, INC.	LION HILL CAPITAL, S.A.	PROCOSTA, S.A.	
GRUPO ALIADO, S.A.	LOS ANDES FUND, S.A.	PRODUCTOS ALIMENTICIOS PASCUAL, S.A.	
GRUPO APC, S.A.	LOS CASTILLOS REAL ESTATE, INC.	PROMOCIÓN MÉDICA, S.A.	
GRUPO ASSA, S.A. Y SUBSIDIARIAS	MAREVALLEY CORPORATION	PROMOTORA SANTA CECILIA, S.A.	
GRUPO BANDELTA HOLDING CORP.	MERCANTIL BANCO, S.A.	PS MULTI-ASSET CLASS FUND, INC.	
GRUPO FINANCIERO BG, S.A.	MERCANTIL HOLDING FINANCIERO INTERNACIONAL, S.A.	R.G. HOTELS, INC. (1)	
GRUPO INMOBILIARIO DE CAPITAL PRIVADO I	MERCANTIL SERVICIOS FINANCIEROS INTERNACIONAL, S.A.	R.G. INMOBILIARIA, S.A. (1)	
GRUPO MELO, S.A.	METRO HOLDING ENTERPRISES, INC.	REAL ESTATE INVESTMENT THRUST INC.	
GRUPO MUNDIAL TENEDORA, S.A.	METRO LEASING, S.A.	REAL ESTATE PARTNERS TRUST	
GRUPO PRIVAL, S.A.	METRO STRATEGIC INCOME FUND, INC.	REGULUS INMOBILIARIA, S.A.	
HABITATS REIT CORP.	METROBANK, S.A.	REPÚBLICA DE PANAMÁ	
HIDRO BOQUERON, S.A.	METROFACTURING, S.A.	RETAIL CENTENARIO, S.A.	
HIDROELÉCTRICA BAJOS DEL TOTUMA, S.A.	MHC HOLDINGS LTD.	RETAIL SPACE HOLDINGS, CORP.	
HIDROELECTRICA SAN LORENZO, S.A.	MIFINANCIERA, S.A.	RITOL INVESTMENTS, INC.	
HIPOTECARIA METROCREDIT, S.A.	MMD-21, S.A.	SEEWAY REAL ESTATE TRUST	
HORMIGOTI, S.A.	MMG BANK CORPORATION	SEMAH REAL ESTATE INVESTMENT FUND, S.A.	
HOTEL SAXONY BOCAS, S.A.	MMG FIXED INCOME FUND, S.A.	SOCIEDAD URBANIZADORA DEL CARIBE, S.A.	
HYDRO CAISÁN, S.A.	MMG GLOBAL ALLOCATION FUND, INC.	ST. GEORGES BANK & COMPANY INC.	
HYLAND COMMERCIAL, CORP.	MMG PANAMA ALLOCATION FUND, INC.	STAR GROUP INVESTMENTS, S.A.	
I HOLDING, S.A.	MULTI FINANCIAMIENTOS, S.A.	STRATEGIC INVESTORS GROUP, INC. (1)	
IDEAL LIVING, CORP	MULTI PROSPERITY FIXED INCOME FUND	SUPERMERCADOS XTRA, S.A.	
IFG INVESTMENT OPPORTUNITIES FUND, INC.	MULTIBANK, INC.	SUSTAINABLE URBAN REVITALIZATION FUND, INC.	
IFG REAL ESTATE FUND, INC.	NF REAL ESTATE FUND, S.A.	TAD REAL ESTATE, S.A.	
INDUSTRIA ECUATORIANA PRODUCTORA DE ALIMENTOS C.A.	NORTH AMERICAN INCOME FUND P.L.C.	TAGUA FUND, INC.	
INMOBILIARIA CERVELLÓ, S.A.	OFERTAS E INVERSIONES, S.A.	TAMIR INTERINVEST, S.A.	
INMOBILIARIA DON ANTONIO, S.A.	ORI RE DEVELOPMENT. INC.	TCG MERCHANT GROUP, INC. (1)	
INMOBILIARIA JERD, S.A.	OSTRICA INVESTMENT CORP.	TELECOMUNICACIONES DIGITALES, S.A.	
INMOBILIARIA MMD PANAMÁ, S.A.	PACIFIC EAST COAST, S.A.	TOP & SELECTED PROPERTIES, S.A.	
INMOBILIARIA NIDACO, S.A.	PANAMA GROWTH PROPERTIES TRUST	TOWER CORPORATION	
INMOBILIARIA PALMA BONITA, S.A.	PANAMA LATAM FIXED INCOME FUND INC.	TOWERBANK INTERNATIONAL INC.	
INMOBILIARIA PANAMA CAR RENTAL, S.A.	PANAMA NORTE SCHOOL, S.A.	TROPICAL RESORTS INTERNATIONAL INC.	
INMOBILIARIA SDS, INC.	PANAMA POWER HOLDINGS, INC.	UEP PENONOME II, S.A.	
INSIGNEO PRIVATE VENTURES FUND, S.A.	PANAMA REAL ESTATE DEVELOPMENT FUND, INC.	UHR DEVELOPMENT, INC. (1)	
INTERNATIONAL WEALTH PROTECTION FUND LIMITED, INC.	PARQUE EÓLICO TOABRÉ, S.A.	ULTRA STAR, INC.	
INVERSIONES CHIRICANAS DE HOTELERÍA, S.A.	PENONOME LANDS, S.A.	UNI LEASING, INC.	

(1) The negotiation of securities on the Stock Exchange of Panama is suspended.

Stock Exchange Seats and Participants

	Web Page	Stock Exchange Seats	Latinclear Participants
Arca Capital, S.A.	www.arcavalores.com		●
Atlántida Securities, S.A. de C.V.*	www.atlantidasecurities.com.sv	●	
AV Securities, Inc.	www.avsecurities.com	●	
BAC Valores (Panamá), Inc.	www.fondopremier.com/htmls/bacvalores.html	●	●
Banco General, S.A.	www.bgeneral.com		●
Banco Nacional de Panamá	www.banconal.com.pa	●	●
Banesco (Panamá), S.A.	www.banesco.com.pa		●
BCT Securities, S.A.	www.bctsecurities.com.pa	●	●
BG Investment Co. Inc.	www.bgeneral.com	●	●
BG Valores, S.A.	www.bgeneral.com/personas/bg-valores/	●	●
BICSA Capital, S.A.	www.bicsa.com	●	●
Caja de Ahorros (Panamá)	www.cajadeahorros.com.pa		●
Caja de Seguro Social, Administradora de Inversiones	www.css.gob.pa		●
Citibank N.A. – Sucursal Panamá	www.citibank.com/icg/sa/latam/panama/citisevice/		●
Citivalores, S.A.	www.citibank.com.pa	●	●
Credicorp Securities, Inc.	www.credisec.com	●	●
Geneva Asset Management, S.A.	www.genasset.com	●	●
Global Valores, S.A.	www.globalbank.com.pa	●	●
Hencorp, S.A. de C.V.*	www.hencorpcasadebolsa.com.sv	●	
Invertis Securities, S.A.	www.invertissecurities.com	●	●
Lafise Valores de Panamá, S.A.	www.lafise.com	●	●
Mercantil Servicios de Inversión, S.A.	www.mercantils.com.pa	●	●
Metro Asset Consultings, Inc.	www.metrobanksa.com/metro-asset-management/	●	●
Miura Capital Panamá, Inc.	www.miuracapital.com.pa	●	●
MMG Bank Corporation	www.mmgbank.com	●	●
Multi Securities, Inc.	www.multibank.com.pa	●	●
Panacorp Casa de Valores, S.A.	www.panacorpcv.com		●
Paullier & Cía. Intl. Corp.	www.paullier.com.pa	●	●
Perth Prime Capital, S.A.**	-		●
Prival Securities, Inc.	www.prival.com	●	●
Servicios Generales Bursátiles, S.A. de C.V.*	www.sgbsal.com	●	
Singular Securities, Corp.	www.singularwm.com	●	●
Sweetwater Securities, Inc.	www.sweetwatersecurities.com	●	●
Tower Securities, Inc.	www.towerbank.com	●	●
Valores Azul, S.A. de C.V.*	-	●	
Valores Banagrícola, S.A. de C.V.*	www.bancoagricola.com	●	
Valores Banistmo S.A.	www.banistmo.com.pa	●	●
Valores Cuscatlán El Salvador, S.A. de C.V.*	www.bancocuscatlan.com	●	

*Remote Operator: El Salvador

**As of December 31, 2023, it was in the process of voluntary withdrawal.

Latinex Holdings, Inc. y Subsidiarias

Consolidated Financial Statements | December 31, 2023
General Information | December 31, 2023

Dignataries

Arturo Gerbaud
President

Roberto Brenes
Vice President

Carlos Mendoza
Treasurer

Mónica García De Paredes de Chapman
Secretary

Social Domicile

| Ave. Federico Boyd and 49th Street, P.H. Bolsa de Valores Building

Banks and Other Financial Institutions

| BAC Internacional Bank, Inc.
Banco Davivienda (Panamá), S.A.
Banco General, S.A.
Banco La Hipotecaria, S.A.
Banco Nacional de Panamá
Banistmo, S.A.
Citibank, N.A.
Citibank, New York
Clearstream Banking, S.A.
Euroclear Bank
Global Bank Corporation

Auditors

| PricewaterhouseCoopers Panamá, S.R.L.



Independent Auditor's Report

To the Board of Directors
of Latinex Holdings, Inc.

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Latinex Holdings, Inc. and Subsidiaries (the "Company") as of December 31, 2023, as its financial performance and its cash flows for the year then ended, in accordance with IFRS Accounting Standards.

What we have audited

The consolidated financial statements of the Company comprise:

- the consolidated statement of financial position as of December 31, 2023;
- the consolidated statement of income for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include material accounting policies and other explanatory information.

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 consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent from the Company in accordance with the International Code of Ethics for Professional Accountants (including the International Standards of Independence) issued by the International Ethics Standards Board for Accountants (IESBA Code of Ethics) and the requirements of the code of professional ethics for certified public accountants that are relevant to our audit of the financial statements in the Republic of Panama. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code of Ethics and the ethical requirements of the Republic of Panama.



To the Board of Directors
of Latinex Holdings, Inc.
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Other matter

The consolidated financial statements of the Company for the year ended December 31, 2022 were audited by another auditors whose report, dated March 30, 2023, expressed an unmodified opinion on those consolidated financial statements.

Key audit matters

Key audit matters are those that, in our professional judgment, were the most significant in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Valuation of Investments in Securities

The determination of the fair value of investments in securities requires that Management use as a reference price, purchase and sales prices of transactions carried out in international markets or through the Bolsa de Valores de Panamá. Management applies judgment to determine whether the movement is sufficient to determine its market value and its classification in levels 1, 2 and 3 of the fair value hierarchy established by IFRS Accounting Standards.

When there are not enough movements, Management has hired an independent provider that uses valuation models based on observable data to determine its fair value.

As of December 31, 2023, investments in securities include B/5.2 million, B/4.8 million and B/3 thousand classified under the fair value hierarchy of Level 1, 2 and 3, respectively.

See Notes 3 and 4 for information on the classification of securities investments by level and an explanation of critical judgment and Note 6 for details of securities investments.

How our audit addressed the matter

Our audit procedures included:

- 1) We understood and evaluated the process used by the Company for the classification, measurement and accounting of investments.
- 2) We verified the classification of investments in securities based on the business model defined by the Company.
- 3) We obtained the investment auxiliaries and compared the nominal balances with the custodians account statements and the Company's records.
- 4) We verified fair values by selecting a sample of investments and:
 - We verified that there was a volume of transactions in the Bolsa Latinoamericana de Valores as a source of price for an orderly market.
 - Investments with available price information, we compare them with price sources from different providers.
 - We obtained management determined fair values and compared them to our independent estimate.
- 5) We verified the disclosures in the consolidated financial statements related to critical judgments, model description, hierarchy level and other information regarding the determination of fair value.



To the Board of Directors
of Latinex Holdings, Inc.
Page 3

Other information

Management is responsible for other information. The other information refers to the “Annual Update Report” (but does not include the consolidated financial statements and our auditor’s report thereon).

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance of the Company in relation to the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management considers necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for evaluating the Company's ability to continue as a going concern, disclosing, as appropriate, matters related to going concern and using the going concern basis of accounting, unless that management intends to liquidate the Company or cease operations, or there is no other realistic alternative.

Those charged with governance of the Company are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high degree of assurance, but it not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect 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 on the basis of these consolidated financial statements.



To the Board of Directors
of Latinex Holdings, Inc.
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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:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether 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 that resulting from error, as fraud may involve collusion, forgery, intentional omissions, intentional misstatements, 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 Company's internal control.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriate 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 company'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 relevant disclosures in the consolidated financial statements or, if such disclosures are inadequate, to express a modified 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We are solely responsible for our audit opinion.

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



To the Board of Directors
of Latinex Holdings, Inc.
Page 5

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and have disclosed all relationships and other matters that may reasonably affect our independence and, where applicable, the actions taken to eliminate threats or safeguards applied.


From the matters communicated to those charged with governance, we determined those matters that were of most significance in the audit of the current year's consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation prohibits public disclosure of the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In compliance with Law 280 of December 30, 2021, which regulates the profession of certified public accountant in the Republic of Panama, we declare the following:

- That the direction, execution, and supervision of this audit work has been physically carried out in Panamanian territory.
- The partner in charge of the audit who has elaborated this independent auditor's report is Manuel Pérez Broce, with authorized public accountant license No. 0192-2002.
- The work team that has participated in the audit to referred to this report is constituted by Manuel Pérez Broce, Partner, and Jacqueline Andrión, Senior Manager.


April 1, 2024
Panama, Republic of Panama


Manuel Pérez Broce
CPA 0192-2002

Latinex Holdings, Inc. and Subsidiaries

Consolidated Statement of Financial Position December 31, 2023 (Stated in balboas)

	2023	2022
Assets		
Cash and demand deposits (Note 5)	1,707,701	1,942,286
Time deposits (Note 5)	776,452	1,207,035
Investments in securities (Note 6)	10,033,992	9,149,315
Financial assets at amortized cost (Note 7)	584,031	472,151
Prepaid expenses	110,604	119,647
Income tax paid in advance	166,784	80,241
Properties, furniture and equipment, net (Note 8)	1,869,992	1,691,441
Deferred income tax (Note 14)	10,508	89,866
Guarantee deposits	760	760
Other assets	378,773	379,843
Total assets	<u>15,639,597</u>	<u>15,132,585</u>
Liabilities and Equity		
Liabilities		
Accounts payable suppliers	145,906	80,194
Accumulated expenses and withholdings payable	358,526	326,571
Income tax payable	52,182	-
Deferred income tax (Note 14)	19,102	-
Dividends payable (Notes 15 and 17)	302,656	284,592
Commissions charged in advance	-	120,292
Seniority premium payable	268,657	289,899
Total liabilities	<u>1,147,029</u>	<u>1,101,548</u>
Equity		
Common shares (Note 16)	5,716,529	5,716,529
Treasury shares (Note 16)	(118,459)	(118,459)
Other comprehensive income	196,726	181,614
Complementary tax	(32,296)	(32,296)
Retained earnings	8,730,068	8,283,649
Total equity	<u>14,492,568</u>	<u>14,031,037</u>
Total liabilities and equity	<u>15,639,597</u>	<u>15,132,585</u>

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

Latinex Holdings, Inc. and Subsidiaries

Consolidated Statement of Profit or Loss For the year ended December 31, 2023 (Stated in balboas)

	2023	2022
Revenue from contracts		
Commissions	5,187,005	5,430,612
Payment agency and international market transactions	1,720,096	1,619,878
Maintenance fees	670,008	574,194
Company registrations and emissions	202,191	206,600
Management fees	<u>555,439</u>	<u>528,362</u>
Total revenue from contracts	<u>8,334,739</u>	<u>8,359,646</u>
Financial income (Note 9)	484,392	386,144
Unrealized gains (loss) on investments at fair value		
with changes in profit or loss	7,060	(363,705)
Other income (Note 10)	<u>503,826</u>	<u>276,043</u>
Total revenue	<u>9,330,017</u>	<u>8,658,128</u>
General and administrative expenses		
Personnel expenses (Notes 11 and 15)	2,127,288	2,127,229
Depreciation and amortization (Note 8)	437,182	382,632
Insurance	274,226	263,263
Supervision fee	207,073	207,025
Custody and payment agency expenses, registration and transfer	880,866	930,570
Other administrative expenses (Note 12)	<u>1,994,074</u>	<u>1,683,873</u>
Total general and administrative expenses	<u>5,920,709</u>	<u>5,594,592</u>
Income before income tax	3,409,308	3,063,536
Income tax, net (Note 14)	<u>(1,044,561)</u>	<u>(991,788)</u>
Net income	<u>2,364,747</u>	<u>2,071,748</u>
Basic earnings per share (Note 13)	<u>0.1603</u>	<u>0.1404</u>

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

Latinex Holdings, Inc. and Subsidiaries

Consolidated Statement of Comprehensive Income For the year ended December 31, 2023 (Stated in balboas)

	2023	2022
Net income	<u>2,364,747</u>	<u>2,071,748</u>
Other Comprehensive Income Items:		
Items that can be subsequently reclassified to results:		
Net change in fair value of debt investments through other comprehensive income	(5,366)	(38,241)
Items that will not be reclassified later to results:		
Net change in equity investments at fair value through other comprehensive income	<u>20,478</u>	<u>4,873</u>
Total other comprehensive income (Note 6)	<u>15,112</u>	<u>(33,368)</u>
Total comprehensive income	<u>2,379,859</u>	<u>2,038,380</u>

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

Latinex Holdings, Inc. and Subsidiaries

Consolidated Statement of Changes in Equity
For the year ended December 31, 2023
(Stated in balboas)

	Common Shares	Treasury Shares	Other Comprehensive Income	Complementary Tax	Retained Earnings	Total Equity
Balance as of December 31, 2021	5,716,529	(118,459)	214,982	(32,296)	8,868,048	14,648,804
<i>Comprehensive Income</i>						
Net income	-	-	-	-	2,071,748	2,071,748
Other comprehensive income (Note 6)	-	-	(33,368)	-	-	(33,368)
Total comprehensive income	-	-	(33,368)	-	2,071,748	2,038,380
<i>Transactions with Shareholders</i>						
Dividends declared (Note 17)	-	-	-	-	(2,656,147)	(2,656,147)
Balance at the end of the year	5,716,529	(118,459)	181,614	(32,296)	8,283,649	14,031,037
Balance as of December 31, 2022	5,716,529	(118,459)	181,614	(32,296)	8,283,649	14,031,037
<i>Comprehensive Income</i>						
Net income	-	-	-	-	2,364,747	2,364,747
Other comprehensive income (Note 6)	-	-	15,112	-	-	15,112
Total comprehensive income	-	-	15,112	-	2,364,747	2,379,859
<i>Transactions with shareholders</i>						
Dividends declared (Note 17)	-	-	-	-	(1,918,328)	(1,918,328)
Balance as of December 31, 2023	5,716,529	(118,459)	196,726	(32,296)	8,730,068	14,492,568

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

Latinex Holdings, Inc. and Subsidiaries

Consolidated Statement of Cash Flows
For the year ended December 31, 2023
(Stated in balboas)

	2023	2022
Cash flows from operating activities		
Income before income tax	3,409,308	3,063,536
Adjustments to reconcile income before income tax with net cash provided by the operating activities:		
Depreciation and amortization	437,182	382,632
Financial income	(484,392)	(386,144)
Unrealized (gains) loss on investments at fair value with changes in profit or loss	(7,060)	363,705
Net changes in operating assets and liabilities:		
Financial assets at amortized cost	(111,880)	27,893
Prepaid expenses	9,043	(101,535)
Accounts payable suppliers	65,712	-
Accrued expenses and withholdings payable	31,955	(86,656)
Commissions charged in advance	(120,292)	(419,612)
Security deposits and other assets	(19,437)	67,649
Interest and dividends received	470,024	374,618
Income tax paid	(980,462)	(1,204,314)
Net cash provided by operating activities	2,699,701	2,081,772
Cash flows from investing activities		
Fixed-term deposits with maturity greater than 90 days	438,398	57,550
Purchases of investments at fair value through comprehensive income	(5,349,000)	(1,900,000)
Sales and redemptions of investments at fair value through other comprehensive income	3,772,497	1,993,324
Sales and redemptions of investments at fair value through profit or loss	719,816	-
Acquisition of furniture and equipment, net	(615,733)	(534,444)
Net cash used in investing activities	(1,034,022)	(383,570)
Cash flows from financing activities		
Net cash used in financing activities - dividends paid	(1,900,264)	(2,656,006)
Net decrease in cash	(234,585)	(957,804)
Effective at the beginning of the year	1,942,286	2,900,090
Effective at the end of the year	1,707,701	1,942,286

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

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

1. General Information

Latinex Holdings, Inc. (the "Company") is a corporation incorporated in accordance with the laws of the Republic of Panama according to Public Deed No.15,135 of June 28, 2010. The Company owns 100% of the shares of Latinex Capital, Inc., which in turn owns 100% of the shares of Bolsa Latinoamericana de Valores, S.A. and Central Latinoamericana de Valores, S.A.

The Company together with its subsidiaries constitute the Latinex Group.

Latinex Holdings, Inc. is a public company that lists its common shares on the Bolsa Latinoamericana de Valores, S.A.

Bolsa Latinoamericana de Valores, S.A., is a public limited company established in accordance with the laws of the Republic of Panama. Through Resolution No.CNV-349 of March 30, 1990 of the Superintendency of the Securities Market (SMV), the Company was authorized to operate a stock exchange in the Republic of Panama.

The Internal Regulations of the Bolsa Latinoamericana de Valores, S.A. and its modifications were approved by the Superintendency of the Stock Market (SMV). The last modification was approved by the SMV through Resolution No.SMV-211-21 of May 5, 2021.

On March 23, 2021, the Bolsa Latinoamericana de Valores, S.A. registered the change of its corporate name to Bolsa Latinoamericana de Valores, S.A.

On March 23, 2021, Latinex, Inc. registered the change of its corporate name to Latinex Capital, Inc. Latinex Capital, Inc. is a public limited company incorporated in accordance with the laws of the Republic of Panama.

Central Latinoamericana de Valores, S.A. is a public limited company established in accordance with the laws of the Republic of Panama. Through Resolution No.CNV-68-97 of July 23, 1997 of the Superintendency of the Securities Market (SMV), the Company was authorized to operate the business of administration, custody, clearing and settlement of securities in the Republic of Panama.

Likewise, the Internal Regulations of Central Latinoamericana de Valores, S.A. and its modifications were approved by the Superintendency of the Securities Market (SMV). The last modification was approved by the SMV through Resolution No. SMV 213-21 of May 6, 2021.

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

1. General Information (Continued)

Corporate Governance

Policy Summary

In accordance with the provisions contained in the Articles of Incorporation, the Company has been developing and adopting, continuously and voluntarily, a Corporate Governance scheme with the objective of:

- Define the best practices that Latinex Holdings, Inc. and subsidiaries will follow for all its stakeholders (shareholders, members of the Board of Directors and Committees, clients, suppliers and creditors, strategic allies, the State, regulatory entities, media), general public, among others).
- Support the Board of Directors in the examination, evaluation and permanent surveillance of the Company's accounting, financial and risk control system.
- Monitoring of the procedures of the internal management control systems.
- Establish a clear framework for risk identification, verification and control.
- Clear provisions for the delegation of authority and responsibility.
- Establish efficient processes for decision making.
- Establish explicit guidelines for the operation of the Board of Directors, in terms of decision-making policies.

The Company has the following work Committees appointed by the Board of Directors:

Company Committees

Audit Committee: Its main function is to ensure the proper functioning of the internal control system and the integrity of the Company's financial information.

Risk Committee: Its main function is to identify, establish and implement criteria to minimize the inherent risks of the operations carried out by the Company and its subsidiaries, based on best practices and international standards.

Investment and Finance Committee: Its main function is to establish the internal rules and guides for fixed and variable income investment, including the maximum limits to invest, financial requirements of the companies in which Latinex Holdings, Inc. and its Subsidiaries invest; also ensure the effective and efficient management of the funds, strategic financial plans and capital structure of the Latinex Group companies, and make recommendations to the Board of Directors as deemed necessary.

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

1. General Information (Continued)

Company Committees (continued)

Corporate Governance Committee: Its main function is to verify the functioning of the structure and compliance with good practices in order to improve corporate governance.

Human Capital Committee: Its main function is to analyze matters relating to selection, remuneration, termination, succession plan and evaluation of key executives of the Company and its subsidiaries.

Sustainability and Corporate Social Responsibility (CSR) Committee: Its main function is to establish and promote the corporate sustainability strategy and policies of Latinex Holdings, Inc. and subsidiaries; Ensure the proper management of environmental, social and Corporate Governance (ESG) factors, and in turn, promote these factors for the stock market.

Subsidiary Committees

The Company's subsidiaries have permanent Committees appointed by the Board of Directors that act on specific areas of operation. These Committees are:

- Audit Committee
- Risk Committee
- Ethics and Compliance Committee
- Technology Committee

Directors, Independent Directors and Executives

The Directors and Independent Directors of the Company are not directly or indirectly, individually or jointly beneficial owners of a controlling number of common shares of the Parent Company. No Director, nor Independent Director, directly or indirectly, is a significant supplier of goods or services to the Company; however, some Directors are corporate officers with substantial relationships with the Company and its Subsidiaries. The executives of the Subsidiaries are independent of the Directors and Shareholders.

At a meeting on April 26, 2017, the Shareholders' Assembly approved the modification to the articles of incorporation, in order to integrate, at least, two (2) Independent Directors to the Company's Board of Directors.

Additionally, the Board of Directors will be made up of the percentage of participation of women established in Law No.56 of July 11, 2017, who may hold either the position of Director or Independent Director, in accordance with the Company's Statutes.

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

1. General Information (Continued)

Statutes

The Company has Statutes, which regulate the operation of the different Committees, based on general principles of Corporate Governance.

Code of Ethics and Conduct

The Company has adopted a Code of Ethics and Conduct to ensure that all Directors, Officers, Members or guests of the Committees, Board of Directors, Legal Representatives, Managers and Collaborators comply with the highest standards of conduct. The Code of Ethics and Conduct governs relationships with principles of honesty, diligence and loyalty, contains specific rules for the treatment of conflicts of interest and regulates prohibited conduct such as the use of confidential and privileged information, dishonest or unfair behavior, bribery, corruption, among others.

Corporate Governance Code

The Company adopted a Corporate Governance Code that aims to define the best practices that Grupo Latinex will follow with all its stakeholders, in addition to what is established by the Law, the Social Pact, the Bylaws of each company and any other policy. that has been duly approved by the Board of Directors and that, in turn, enshrines rights for them. Therefore, the application, compliance and interpretation of said Code must be done in accordance with the Law, the Social Pact and the Statutes. The Corporate Governance Code is applicable to Shareholders, Directors, Officers, members of the Committees, Board of Directors, Managers, Collaborators and other interest groups of Grupo Latinex.

These consolidated financial statements were authorized for issuance by the Board of Directors on March 27, 2024.

2. Summary of Material Accounting Policies

The material accounting policies used by the Company in the preparation of these consolidated financial statements are presented below; which were applied consistently in the previous year.

Preparation Basis

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB), on a historical cost basis, except for the measurement at fair value of investments at fair value through other comprehensive income and investments at fair value through profit or loss, according to IFRS 9 Financial Instruments.

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

2. Summary of Material Accounting Policies (Continued)

Preparation Basis (continued)

The Company presents its consolidated statement of financial position in order of liquidity based on the intention and perception of recovering the majority of its assets and liabilities in the corresponding lines of said financial statement.

The preparation of consolidated financial statements in accordance with IFRS Accounting Standards requires the use of certain critical accounting estimates. Also, it requires Management to use its judgment in the process of applying the accounting policies of the Company and its Subsidiaries. Areas that involve a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

Monetary Unit and Functional Currency

The consolidated financial statements are expressed in balboas (B/.), monetary unit of the Republic of Panama, which is on par with the dollar (USD), monetary unit of the United States of America. The dollar circulates and is freely exchanged in the Republic of Panama and is considered the functional currency.

Consolidation

The consolidated financial statements include all financial statement accounts of the Companies Bolsa Latinoamericana de Valores, S.A., Central Latinoamericana de Valores, S.A., Latinex Capital, Inc. and Latinex Holdings, Inc. after the elimination of all transactions and balances significant between companies. The consolidated financial statements of the subsidiaries are prepared for the same period as the Company, using consistent accounting policies.

All transactions, balances, income and expenses, dividends and profits or losses resulting from transactions between Latinex Group companies that have been recognized as assets or liabilities, are eliminated in the consolidation. The consolidated financial statements of the subsidiaries are included in the consolidation from the date of acquisition, the date on which the Latinex Group obtains control and the Latinex Group will continue to include such statements until the date on which control ceases. A change in interest in a subsidiary that does not result in a loss of control is recorded as an equity transaction.

The consolidated financial statements include the consolidated financial statements of the Latinex Group and those of its subsidiaries. Control is obtained when the Group:

- Has power over the investment;
- Is exposed to, or has rights to, variable returns derived from its involvement with such entity, and
- Has the ability to affect such returns through its power over the entity in which it invests. The Group reassesses whether or not it controls an investee if the facts and circumstances indicate that there are changes in one or more of the three aforementioned control elements.

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

2. Summary of Material Accounting Policies (Continued)

Consolidation (continued)

The Latinex Group consolidates a subsidiary when it has control over it. Control is achieved when the Latinex Group is exposed to, or has the rights to, variable returns from its participation in the subsidiary, and has the ability to affect those returns through its power over the subsidiary. Generally, control is presumed to exist when the majority of voting rights are held.

If necessary, adjustments are made to the consolidated financial statements of the subsidiaries to adapt their Group accounting policies.

Changes in Accounting Policies and Disclosures, New Standards, Amendments to Standards and Interpretations

Some modifications and interpretations that were applied for the first time in 2022 did not have a material impact on the Company's consolidated financial statements. These modifications and new interpretations have required certain additional disclosures and, in some cases, the revision of certain accounting policies. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective and has not come into force.

The following standards, amendments and interpretations were adopted by the Company during 2023 and did not have a significant impact on the consolidated financial statements:

- Amendments to IFRS 3 Reference to the Conceptual Framework
- Amendments to IAS 16 Property, Plant and Equipment: Revenue before Intended Use
- Amendments to IAS 37 Onerous Contracts – Costs of Performing a Contract
- IFRS 9 Financial Instruments: Commissions on the “10 percent” test for derecognition of financial liabilities accounts.

Modifications to IAS 1 and Statement of Practice No.2 of IFRS

The IASB amended IAS 1 Presentation of Financial Statements to require entities to disclose their material rather than significant accounting policies. The amendments define what is "material accounting policy information" (being information that, when considered together with other information included in an entity's consolidated financial statements, could reasonably be expected to influence decisions that primary users of financial statements general purpose take on the basis of those financial statements) and explain how to identify when information about accounting policies is material. Furthermore, they clarify that it is not necessary to disclose immaterial information about accounting policies. If disclosed, it should not obscure important accounting information. To support this amendment, the IASB also amended IFRS Practice Statement No.2 Materiality Judgments to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

2. Summary of Material Accounting Policies (Continued)

Amendments to IAS 1 and Statement of Practice No.2 of IFRS (continued)

a) Definition of Accounting Estimates - Modifications to IAS 8

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how entities should distinguish changes in their accounting policies from changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to future transactions and other future events, while changes in accounting policies generally are applied retrospectively to past transactions and other past events, as well as to the current period.

b) Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction Amendments to IAS 12

The amendments to IAS 12 Income Tax require entities to recognize deferred tax on transactions that, upon initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases by lessees, and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

The modification must apply to transactions that occur on or after the beginning of the first comparative period presented. Additionally, entities must recognize deferred tax assets (to the extent it is probable that they can be utilized) and deferred tax liabilities at the beginning of the first comparative period for all deductible and taxable temporary differences associated with:

- Right-of-use assets and lease liabilities, and
- Liabilities for dismantling, restoration and similar, and the corresponding amounts recognized as part of the cost of the related assets.

The cumulative effect of recognizing these adjustments is recognized in the opening balance of retained earnings or other equity component, as applicable.

IAS 12 did not address how to account for the tax effects of leases in the statement of financial position and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions in accordance with the new requirements. These entities will not be affected by the modifications.

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

2. Summary of Material Accounting Policies (Continued)

Future Requirements

The standards or interpretations and modifications described are only those that, in the judgment of Management, may have a material effect on the Company's financial disclosures, position or performance when applied at a future date. The Company intends to adopt these new and modified standards and interpretations, if applicable, when they become effective.

a) Classification of Liabilities as Current or non-current - Modifications to IAS 1 Non-current liabilities with Covenants - Modifications

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. Disclosures include:

- the carrying amount of the liability
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what IAS 1 means when it refers to the "settlement" of a liability. The terms of a liability that could, at the option of the counterparty, result in its settlement through the transfer of the entity's own equity instrument can only be ignored for the purposes of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as liabilities should be considered when determining the current/non-current classification of a convertible note.

b) Definition of Accounting Estimates – Amendments to IAS 8

The amendments should be applied retrospectively in accordance with the common requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

2. Summary of Material Accounting Policies (Continued)

Financial Assets

a) *Registration*

Purchases or sales of financial assets that require delivery of assets within a time frame established by a market standard or convention (regular-way trades) are recognized on the settlement date; that is, the date on which the transaction becomes effective.

b) *Classification*

Financial assets are classified into the following categories: financial assets at amortized cost, investments at fair value through profit or loss and investments at fair value through other comprehensive income. The Administration determines the classification of assets from their initial recognition.

c) *Measurement*

Financial assets are subsequently measured at amortized cost, at fair value through profit or loss and at fair value through other comprehensive income based on the entity's business model for managing the financial assets and the characteristics of the flows. contractual cash flows of the financial asset.

Financial Assets at Amortized Cost

Financial assets are measured at amortized cost if they meet the following two conditions:

- The asset is held within a business model whose objective is to hold assets to obtain contractual cash flows; and
- The contractual terms of the financial asset establish specific dates for cash flows derived only from payments of principal and interest on the current balance.

Investments at Fair Value through Other Comprehensive Income

Investments are measured at fair value through comprehensive income only if they meet the following conditions:

- The asset is held within a business model whose objective is achieved by collecting contractual cash flows and selling these financial assets; and
- The contractual terms of the financial asset establish specific dates for cash flows derived only from payments of principal and interest on the current balance.

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

2. Summary of Material Accounting Policies (Continued)

Financial Assets (continued)

Investments at Fair Value through Comprehensive Income (continued)

Interest income from these financial assets is included in "financial income" using the effective interest method.

Investments in securities at Fair Value Through Profit or Loss (FVPL)

All financial assets not classified as measured at amortized cost or at fair value through comprehensive income as described above, are measured at fair value through profit or loss.

A gain or loss on an investment that is subsequently measured at fair value through profit or loss is recognized in the consolidated statement of income.

Equity Instruments at Fair Value through Other Comprehensive Income

The Company subsequently measures all investments in equity instruments at fair value. Management has chosen to present fair value gains or losses on equity instruments at fair value through comprehensive income, which are not reclassified to the consolidated statement of income when the investment is derecognized. Dividends received on equity instruments are recognized in the consolidated statement of income.

Evaluation of The Business Model

The Company evaluates the objectives of the business models in which the different financial assets are maintained at the portfolio level to best reflect the way in which it manages the business and how information is provided to management (collection strategy). only payment of principal and interest or realize cash flows through the sale of assets, or considering whether they include frequency, value of sales in previous periods or the expectation of future sale).

Business Model whose Objective is to Maintain Assets to Obtain Contractual Cash Flows

A portfolio of financial assets is managed with the objective of obtaining cash flows through payments of principal and interest throughout the life of the instrument, even when sales of the financial assets occur or are expected to occur in the future.

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2023

(Stated in balboas)

2. Summary of Material Accounting Policies (Continued)

Financial Assets (continued)

Business Model whose Objective is to Obtain Contractual Cash Flows and the Sale of Financial Assets

In this type of business model there are different objectives that can be seen framed, for example, an objective of managing liquidity needs.

Compared to the business model in which the objective is to maintain financial assets to collect cash flows through the payment of capital and interest, this business model involves greater frequency and value of sales, without the need to have a frequency threshold or defined value, since sales and collection of contractual flows are combined in a way that allows achieving the objective of the business model.

Changes in the Business Model

When the business model for the management of financial assets is changed, the Company does not modify the classification of the financial assets that are maintained in said business model, but incorporates such information when evaluating new assets originated or new purchases of financial assets prospectively.

Evaluation if Contractual Cash Flows are only Principal and Interest Payments

The Company considers whether cash flows are consistent with the consideration of money over time, credit risk and other basic risks associated with financial assets. In evaluating whether contractual cash flows are solely payments of principal and interest, the Company considered the terms of the contracts. This included evaluating whether the financial asset contains a contractual term that could change the period or amount of contractual cash flows such that it does not meet this condition.

Impairment

The Company has defined that the measurement of impairment of financial assets can be done through a collective or individual evaluation according to the amount and characteristics of the portfolio.

Individual Methodology

Those accounts receivable and investments that are from a Government or quasi-Government entity will be considered individually.

Collective Methodology

For instruments that are not considered individually significant, an evaluation is carried out collectively, grouping portfolios of financial assets with similar characteristics and includes parameters of probability of default at 12 months, probability of default during the entire life of the obligation, loss given non-compliance, and exposure to non-compliance with the inclusion of the prospective criterion.

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2023

(Stated in balboas)

2. Summary of Material Accounting Policies (Continued)

Financial Assets (continued)

Measurement of Expected Credit Losses

The quantification of expected credit losses collectively is carried out in accordance with: the classification of the stages, the homogeneous groups defined in each type of portfolio and the client's risk level.

The segmentation of homogeneous groups is carried out by type of counterparty and is presented below:

- Accounts receivable – issuers
- Accounts receivable – participant / brokerages
- Accounts receivable – others

To estimate provisions under the collective methodology, the following formula is used:

Impairment: $EAD \times (1-FWL) \times PD \times LGD$

Being:

EAD (Exposure at default): is the exposed value of the asset valued at amortized cost (includes the balance of principal, interest and accounts receivable). In the case of products whose nature is rotating and have an available coupon that can be used in its entirety, the estimation of the (EAD) considers the use of the risk conversion factor (RCF), in order to find a relationship regarding the use and the unused component of the instrument.

PD (Probability of Default): estimated probability of occurrence of default of the instrument.

FWL (Forward Looking): most relevant economic and financial variables of the country (CPI, GDP growth), compiled from official sources.

Classification of Stages

- **Stage 1:** is the estimated probability of a default occurring in the next 12 months of the instrument's life from the date of analysis. The Company defines its use for the healthy portfolio that does not present a significant increase in risk or any evidence of deterioration. To estimate the 12-month probability of default, the Company uses traditional techniques, modeling the behavior of the portfolio.

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

2. Summary of Material Accounting Policies (Continued)

Classification of Stages (continued)

- **Stage 2:** is the estimated probability of occurrence of a default throughout the remaining life of an instrument, this being dependent on the conditions of the specific product to be analyzed. The Company, according to the standard, defines its use for the portfolio with a significant increase in credit risk.
- **Stage 3:** the instruments evaluated by the collective and individual methodology have an associated probability of default of 100%.

LGD (Loss Given Default): is the percentage of exposure that the Company ultimately expects to lose in the event of a default on a financial instrument.

The general formulation for calculating the LGD is:

$$\text{LGD} = 1 - \%RR$$

Where %RR is understood as the recovery percentage and represents the sum of the flows received from the operation discounted at the obligation rate on the date of analysis on the total exposure at the time of default.

After being calculated, the LGD is adjusted for a historical factor of the behavior of the Company's portfolio.

Significant Increase in Credit Risk

The Company determines whether the credit risk of a financial asset has increased significantly since its initial recognition, considering reasonable and sustainable information that is relevant and available without disproportionate cost or effort, including quantitative and qualitative information and analysis based on experience, historical and expert credit evaluation including future information.

To establish whether an asset presents a significant increase in risk since initial recognition, an evaluation of quantitative and qualitative factors is carried out, these factors are:

- Assets overdue for more than 30 days.
- Assets where the client is experiencing financial difficulties.
- The Company reviews whether there are collective criteria for the migration of a group of clients to Stage 2.

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

2. Summary of Material Accounting Policies (Continued)

Definition of Default

An asset is considered in default when it has any of the following characteristics:

- Default of more than 90 days, except for the Republic of Panama and quasi-government.
- Clients in restructuring or business reorganization agreements and insolvency.
- Clients on a watch list or classified as delinquent or overdue.

Prospective Information

The Company incorporates macroeconomic scenarios in the calculation of the expected loss in order to reflect the prospective effect. The inclusion of macroeconomic conditions in the expected loss models is done based on methodologies that correlate the historical behavior of the portfolio with certain economic variables.

To make the projections, historical information is considered for the country's most relevant economic and financial variables (CPI, GDP growth). The information bases are compiled from official sources.

Properties, Furniture and Equipment, Net

Properties, furniture and equipment are presented at cost less accumulated depreciation and amortization. The Nasdaq Software electronic trading system and configurations are classified as a Computer Equipment item. Depreciation and amortization are calculated on a straight line basis over the estimated life of the asset of 15 years.

Depreciation and amortization are calculated on a straight line basis over the estimated life of the asset as follows:

	Percentage	Useful Life
Building	6.67%	12 to 15 years
Improvements	10% to 33.33%	3 to 10 years
Furniture	10% to 33.33%	3 to 10 years
Equipment	10% to 33.33%	3 to 10 years
Computer Equipment	10% to 33.33%	3 to 10 years

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements
December 31, 2023
(Stated in balboas)

2. Summary of Material Accounting Policies (Continued)

Properties, Furniture and Equipment (continued)

The useful lives of assets are reviewed and adjusted, if appropriate, at the date of each consolidated statement of financial position.

The costs of non-capitalizable items are charged to expenses and costs as incurred. The cost of major repairs is capitalized when it is probable that future economic benefits will be derived from it, in addition to those originally evaluated, following normal performance guidelines for the existing asset.

Gains or losses on asset withdrawals are determined by comparing the net amount obtained from the sale against the book value of the respective assets. Gains or losses on withdrawals of fixed assets are included in the results of the period.

The building, furniture and equipment are reviewed for deterioration whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The carrying value of an asset is immediately reduced to its recoverable value if the carrying value of an asset is greater than the estimated recoverable value. The recoverable amount is the higher of the asset's fair value less cost to sell and its value in use.

Revenue Recognition

Revenue from Contracts

The Company classifies revenue recognized from contracts with customers into categories that show how the nature, amount, of revenue and cash flows are affected by economic factors. The Company also discloses information about the relationship between the itemized revenue disclosure and the revenue information disclosed for each segment.

Income is classified into the following categories:

Commissions

Commissions are recognized when the daily transactions carried out by stock exchanges for the purchase and sale of securities are executed. Custody fees and administration services to participants are recognized as income when earned.

Payment Agency and International Market Transactions

The services provided as payment agent, registration and transfer of migrated values on the iLink platform and custody services are registered based on the terms and conditions of the contract.

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements
December 31, 2023
(Stated in balboas)

2. Summary of Material Accounting Policies (Continued)

Revenue Recognition (continued)

Maintenance Fees

A monthly maintenance fee for each exchange position is charged based on the monthly transactions they have generated. The monthly maintenance fee for each participant corresponds to their activity and the services offered for settlement and compensation.

Financial Income

Interest income is recognized on a proportional basis over time, using the effective interest method.

Administration Services

Administration services are recognized as income when earned.

Company	Type of Service	Nature and Timing of Performance Obligations, including Significant Payment Terms	Revenue Recognition under IFRS 15
BLV	Manage and supervise the purchase/sale operations carried out in the different instruments offered by the issuers registered in the market, obtaining a commission based on the negotiated value and the type of market used for the operation.	The companies provide different main services such as the admission of securities for trading, updating the price of listed securities, registration, calculation and billing of stock market transactions, organization of auctions and dissemination of information on the price of securities, the financial situation of the market and companies registered in Latinex.	Income from services according to the tariffs is recognized over the time in which the services are provided. Revenue related to transactions is recognized at the time the transaction is carried out.
LC	Collect commissions for custody, clearing, settlement and electronic administration of securities in the local and international market, maintaining the highest international standards of risk control.	Custody accounts, deposit and withdrawal of securities, immobilization and/dematerialization of securities, transfers of securities with or without payment, unrelated third party services, regional custody – CEDEVAL, InterClear, CENIVAL, custody agreement with the BCR, CVN and deceval, deposit and withdrawal of securities, iLink link (internationalization of securities), phase I: Instruments of the Republic of Panama and quasi-governmental issuers (active), phase II: Corporate fixed income (pending), phase III: Variable income (earning).	
The services are reviewed periodically through different reports by the highest decision-making authority.			

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

2. Summary of Material Accounting Policies (Continued)

Dividends Distribution

The distribution of dividends to the Company's shareholders is recognized as a liability in the consolidated statement of financial position in the period in which the dividends are declared by the Company's Board of Directors.

Income Tax

Income tax is recognized in the results of operations for the current period. Current tax refers to the tax on net taxable income for the period, using the income tax rate in effect on the date of the consolidated statement of financial position.

Segment Information

A business segment is an identifiable component of the Company, responsible for supplying a single product or service, or a set of them that are related and that is characterized by being subject to risks and returns of a different nature than those corresponding to other business segments within the same company. A geographic segment is an identifiable component of the company in charge of supplying products or services within a specific economic environment, and which is characterized by being subject to risks and returns of a different nature than those corresponding to other operational components that carry out their activity in different environments. The Company, through its subsidiaries, maintains three business segments: operating a stock exchange; operate a securities administration, custody, clearing and settlement business; and manage the Company's investments, which are developed in and from the Republic of Panama.

3. Financial Risk Management

Financial Risk Factors

The Company's activities are exposed to a variety of financial risks: market risk (including interest rate fair value risk, price risk and interest rate cash flow risk), credit risk, liquidity risk and capital risk. The global risk management program focuses on the lack of predictability of the financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

3. Financial Risk Management (Continued)

a) Interest Rate Risk

Cash flow and fair value interest rate risk is the risk that future cash flows and the fair value of a financial instrument will fluctuate due to changes in prevailing market interest rates. The Company mitigates this risk by establishing guidelines for investments made and establishing interest rate risk limits and its exposure is reviewed periodically by the Company. The Company does not hedge against interest rate risk.

b) Price Risk

It is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, regardless of whether they are caused by specific factors relating to the particular instrument or its issuer, or by factors affecting all securities traded in the market. The Company is exposed to price risk arising from investments in securities measured at fair value through profit or loss and with changes in comprehensive income. The Company mitigates this risk through its Investment Policy.

c) Credit Risk

Credit risk is the risk that the Company will incur a loss due to its customers or counterparties failing to meet their contractual obligations. Credit risk is managed at the Company level. Credit risk originates from fixed income instruments included in the fair value with changes in other comprehensive income and assets at amortized cost. The Company does not provide coverage against Credit risk.

The investment selection, approval and monitoring process adheres to internal criteria and processes aimed at diversifying the investment portfolio and mitigating market risks and those inherent to the nature of the securities and issuers.

The responsibility for this process falls on the Investment and Finance Committee of Latinex Holdings, Inc.

The constant monitoring of the performance and movement of the market is done by the Administration that reports to the Investment and Finance Committee. The Investment and Finance Committee reports to the Board of Directors of Latinex Holdings, Inc. when changes are required in investment policies and criteria.

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

3. Financial Risk Management (Continued)

c) Credit Risk (continued)

The selection criteria consider diversification by asset class, type of instrument, duration, country or region, industry, issuer and economic group. These criteria limit the positions of a certain group to fixed percentages of total assets and their temporary deviations require the approval of the Investment and Finance Committee.

The profitability and credit quality of the issuers is also considered, establishing a maximum exposure per country or region of 100% for investments in the Republic of Panama, 100% for the US, 20% for investment grade countries and 10% by member country of the Capital Markets Association of the Americas (AMERCA).

The investments as of December 31, 2023 and 2022 without interest receivable, including time deposits, by economic sector, are detailed below:

	2023		2022	
Financial sector	2,942,226	27%	2,456,848	24%
Non-financial sector	1,868,327	17%	1,546,829	15%
International sovereign sector	1,428,170	13%	985,871	10%
Funds sector - private	4,511,452	43%	5,204,319	50%
Local sovereign sector	-	0%	115,849	1%
	<u>10,750,175</u>	<u>100%</u>	<u>10,309,716</u>	<u>100%</u>

Below are the fixed income investments with their risk ratings:

Rating	2023	2022
AA+	1,822,547	1,384,345
AA	450,068	119,708
AA-	180,113	200,000
A	209,476	202,769
A-	249,861	349,424
BBB	723,471	231,331
BBB-	<u>1,377,217</u>	<u>942,005</u>
	<u>5,012,753</u>	<u>3,429,582</u>

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

3. Financial Risk Management (Continued)

c) Credit Risk (continued)

Credit Quality Analysis

The following table presents the financial assets by credit quality analysis:

	Stage 1	Stage 2	Stage 3	2023	2022
Maximum exposure					
Book value, net	<u>10,387,663</u>	<u>230,360</u>	<u>-</u>	<u>10,618,023</u>	<u>9,621,466</u>
Financial assets at amortized cost					
Group 1: Stock seats and participants	1,601	-	-	1,601	8,843
Group 2: Issuers	38,268	-	-	38,268	11,737
Group 3: Others	82,470	-	-	82,470	16,944
Government and quasi-Government	<u>455,141</u>	<u>6,551</u>	<u>-</u>	<u>461,692</u>	<u>434,627</u>
Net book value	<u>577,480</u>	<u>6,551</u>	<u>-</u>	<u>584,031</u>	<u>472,151</u>
Investments at fair value through comprehensive income					
International external qualification	2,900,080	-	-	2,900,080	1,623,661
Local external rating	1,675,763	223,809	-	1,899,572	1,598,075
Internal qualification	434,357	-	-	434,357	420,657
Interest receivable	<u>45,417</u>	<u>-</u>	<u>-</u>	<u>45,417</u>	<u>39,600</u>
Net book value	<u>5,055,617</u>	<u>223,809</u>	<u>-</u>	<u>5,279,426</u>	<u>3,681,993</u>
Investments at fair value through profit or loss					
Internal qualification	1,049,742	-	-	1,049,742	1,054,054
Local	1,570,553	-	-	1,570,553	1,652,518
International	<u>2,134,271</u>	<u>-</u>	<u>-</u>	<u>2,134,271</u>	<u>2,760,750</u>
Value in books	<u>4,754,566</u>	<u>-</u>	<u>-</u>	<u>4,754,566</u>	<u>5,467,322</u>
Total investments in securities	<u>9,810,183</u>	<u>223,809</u>	<u>-</u>	<u>10,033,992</u>	<u>9,149,315</u>

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements
December 31, 2023
(Stated in balboas)

3. Financial Risk Management (Continued)

c) Credit Risk (continued)

Credit Quality Analysis (continued)

The following table presents the provision for expected credit losses as follows:

	Stage 1	Stage 2	Stage 3	Total
2023				
Provision for expected credit losses as of December 31, 2022	3,190	205	-	3,394
Net effect of changes in the reserve for expected credit losses	(2,220)	(25)	-	(2,245)
Purchased financial instruments	1,286	-	-	1,286
Provision for expected credit losses as of December 31, 2023	2,256	180	-	2,435
2022				
Provision for expected credit losses as of December 31, 2021	4,851	812	-	5,662
Net effect of changes in the reserve for expected credit losses	(2,249)	(607)	-	(2,856)
Purchased financial instruments	588	-	-	588
Provision for expected credit losses as of December 31, 2022	3,190	205	-	3,394

d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet all of its obligations. The Company mitigates this risk by maintaining sufficient cash and highly liquid instruments.

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements
December 31, 2023
(Stated in balboas)

3. Financial Risk Management (Continued)

d) Liquidity Risk (continued)

The following table analyzes the Company's assets by maturity date. Said analysis is shown according to the contractual expiration date and are cash flows at the present value of the balance sheet:

	Less than 1 year	1 to 5 years	More than 5 years	No Maturity	Total
2023					
Assets					
Cash and deposits in banks	1,707,701	-	-	-	1,707,701
Fixed term deposits	776,452	-	-	-	776,452
Inversiones en valores	2,206,445	2,608,612	-	5,218,935	10,033,992
Financial assets at amortized cost	584,031	-	-	-	584,031
	5,274,629	2,608,612	-	5,218,935	13,102,176
2022					
Assets					
Cash and deposits in banks	1,942,286	-	-	-	1,942,286
Fixed term deposits	1,207,035	-	-	-	1,207,035
Inversiones en valores	2,340,018	666,675	199,491	5,943,131	9,149,315
Financial assets at amortized cost	472,151	-	-	-	472,151
	5,961,490	666,675	199,491	5,943,131	12,770,787

When the Company acquires a business, it evaluates the financial assets and liabilities assumed for their appropriate classification and designation based on the contractual agreements, economic conditions and other relevant conditions that exist on the date of acquisition, as of the date of this report the Company It does not maintain long-term financial liabilities.

Sensitivity Analysis

The Company uses forward-looking information that is available without undue cost or effort in its assessment of significant increases in credit risk, as well as in its measurement of provisions for expected credit losses. The Company uses external and internal information to generate a base scenario for the future forecast of relevant economic variables. External information includes economic data published by government entities and monetary agents.

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

3. Financial Risk Management (Continued)

d) Liquidity Risk (continued)

Sensitivity Analysis (continued)

The following table lists the macroeconomic assumptions used, under the optimistic, base and pessimistic scenarios, considering a forecast period of one year. Likewise, a sensitivity of the differential between the provision for expected losses is included based on the weighting of the different scenarios.

Scenery	GDP Var%	Sensitivity about provision
Optimist	-2.5%	168.50
Base	-5.0%	336.93
Pessimistic	-7.5%	505.37

e) Capital Risk Management

The Company's objectives when managing its capital are to ensure the Company's ability to continue as a going concern, as well as maintain an optimal capital structure that reduces the cost of capital. The total capital is determined as the total equity.

To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, repurchase or issue new shares.

Decree Law No.1 of July 8, 1999 (Securities Law), its reforms and Article 4 of Agreement No.7-2003 requires that self-regulated entities operating in Panama have a minimum capital of two hundred and fifty thousand balboas (B/.250,000). The Company maintains a capital amount greater than its requirement and does not have any relevant debt other than those derived from its normal line of business. Notwithstanding the above, efforts are made to maintain a level of capital to be able to cover its expansion and technological innovation expenses.

Fair Value of Financial Instruments

The fair value methodology of the financial instruments held by the Company classified according to their fair value hierarchy level is described below:

Level 1 Quoted prices (unadjusted) in active markets identical to those the Company can access on the measurement date.

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

3. Financial Risk Management (Continued)

e) Capital Risk Management (continued)

Fair Value of Financial Instruments (continued)

Level 2 Prices obtained from the electronic stock market information system are used for investments that show buying and selling transactions during the period. For investments with a low level of transaction movement, the Company values the instrument on a date when an important transaction has been observed (B/.100,000) and calibrates a differential on the discount rate to obtain the value observed on that date. The Company analyzes the issuance prospectus and lists the characteristics of the local instrument, such as cash flows and early redemption optionality. The instrument is valued, using market levels on the valuation date, and the calibrated differential on the observation date. The valuation model constructs the discount rate as follows:

- SOFR is the reference rate
- Corporate risk is added
- Country risk is added
- Calibrated differential is added

Level 3 This category includes all assets or liabilities in which the valuation techniques include unobservable input data.

The following table presents the fair values of the financial instruments classified according to their level of fair value hierarchy:

	Level 1	Level 2	Level 3	Total
2023				
Investments in securities	<u>5,216,361</u>	<u>4,814,424</u>	<u>3,207</u>	<u>10,033,992</u>
2022				
Investments in securities	<u>6,067,088</u>	<u>3,079,020</u>	<u>3,207</u>	<u>9,149,315</u>

There were no transfers between levels 1 and 2, nor was there any transfer or movement in or out of level 3 during the twelve months ended December 31, 2023 and 2022.

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

4. Critical Judgments

Critical Judgments in the Application of Accounting Policies

Critical judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impairment of Financial Assets at Fair Value through Other Comprehensive Income

The Company follows the guidance of IFRS 9 to determine when a financial asset through other comprehensive income is impaired. This determination requires significant judgment on the part of Management. In determining this judgment, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, the financial condition and near-term business outlook of the invested company, including factors such as industry and sector performance, changes in technology and operations, and financial cash flow.

Fair Value of Financial Instruments

The fair value of investments at fair value through other comprehensive income that are not listed in active markets are determined using valuation techniques. When valuation techniques (e.g., models) are used to determine fair values, they are validated and reviewed periodically by qualified personnel. To the extent possible, the models use only observable information, however, areas such as credit risk (own and counterparty), volatilities and correlations require judgment in making estimates.

Changes in assumptions about these factors could affect the reported fair value of financial instruments.

5. Cash and Demand Deposits

Cash and demand deposits are summarized below:

	2023	2022
Cash on hand	1,000	1,000
Current account	1,241,687	1,161,764
Savings account	465,014	779,522
	<u>1,707,701</u>	<u>1,942,286</u>

The fair value of cash and demand deposits as of December 31, 2023 is similar to the book value, due to their short-term nature.

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

5. Cash and Demand Deposits (Continued)

The Company maintains fixed-term deposits with an original maturity of at least 90 days for B/.776,452 (2022: B/.1,207,035), with interest rates between 5.00% to 6.00% (2022: 2.75% to 3.15%) and maturities until June 2024 (2022: until June 2023).

6. Investments in Securities

The investments are detailed below:

	2023	2022
<u>Debt instruments</u>		
Negotiable Commercial Securities (VCN's), with annual interest rates between 5.85% and various maturities until February 29, 2024 (2022: 2.875% and with various maturities until February 16, 2023)	249,860	349,424
Commercial paper, with an interest rate of 3.54% and maturing on January Bills issued by the US Treasury, with various maturities through June 13, 2024 (2022: various maturities through June 22, 2023)	-	249,977
Corporate bonds issued by local companies, with annual interest rates between 3.85% and 8.13425% and various maturities through July 2, 2029 (2022: 3.85% and 7% and various maturities until July 2, 2029)	1,428,170	985,871
Notes from the Republic of Panama, with annual interest rates of 3% and maturities until September 19, 2023	3,091,609	1,465,462
Interest receivable	-	115,848
	<u>45,417</u>	<u>39,599</u>
	<u>4,815,056</u>	<u>3,206,181</u>
<u>Equity Instruments</u>		
Equity shares	464,370	475,812
Total investments in securities at fair value through other comprehensive income	<u>5,279,426</u>	<u>3,681,993</u>
Investments at fair value through profit or loss		
Mutual investment funds	4,511,452	5,204,322
Preferred and preferred shares with annual dividends of 6.75% and 8.00% (2022: 6.75% and 8%)	243,114	263,000
Total investments at fair value through profit or loss	<u>4,754,566</u>	<u>5,467,322</u>
Total investments	<u>10,033,992</u>	<u>9,149,315</u>

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

6. Investments in Securities (Continued)

The movement of investments at fair value through other comprehensive income is presented below:

	2023	2022
Balance at the beginning of the year	3,642,394	3,769,086
Purchases	5,349,000	1,900,000
Sales and redemptions	(3,772,497)	(1,993,324)
Valuation of investments in securities	<u>15,112</u>	<u>(33,368)</u>
	5,234,009	3,642,394
Interest receivable	<u>45,417</u>	<u>39,599</u>
Balance at the end of the year	<u>5,279,426</u>	<u>3,681,993</u>

The reconciliation between the initial balance and the final balance of other comprehensive income by type of reservation is shown below:

	2023	2022
Balance at the beginning of the year	181,614	214,982
Profit/(loss) other comprehensive income	<u>15,112</u>	<u>(33,368)</u>
Balance at the end of the year	<u>196,726</u>	<u>181,614</u>

7. Financial Assets at Amortized Cost

As of December 31, 2023, the Company maintains B/.584,031 (2022: B/.472,151) of which B/.441,111 (2022: B/.427,687) corresponds to accounts receivable at amortized cost, resulting from services provided to the Ministry of Economy and Finance (MEF) as Issuance Agent, Payment Agent and Registration and Transfer Agent of the securities migrated and registered on the iLink platform in Euroclear.

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

8. Properties, Furniture and Equipment, Net

The movement of properties, furniture and equipment is presented below:

	Building	Property Improvements	Furniture	Computer Equipment	Rolling Equipment	System Implementation In Process	Total
December 31, 2023							
Cost							
Beginning balance of the year	1,445,278	513,533	572,170	2,867,591	121,148	162,616	5,682,336
Additions	-	184,083	37,617	160,014	-	234,019	615,733
Sales and disposals	-	-	-	-	-	-	-
Ending balance of the year	<u>1,445,278</u>	<u>697,616</u>	<u>609,787</u>	<u>3,027,605</u>	<u>121,148</u>	<u>396,635</u>	<u>6,298,069</u>
Accrued Depreciation and Amortization							
Beginning balance of the year	1,348,043	235,069	418,442	1,913,287	76,054	-	3,990,895
Expenditure of the year	61,410	43,579	37,099	281,219	13,875	-	437,182
Ending balance of the year	<u>1,409,453</u>	<u>278,648</u>	<u>455,541</u>	<u>2,194,506</u>	<u>89,929</u>	<u>-</u>	<u>4,428,077</u>
Net Value	<u>35,825</u>	<u>418,968</u>	<u>154,246</u>	<u>833,099</u>	<u>31,219</u>	<u>396,635</u>	<u>1,869,992</u>

	Building	Property Improvements	Furniture	Computer Equipment	Rolling Equipment	System Implementation In Process	Total
December 31, 2022							
Cost							
Beginning balance of the year	1,445,278	385,682	489,229	2,713,812	65,650	48,242	5,147,893
Additions	-	127,851	82,941	154,408	55,498	114,374	535,072
Sales and disposals	-	-	-	(629)	-	-	(629)
Ending balance of the year	<u>1,445,278</u>	<u>513,533</u>	<u>572,170</u>	<u>2,867,591</u>	<u>121,148</u>	<u>162,616</u>	<u>5,682,336</u>
Accrued Depreciation and Amortization							
Beginning balance of the year	1,286,633	207,118	391,272	1,657,592	65,648	-	3,608,263
Expenditure of the year	61,410	27,951	27,170	255,695	10,406	-	382,632
Ending balance of the year	<u>1,348,043</u>	<u>235,069</u>	<u>418,442</u>	<u>1,913,287</u>	<u>76,054</u>	<u>-</u>	<u>3,990,895</u>
Net Value	<u>97,235</u>	<u>278,464</u>	<u>153,728</u>	<u>954,304</u>	<u>45,094</u>	<u>162,616</u>	<u>1,691,441</u>

As of December 31, 2023, the Company maintains B/.396,635 (2022: B/.162,616) which corresponds to the implementation of fixed assets in process. This implementation includes fixed assets in development or pending completion of a specific project.

9. Financial Income

Below is the detail of the financial income:

	2023	2022
Interest	259,778	189,363
Dividends	<u>224,614</u>	<u>196,781</u>
	<u>484,392</u>	<u>386,144</u>

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements
December 31, 2023
(Stated in balboas)

10. Other Income

The other income is detailed as follows:

	2023	2022
Forums	359,047	146,375
Compensation system	52,650	54,000
Financial information reports	39,551	56,159
Others	52,578	19,509
	<u>503,826</u>	<u>276,043</u>

In addition to the ordinary activities of the Company, it carries out complementary activities, authorized by the Superintendence of the Securities Market, including the dissemination of information through financial reports, personnel training, forums and events and other authorized activities.

11. Personal Expenses

Personnel expenses are detailed as follows:

	2023	2022
Salaries	1,237,992	1,117,988
Representation expenses	389,218	440,731
Profit sharing	239,000	235,500
Employment benefits	220,546	216,287
Compensation and seniority premium	40,532	116,723
	<u>2,127,288</u>	<u>2,127,229</u>

As of December 31, 2023, the total number of collaborators was 49 (2022: 50).

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements
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12. Other Administrative Expenses

The other administrative expenses are detailed below:

	2023	2022
Repair and Maintenance	796,289	735,723
Promotion, events and associations	425,542	122,245
Director allowances and professional fees	203,349	228,567
Taxes and licenses	105,803	86,778
External audit	59,804	56,904
Banking services	81,491	75,008
Travel and customer service	35,115	54,872
Electricity and cleaning	30,774	24,912
Legal expenses	29,963	82,692
Donations and CSR	19,400	20,925
Others	206,544	195,247
	<u>1,994,074</u>	<u>1,683,873</u>

13. Basic Earnings per Share

Basic earnings per share measures the performance of an entity over the reporting period and is calculated by dividing the net income attributable to shareholders by the weighted average number of shares outstanding during the period.

The calculation of basic earnings per share is presented below:

	2023	2022
Net Income	<u>2,364,747</u>	<u>2,071,748</u>
Weighted average number of shares	<u>14,756,375</u>	<u>14,756,375</u>
Net Income per share	<u>0.1603</u>	<u>0.1404</u>

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

14. Income Tax

In accordance with current Panamanian legislation, the Company is exempt from paying income tax on profits from foreign sources. Also exempt from paying income tax are interest earned on time deposits in local banks, interest earned on Panamanian State securities and investments in securities issued through the Bolsa Latinoamericana de Valores, S.A.

The income tax is as follows:

	2023	2022
Current income tax	734,473	848,574
Dividend tax	211,628	230,223
Deferred tax	98,460	(87,009)
	<u>1,044,561</u>	<u>991,788</u>

Income tax is calculated based on net taxable income. The reconciliation of profit before income tax with net taxable income with profit before income tax, according to the consolidated financial statements, is presented below:

	2023	2022
Income before income tax	3,409,308	3,063,536
Less: Exempt and/or non-taxable income	(492,652)	(23,639)
More: Non-deductible expenses	21,235	354,400
Net taxable income	<u>2,937,891</u>	<u>3,394,297</u>
Income tax caused 25%	<u>734,473</u>	<u>848,574</u>

Legal entities whose taxable income exceeds one million five hundred thousand balboas annually (B/.1,500,000) will pay income tax on the calculation that is greater between:

- The 25% rate on tax profit (traditional method).
- The net taxable income resulting from applying 4.67% to the total taxable income at the rate of 25% (Alternative Income Tax Calculation).

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

14. Income Tax (Continued)

As of December 31, 2023, the Company performed both calculations and determined the income tax based on the traditional method.

According to current regulations, companies' income tax returns are subject to review by the tax authorities of the Republic of Panama for the last three (3) years, including the year ended December 31, 2023.

Deferred Income Tax

The deferred income tax is determined using the active method applied to all temporary differences that exist between the tax base of assets, liabilities and equity and the figures recorded for financial purposes at the date of the consolidated financial statements. The deferred income tax is calculated considering the tax rate that is expected to apply in the period in which it is estimated that the asset will be realized or that the liability will be paid. Deferred tax assets are recognized only when there is a reasonable probability of their realization.

The carrying amount of a deferred tax asset is reviewed at the date of each consolidated statement of financial position. The Company reduces the amount of the balance of the deferred tax asset, to the extent that it considers it probable that it will not have sufficient taxable profit, in the future, to allow charging against it all or part of the benefits that make up the deferred tax asset. Likewise, at the closing date of each financial period, the Company reconsiders deferred tax assets that it has not previously recognized.

The movement of the deferred income tax asset is presented below:

	2023	2022
Balance at the beginning of the year	89,866	2,857
Unemployment fund, seniority bonus	(79,358)	87,009
Balance at the end of the year	<u>10,508</u>	<u>89,866</u>

The movement of the deferred income tax liability is presented below:

	2023	2022
Balance at the beginning of the year	-	-
Unemployment fund, seniority bonus	19,102	-
Balance at the end of the year	<u>19,102</u>	<u>-</u>

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

15. Balances and Related Transactions

The balances and transactions with related parties are detailed below:

	2023	2022
Dividends payable - Shareholders	<u>302,656</u>	<u>284,592</u>
Key Personnel Transactions Compensation for key personnel	<u>1,701,830</u>	<u>1,701,783</u>
Directors allowances	<u>131,750</u>	<u>131,000</u>

16. Common Shares

The number of common shares in circulation and in treasury with a nominal value of one dollar (US\$1.00) each, are summarized below:

	2023	2022
Common Shares Outstanding		
Type "A"	11,805,100	11,805,100
Type "B"	<u>2,951,275</u>	<u>2,951,275</u>
	<u>14,756,375</u>	<u>14,756,375</u>
Treasury shares		
Type "A"	(640,820)	(640,820)
Type "B"	<u>(160,205)</u>	<u>(160,205)</u>
	<u>(801,025)</u>	<u>(801,025)</u>

The movement of the period is presented below:

	2023		2022	
	Number of Shares	Amount	Number of Shares	Amount
Outstanding Common Shares				
Balance at the beginning and end of the year	<u>14,756,375</u>	<u>5,716,529</u>	<u>14,756,375</u>	<u>5,716,529</u>
Treasury Shares				
Balance at the beginning and end of the year	<u>(801,025)</u>	<u>(118,459)</u>	<u>(801,025)</u>	<u>(118,459)</u>

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

16. Common Stock (Continued)

On August 29, 2013, the Company carried out a split and exchange with a ratio of 5:1, granting its shareholders 4 Type "A" shares without voting rights and 1 Type "B" share with voting rights.

17. Dividend Declared

The Board of Directors at a meeting on February 27, 2023 approved a payment of dividends to shareholders, as described below:

Type of Dividend	Declared Dividend	Dividend per Share	Declaration Date	Payment date
2023				
Ordinary	1,770,765	0.12	February 27, 2023	Quarterly
Extraordinary	<u>147,563</u>	0.01	February 27, 2023	Payable August 30
	<u>1,918,328</u>			
2022				
Ordinary	1,770,765	0.12	February 23, 2022	Quarterly
Extraordinary	<u>885,382</u>	0.06	February 23, 2022	Payable on two dates: to May 30 and 30-Aug
	<u>2,656,147</u>			

As of December 31, 2023, B/.302,656 (2022: B/.284,592) of dividends remain payable.

18. Subsidiary Segment Information

An operating segment is a component that engages in business activities for which it earns revenues and incurs expenses; such segments may include income and expenses related to transactions with other components of the Company. All operating results of the operating segments are periodically reviewed by Management to make decisions about the resources that should be distributed to the segment and evaluate its performance.

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements
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18. Subsidiary Segment Information (Continued)

The segment information of the subsidiaries is detailed below:

	Stock Brokering	Custody	Investment Holder	Eliminations	Total
December 31, 2023					
Income from contracts commissions	3,020,951	2,166,054	-	-	5,187,005
Payment and transaction agency international market	-	1,720,096	-	-	1,720,096
Maintenance fees	511,608	158,400	-	-	670,008
Financial income	36,774	30,065	417,553	-	484,392
Dividends received from subsidiaries	14,093	1,448	2,237,062	(2,252,603)	-
Company registrations and emissions	202,191	-	-	-	202,191
Administration service	-	555,439	-	-	555,439
Unrealized loss on investments at fair value through profit or loss	1,117	-	5,943	-	7,060
Others	432,124	70,502	1,200	-	503,826
Total revenues	4,218,858	4,702,004	2,661,758	(2,252,603)	9,330,017
General and administrative expenses					
Personal expenses	968,574	1,158,714	-	-	2,127,288
Depreciation and amortization	343,355	93,827	-	-	437,182
Insurance	120,870	153,356	-	-	274,226
Supervision fee	101,000	101,000	5,073	-	207,073
Custody and payment agency expenses, registration and transfer	-	880,866	-	-	880,866
Other administrative expenses	1,362,932	622,806	8,336	-	1,994,074
Total general and administrative expenses	2,896,731	3,010,569	13,409	-	5,920,709
Profit before income tax	1,322,127	1,691,435	2,648,349	(2,252,603)	3,409,308
Total assets	2,605,084	3,037,107	19,885,122	(9,887,716)	15,639,597
Total liabilities	1,785,527	1,797,234	5,747	(2,441,479)	1,147,029

Commissions are recognized for the daily transactions carried out by stock exchanges, for the purchase and sale of securities. 56% (2022: 62%) of income corresponds to commissions, and financial income represents 5% (2022: 4%).

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements
December 31, 2023
(Stated in balboas)

18. Subsidiary Segment Information (Continued)

December 31, 2022	Stock Brokering	Custody	Investment Holder	Eliminations	Total
Income from contracts commissions	3,372,349	2,058,263	-	-	5,430,612
Payment and transaction agency international market	-	1,619,878	-	-	1,619,878
Maintenance fees	412,194	162,000	-	-	574,194
Financial income	33,532	27,974	324,638	-	386,144
Dividends received from subsidiaries	19,513	2,004	2,379,240	(2,400,757)	-
Company registrations and emissions	206,600	-	-	-	206,600
Administration service	-	528,362	-	-	528,362
Unrealized loss on investments at fair value through profit or loss	(24,839)	-	(338,866)	-	(363,705)
Others	217,744	57,099	1,200	-	276,043
Total revenues	4,237,093	4,455,580	2,366,212	(2,400,757)	8,658,128
General and administrative expenses					
Personal expenses	1,019,499	1,107,730	-	-	2,127,229
Depreciation and amortization	298,256	84,376	-	-	382,632
Insurance	116,234	147,029	-	-	263,263
Supervision fee	101,200	101,000	4,825	-	207,025
Custody and payment agency expenses, registration and transfer	-	930,570	-	-	930,570
Other administrative expenses	1,058,519	624,053	1,301	-	1,683,873
Total general and administrative expenses	2,593,708	2,994,758	6,126	-	5,594,592
Profit before income tax	1,643,385	1,460,822	2,360,086	(2,400,757)	3,063,536
Total assets	2,639,389	2,975,597	17,040,180	(7,522,581)	15,132,585
Total liabilities	1,838,461	1,723,932	2,825	(2,463,670)	1,101,548

The following table breaks down the ordinary income from daily transactions and payment issuance services provided by participants and exchange offices:

2023 (Figures in Balboas)			
Commissions	All the others		Total
Panama	El Salvador	Segments	
5,152,636	34,369	3,147,734	8,334,739

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

18. Subsidiary Segment Information (Continued)

2022 (Figures in Balboas)			
Commissions		All the others	Total
Panamá	El Salvador	Segments	
5,418,844	11,768	2,929,034	8,359,646

19. Guarantee Trust in Favor of the Company

On February 9, 2012 Latinex Capital, Inc. (the "Trustee") approved at the Board of Directors the constitution of an independent trust estate with Assets Trust and Corporate Services Inc. (The Trustee), through a trust contract called LATINCLEAR FIDEICOMISO Number 119 for guarantee purposes to support the operations of its subsidiaries Central Latinoamericana de Valores, S.A. (the "Beneficiary").

Latinex Capital, Inc. (the "Settlor") and part of the Latinex Holdings Group, is a holder of financial assets and shares in companies which are free of liens and restrictions, which operate professionally in the organized securities market of the Republic of Panama.

One of the powers of the Company as beneficiary and which translates as an obligation of the Trustee is to execute the transfer of assets from the Trust Assets to the accounts of the Beneficiary, at the simple request of the Beneficiary, to comply with capital requirements or to satisfy commercial needs or when they are convenient within the ordinary course of business of the Beneficiary.

As of December 31, 2023, the Trustee maintained a total of investments in trust in favor of the Company for B/.4,389,418 (2022: B/.3,907,775), included in the total investments at fair value through comprehensive income.

The Trustor and the Trustee signed a Trust Agreement No.119 called "Latinclear Trust", whose beneficiary is the Company.

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

20. Assets in Administration and Custody

In the normal course of its activities, Central Latinoamericana de Valores, S.A. maintains custody of financial assets of third parties in a fiduciary manner, as established in Decree Law No. 1 of July 8, 1999 (Securities Law) and its amendments. As of December 31, 2023, the value of the assets held in custody amounted to:

	2023	2022
Fixed income	9,284,027,900	8,789,484,701
State Securities	6,381,894,901	6,844,145,940
Variable Income	6,854,628,621	6,484,716,297
Funds	8,651,695,169	4,870,002,230
Promissory notes	589,763,958	508,863,935
CERPANES	12,229,715	15,713,383
Bank Deposits	11,093,282	9,934,835
	<u>31,785,333,546</u>	<u>27,522,861,321</u>

For the purposes of mitigating the risks inherent to the business, the Company maintains a fidelity policy with a local insurance company.

In accordance with the provisions of the Internal Rules of Central Latinoamericana de Valores, S.A. and as part of the safeguards of the financial activities of the participants, the custody center maintains as of December 31, 2023, a combined total of cash of B/.1,047,000 (2022: B/.1,194,349) as guarantees in support of the obligations of the participants. These guarantees are duly segregated, and are managed in memorandum accounts of Central Latinoamericana de Valores, S.A.

21. Contingency

Contingent Asset

The subsidiary Bolsa Latinoamericana de Valores, S.A. maintained a legal claim against the AGB Cambios, S.A. stock exchange, the proceedings were ruled in favor of said subsidiary and a recovery is expected to eventually be made through the auction of the position, ordered by the Fourteenth Judge of the Civil Circuit of the First Judicial Circuit of Panama. Due to the nature of the amount of the charge, it has not been reflected in the consolidated statement of income. The first auction was ordered by the Judge for the stock market on August 18, 2020, which was carried out, but no bids were received; Therefore, the position has not been assigned and we must wait for the Judge to establish the next date for the second auction.

Legal Contingencies

There are lawsuits filed against the Company, regarding which the Company's Management and its legal advisors estimate that the results of these processes are not expected to generate an adverse effect on the Company's consolidated financial situation.

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

22. Consolidated Statement

Below is the consolidation of the financial statements of the following companies: Bolsa Latinoamericana de Valores, S.A., Central Latinoamericana de Valores, S.A., Latinex Capital, Inc. and Latinex Holdings, Inc. In addition, the trust indicated in the Note No.19.

Consolidation of Financial Position as of December 31, 2023

	Bolsa Latinoamericana de Valores, S.A.	Central Latinoamericana de Valores, S.A.	Latinex Capital	Subtotal	BLV Latinclear Eliminations	Total Latinex Capital	Latinex Holdings, Inc.	Subtotal	Eliminations	Total Consolidated
Assets										
Cash and demand deposits	354,662	1,212,492	98,530	1,665,684	-	1,665,684	42,017	1,707,701	-	1,707,701
Time deposits	-	250,000	511,600	761,600	-	761,600	-	761,600	-	761,600
Investments in Trust Securities	-	-	4,389,418	4,389,418	-	4,389,418	-	4,389,418	-	4,389,418
Investments in subsidiaries securities	577,014	107,265	5,539,641	6,223,920	-	6,223,920	-	6,223,920	624,763	5,599,157
Investments in subsidiaries	-	-	1,139,223	1,139,223	1,139,223	-	5,682,251	5,682,251	5,682,251	-
Interest receivable	2,348	2,629	60,064	65,041	-	65,041	-	65,041	-	65,041
Financial assets at amortized cost	116,719	486,863	-	603,582	19,551	584,031	-	584,031	-	584,031
Dividends receivable	-	-	2,421,928	2,421,928	-	-	-	-	-	-
Prepaid expenses	46,629	63,525	225	110,379	-	110,379	225	110,604	-	110,604
Income tax paid in advance	166,784	-	-	166,784	-	166,784	-	166,784	-	166,784
Property, furniture and equipment, net	1,160,186	709,806	-	1,869,992	-	1,869,992	-	1,869,992	-	1,869,992
Deferred income tax	-	10,508	-	10,508	-	10,508	-	10,508	-	10,508
Guarantee deposits	80	680	-	760	-	760	-	760	-	760
Other assets	180,662	193,339	-	374,001	-	374,001	-	374,001	-	374,001
Total assets	2,605,084	3,037,107	14,160,629	19,802,820	3,580,702	16,222,118	5,724,493	21,946,611	6,307,014	15,639,597
Liabilities and Equity										
Liabilities:										
Accounts payable suppliers	66,118	79,788	-	145,906	-	145,906	-	145,906	-	145,906
Accumulated expenses and withholdings payable	156,139	216,191	-	372,330	19,551	352,779	5,747	358,526	-	358,526
Deferred income tax	19,102	-	-	19,102	-	19,102	-	19,102	-	19,102
Income tax payable	-	52,182	-	52,182	-	52,182	-	52,182	-	52,182
Dividends payable to shareholders	1,439,915	1,284,669	-	2,724,584	2,421,928	302,656	-	302,656	-	302,656
Seniority premium payable	104,253	164,404	-	268,657	-	268,657	-	268,657	-	268,657
Total liabilities	1,785,527	1,797,234	-	3,582,761	2,441,479	1,141,282	5,747	1,147,029	-	1,147,029
Equity:										
Common shares	500,000	639,223	5,682,251	6,821,474	1,139,223	5,682,251	5,716,529	11,398,780	5,682,251	5,716,529
Treasury shares	-	-	-	-	-	-	(812,872)	(812,872)	(233,183)	(579,689)
Premium on common shares	-	-	-	-	-	-	-	-	(461,230)	461,230
Other comprehensive income	319,557	79,631	4,663	403,851	-	403,851	-	403,851	207,125	196,726
Complementary tax	-	(32,296)	-	(32,296)	-	(32,296)	(32,296)	-	-	(32,296)
Retained earnings	-	553,315	8,473,715	9,027,030	-	9,027,030	815,089	9,842,119	1,112,051	8,730,068
Total equity	819,557	1,239,873	14,160,629	16,220,059	1,139,223	15,080,836	5,718,746	20,799,582	6,307,014	14,492,568
Total liabilities and equity	2,605,084	3,037,107	14,160,629	19,802,820	3,580,702	16,222,118	5,724,493	21,946,611	6,307,014	15,639,597

Latinex Holdings, Inc. and Subsidiaries

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Consolidation of Profit or Loss as of December 31, 2023

	Bolsa Latinoamericana de Valores, S.A.	Central Latinoamericana de de Valores, S.A.	Latinex Capital	Subtotal	BLV Latinclear Eliminations	Total Latinex Capital	Latinex Holdings, Inc.	Eliminations	Total Consolidated
Income from contracts									
Commissions	3,020,951	2,166,054	-	5,187,005	-	5,187,005	-	-	5,187,005
Payment agency and market transactions, International	-	1,720,096	-	1,720,096	-	1,720,096	-	-	1,720,096
Maintenance fees	511,608	158,400	-	670,008	-	670,008	-	-	670,008
Registration of companies and emissions	202,191	-	-	202,191	-	202,191	-	-	202,191
Management services	-	555,439	-	555,439	-	555,439	-	-	555,439
Total revenue from contracts	3,734,750	4,599,989	-	8,334,739	-	8,334,739	-	-	8,334,739
Financial income	36,774	30,065	417,501	484,340	-	484,340	52	-	484,392
Dividends received from subsidiaries	14,093	1,448	2,207,062	2,222,603	(15,541)	2,207,062	30,000	(2,237,062)	-
Unrealized loss on investments at fair value through profit or loss	1,117	-	5,943	7,060	-	7,060	-	-	7,060
Other income	432,124	70,502	-	502,626	-	502,626	1,200	-	503,826
Total revenues	4,218,858	4,702,004	2,630,506	11,551,368	(15,541)	11,535,827	31,252	(2,237,062)	9,330,017
General and administrative expenses									
Personal expenses	968,574	1,158,714	-	2,127,288	-	2,127,288	-	-	2,127,288
Depreciation and amortizacion	343,355	93,827	-	437,182	-	437,182	-	-	437,182
Insurance	120,870	153,356	-	274,226	-	274,226	-	-	274,226
Supervision fee	101,000	101,000	-	202,000	-	202,000	5,073	-	207,073
Custody and payment agency, registration and transfer expenses	-	880,866	-	880,866	-	880,866	-	-	880,866
Other administrative expenses	1,362,932	622,806	5,523	1,991,261	-	1,991,261	2,813	-	1,994,074
Total general and administrative expenses	2,896,731	3,010,569	5,523	5,912,823	-	5,912,823	7,886	-	5,920,709
Income before income tax	1,322,127	1,691,435	2,624,983	5,638,545	(15,541)	5,623,004	23,366	(2,237,062)	3,409,308
Income tax	426,166	406,766	211,629	1,044,561	-	1,044,561	-	-	1,044,561
Net income	895,961	1,284,669	2,413,354	4,593,984	(15,541)	4,578,443	23,366	(2,237,062)	2,364,747

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

Consolidation of Changes in Equity as of December 31, 2023

	Bolsa Latinoamericana de Valores, S.A.	Central Latinoamericana de Valores, S.A.	Latinex Capital	Subtotal	BLV Latinclear Eliminations	Total Latinex Capital	Latinex Holdings, Inc.	Eliminations	Total Consolidated
Common Shares									
Balance at the beginning and end of the year	500,000	639,223	5,682,251	6,821,474	(6,821,474)	-	5,716,529	-	5,716,529
Treasury Shares									
Balance at the beginning and end of the year	-	-	-	-	-	-	(812,872)	233,183	(579,689)
Premium on common shares									
Balance at the beginning and of the year	-	-	-	-	-	461,230	-	-	461,230
Other comprehensive results									
Balance at the beginning of the year	300,928	91,423	64,771	457,122	(275,508)	(275,508)	-	-	181,614
Net change in fair value with changes in other comprehensive income during the year	18,629	(11,792)	(60,108)	(53,271)	68,383	15,112	-	-	15,112
Total other comprehensive income	319,557	79,631	4,663	403,851	(207,125)	(260,396)	-	-	196,726
Complementary tax									
Balance at the beginning of the year	-	(32,296)	-	(32,296)	-	-	-	-	(32,296)
Undistributed profits									
Balance at the beginning of the year	-	553,315	8,050,662	8,603,977	(1,112,051)	7,491,926	791,723	-	8,283,649
Dividends declared	(895,961)	(1,284,669)	(1,990,301)	(4,170,931)	-	(4,170,931)	-	-	(4,170,931)
Profit (loss) in the year	895,961	1,284,669	2,413,354	4,593,984	-	4,593,984	23,366	-	4,617,350
Balance at the end of the year	-	553,315	8,473,715	9,027,030	(1,112,051)	7,914,979	815,089	-	8,730,068
Total equity	819,557	1,239,873	14,160,629	16,220,059	(8,140,650)	8,115,813	5,718,746	233,183	14,492,568

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

Consolidation of Financial Position as of December 31, 2022

	Bolsa Latinoamericana de Valores, S.A.	Central Latinoamericana de Valores, S.A.	Latinex Capital	Subtotal	BLV Latinclear Eliminations	Total Latinex Capital	Latinex Holdings, Inc.	Subtotal	Eliminations	Total Consolidated
Assets										
Cash and demand deposits	442,575	1,153,874	332,448	1,928,897	-	1,928,897	13,389	1,942,286	-	1,942,286
Time deposits	-	500,000	700,000	1,200,000	-	1,200,000	-	1,200,000	-	1,200,000
Investments in Trust Securities	-	-	3,907,775	3,907,775	-	3,907,775	-	3,907,775	-	3,907,775
Investments in subsidiaries securities	557,268	119,057	5,218,762	5,895,087	-	5,895,087	-	5,895,087	693,146	5,201,941
Investments in subsidiaries	-	-	1,139,223	1,139,223	1,139,223	-	5,682,251	5,682,251	5,682,251	-
Interest receivable	1,850	2,489	46,332	50,671	-	50,671	-	50,671	-	50,671
Financial assets at amortized cost	17,876	462,236	-	480,112	7,961	472,151	-	472,151	-	472,151
Dividends receivable	52,109	67,538	-	119,647	-	119,647	-	119,647	-	119,647
										-
Prepaid expenses income tax in advance	1,257,978	433,463	-	1,691,441	-	1,691,441	-	1,691,441	-	1,691,441
Property, furniture and equipment, net	86,591	3,275	-	89,866	-	89,866	-	89,866	-	89,866
Deferred income tax	-	-	-	-	-	-	-	-	-	-
Guarantee deposits	80	680	-	760	-	760	-	760	-	760
Other assets	184,653	191,153	-	375,806	-	375,806	-	375,806	-	375,806
Total assets	2,600,980	2,933,765	11,344,540	16,879,285	1,147,184	15,732,101	5,695,640	21,427,741	6,375,397	15,052,344
Liabilities and Equity										
Liabilities:										
Accounts payable suppliers	46,057	34,137	-	80,194	-	80,194	-	80,194	-	80,194
Accumulated expenses and withholdings payable	153,211	178,496	2,565	334,272	7,961	326,311	260	326,571	-	326,571
Deferred income tax	-	-	-	-	-	-	-	-	-	-
Income tax payable	1,404,296	1,336,005	-	2,740,301	2,455,709	284,592	-	284,592	-	284,592
Dividends tax payable	120,292	-	-	120,292	-	120,292	-	120,292	-	120,292
Seniority premium payable	114,605	175,294	-	289,899	-	289,899	-	289,899	-	289,899
Total liabilities	1,838,461	1,723,932	2,565	3,564,958	2,463,670	1,101,288	260	1,101,548	-	1,101,548
Equity										
Common shares	500,000	639,223	5,682,251	6,821,474	1,139,223	5,682,251	5,716,529	11,398,780	5,682,251	5,716,529
Treasury shares	-	-	-	-	-	-	(812,872)	(812,872)	(233,183)	(579,689)
Premium on common shares	-	-	-	-	-	-	-	-	(461,230)	461,230
Other comprehensive income	300,928	91,423	64,771	457,122	-	457,122	-	457,122	275,508	181,614
Complementary tax	-	(32,296)	-	(32,296)	-	(32,296)	-	(32,296)	-	(32,296)
Retained earnings	-	553,315	8,050,662	8,603,977	-	8,603,977	791,723	9,395,700	1,112,051	8,283,649
Total equity	800,928	1,251,665	13,797,684	15,850,277	1,139,223	14,711,054	5,695,380	20,406,434	6,375,397	14,031,037
Total liabilities and equity	2,639,389	2,975,597	13,800,249	19,415,235	3,602,893	15,812,342	5,695,640	21,507,982	6,375,397	15,132,585

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2023

(Stated in balboas)

Consolidation of Profit or Loss as of December 31, 2022

	Bolsa Latinoamericana de Valores, S.A.	Central Latinoamericana de Valores, S.A.	Latinex Capital	Subtotal	BLV Latinclear Eliminations	Total Latinex Capital	Latinex Holdings, Inc.	Eliminations	Total Consolidated
Income from contracts									
Commissions	3,372,349	2,058,263	-	5,430,612	-	5,430,612	-	-	5,430,612
Payment agency and market transactions, International	-	1,619,878	-	1,619,878	-	1,619,878	-	-	1,619,878
Maintenance fees	412,194	162,000	-	574,194	-	574,194	-	-	574,194
Registration of companies and emissions	206,600	-	-	206,600	-	206,600	-	-	206,600
Management services	-	528,362	-	528,362	-	528,362	-	-	528,362
Total revenue from contracts	3,991,143	4,368,503	-	8,359,646	-	8,359,646	-	-	8,359,646
Financial income									
Financial income	33,532	27,974	324,586	386,092	-	386,092	52	-	386,144
Dividends received from subsidiaries	19,513	2,004	2,379,240	2,400,757	(21,517)	2,379,240	-	(2,379,240)	-
Unrealized loss on investments at fair value through profit or loss	(24,839)	-	(338,866)	(363,705)	-	(363,705)	-	-	(363,705)
Other income	217,744	57,099	-	274,843	-	274,843	1,200	-	276,043
Total revenues	4,237,093	4,455,580	2,364,960	11,057,633	(21,517)	11,036,116	1,252	(2,379,240)	8,658,128
General and administrative expenses									
Personal expenses	1,019,499	1,107,730	-	2,127,229	-	2,127,229	-	-	2,127,229
Depreciation and amortization	298,256	84,376	-	382,632	-	382,632	-	-	382,632
Insurance	116,234	147,029	-	263,263	-	263,263	-	-	263,263
Supervision fee	101,200	101,200	-	202,200	-	202,200	4,825	-	207,025
Custody and payment agency, registration and transfer expenses	-	930,570	-	930,570	-	930,570	-	-	930,570
Other administrative expenses	1,058,519	624,053	(110)	1,682,462	-	1,682,462	1,411	-	1,683,873
Total general and administrative expenses	2,593,708	2,994,758	(110)	5,588,356	-	5,588,356	6,236	-	5,594,592
Profit before income tax	1,643,385	1,460,822	2,365,070	5,469,277	(21,517)	5,447,760	(4,984)	(2,379,240)	3,063,536
Income tax	400,618	360,947	230,223	991,788	-	991,788	-	-	991,788
Net income	1,242,767	1,099,875	2,134,847	4,477,489	(21,517)	4,455,972	(4,984)	(2,379,240)	2,071,748

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements December 31, 2023 (Stated in balboas)

Consolidation of Changes in Equity as of December 31, 2022

	Bolsa Latinoamericana de					Latinex Holdings, Inc.
	Total	Related Parties	Valores, S.A.	Latinclear	Latinex Capital	
Paid-in capital						
Balance at the beginning and end of the year	5,716,529	(6,821,474)	500,000	639,223	5,682,251	5,716,529
Treasury Shares						
Balance at the beginning and end of the year	(579,689)	233,183	-	-	-	(812,872)
Premium on common shares						
Balance at the beginning of the year	461,230	461,230	-	-	-	-
Other comprehensive results						
Balance at the beginning of the year	214,982	(306,967)	332,206	94,042	95,701	-
Net change in fair value with changes in other comprehensive income during the year						
	(33,368)	31,460	(31,278)	(2,619)	(30,931)	-
Balance at the end of the year	181,614	(275,507)	300,928	91,423	64,770	-
Complementary tax						
Balance at the beginning and end of the year	(32,296)	-	-	(32,296)	-	-
Retained earnings						
Balance at the beginning of the year	8,868,048	(1,112,052)	-	553,315	8,630,078	796,707
Dividends declared	(2,656,147)	2,400,758	(1,242,767)	(1,099,875)	(2,714,263)	-
Profit (loss) in the year	2,071,748	(2,400,757)	1,242,767	1,099,875	2,134,847	(4,984)
Retained earnings at the end of the year	8,283,649	(1,112,051)	-	553,315	8,050,662	791,723
Total equity	14,031,037	(7,514,619)	800,928	1,251,665	13,797,683	5,695,380

Latinex Holdings, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2023

(Stated in balboas)

23. Subsequent Events

At a meeting of the Company's Board of Directors held on February 21, 2024, an ordinary cash dividend was declared at a rate of B/.0.12 per share, to be distributed in four equal payments of B/.0.03 each, in March, June, September and December 2024. Likewise, an extraordinary cash dividend of B/.0.03 per share was declared, distributed in two payments of B/.0.015, in May and August 2024.

Bolsa Latinoamericana de Valores, S.A.

Consolidated Financial Statements | December 31, 2023
General Information | December 31, 2023

Dignataries

Arturo Gerbaud
President

Roberto Brenes
Vice President

Carlos Mendoza
Treasurer

Mónica García De Paredes de Chapman
Secretary

Social Domicile

| Ave. Federico Boyd and 49th Street, P.H. Bolsa de Valores Building

Banks and Other Financial Institutions

| Banco General, S.A.
Banistmo, S.A.
Citibank, N.A.

Auditors

| PricewaterhouseCoopers Panamá, S.R.L.



Independent Auditor's Report

To the Board of Directors of
Bolsa Latinoamericana de Valores, S.A.

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material aspects, the financial position of Bolsa Latinoamericana de Valores, S.A. (the "Company") as of December 31, 2023, as its financial performance and its cash flows for the year then ended, in accordance with IFRS Accounting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as of December 31, 2023;
- the statement of income for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Auditing Standards. Our responsibilities under those standards are described below in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We consider that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent from the Company in accordance with the International Code of Ethics for Professional Accountants (including the International Standards of Independence) issued by the International Ethics Standards Board for Accountants (IESBA Code of Ethics) and the requirements of the code of professional ethics for certified public accountants that are relevant to our audit of the financial statements in the Republic of Panama. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code of Ethics and the ethical requirements of the Republic of Panama.



To the Board of Directors of
Bolsa Latinoamericana de Valores, S.A.
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Other matter

The financial statements of the Company for the year ended December 31, 2022, were audited by another auditors whose report, dated March 30, 2023, expressed an unmodified opinion on those financial statements.

Responsibilities of management and those responsible of the governance of the Company in relation to the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management considers necessary to enable the preparation of financial statements that are free from material misstatement, due to fraud or error.

In preparing the financial statements, management is responsible for evaluating the Company's ability to continue as a going concern, disclosing, as appropriate, matters related to going concern and using the going concern basis of accounting, unless management intends to liquidate the company or cease operations, or there is no realistic alternative.

Those charged with governance of the Company are responsible for overseeing the Company's financial information reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high degree of assurance, but it does not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect 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 on the basis of these 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:

- Identify and assess the risks of material misstatement of the financial statements, whether 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 that resulting from error, as fraud may involve collusion, forgery, intentional omissions, intentional misstatements, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 Company's internal control.



To the Board of Directors of
Bolsa Latinoamericana de Valores, S.A.
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- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriate 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 company'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 relevant disclosures in the financial statements or, if such disclosures are inadequate, to express a modified 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.


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

Report on other legal and regulatory requirements

In compliance with Law 280 of December 30, 2021, which regulates the profession of certified public accountant in the Republic of Panama, we declare the following:

- That the direction, execution, and supervision of this audit work has been physically carried out in Panamanian territory.
- The partner in charge of the audit who has elaborated this independent auditor's report is Manuel Pérez Broce, with authorized public accountant license No.0192-2002.
- The work team that has participated in the audit to referred to this report is constituted by Manuel Pérez Broce, Partner, and Jacqueline Andrión, Senior Manager.


April 1, 2024
Panama, Republic of Panama


Manuel Pérez Broce
CPA 0192-2002

Bolsa Latinoamericana de Valores, S.A.

Statement of Financial Position December 31, 2023

(Stated in balboas B/.)

	2023	2022
Assets		
Cash and demand deposits (Note 5)	354,662	442,575
Investment in securities (Notes 6, 14)	577,014	557,268
Financial assets at amortized cost (Note 3)	116,719	17,876
Prepaid expenses	46,629	52,109
Income tax paid in advance (Note 13)	166,784	38,409
Properties, furniture and equipment, net (Note 7)	1,160,186	1,257,978
Deferred income tax	-	86,591
Guarantee deposits	80	80
Other assets	183,010	186,503
Total assets	2,605,084	2,639,389
Liabilities and Equity		
Liabilities		
Accounts payable suppliers	66,118	46,057
Accumulated expenses and withholdings payable	156,139	153,211
Deferred income tax	19,102	-
Dividends payable (Notes 14, 15)	1,439,915	1,404,296
Commissions charged in advance	-	120,292
Seniority premium payable	104,253	114,605
Total liabilities	1,785,527	1,838,461
Contingency (Note 16)		
Equity		
Common shares without par value: 500 shares authorized, issued and in circulation	500,000	500,000
Other Comprehensive Income	319,557	300,928
Total equity	819,557	800,928
Total liabilities and equity	2,605,084	2,639,389

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

Bolsa Latinoamericana de Valores, S.A.

Statement of Income

For the year ended December 31, 2023

(Stated in balboas B/.)

	2023	2022
Income from Contracts		
Commissions (Note 8)	3,020,951	3,372,349
Maintenance fees	511,608	412,194
Company registrations and emissions	<u>202,191</u>	<u>206,600</u>
Total revenue from contracts	<u>3,734,750</u>	<u>3,991,143</u>
Financial income (Notes 9, 14)	50,867	53,045
Unrealized gain (loss) on investments	1,117	(24,839)
Others (Note 10)	<u>432,124</u>	<u>217,744</u>
Total Revenue	<u>4,218,858</u>	<u>4,237,093</u>
General and administrative expenses		
Personnel expenses (Notes 11, 14)	968,574	1,019,499
Depreciation and amortization (Note 7)	343,355	298,256
Insurance	120,870	116,234
Supervision fee	101,000	101,200
Other administrative expenses (Note 12)	<u>1,362,932</u>	<u>1,058,519</u>
Total general and administrative expenses	<u>2,896,731</u>	<u>2,593,708</u>
Income before income tax	1,322,127	1,643,385
Income tax (Note 13)	<u>(426,166)</u>	<u>(400,618)</u>
Net income	<u>895,961</u>	<u>1,242,767</u>

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

Bolsa Latinoamericana de Valores, S.A.

Statement of Comprehensive Income

For the year ended December 31, 2023

(Stated in balboas B/.)

	2023	2022
Net Income	895,961	1,242,767
Items of Other Comprehensive Income:		
Items that cannot be subsequently reclassified to results:		
Net change in fair value of equity shares through other comprehensive income	<u>18,629</u>	<u>(31,278)</u>
Total comprehensive income (Note 6)	<u>914,590</u>	<u>1,211,489</u>

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

Bolsa Latinoamericana de Valores, S.A.

Statement of Changes in Equity
For the year ended December 31, 2023
(Stated in balboas B/.)

	Common Shares	Other Comprehensive Income	Retained Earnings	Total Equity
Balance as of December 31, 2021	500,000	332,206	-	832,206
<i>Integral result</i>				
Net income	-	-	1,242,767	1,242,767
Other comprehensive income (Note 6)	-	(31,278)	-	(31,278)
Total de resultado integral	-	(31,278)	1,242,767	1,211,489
<i>Transactions with Shareholders</i>				
Dividends declared	-	-	(1,242,767)	(1,242,767)
Balance as of December 31, 2022	500,000	300,928	-	800,928
<i>Integral result</i>				
Net income	-	-	895,961	895,961
Other comprehensive income items (Note 6)	-	18,629	-	18,629
Total comprehensive income	-	18,629	895,961	914,590
<i>Transactions with Shareholders</i>				
Dividends declared	-	-	(895,961)	(895,961)
Balance as of December 31, 2023	500,000	319,557	-	819,557

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

Bolsa Latinoamericana de Valores, S.A.

Statement of Cash Flows
For the year ended December 31, 2023
(Stated in balboas B/.)

	2023	2022
Cash flows from operating activities		
Income before income tax	1,322,127	1,643,385
Adjustments to reconcile income before tax with the net cash provided by the operating activities:		
Depreciation and amortization	343,355	298,256
Financial income	(50,867)	(53,045)
Unrealized (gain) loss on investments at fair value through profit or loss	(1,117)	24,839
Net changes in operating assets and liabilities:		
Financial assets at amortized cost	(98,843)	(754)
Prepaid expenses	5,480	(9,516)
Accounts payable to suppliers	20,061	(7,511)
Accumulated expenses and withholdings payable	2,928	(24,632)
Commissions charged in advance	(120,292)	(419,612)
Reimbursement from severance fund, net	(6,360)	69,818
Interest and dividends received	50,368	53,978
Income tax paid	(448,848)	(680,402)
Net cash provided by operating activities	1,017,992	894,804
Cash flows from investing activities		
Purchase of furniture and equipment and net cash used in investment activities	(245,563)	(314,146)
Cash flows from financing activities		
Dividends paid and net cash used in financing activities	(860,342)	(1,459,095)
Decrease in cash	(87,913)	(878,437)
Cash at the beginning of the year	442,575	1,321,012
Cash at the end of the year	354,662	442,575

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

Bolsa Latinoamericana de Valores, S.A.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

1. General Information

Bolsa Latinoamericana de Valores, S.A. (the "Company") is a corporation incorporated in accordance with the laws of the Republic of Panama according to Public Deed No. 954 of March 8, 1989 and after the corporate reorganization according to Public Deed No. 15125 of September 28, 2010. Through Resolution No. CNV-349 of March 30, 1990 of the Superintendency of the Securities Market (SMV), the Company was authorized to operate a stock exchange in the Republic of Panama.

The Company is a 100% subsidiary of Latinex Capital, Inc. which in turn is a 100% subsidiary of Latinex Holdings, Inc. (the ultimate Parent Company).

On March 23, 2021, the change in corporate name of the entity Bolsa de Valores de Panamá, S.A. to Bolsa Latinoamericana de Valores, S.A. was registered in the Public Registry of Panama.

The Internal Regulations of the Bolsa Latinoamericana de Valores, S.A. and Its modifications were approved by the Superintendency of the Securities Market (SMV). The last modification was approved by the SMV through Resolution No.SMV-211-21 of May 5, 2021.

Corporate Governance

Summary of Policies

In accordance with the provisions contained in the Social Pact, the Company has been developing and adopting, continuously and voluntarily, a Corporate Governance scheme with the objective of:

- Define the best practices that the Company will follow with all its interest groups (shareholders, members of the Board of Directors and Committees, clients, suppliers and creditors, strategic allies, the State, regulatory entities, media, general public, among others).
- Support the Board of Directors in the examination, evaluation and permanent surveillance of the Company's accounting, financial and risk control system.
- Monitoring of the procedures of the internal management control systems.
- Establish a clear framework for risk identification, verification and control.
- Clear provisions for the delegation of authority and responsibility.
- Establish efficient processes for decision making.
- Establish explicit guidelines for the operation of the Board of Directors, in terms of decision-making policies.

The Company has the following permanent Committees appointed by the Board of Directors:

Audit Committee: Its main function is to ensure the proper functioning of the internal control system and the integrity of the Company's financial information.

Risk Committee: Its main function is to identify, establish and implement criteria to minimize the inherent risks of the operations carried out by the Company based on best practices and international standards.

Bolsa Latinoamericana de Valores, S.A.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

1. General Information (Continued)

Ethics and Compliance Committee: Its main function is to plan, coordinate and ensure compliance with current legislation on the Prevention of Money Laundering, Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction, as well as ensuring that the Members and Issuers of Securities comply with all the Company's Internal Rules.

Technology Committee: Its main function is to promote the technological development necessary for the management of the Company's businesses, and to evaluate and incorporate innovation management and digital transformation in the Company.

Other managers of the Company's operating subsidiaries and other advisors or specialists that the members of the Committee consider necessary to hire and/or invite may be invited to participate in this Committee, all with the right to speak, but without vote.

Directors, Independent Directors and Executive

Officers The Directors and Independent Directors of the Company are not directly or indirectly, individually or jointly, beneficial owners of a controlling number of common shares of the Parent Company. No Director, nor Independent Director, directly or indirectly, is a significant supplier of goods or services to the Company; however, some Directors are corporate officers with substantial relationships with the Company and its Subsidiaries. The executives of the Subsidiaries are independent of the Directors and Shareholders.

At the meeting of May 4, 2017, the Shareholders' Assembly approved the modification to the articles of incorporation, in order to integrate, at least, two (2) Independent Directors to the Company's Board of Directors.

In addition, the Board of Directors will be made up of the percentage of participation of women established in Law No.56 of July 11, 2017, who may hold either the position of Director or Independent Director, in accordance with the Company's Statutes.

Statutes

The Company has Statutes, which regulate the operation of the different Committees, based on general principles of Corporate Governance.

Code of Ethics and Conduct

The Company has adopted a Code of Ethics and Conduct to ensure that all Directors, Officers, Members or guests of the Committees, Board of Directors, Legal Representatives, Managers and Employees of the Company comply with the highest standards of conduct. The Code of Ethics and Conduct governs relationships with principles of honesty, diligence and loyalty, contains specific rules for the treatment of conflicts of interest and regulates prohibited conduct such as the use of confidential and privileged information, dishonest or unfair behavior, bribery, corruption, among others.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

1. General Information (Continued)

Code of Ethics and Conduct

The Company has adopted a Code of Ethics and Conduct to ensure that all Directors, Officers, Members or guests of the Committees, Board of Directors, Legal Representatives, Managers and Collaborators of the Company adhere to the highest standards of conduct. The Code of Ethics and Conduct governs relationships with principles of honesty, diligence and loyalty, contains specific rules for the treatment of conflicts of interest and regulates prohibited conduct such as the use of confidential and privileged information, dishonest or unfair behavior, bribery, corruption, among others.

Corporate Governance Code

The Company adopted a Corporate Governance Code that aims to define the best practices that Grupo Latinex will follow with all its stakeholders, in addition to what is established by the Law, the Social Agreement, and the Bylaws of each company. and any other policy that has been duly approved by the Board of Directors and that, in turn, enshrines rights for them. Therefore, the application, compliance and interpretation of said Code must be done in accordance with the Law, the Social Pact and the Statutes. The Corporate Governance Code is applicable to Shareholders, Directors, Officers, members of the Committees, the Board of Directors, Managers, Collaborators and other interest groups of Grupo Latinex.

These financial statements were authorized for issuance by the Board of Directors on March 27, 2024.

2. Summary of Material Accounting Policies

Below are the material accounting policies used by the Company in the preparation of these financial statements, the which were applied consistently in the previous year.

Basis of Preparation

The financial statements of the Company have been prepared in accordance with Accounting Standards (IFRS), on a historical cost basis, except for the measurement at fair value of investments at fair value through other comprehensive income and investments at fair value through profit or loss according to IFRS 9 Financial Instruments.

The preparation of financial statements in accordance with Accounting Standards (IFRS) requires the use of certain critical accounting estimates. It also requires that Management use its judgment in the process of applying the Company's accounting policies. Areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

2. Summary of Material Accounting Policies (Continued)

Basis of Preparation (continued)

The Company presents its statement of financial position in order of liquidity based on the intention and perception of recovering the majority of its assets and liabilities in the corresponding lines of these financial statements.

Monetary Unit and Functional Currency

The financial statements are expressed in balboas (B/.), monetary unit of the Republic of Panama, which is on par with the dollar (US\$), monetary unit of the United States of America. The dollar circulates and is freely exchanged in the Republic of Panama and is considered the functional currency.

Changes in accounting policies and disclosures, new standards, amendments to standards and interpretations

Some amendments and interpretations that were applied for the first time in 2023 did not have a material impact on the Company's financial statements. These modifications and new interpretations have required certain additional disclosures and, in some cases, the revision of certain accounting policies. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective and has not come into force.

The following standards, amendments and interpretations were adopted by the Company during 2023 and did not have a significant impact on the financial statements:

- Amendments to IFRS 3 Reference to the Conceptual Framework.
- Amendments to IAS 16 Property, Plant and Equipment: Revenue before Intended Use.
- Amendments to IAS 37 Onerous Contracts – Costs of Performing a Contract.
- IFRS 9 Financial Instruments: Commissions in the “10 percent” test for derecognition of financial liabilities.

Amendments to IAS 1 and IFRS Practice Statement No.2

The IASB amended IAS 1 Presentation of Financial Statements to require entities to disclose their material rather than significant accounting policies. The amendments define what is "material accounting policy information" (being information that, when considered together with other information included in an entity's financial statements, could reasonably be expected to influence the decisions that primary users of financial statements with general purpose take on the basis of those financial statements) and explain how to identify when information about accounting policies is material. Furthermore, they clarify that it is not necessary to disclose immaterial information about accounting policies. If disclosed, it should not obscure important accounting information. To support this amendment, the IASB also amended IFRS Practice Statement No.2 Materiality Judgments to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

2. Summary of Material Accounting Policies (Continued)

Amendments to IAS 1 and Statement of Practice No.2 of IFRS (continued)

a) Definition of accounting estimates - Amendments to IAS 8

The amendment to IAS 8 Accounting policies, changes in accounting estimates and errors clarifies how the Entities must distinguish changes in their accounting policies from changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to future transactions and other future events, while changes in accounting policies generally are applied retrospectively to past transactions and other past events, as well as to the current period.

b) Deferred tax related to assets and liabilities arising from a single transaction

Amendments to IAS 12 The amendments to IAS 12 Income tax require entities to recognize deferred tax on transactions that, upon initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases by lessees, and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

The modification must apply to transactions that occur on or after the beginning of the first comparative period presented. In addition, entities must recognize deferred tax assets (to the extent it is probable that they can be utilized) and deferred tax liabilities at the beginning of the first comparative period for all deductible and taxable temporary differences associated with:

- Right of collection assets use and lease liabilities, and
- Liabilities for dismantling, restoration and similar, and the corresponding amounts recognized as part of the cost of the related assets.

The cumulative effect of recognizing these adjustments is recognized in the opening balance of retained earnings or other equity component, as applicable.

IAS 12 did not address how to account for the tax effects of leases in the statement of financial position and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions in accordance with the new requirements. These entities will not be affected by the modifications.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

2. Summary of Material Accounting Policies (Continued)

Future Requirements

The standards or interpretations and modifications described are only those that, in the judgment of Management, may have a material effect on the Company's financial disclosures, position or performance when applied at a future date. The Company intends to adopt these new and modified standards and interpretations, if applicable, when they become effective.

a) Classification of Liabilities as current or non-current - Modifications to IAS 1

Non-current Liabilities with Covenants - Modifications

The modifications require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within the 12 months following the date of presentation of the report. Disclosures include:

- the carrying amount of the liability,
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what IAS 1 means when it refers to the "settlement" of a liability. The terms of a liability that could, at the option of the counterparty, result in its settlement through the transfer of the entity's own equity instrument can only be ignored for the purposes of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as liabilities should be considered when determining the current/non-current classification of a convertible note.

b) Definition of Accounting Estimates – Amendments to IAS 8

The amendments must be applied retrospectively in accordance with the common requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

Financial Assets

a) Registration

Purchases or sales of financial assets that require the delivery of assets within a time frame established by a market standard or convention (regular-way trades) are recognized on the settlement date; that is, the date on which the transaction becomes effective.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

2. Summary of Material Accounting Policies (Continued)

Financial Assets (continued)

b) Classification

Financial assets are classified into the following categories: financial assets at amortized cost and investments at fair value through other comprehensive income. The Administration determines the classification of assets from their initial recognition.

c) Measurement

Financial assets are subsequently measured at amortized cost and fair value through other comprehensive income based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial Assets at Amortized Cost

Financial assets are measured at amortized cost if they meet the following two conditions:

- The asset is held within a business model whose objective is to maintain assets to obtain contractual cash flows; and
- The contractual terms of the financial asset establish specific dates for cash flows derived only from payments of principal and interest on the current balance.

Investments at Fair Value through Comprehensive Income

Investments are measured at fair value through comprehensive income only if they meet the following conditions:

- The asset is kept within a business model whose objective is achieved by collecting contractual cash flows and sell these financial assets; and
- The contractual terms of the financial asset establish specific dates for cash flows derived only from payments of principal and interest on the current balance.

Interest income from these financial assets is included in "financial income" using the effective interest method.

Equity Instruments at Fair Value through Comprehensive Income

The Company subsequently measures all investments in equity instruments at fair value. Management has chosen to present fair value gains or losses on equity instruments at fair value through comprehensive income, which are not reclassified to the consolidated statement of income when the investment is derecognized. Dividends received on equity instruments are recognized in the statement of income.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

2. Summary of Material Accounting Policies (Continued)

Financial Assets (continued)

Evaluation of the Business Model

The Company evaluates the objectives of the business models in which the different financial assets are maintained at the portfolio level to best reflect the way in which it manages the business and how it provides the information to management (strategy of collecting only capital and interest payments or realizing cash flows through the sale of assets, or considering whether they include frequency, value of sales in previous periods or the expectation of future sales).

Business model whose objective is to maintain assets to obtain contractual cash flows

A portfolio of financial assets is managed with the objective of obtaining cash flows through payments of capital and interest throughout the life of the instrument, even when sales of financial assets occur or are expected to occur in the future.

Business model whose objective is to obtain contractual cash flows and the sale of financial assets

In this type of business model there are different objectives that can be seen framed, for example, an objective of managing liquidity needs.

Compared to the business model in which the objective is to maintain financial assets to collect cash flows through the payment of capital and interest, this business model involves greater frequency and value of sales, without the need to have a frequency threshold or defined value, since sales and collection of contractual flows are combined in a way that allows achieving the objective of the business model.

Change of the Business Model

When the business model for the management of financial assets is changed, the Company does not modify the classification of the financial assets that are maintained in said business model, but incorporates such information when evaluating new assets originated or new purchases of financial assets prospectively.

Evaluation if contractual cash flows are only payments of principal and interest

The Company considers whether cash flows are consistent with the consideration of money over time, credit risk and other basic risks associated with financial assets. In evaluating whether contractual cash flows are solely payments of principal and interest, the Company considered the terms of the contracts. This included evaluating whether the financial asset contains a contractual term that could change the period or amount of contractual cash flows such that it does not meet this condition.

Impairment

The Company has defined that the measurement of impairment of financial assets can be done through a collective or individual evaluation according to the amount and characteristics of the portfolio.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

2. Summary of Material Accounting Policies (Continued)

Individual Methodology

Those accounts receivable and investments that are from a Government or quasi-Government entity will be considered individually.

Collective Methodology

For instruments that are not considered individually significant, an evaluation is carried out collectively, grouping portfolios of financial assets with similar characteristics and includes parameters of probability of default at 12 months, probability of default during the entire life of the obligation, loss given non-compliance, and exposure to non-compliance with the inclusion of the prospective criterion.

Measurement of Expected Credit Losses

The quantification of expected credit losses collectively is carried out in accordance with: the classification of the stages, the homogeneous groups defined in each type of portfolio and the client's risk level.

The segmentation of homogeneous groups is carried out by type of counterparty and is presented below:

- Accounts receivable – issuers
- Accounts receivable – participant/stock exchange
- Accounts receivable – others

To estimate the provisions under the collective methodology, the following formula:

$$\text{Impairment: EAD} \times (1 - \text{FWL}) \times \text{PD} \times \text{LGD}$$

Being:

EAD (Exposure at default): is the exposed value of the asset valued at amortized cost (includes the balance of capital, interest and accounts receivable). In the case of products whose nature is rotating and have an available coupon that can be used in its entirety, the estimation of the (EAD) considers the use of the risk conversion factor (RCF), in order to find a relationship regarding the use and the unused component of the instrument.

PD (Probability of Default): estimated probability of occurrence of default of the instrument.

FWL (Forward Looking): most relevant economic and financial variables of the country (CPI, GDP growth), compiled from official sources.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

2. Summary of Material Accounting Policies (Continued)

Measurement of Expected Credit Losses (continued)

- **Stage 1:** is the estimated probability of a default occurring in the next 12 months of the instrument's life from the date of analysis. The Company defines its use for the healthy portfolio that does not present a significant increase in risk or any evidence of deterioration. To estimate the 12-month probability of default, the Company uses traditional techniques, modeling the behavior of the portfolio.
- **Stage 2:** is the estimated probability of occurrence of a default throughout the remaining life of an instrument, this being dependent on the conditions of the specific product to be analyzed. The Company, according to the standard, defines its use for the portfolio with a significant increase in credit risk.
- **Stage 3:** the instruments evaluated by the collective and individual methodology have an associated probability of default of 100%.

LGD (Loss Given Default): is the percentage of exposure that the Company ultimately expects to lose in the event of a default on a financial instrument.

The general formulation for calculating the LGD is:

$$\text{LGD} = 1 - \%RR$$

Where %RR is understood as the recovery percentage and represents the sum of the flows received from the operation discounted at the obligation rate on the date of analysis of the total exposure at the time of default.

After being calculated, the LGD is adjusted for a historical factor of the behavior of the Company's portfolio.

Significant Increase in Credit Risk

The Company determines whether the credit risk of a financial asset has increased significantly since its initial recognition, considering reasonable and sustainable information that is relevant and available without disproportionate cost or effort, including information and analysis of a quantitative nature and qualitative based on historical experience and expert credit evaluation including future information.

To establish whether an asset presents a significant increase in risk since initial recognition, an evaluation of quantitative and qualitative factors is carried out, these factors are:

- Assets overdue for more than 30 days.
- Assets where the client is experiencing financial difficulties.
- The Company reviews whether there are collective criteria for the migration of a group of clients to Stage 2.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

2. Summary of Material Accounting Policies (Continued)

Definition of Default

An asset is considered in default when it has any of the following characteristics:

- Delinquency of more than 90 days, with the exception of the Republic of Panama and quasi-government.
- Clients in restructuring or business reorganization agreements and insolvency.
- Clients on a watch list or classified as delinquent or overdue.

Prospective Information

The Company incorporates macroeconomic scenarios in the calculation of the expected loss in order to reflect the prospective effect. The inclusion of macroeconomic conditions in the expected loss models is done based on methodologies that correlate the historical behavior of the portfolio with certain economic variables.

To make the projections, historical information is considered for the country's most relevant economic and financial variables (CPI, GDP growth). The information bases are compiled from official sources.

Properties, Furniture and Equipment, Net

Properties, furniture and equipment are presented at cost less accumulated depreciation and amortization. The Nasdaq Software electronic trading system and configurations are classified as a Computer Equipment item. Depreciation and amortization are calculated on a straight line basis over the estimated life of the asset of 15 years.

Depreciation and amortization are calculated on a straight line basis over the estimated life of the asset as follows:

	Percentage	Useful Life
Building	6.67%	12 to 15 years
Improvement	10% to 33.33%	3 to 10 years
Furniture	10% to 33.33%	3 to 10 years
Equipment	10% to 33.33%	3 to 10 years
Computer Equipment	10% to 33.33%	3 to 10 years

The useful lives of assets are reviewed and adjusted, if appropriate, at the date of each statement of financial position.

The costs of non-capitalizable items are charged to expenses and costs as incurred. The cost of major repairs is capitalized when it is probable that future economic benefits will be derived from it, in addition to those originally evaluated, following normal performance guidelines for the existing asset.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

2. Summary of Material Accounting Policies (Continued)

Property, Furniture and Equipment, Net (continued)

Gains or losses on asset retirements are determined by comparing the net amount obtained from the sale against the book value of the respective assets. Gains or losses on withdrawals of fixed assets are included in the results of the period.

Property, furniture and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The carrying value of an asset is immediately reduced to its recoverable value if the carrying value of an asset is greater than the estimated recoverable value. The recoverable amount is the higher of the asset's fair value less cost to sell and its value in use.

Revenue Recognition

Revenue from Contracts

The Company classifies revenue recognized from contracts with customers into categories that show how the nature, amount, of revenue and cash flows are affected by economic factors. The Company also discloses information about the relationship between the itemized revenue disclosure and the revenue information disclosed for each segment.

Income is classified into the following categories:

Commissions

Commissions are recognized when the daily transactions carried out by stock exchanges for the purchase and sale of securities are executed.

Maintenance Fees

A monthly maintenance fee for each exchange position is charged based on the monthly transactions they have generated.

Financial Income

Interest income is recognized on a basis proportional to time, using the effective interest method.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

2. Summary of Material Accounting Policies (Continued)

Revenue Recognition (continued)

Income from Contracts (continued)

Financial Income (continued)

Company	Type of Services	Nature and timing of performance obligations, including terms of significant payments	Revenue recognition under IFRS 15
BLV	Manage and supervise the purchase/sale operations carried out in the different instruments offered by the issuers registered in the market, obtaining a commission based on the negotiated value and the type of market used for the operation.	The companies provide different main services such as the admission of securities for trading, updating the price of listed securities, registration, calculation and billing of stock market transactions, organization of auctions and dissemination of information on the price of securities, the financial situation of the market and companies registered in Latinex.	Income from services according to the tariffs is recognized over the time in which the services are provided. Revenue related to transactions is recognized at the time the transaction is carried out.
The services are reviewed periodically through different reports by the highest decision-making authority.			

Dividend Distribution

The distribution of dividends to the Company's shareholder is recognized as a liability in the statement of financial position in the period in which the dividends are declared by the Company's Board of Directors.

Income Tax

Income tax is recognized in the results of operations for the current period. Current tax refers to the tax on net taxable income for the period, using the income tax rate in effect on the date of the statement of financial position.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

3. Financial Risk Management

Financial Risk Factors

The Company's activities are exposed to a variety of financial risks: market risk (including interest rate fair value risk and interest rate cash flow risk), credit risk, liquidity risk and capital risk. The global risk management program focuses on the lack of predictability of the financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

a) Interest rate risk

Cash flow and fair value interest rate risk is the risk that future cash flows and the fair value of a financial instrument will fluctuate due to changes in prevailing market interest rates. The Company mitigates this risk by establishing guidelines for investments made and establishing interest rate risk limits and its exposure is reviewed periodically by the Company.

b) Price Risk

It is the risk that the value of a financial instrument will fluctuate as a consequence of changes in market prices, regardless of whether they are caused by specific factors relating to the particular instrument or its issuer, or by factors that affect to all securities traded on the market. The Company is exposed to price risk arising from investments in securities measured at fair value through profit or loss and with changes in comprehensive income. The Company mitigates this risk through its Investment Policy.

c) Credit Risk

Credit risk is the risk that the Company will incur a loss due to its clients or counterparties failing to meet their contractual obligations. Credit risk is managed at the Company level. Credit risk originates from fixed income instruments included in the fair value with changes in other comprehensive income and assets at amortized cost.

The investment selection, approval and monitoring process adheres to internal criteria and processes aimed at diversifying the investment portfolio and mitigating market risks and those inherent to the nature of the securities and issuers.

The responsibility for this process falls on the Investment and Finance Committee of Latinex Holdings, Inc.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

3. Financial Risk Management (Continued)

Financial Risk Factors (continued)

c) Credit Risk (continued)

The constant monitoring of the performance and movement of the market is carried out by the Administration that reports to the Investment and Finance Committee. The Investment and Finance Committee reports to the Board of Directors of Latinex Holdings, Inc. when changes are required in investment policies and criteria.

The selection criteria consider diversification by asset class, type of instrument, duration, country or region, industry, issuer and economic group. These criteria limit the positions of a certain group to fixed percentages of total assets and their temporary deviations require the approval of the Investment and Finance Committee.

Likewise, the profitability and credit quality of the issuers is considered, allowing up to 100% of the portfolio to be invested in the Republic of Panama, a maximum of 20% for countries with a BBB risk rating or higher and 10% for member countries of the Association of Capital Markets of the Americas (AMERCA).

The investments as of December 31, 2023 and 2022 are detailed below by economic sector:

	2023		2022	
Non-financial sector	398,348	69%	379,719	68%
Funds sector - private	178,666	31%	177,549	32%
	<u>577,014</u>	<u>100%</u>	<u>557,268</u>	<u>100%</u>

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

3. Financial Risk Management (Continued)

Financial Risk Factors (continued)

(c) Credit Risk (continued)

Credit Quality Analysis

The following table presents the financial assets by credit quality analysis:

	Stage 1	Stage 2	Stage 3	2023	2022
Investments at fair value through other comprehensive income					
Internal classification	191,322	-	-	191,322	173,750
Unrated	<u>207,026</u>	<u>-</u>	<u>-</u>	<u>207,026</u>	<u>205,969</u>
Book value	<u>398,348</u>	<u>-</u>	<u>-</u>	<u>398,348</u>	<u>379,719</u>
Investments at fair value through profit or loss					
Local external classification	178,666	-	-	178,666	177,549
Total investments in securities	<u>577,014</u>	<u>-</u>	<u>-</u>	<u>577,014</u>	<u>557,268</u>
Financial assets at amortized cost					
Group 1: Stock seats	-	-	-	-	-
Group 2: Issuers	23,305	-	-	23,305	2,832
Group 3: others	93,114	-	-	93,114	14,394
Government and quasi-Government	<u>300</u>	<u>-</u>	<u>-</u>	<u>300</u>	<u>650</u>
Book value	<u>116,719</u>	<u>-</u>	<u>-</u>	<u>116,719</u>	<u>17,876</u>

The following table presents investments in securities and financial assets at amortized cost as of December 31, 2023 and 2022 as follows:

	Stage 1	Stage 2	Stage 3	2023	2022
Maximum exposure					
Book value	<u>693,733</u>	<u>-</u>	<u>-</u>	<u>693,733</u>	<u>575,144</u>

Notes to the Financial Statements
December 31, 2023
(Stated in balboas B/.)

3. Financial Risk Management (Continued)

Financial Risk Factors (continued)

(c) Credit Risk (continued)

Credit Quality Analysis (continued)

The following table presents the provision for credit losses as follows:

	Stage 1	Stage 2	Stage 3	Total
2023				
Provision for expected credit losses as of December 31, 2022	94	-	-	94
Net effect of changes in the reserve for expected credit losses	48	-	-	48
Provision for expected credit losses as of December 31, 2023	142	-	-	142
2022				
Provision for expected credit losses as of December 31, 2021	61	-	-	61
Net effect of changes in the reserve for expected credit losses	33	-	-	33
Provision for expected credit losses as of December 31, 2022	94	-	-	94

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet all of its obligations. The Company mitigates this risk by maintaining sufficient cash and highly liquid instruments.

Notes to the Financial Statements
December 31, 2023
(Stated in balboas B/.)

3. Financial Risk Management (Continued)

(d) Liquidity Risk (continued)

The following table analyzes the Company's assets by maturity date. Said analysis is shown according to the contractual expiration date and are undiscounted cash flows at the present value of the balance sheet:

	Less than 1 year	1 to 5 years	More than 5 years	No Maturity	Total
2023					
Assets					
Cash and demand deposits	354,662	-	-	-	354,662
Investment in securities	-	-	-	577,014	577,014
Financial assets at amortized cost	116,719	-	-	-	116,719
	471,381	-	-	577,014	1,048,395
2022					
Assets					
Cash and demand deposits	442,575	-	-	-	442,575
Investment in securities	-	-	-	557,268	557,268
Financial assets at amortized cost	17,876	-	-	-	17,876
	460,451	-	-	557,268	1,017,719

When the Company acquires a business, it evaluates the financial assets and liabilities assumed for their appropriate classification and designation based on the contractual agreements, economic conditions and other relevant conditions that exist on the date of acquisition, as of the date of this report the Company it does not maintain long-term financial liabilities.

Capital Risk Management

Decree Law No.1 of July 8, 1999 (Securities Law), its amendments and Article 4 of Agreement No.7-2003 requires that self-regulated entities operating in Panama have a minimum capital of two hundred and fifty thousand balboas (B/.250,000). The Company maintains a capital amount greater than its requirement and does not have any relevant debt other than those derived from its normal line of business.

Notwithstanding the above, efforts are made to maintain a level of capital to be able to cover its expansion and technological innovation expenses.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

3. Financial Risk Management (Continued)

Fair Value of Financial Instruments

The fair value methodology of the financial instruments held by the Company classified according to their fair value hierarchy level is described below:

Level 1 Quoted prices (unadjusted) in active markets identical to those the Company can access on the measurement date.

Level 2 Prices obtained from the electronic stock market information system are used for investments that show buying and selling transactions during the period. For investments with a low level of transaction movement, the Company values the instrument on a date in which an important transaction has been observed (B/.100,000) and calibrates a differential on the discount rate to obtain the value observed on that date. The Company analyzes the issuance prospectus and lists the characteristics of the local instrument, such as cash flows and early redemption optionality. The instrument is valued, using market levels on the valuation date, and the calibrated differential on the observation date. The valuation model constructs the discount rate as follows:

- a. SOFR is the reference rate.
- b. Corporate risk is added.
- c. Country risk is added.
- d. A calibrated differential is added.

Level 3 This category includes all assets or liabilities in which the valuation techniques include unobservable input data.

The following table presents the fair values of the financial instruments classified according to their level of fair value hierarchy:

	Level 1	Level 2	Level 3	Total
2023				
Investment in securities	573,807	-	3,207	577,014
2022				
Investment in securities	554,061	-	3,207	557,268

There were no transfers between levels 1 and 2, nor was there any transfer or movement in or out of level 3 during the twelve months ended December 31, 2023, as well as in the year 2022.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

4. Critical Judgement

Critical judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Judgments in the Application of Accounting Policies

Impairment of Financial Assets at Fair Value through Other Comprehensive Income

The Company follows the guidance of IFRS 9 to determine when a financial asset at fair value through other comprehensive income is impaired. This determination requires significant judgment on the part of Management. In determining this judgment, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, the financial condition and near-term business outlook of the invested company, including factors, such as: industry and sector performance, changes in technology and operations, and financial cash flow.

Fair Value of Financial Instruments

The fair value of investments at fair value through other comprehensive income that are not quoted in active markets are determined using valuation techniques. When valuation techniques (e.g., models) are used to determine fair values, they are validated and reviewed periodically by qualified personnel. To the extent possible, models use only observable information; However, areas such as credit risk (own and counterparty), volatilities and correlations require judgment in making estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

5. Cash and Demand Deposits

Cash and demand deposits are summarized below:

	2023	2022
Cash on hand	500	500
Current account	243,632	121,874
Savings Account	110,530	320,201
	<u>354,662</u>	<u>442,575</u>

The fair value of cash and demand deposits as of December 31, 2023 is similar to the book value, due to their short-term nature.

Bolsa Latinoamericana de Valores, S.A.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

6. Investment in Securities

Investments in securities are detailed below:

	2023	2022
Investments through other comprehensive income	398,348	379,719
Investments through profit or loss	<u>178,666</u>	<u>177,549</u>
Total	<u>577,014</u>	<u>557,268</u>

The movement of investments at fair value with changes in other comprehensive income is presented below:

	2023	2022
Balance at the beginning of the year	379,719	410,997
Valuation of investments in securities	<u>18,629</u>	<u>(31,278)</u>
Balance at the end of the year	<u>398,348</u>	<u>379,719</u>

7. Properties, Furniture and Equipment, Net

The movement of properties, furniture and equipment is presented below:

December 31, 2023	Building	Property Improvements	Furniture	Computer Equipment	Vehicles	System implementation in process	Total
Cost							
Beginning balance of the year	1,242,904	218,782	352,692	2,355,078	121,148	54,943	4,345,547
Additions	-	90,039	31,814	95,477	-	28,233	245,563
Sales and Disposals	-	-	-	-	-	-	-
Ending balance of the year	<u>1,242,904</u>	<u>308,821</u>	<u>384,506</u>	<u>2,450,555</u>	<u>121,148</u>	<u>83,176</u>	<u>4,591,110</u>
Accumulated depreciation and amortization							
Beginning balance of the year	1,145,670	101,149	267,920	1,496,776	76,054	-	3,087,569
Expense of the year	<u>61,410</u>	<u>17,133</u>	<u>22,989</u>	<u>227,948</u>	<u>13,875</u>	<u>-</u>	<u>343,355</u>
Ending balance of the year	<u>1,207,080</u>	<u>118,282</u>	<u>290,909</u>	<u>1,724,724</u>	<u>89,929</u>	<u>-</u>	<u>3,430,924</u>
Net Value	<u>35,824</u>	<u>190,539</u>	<u>93,597</u>	<u>725,831</u>	<u>31,219</u>	<u>83,176</u>	<u>1,160,186</u>

Bolsa Latinoamericana de Valores, S.A.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

7. Property, Furniture and Equipment (Continued)

December 31, 2022	Building	Improvements in Property	Furniture	Computer Equipment	Vehicle	System Implementation in Process	Total
Cost							
Beginning balance of the year	1,242,904	152,169	299,749	2,268,015	65,650	2,915	4,031,402
Additions	-	66,613	52,943	87,692	55,498	52,028	314,774
Sales and Disposals	-	-	-	(629)	-	-	(629)
Ending balance of the year	<u>1,242,904</u>	<u>218,782</u>	<u>352,692</u>	<u>2,355,078</u>	<u>121,148</u>	<u>54,943</u>	<u>4,345,547</u>
Accumulated depreciation and amortization							
Beginning balance of the year	1,084,260	91,885	251,216	1,296,304	65,648	-	2,789,313
Expense of the year	<u>61,410</u>	<u>9,264</u>	<u>16,704</u>	<u>200,472</u>	<u>10,406</u>	<u>-</u>	<u>298,256</u>
Ending balance of the year	<u>1,145,670</u>	<u>101,149</u>	<u>267,920</u>	<u>1,496,776</u>	<u>76,054</u>	<u>-</u>	<u>3,087,569</u>
Net Value	<u>97,234</u>	<u>117,633</u>	<u>84,772</u>	<u>858,302</u>	<u>45,094</u>	<u>54,943</u>	<u>1,257,978</u>

As of December 31, 2023, the Company maintains B/.83,176 (2022: B/.54,943) which corresponds to the implementation of fixed assets in process. This implementation includes fixed assets in development or pending completion of a specific project.

8. Information by Activity

Commissions are recognized for the daily transactions carried out by stock exchanges, for the purchase and sale of securities. 72% (2022: 80%) of income corresponds to commissions, and financial income represents 1% (2022: 1%).

9. Financial Income

Below is the detail of the financial income:

	2023	2022
Interests	10,270	10,871
Dividends	<u>40,597</u>	<u>42,174</u>
	<u>50,867</u>	<u>53,045</u>

Bolsa Latinoamericana de Valores, S.A.**Notes to the Financial Statements****December 31, 2023***(Stated in balboas B/.)***10. Other Income**

The other income is detailed as follows:

	2023	2022
Forums	359,047	146,375
Financial information report	39,551	56,159
Others	<u>33,526</u>	<u>15,210</u>
	<u>432,124</u>	<u>217,744</u>

In addition to the ordinary activities of the Company, it carries out complementary activities, authorized by the Superintendency of the Securities Market (SMV), including the dissemination of information through financial reports, personnel training, forums and events and other authorized activities.

11. Personnel Expenses

Personnel expenses are detailed as follows:

	2023	2022
Wages	491,235	438,280
Representation expenses	193,876	234,014
Profit sharing	152,500	152,500
Employment benefits	93,734	95,586
Compensation and seniority premium	<u>37,229</u>	<u>99,119</u>
	<u>968,574</u>	<u>1,019,499</u>

As of December 31, 2023, the total number of collaborators was 21 (2022: 21).

Bolsa Latinoamericana de Valores, S.A.**Notes to the Financial Statements****December 31, 2023***(Stated in balboas B/.)***12. Other Administrative Expenses**

The other administrative expenses are detailed below:

	2023	2022
Repair and Maintenance	612,061	548,742
Promotion, events and associations	394,102	98,462
Directors' allowances and professional fees (Note 14)	86,408	128,481
Taxes and licenses	50,083	27,877
External audit	26,456	26,902
Legal expenses	22,073	68,888
Travel and customer service	18,299	30,350
Donations and CSR	14,950	14,700
Water, electricity and cleaning	12,760	12,089
Banking services	4,204	4,072
Others	<u>121,536</u>	<u>97,956</u>
	<u>1,362,932</u>	<u>1,058,519</u>

13. Income Tax

Income tax is calculated based on net taxable income. The reconciliation of the financial income before income tax with the net taxable income is presented below:

	2023	2022
Income before income tax	1,322,127	1,643,385
Less: Exempt and/or non-taxable income	(51,984)	(28,206)
More: Non-deductible expenses	<u>11,748</u>	<u>331,846</u>
Net taxable income	<u>1,281,891</u>	<u>1,947,025</u>
Income tax caused 25%	320,473	486,756
Deferred tax	<u>105,693</u>	<u>(86,138)</u>
Income tax caused 25%	<u>426,166</u>	<u>400,618</u>

Legal entities whose taxable income exceeds one million five hundred thousand balboas annually (B/.1,500,000) will pay income tax on the calculation that is greater between:

Bolsa Latinoamericana de Valores, S.A.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

13. Income Tax (Continued)

- a. The 25% rate on tax profit (traditional method).
- b. The net taxable income resulting from applying 4.67% to the total taxable income at the rate of 25% (Alternative Income Tax Calculation).

As of December 31, 2023, the Company performed both calculations and determined the income tax based on the traditional method.

According to current regulations, the Company's income tax returns are subject to review by the tax authorities of the Republic of Panama for the last three (3) years, including the year ended December 31, 2023.

Income Tax Deferred

Income Deferred income tax is determined using the Asset method applied to all temporary differences that exist between the tax base of assets, liabilities and equity and the figures recorded for financial purposes at the date of the financial statements. The deferred income tax is calculated considering the tax rate that is expected to apply in the period in which it is estimated that the asset will be realized or that the liability will be paid. Deferred tax assets are recognized only when there is a reasonable probability of their realization.

The carrying amount of a deferred tax asset is reviewed at the date of each statement of financial position. The Company reduces the amount of the balance of the deferred tax asset, to the extent that it considers it probable that it will not have sufficient taxable profit, in the future, to allow charging against it all or part of the benefits that make up the deferred tax asset. Likewise, at the closing date of each financial period, the Company reconsiders deferred tax assets that it has not previously recognized.

The movement of deferred income tax assets is presented below:

	2023	2022
Balance at the beginning of the year	86,591	453
Cesantia Fund, seniority bonus	<u>(86,591)</u>	<u>86,138</u>
Balance at the end of the year	<u>-</u>	<u>86,591</u>

The movement of deferred income tax liabilities is presented below:

	2023	2022
Balance at the beginning of the year	-	-
Cesantia Fund, seniority bonus	<u>19,102</u>	<u>-</u>
Balance at the end of the year	<u>19,102</u>	<u>-</u>

Bolsa Latinoamericana de Valores, S.A.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

14. Balances and Related Transactions

The balances and transactions with related parties are detailed below:

	2023	2022
Balances with Related Companies		
Investments at fair value through comprehensive income - other related parties	<u>207,026</u>	<u>205,969</u>
Dividends payable - shareholder	<u>1,439,915</u>	<u>1,404,296</u>
Transactions with Related Companies		
Investment income	<u>14,093</u>	<u>19,513</u>
Key Personnel Transactions		
Compensation for key personnel	<u>774,859</u>	<u>815,599</u>
Directors' allowances	<u>62,750</u>	<u>69,250</u>

15. Dividend Declaration

The Board of Directors at a meeting on December 13, 2023 approved a payment of dividends to the Shareholder, as described below:

Type of Dividend	Declared Dividends	Dividend per Share	Declaration Date	Payment date
2023				
Ordinary	<u>895,961</u>	<u>1,792</u>	December 31, 2023	Semiannual
Type of Dividend	Declared Dividends	Dividend per Share	Declaration Date	Payment date
2022				
Ordinary	<u>1,242,767</u>	<u>2,486</u>	December 31, 2023	Semiannual

As of December 31, 2023, B/.1,439,915 (2022: B/.1,404,296) of dividends remain payable.

Bolsa Latinoamericana de Valores, S.A.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

16. Contingency

Contingent Asset

Bolsa Latinoamericana de Valores, S.A. and AGB Cambios, S.A. stock market, the procedure was ruled in favor of the Company and a recovery is expected to eventually be made through the auction of the position, ordered by the Fourteenth Judge of the Civil Circuit of the First Circuit Judicial of Panama. Due to the nature of the amount of the charge, it has not been reflected in the statement of comprehensive income. The first auction was ordered by the Judge for the stock market on August 18, 2020, which was carried out, but no bids were received; Therefore, the position has not been assigned and we must wait for the Judge to establish the next date for the second auction.

Central Latinoamericana de Valores, S.A.

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General Information | December 31, 2023

Dignataries

Arturo Gerbaud
President

Roberto Brenes
Vice President

Carlos Mendoza
Treasurer

Mónica García De Paredes de Chapman
Secretary

Banks and Other Financial Institutions

BAC Internacional Bank, Inc.
Banco Davivienda (Panamá), S.A.
Banco General, S.A.
Banco La Hipotecaria, S.A.
Banco Nacional de Panamá
Citibank, N.A.
Citibank New York
Clearstream Banking, S.A.
Euroclear Bank

Auditors

PricewaterhouseCoopers Panamá, S.R.L.

Social Domicile

Ave. Federico Boyd and 49th Street, P.H. Bolsa de Valores Building



Independent Auditor's Report

To the Board of Directors of
Central Latinoamericana de Valores, S.A.

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Central Latinoamericana de Valores, S.A. (the "Company") as of December 31, 2023, as its financial performance and its cash flows for the year then ended, in accordance with IFRS Accounting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as of December 31, 2023;
- the statement of income for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policies and other explanatory information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are described below in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent from the Company in accordance with the International Code of Ethics for Professional Accountants (including the International Standards of Independence) issued by the International Ethics Standards Board for Accountants (IESBA Code of Ethics) and the requirements of the code of professional ethics for certified public accountants that are relevant to our audit of the financial statements in the Republic of Panama. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code of Ethics and the ethical requirements of the Republic of Panama.

To the Board of Directors of
Central Latinoamericana de Valores, S.A.
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Other matter

The financial statements of the Company for the year ended December 31, 2022, were audited by another auditors whose report, dated March 30, 2023, expressed an unmodified opinion on those financial statements.

Responsibilities of management and those charged with governance of the Company in relation to the financial statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with IFRS Accounting Standards, and for such internal control as management considers necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for evaluating the Company's ability to continue as a going concern, disclosing, as appropriate, matters related to going concern and using the going concern basis of accounting, unless management intends to liquidate the Company or cease operations, or there is no realistic alternative.

Those charged with governance of the Company are responsible for overseeing the Company's financial information reporting process.

Auditor's responsibilities in relation to the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high degree of assurance, but it does not guarantee that an audit conducted in accordance with International Standards on Auditing will always detect 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 on the basis of these 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. Also:

- Identify and assess the risks of material misstatement of the financial statements, whether 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 that resulting from error, as fraud may involve collusion, forgery, intentional omissions, intentional misstatements, 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 Company's internal control.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



To the Board of Directors of
Central Latinoamericana de Valores, S.A.
Page 3

- 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 company'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 relevant disclosures in the financial statements or, if such disclosures are inadequate, to express a modified 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

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

Report on other legal and regulatory requirements

In compliance with Law 280 of December 30, 2021, which regulates the profession of certified public accountant in the Republic of Panama, we declare the following:

- That the direction, execution, and supervision of this audit work has been physically carried out in Panamanian territory.
- The partner in charge of the audit who has elaborated this independent auditor's report is Manuel Pérez Broce, with authorized public accountant license No.0192-2002.
- The work team that has participated in the audit to referred to this report is constituted by Manuel Pérez Broce, Partner, and Jacqueline Andrión, Senior Manager.

PricewaterhouseCoopers

April 1, 2024
Panama, Republic of Panama

MPB
Manuel Pérez Broce
CPA 0192-2002

Central Latinoamericana de Valores, S.A.

Statement of Financial Position

December 31, 2023

(Stated in balboas B/.)

	2023	2022
Assets		
Cash and demand deposits (Note 5)	1,212,492	1,153,874
Fixed term deposits (Note 5)	250,205	500,302
Investment in securities (Notes 6 and 15)	107,265	119,057
Financial assets at amortized cost (Note 7)	486,863	462,236
Prepaid expenses	63,525	67,538
Income tax paid in advance	-	41,832
Properties, furniture and equipment, net (Note 8)	709,806	433,463
Deferred income tax	10,508	3,275
Guarantee deposits	680	680
Other assets	195,763	193,340
Total assets	3,037,107	2,975,597
Liabilities and Equity		
Liabilities		
Accounts payable suppliers	79,788	34,137
Accumulated expenses and withholdings payable	216,191	178,496
Income tax payable (Note 13)	52,182	-
Dividends payable (Note 14)	1,284,669	1,336,005
Seniority premium payable	164,404	175,294
Total liabilities	1,797,234	1,723,932
Contingency (Note 18)		
Equity (Note 17)		
Common shares without par value: 500 shares authorized, issued and in circulation	639,223	639,223
Other Comprehensive Income	79,631	91,423
Complementary tax	(32,296)	(32,296)
Retained earnings	553,315	553,315
Total equity	1,239,873	1,251,665
Total liabilities and equity	3,037,107	2,975,597

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

Central Latinoamericana de Valores, S.A.

Statement of Income
For the year ended December 31, 2023
(Stated in balboas B/.)

	2023	2022
Revenue from Contracts		
Comissions	2,166,054	2,058,263
Payment agency and international market transactions	1,720,096	1,619,878
Maintenance fees	158,400	162,000
Administration services	555,439	528,362
Total revenue from contracts	<u>4,599,989</u>	<u>4,368,503</u>
Financial income (Note 9)	31,513	29,978
Others (Note 10)	<u>70,502</u>	<u>57,099</u>
Total revenue	<u>4,702,004</u>	<u>4,455,580</u>
General and administrative expenses		
Personnel expenses (Notes 11 and 14)	1,158,714	1,107,730
Depreciation and amortization (Note 8)	93,827	84,376
Insurance	153,356	147,029
Custody and payment agency, registration and transfer expenses	880,866	930,570
Supervision fee	101,000	101,000
Other administrative expenses (Note 12)	<u>622,806</u>	<u>624,053</u>
Total general and administrative expenses	<u>3,010,569</u>	<u>2,994,758</u>
Income before income tax	1,691,435	1,460,822
Income tax (Note 13)	<u>(406,766)</u>	<u>(360,947)</u>
Net Income	<u>1,284,669</u>	<u>1,099,875</u>

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

Central Latinoamericana de Valores, S.A.

Statement of Comprehensive Income
For the year ended December 31, 2023
(Stated in balboas B/.)

	2023	2022
Net Income	<u>1,284,669</u>	<u>1,099,875</u>
Items of Other Comprehensive Income:		
Items that cannot be subsequently reclassified to results:		
Net change in fair value of equity shares through other comprehensive income (Note 6)	<u>(11,792)</u>	<u>(2,619)</u>
Total other comprehensive income	<u>(11,792)</u>	<u>(2,619)</u>
Total comprehensive income	<u>1,272,877</u>	<u>1,097,256</u>

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

Central Latinoamericana de Valores, S.A.

Statement of Changes in Equity
For the year ended December 31, 2023

(Stated in balboas B/.)

	Common Shares	Other Comprehensive Income	Complementary Tax	Retained Earnings	Total Equity
Balance as of December 31, 2021	639,223	94,042	(32,296)	553,315	1,254,284
<i>Integral result</i>					
Net income	-	-	-	1,099,875	1,099,875
Other comprehensive income (Note 6)	-	(2,619)	-	-	(2,619)
Total comprehensive income	-	(2,619)	-	1,099,875	1,097,256
<i>Transactions with Shareholders</i>					
Dividends Declared (Note 16)	-	-	-	(1,099,875)	(1,099,875)
Balance as of December 31, 2022	639,223	91,423	(32,296)	553,315	1,251,665
<i>Integral result</i>					
Net income	-	-	-	1,284,669	1,284,669
Other comprehensive income items (Note 6)	-	(11,792)	-	-	(11,792)
Total comprehensive income	-	(11,792)	-	1,284,669	1,272,877
<i>Transactions with Shareholders</i>					
Dividends declared (Note 16)	-	-	-	(1,284,669)	(1,284,669)
Balance as of December 31, 2023	639,223	79,631	(32,296)	553,315	1,239,873

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

Central Latinoamericana de Valores, S.A.

Statement of Cash Flows
For the year ended December 31, 2023

(Stated in balboas B/.)

	2023	2022
Cash flows from operating activities		
Income before income tax	1,691,435	1,460,822
Adjustments to reconcile profit before tax on income with the net cash provided by the operating activities:		
Depreciation and amortization	93,827	84,376
Financial income	(31,513)	(29,978)
Net changes in operating assets and liabilities:		
Financial assets at amortized cost	(24,627)	27,072
Prepaid expenses	4,012	(5,009)
Accumulated expenses and withholdings payable	37,695	(33,621)
Accounts payable suppliers	45,651	(17,051)
Contribution to the unemployment fund, net	(13,075)	(3,911)
Interest and dividends received	31,373	29,502
Income tax paid	(319,985)	(378,955)
Net cash provided by operating activities	1,514,793	1,133,247
Cash flows from investing activities		
Fixed term deposits	250,000	(100,000)
Purchase of furniture and equipment, net	(370,170)	(220,298)
Net cash used in investing activities	(120,170)	(320,298)
Cash flows from financing activities		
Dividends paid and net cash used in financing activities	(1,336,005)	(990,988)
Increase (decrease) in cash	58,618	(178,039)
Cash at the beginning of the year	1,153,874	1,331,913
Cash at the end of the year	1,212,492	1,153,874

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

Central Latinoamericana de Valores, S.A.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

1. General Information

Central Latinoamericana de Valores, S.A. (the "Company") is a corporation incorporated in accordance with the laws of the Republic of Panama according to Public Deed No.1,725 of March 24, 1995 and after the corporate legal reorganization according to Public Deed No.15,126 of September 28, 2010. Through Resolution No.CNV-68-97 of July 23, 1997 of the Superintendency of the Securities Market (SMV), the Company obtained the license to operate the business of administration, custody, clearing and settlement of securities.

Likewise, the Company's Internal Regulations and its modifications were approved by the Superintendency of the Securities Market (SMV). The last modification was approved by the SMV through Resolution No.SMV 213-21 of May 6, 2021.

The Company is a 100% subsidiary of Latinex Capital, Inc. which in turn is a 100% subsidiary of Latinex Holdings, Inc. (the ultimate Parent Company).

Corporate Governance

Summary of Policies

In accordance with the provisions contained in the Articles of Incorporation, the Company has been developing and adopting, continuously and voluntarily, a Corporate Governance scheme with the objective of:

- Define the best practices that the Company will follow with all its interest groups (shareholders, members of the Board of Directors and Committees, clients, suppliers and creditors, strategic allies, the State, regulatory entities, media, general public, among others).
- Support the Board of Directors in the examination, evaluation and permanent surveillance of the Company's accounting, financial and risk control system.
- Monitoring of the procedures of the internal management control systems.
- Establish a clear framework for risk identification, verification and control.
- Clear provisions for the delegation of authority and responsibility.
- Establish efficient processes for decision making.
- Establish explicit guidelines for the operation of the Board of Directors, in terms of decision-making policies.
-

The Company has the following permanent Committees appointed by the Board of Directors:

Audit Committee: The main function is to ensure the proper functioning of the internal control system and the integrity of the Company's financial information.

Central Latinoamericana de Valores, S.A.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

1. General Information (Continued)

Risk Committee: Its main function is to identify, establish and implement criteria to minimize the inherent risks of the operations carried out by the Company based on best practices and international standards.

Ethics and Compliance Committee: Its main function is to plan, coordinate and ensure compliance with current legislation on the Prevention of Money Laundering, Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction, as well as ensuring that the Participants comply with all Internal Rules of the Company.

Technology Committee: Its main function is to promote the technological development necessary for the management of the Company's businesses and evaluate and incorporate innovation management and digital transformation in the Company.

Directors, Independent Directors and Executives

The Directors and Independent Directors of the Company are not directly or indirectly, individually or jointly beneficial owners of a controlling number of common shares of the Parent Company. No Director, directly or indirectly, is a significant supplier of goods or services to the Company; however, some Directors are corporate officers with substantial relationships with the Company and its Subsidiaries. The executives of the Subsidiaries are independent of the Directors and the shareholders.

At a meeting on May 4, 2017, the Shareholders' Assembly approved the modification to the articles of incorporation, in order to integrate, at least, two (2) Independent Directors to the Company's Board of Directors.

In addition, the Board of Directors will be made up of the percentage of participation of women established in Law No. 56 of July 11, 2017, who may hold either the position of Director or Independent Director, in accordance with the provisions of the Company's Statutes.

Statutes

The Company has Statutes, which regulate the operation of the different Committees, based on general principles of Corporate Governance.

Notes to the Financial Statements
December 31, 2023

(Stated in balboas B/.)

1. General Information (Continued)

Code of Ethics and Conduct

The Company has adopted a Code of Ethics and Conduct to ensure that all Directors, Officers, Members or guests of the Committees, Board of Directors, Legal Representatives, Managers and Collaborators comply with the highest standards of conduct. The Code of Ethics and Conduct governs relationships with principles of honesty, diligence and loyalty, contains specific rules for the treatment of conflicts of interest and regulates prohibited conduct, such as the use of confidential and privileged information, dishonest or unfair behavior, bribery, corruption, among others.

Code of Corporate Governance

The Company adopted a Corporate Governance Code that aims to define the best practices that Grupo Latinex will follow with all its stakeholders, in addition to what is established by the Law, the Social Pact, the Bylaws of each company and any other policy. that has been duly approved by the Board of Directors and that, in turn, enshrines rights for them. Therefore, the application, compliance and interpretation of said Code must be done in accordance with the Law, the Social Pact and the Statutes. The Corporate Governance Code is applicable to Shareholders, Directors, Officers, members of the Board of Directors Committees, Managers, Collaborators and other interest groups of Grupo Latinex.

These financial statements were authorized for issuance by the Board of Directors on March 27, 2024.

2. Summary of Material Accounting Policies

Below are the material accounting policies used by the Company in the preparation of these financial statements, which were applied consistently in the previous year.

Base of Preparation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards), on a historical cost basis except for the measurement at fair value of investments at fair value through other comprehensive income. and investments at fair value through profit or loss according to IFRS 9 Financial Instruments.

Notes to the Financial Statements
December 31, 2023

(Stated in balboas B/.)

2. Summary of Material Accounting Policies (Continued)

Base of Preparation (Continued)

The preparation of financial statements in accordance with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires that Management use its judgment in the process of applying the Company's accounting policies. Areas that involve a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

The Company presents its statement of financial position in order of liquidity based on the intention and perception of recovering the majority of its assets and liabilities in the corresponding lines of said financial statement.

Monetary Unit and Functional Currency

The consolidated financial statements are expressed in balboas (B/.), monetary unit of the Republic of Panama, which is on par with the dollar (USD), monetary unit of the United States of America. The dollar circulates and is freely exchanged in the Republic of Panama and is considered the functional currency.

Changes in Accounting Policies and Disclosures, New Standards, Amendments to Standards and Interpretations

Some modifications and interpretations that were applied for the first time in 2022 did not have a material impact on the Company's financial statements. These modifications and new interpretations have required certain additional disclosures and, in some cases, the revision of certain accounting policies. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective and has not come into effect.

The following standards, amendments and interpretations were adopted by the Company during 2023 and did not have a significant impact on the financial statements:

- Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39: Reform of the IFRS 3 Interest Rate Reference Index – phase 2. to the Conceptual Framework.
- Amendments to IFRS 16 Concessions on Leases Related to Covid-19, then Property, Plant and Equipment: Income before 30 Intended Use.
- Amendments to IAS 37 Onerous Contracts – June Costs of Performing a Contract.
- IFRS 9 Financial Instruments: Commissions in the “10 percent” test for derecognition of financial liabilities.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

2. Summary of Material Accounting Policies (Continued)

Modifications to IAS 1 and Practice Statement No.2 of IFRS

The IASB amended IAS 1 Presentation of Financial Statements to require entities to disclose their material rather than significant accounting policies. The amendments define what is "material accounting policy information" (being information that, when considered together with other information included in an entity's financial statements, could reasonably be expected to influence the decisions that primary users of financial statements with general purpose take on the basis of those financial statements) and explain how to identify when information about accounting policies is material. Furthermore, they clarify that it is not necessary to disclose immaterial information about accounting policies. If disclosed, it should not obscure important accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement No.2 Materiality Judgments to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

a) Definition of accounting estimates - Modifications to IAS 8

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how entities should distinguish changes in their accounting policies from changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to future transactions and other future events, while changes in accounting policies generally are applied retrospectively to past transactions and other past events, as well as to the current period.

b) Deferred tax related to assets and liabilities arising from a single transaction Amendments to IAS 12

The amendments to IAS 12 Income Tax require entities to recognize deferred tax on transactions that, upon initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases by lessees, and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

2. Summary of Material Accounting Policies (Continued)

b) Deferred tax related to assets and liabilities arising from a single transaction Amendments to IAS 12 (continued)

The modification must apply to transactions that occur on or after the beginning of the first comparative period presented. Additionally, entities must recognize deferred tax assets (to the extent it is probable that they can be utilized) and deferred tax liabilities at the beginning of the first comparative period for all deductible and taxable temporary differences associated with:

- Right-of-use assets and lease liabilities, and
- Liabilities for dismantling, restoration and similar, and the corresponding amounts recognized as part of the cost of the related assets.

The cumulative effect of recognizing these adjustments is recognized in the opening balance of retained earnings or other equity component, as applicable.

IAS 12 did not address how to account for the tax effects of leases in the statement of financial position and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions in accordance with the new requirements. These entities will not be affected by the modifications.

Future Requirements

The standards or interpretations and modifications described are only those that, in the judgment of Management, may have a material effect on the Company's financial disclosures, position or performance when applied at a future date. The Company intends to adopt these new and modified standards and interpretations, if applicable, when they become effective.

a) Classification of Liabilities as Current or Non-Current - Modifications to IAS 1

Non-Current Liabilities with Covenants - Modifications

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. Disclosures include:

- the carrying amount of the liability,
- information about covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulties in complying with the covenants.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

2. Summary of Material Accounting Policies (Continued)

Future Requirements (continued)

a) Classification of Liabilities as Current or Non-Current - Modifications to IAS 1 (continued)

Non-Current Liabilities with Covenants - Modifications (continued)

The amendments also clarify what IAS 1 means when it refers to the "settlement" of a liability. The terms of a liability that could, at the option of the counterparty, result in its settlement through the transfer of the entity's own equity instrument can only be ignored for the purposes of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as liabilities should be considered when determining the current/non-current classification of a convertible note.

b) Definition of Accounting Estimates – Amendments to IAS 8

The amendments should be applied retrospectively in accordance with the common requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

Financial Assets

Record

Purchases or sales of financial assets that require delivery of assets within a time frame established by a market standard or convention (regular-way trades) are recognized on the settlement date; that is, the date on which the transaction becomes effective.

Classification

Financial assets are classified into the following categories: financial assets at amortized cost, investments at fair value through profit or loss and investments at fair value through other comprehensive income. The Administration determines the classification of assets from their initial recognition.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

2. Summary of Material Accounting Policies (Continued)

Financial Assets (continued)

Measurement

Financial assets are subsequently measured at amortized cost, at fair value through profit or loss and at fair value through other comprehensive income based on the entity's business model for managing the financial assets and the characteristics of contractual cash flows. of the financial asset.

Financial Assets at Amortized Cost

Financial assets are measured at amortized cost if they meet the following two conditions:

- The asset is held within a business model whose objective is to hold assets to obtain contractual cash flows; and
- The contractual terms of the financial asset establish specific dates for cash flows derived only from payments of principal and interest on the current balance.

Investments at Fair Value through Comprehensive Income

Investments are measured at fair value through comprehensive income only if they meet the following conditions:

- The asset is held within a business model whose objective is achieved by collecting contractual cash flows and selling these financial assets; and
- The contractual terms of the financial asset establish specific dates for cash flows derived only from payments of principal and interest on the current balance.

Interest income from these financial assets is included in "financial income" using the effective interest method.

Equity Instruments at Fair Value through Comprehensive Income

The Company subsequently measures all investments in equity instruments at fair value. Management has chosen to present fair value gains or losses on equity instruments at fair value through comprehensive income, which are not reclassified to the income statement when the investment is derecognized. Dividends received on equity instruments are recognized in the income statement.

**Notes to the Financial Statements
December 31, 2023**

(Stated in balboas B/.)

2. Summary of Material Accounting Policies (Continued)

Business Model Evaluation

The Company evaluates the objectives of the business models in which the different financial assets are maintained at the portfolio level to best reflect the way in which it manages the business and how information is provided to management (collection strategy). Only payment of principal and interest or realize cash flows through the sale of assets, or considering whether they include frequency, value of sales in previous periods or the expectation of future sale).

Business model whose objective is to maintain assets to obtain contractual cash flows

A portfolio of financial assets is managed with the objective of obtaining cash flows through payments of capital and interest throughout the life of the instrument, even when sales of financial assets occur or are expected to occur in the future.

Business model whose objective is to obtain contractual cash flows and the sale of financial assets.
In this type of business model there are different objectives that can be seen framed, for example, an objective of managing liquidity needs.

Compared to the business model in which the objective is to maintain financial assets to collect cash flows through the payment of capital and interest, this business model involves greater frequency and value of sales, without the need to have a frequency threshold or defined value, since sales and collection of contractual flows are combined in a way that allows achieving the objective of the business model.

Change of the business model

When the business model for the management of financial assets is changed, the Company does not modify the classification of the financial assets that are maintained in said business model, but incorporates such information when evaluating new assets originated or new purchases of financial assets prospectively.

Evaluation of whether contractual cash flows are only payments of principal and interest

The Company considers whether cash flows are consistent with the consideration of money over time, credit risk and other basic risks associated with financial assets. In evaluating whether contractual cash flows are solely payments of principal and interest, the Company considered the terms of the contracts. This included evaluating whether the financial asset contains a contractual term that could change the period or amount of contractual cash flows such that it does not meet this condition.

**Notes to the Financial Statements
December 31, 2023**

(Stated in balboas B/.)

2. Summary of Material Accounting Policies (Continued)

Impairment

The Company has defined that the measurement of impairment of financial assets can be done through a collective or individual evaluation according to the amount and characteristics of the portfolio.

Individual Methodology

Those accounts receivable and investments that are from a Government or quasi-Government entity will be considered individually.

Collective Methodology

For instruments that are not considered individually significant, an evaluation is carried out collectively, grouping portfolios of financial assets with similar characteristics and includes parameters of probability of default at 12 months, probability of default during the entire life of the obligation, loss given non-compliance, and exposure to non-compliance with the inclusion of the prospective criterion.

Measurement of Expected Credit Losses

The quantification of expected credit losses collectively is carried out in accordance with: the classification of the stages, the homogeneous groups defined in each type of portfolio and the client's risk level.

The segmentation of homogeneous groups is carried out by type of counterparty and is presented below:

- Accounts receivable – issuers
- Accounts receivable - participant / exchange offices
- Accounts receivable - others

To estimate the provisions under the collective methodology, the following formula:

$$\text{Impairment: } \text{EAD} \times (1 - \text{FWL}) \times \text{PD} \times \text{LGD}$$

Being:

EAD (Exposure at default): is the exposed value of the asset valued at amortized cost (includes the balance of capital, interest and accounts receivable). In the case of products whose nature is rotating and have an available coupon that can be used in its entirety, the estimation of the (EAD) considers the use of the risk conversion factor (RCF), in order to find a relationship regarding the use and the unused component of the instrument.

Central Latinoamericana de Valores, S.A.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

2. Summary of Material Accounting Policies (Continued)

Measurement of Expected Credit Losses (continued)

PD (Probability of Default): estimated probability of occurrence of default of the instrument.

FWL (Forward Looking): most relevant economic and financial variables of the country (CPI, GDP growth), compiled from official sources.

- **Stage 1:** is the estimated probability of a default occurring in the next 12 months of the instrument's life from the date of analysis. The Company defines its use for the healthy portfolio that does not present a significant increase in risk or any evidence of deterioration. To estimate the 12-month probability of default, the Company uses traditional techniques, modeling the behavior of the portfolio.
- **Stage 2:** is the estimated probability of occurrence of a default throughout the remaining life of an instrument, this being dependent on the conditions of the specific product to be analyzed. The Company, according to the standard, defines its use for the portfolio with a significant increase in credit risk.
- **Stage 3:** the instruments evaluated by the collective and individual methodology have an associated probability of default of 100%.

LGD (Loss Given Default): is the percentage of exposure that the Company ultimately expects to lose in the event of a default on a financial instrument.

The general formulation for calculating the LGD is:

$$\text{LGD} = 1 - \%RR$$

Where %RR is understood as the recovery percentage and represents the sum of the flows received from the operation discounted at the obligation rate on the date of analysis of the total exposure at the time of default.

After being calculated, the LGD is adjusted for a historical factor of the behavior of the Company's portfolio.

Central Latinoamericana de Valores, S.A.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

2. Summary of Material Accounting Policies (Continued)

Significant Increase in Credit Risk

The Company determines whether the credit risk of a financial asset has increased significantly since its initial recognition, considering reasonable and sustainable information that is relevant and available without disproportionate cost or effort, including information and analysis of a quantitative nature, and qualitative based on historical experience and expert credit evaluation including future information.

To establish whether an asset presents a significant increase in risk since initial recognition, an evaluation of quantitative and qualitative factors is carried out, these factors are:

- Assets overdue for more than 30 days.
- Assets where the client is experiencing financial difficulties.
- The Company reviews whether there are collective criteria for the migration of a group of clients to Stage 2.

Definition of Default

An asset is considered in default when it has any of the following characteristics:

- Delinquency of more than 90 days, with the exception of the Republic of Panama and quasi government.
- Clients in restructuring or business reorganization agreements and insolvency.
- Clients on a watch list or classified as delinquent or overdue.

Prospective Information

The Company incorporates macroeconomic scenarios in the calculation of the expected loss in order to reflect the prospective effect. The inclusion of macroeconomic conditions in the expected loss models is done based on methodologies that correlate the historical behavior of the portfolio with certain economic variables.

To make the projections, historical information is considered for the country's most relevant economic and financial variables (CPI, GDP growth). The information bases are compiled from official sources.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

2. Summary of Material Accounting Policies (Continued)

Properties, Furniture and Equipment

Properties, furniture and equipment are presented at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated on a straight-line basis over the estimated useful life of the assets as follows:

	Percentage	Useful Life
Building	6.67%	15 years
Improvements	10% to 33.33%	3 to 10 years
Furniture	10% to 33.33%	3 to 10 years
Computer Equipment	10% to 33.33%	3 to 10 years

The useful lives of assets are reviewed and adjusted, if appropriate, at the date of each statement of financial position.

The costs of non-capitalizable items are charged to expenses and costs as incurred. The cost of major repairs is capitalized when it is probable that future economic benefits will be derived from it, in addition to those originally evaluated, following normal performance guidelines for the existing asset.

Gains or losses on asset withdrawals are determined by comparing the net amount obtained from the sale against the book value of the respective assets. Gains or losses on withdrawals of fixed assets are included in the results of the period.

Properties, furniture and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The carrying value of an asset is immediately reduced to its recoverable value if the carrying value of an asset is greater than the estimated recoverable value. The recoverable amount is the higher of the asset's fair value less cost to sell and its value in use.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

2. Summary of Material Accounting Policies (Continued)

Revenue Recognition

Revenue from contracts

The Company classifies revenue recognized from contracts with customers into categories that show how the nature, amount, of revenue and cash flows are affected by economic factors. The Company also discloses information about the relationship between the itemized revenue disclosure and the revenue information disclosed for each segment.

Income is classified into the following categories:

Commissions

Commissions for custody and administration services to participants are recognized as income when earned.

Payment agency and international market transactions

The services provided as payment agent, registration and transfer of migrated values on the iLink platform and custody services are registered based on the terms and conditions of the contract.

Financial income

Interest income is recognized on a proportional basis over time, using the effective interest method.

Maintenance fees

The monthly maintenance fee for each participant corresponds to their activity and the services offered by the center for settlement and compensation.

Administration services

Administration services are recognized as income when earned.

The commitment is satisfied during the entire term of the contract.

Central Latinoamericana de Valores, S.A.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

2. Summary of Material Accounting Policies (Continued)

Company	Type of Service	Nature and timing of performance obligations, including terms of significant payments	Revenue recognition under IFRS 15
LC	Collect commissions for custody, clearing, settlement and electronic administration of securities in the local and international market, maintaining the highest international standards of risk control.	Custody accounts, deposit and withdrawal of securities, immobilization and/dematerialization of securities, transfers of securities with or without payment, unrelated third party services, regional custody – CEDEVAL, InterClear, CENIVAL, custody agreement with the BCR, CVN and deceval, deposit and withdrawal of securities, iLink link (internationalization of securities), phase I: Instruments of the Republic of Panama and quasi-governmental issuers (active), phase II: Corporate fixed income (pending), phase III: Variable income (earning).	
The services are reviewed periodically through different reports by the highest decision-making authority.			

Dividend Distribution

The distribution of dividends to the Company's shareholders is recognized as a liability in the statement of financial position in the period in which the dividends are declared by the Company's Board of Directors.

Income Tax

Income tax is recognized in the results of operations for the current period. Current tax refers to the tax on net taxable income for the period, using the income tax rate in effect on the date of the statement of financial position.

3. Financial Risk Management

Financial Risk Factors

The Company's activities are exposed to a variety of financial risks: market risk (including interest rate fair value risk and interest rate cash flow risk), risk credit, liquidity risk and capital risk. The global risk management program focuses on the lack of predictability of the financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Central Latinoamericana de Valores, S.A.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

3. Financial Risk Management (Continued)

Financial Risk Factors (Continued)

Interest Rate Risk

Cash flow and fair value interest rate risk is the risk that future cash flows and the fair value of a financial instrument will fluctuate due to changes in prevailing market interest rates. The Company mitigates this risk by establishing guidelines for investments made and establishing interest rate risk limits and its exposure is reviewed periodically by the Company.

Price Risk

It is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, regardless of whether they are caused by specific factors relating to the particular instrument or its issuer, or by factors that affect all securities traded in the market. The Company is exposed to price risk arising from investments in securities measured at fair value through profit or loss and with changes in comprehensive income. The Company mitigates this risk through its Investment Policy.

Credit Risk

Credit risk is the risk that the Company will incur a loss due to its customers or counterparties failing to meet their contractual obligations. Credit risk is managed at the Company level. Credit risk originates from fixed income instruments included in the fair value with changes in other comprehensive income and assets at amortized cost.

The investment selection, approval and monitoring process adheres to internal criteria and processes aimed at diversifying the investment portfolio and mitigating market risks and those inherent to the nature of the securities and issuers.

The responsibility for this process falls on the Investment and Finance Committee of Latinex Holdings, Inc.

The constant monitoring of the performance and movement of the market is done by the Administration that reports to the Investment and Finance Committee. The Investment and Finance Committee reports to the Board of Directors of Latinex Holdings, Inc. when changes are required in investment policies and criteria.

Central Latinoamericana de Valores, S.A.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

3. Financial Risk Management (Continued)

Financial Risk Factors (Continued)

Credit Risk (continued)

The selection criteria consider diversification by asset class, type of instrument, duration, country or region, industry, issuer and economic group. These criteria limit the positions of a certain group to fixed percentages of total assets and their temporary deviations require the approval of the Investment and Finance Committee.

The profitability and credit quality of the issuers is also considered, establishing a maximum exposure per country or region of 100% for investments in the Republic of Panama, 100% for the US, 20% for investment grade countries and 10% by member country of the "Asociación de Mercados de Capitales de las Américas" (AMERCA).

The investments, as of December 31, 2023 and 2022, without interest receivable, including time deposits by economic sector, are detailed below:

	2023		2022	
Financial sector	250,000	70%	500,000	81%
Non-financial sector	107,265	30%	119,057	19%
	<u>357,265</u>	<u>100%</u>	<u>619,057</u>	<u>100%</u>

Credit Quality Analysis

The following table presents the financial assets by credit quality analysis:

	Stage 1	Stage 2	Stage 3	2023	2022
Maximum exposure					
Book value, net	587,577	6,551	-	594,128	581,293
Financial assets at amortized cost					
Group 1: Stock seats and participants	1,601	-	-	1,601	8,843
Group 2: Issuers	14,962	-	-	14,962	8,905
Group 3: Others	8,908	-	-	8,908	10,511
Government and quasi-Government	454,841	6,551	-	461,392	433,977
Book value, net	<u>480,312</u>	<u>6,551</u>	<u>-</u>	<u>486,863</u>	<u>462,236</u>
Investments at fair value through comprehensive income					
Internal rating	86,000	-	-	86,000	97,900
No rating	21,265	-	-	21,265	21,157
Book value, net	<u>107,265</u>	<u>-</u>	<u>-</u>	<u>107,265</u>	<u>119,057</u>

Central Latinoamericana de Valores, S.A.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

3. Financial Risk Management (Continued)

Credit Quality Analysis (continued)

The following table presents the provision for expected credit losses as follows:

	Stage 1	Stage 2	Stage 3	Total
2023				
Provision for expected credit losses as of December 31, 2022	287	-	-	287
Net effect of changes in the reserve for expected credit losses	44	-	-	44
Provision for expected credit losses as of December 31, 2023	<u>331</u>	<u>-</u>	<u>-</u>	<u>331</u>
2022				
Provision for expected credit losses as of December 31, 2021	593	-	-	593
Net effect of changes in the reserve for expected credit losses	(306)	-	-	(306)
Provision for expected credit losses as of December 31, 2022	<u>287</u>	<u>-</u>	<u>-</u>	<u>287</u>

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet all of its obligations. The Company mitigates this risk by maintaining sufficient cash and highly liquid instruments.

The following table analyzes the Company's assets by maturity date. Said analysis is shown according to the contractual expiration date and are undiscounted cash flows at the present value of the balance sheet:

	Less than 1 year	1 to 5 years	More than 5 years	No Maturity	Total
December 31, 2023					
Assets					
Cash and demand deposits	1,212,492	-	-	-	1,212,492
Fixed term deposits	250,205	-	-	-	250,205
Investments in securities	-	-	-	107,265	107,265
Financial assets at amortized cost	486,863	-	-	-	486,863
	<u>1,949,560</u>	<u>-</u>	<u>-</u>	<u>107,265</u>	<u>2,056,825</u>

Central Latinoamericana de Valores, S.A.

Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

3. Financial Risk Management (Continued)

Credit Quality Analysis (continued)

Liquidity Risk (Continued)

	Less than 1 year	1 to 5 years	More than 5 years	No Maturity	Total
December 31, 2022					
Assets					
Cash and demand deposits	1,153,874	-	-	-	1,153,874
Fixed term deposits	500,302	-	-	-	500,302
Investment in securities	-	-	-	119,057	119,057
Financial assets at amortized cost	462,236	-	-	-	462,236
	<u>2,116,412</u>	<u>-</u>	<u>-</u>	<u>119,057</u>	<u>2,235,469</u>

When the Company acquires a business, it evaluates the financial assets and liabilities assumed for their appropriate classification and designation based on the contractual agreements, economic conditions and other relevant conditions that exist on the date of acquisition, as of the date of this report the Company it does not maintain long-term financial liabilities.

Capital Risk Management

Decree Law No.1 of July 8, 1999 (Securities Law), its amendments and Article 4 of Agreement No.7-2003 requires that self-regulated entities operating in Panama have a minimum capital of two hundred and fifty thousand balboas (B/.250,000). The Company maintains a capital amount greater than its requirement and does not have any relevant debt other than those derived from its normal line of business. Notwithstanding the above, efforts are made to maintain a level of capital to be able to cover its expansion and technological innovation expenses.

Fair Value of Financial Instruments

The fair value methodology of the financial instruments held by the Company classified according to their fair value hierarchy level is described below:

Level 1 Quoted prices (unadjusted) in active markets identical to those the Company can access on the measurement date.

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3. Financial Risk Management (Continued)

Fair Value of Financial Instruments (continued)

Level 2 Prices obtained from the electronic stock market information system are used for investments that show buying and selling transactions during the period. For investments with a low level of transaction movement, the Company values the instrument on a date when an important transaction has been observed (B/.100,000) and calibrates a differential on the discount rate to obtain the value observed on that date. The Company analyzes the issuance prospectus and lists the characteristics of the local instrument, such as cash flows and early redemption optionality. The instrument is valued, using market levels on the valuation date, and the calibrated differential on the observation date. The valuation model constructs the discount rate as follows:

- SOFR is the reference rate
- It adds corporate risk
- Country risk is added
- A calibrated differential is added.

Level 3 This category includes all assets or liabilities in which the valuation techniques include unobservable input data.

The following table presents the fair values of the financial instruments classified according to their level of fair value hierarchy:

	Level 1	Level 2	Level 3	Total
2023				
Investment in securities	<u>107,265</u>	<u>-</u>	<u>-</u>	<u>107,265</u>
2022				
Investment in securities	<u>119,057</u>	<u>-</u>	<u>-</u>	<u>119,057</u>

There were no transfers between Tiers 1 and 2 and there were no transfers in or out of Tier during the twelve months ended December 31, 2023 and 2022.

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Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

4. Critical Judgment

Critical judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Judgments in the Application of Accounting Policies

Impairment of financial assets at fair value through other comprehensive income

The Company follows the guidance of IFRS 9 to determine when a financial asset at fair value through other comprehensive income is impaired. This determination requires significant judgment on the part of Management. In determining this judgment, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, the financial condition and near-term business outlook of the invested company, including factors, such as: industry and sector performance, changes in technology and operations, and financial cash flow.

Fair value of financial instruments

The fair value of investments at fair value through other comprehensive income that are not quoted in active markets are determined using valuation techniques. When valuation techniques (e.g., models) are used to determine fair values, they are validated and reviewed periodically by qualified personnel. To the extent possible, models use only observable information; However, areas such as credit risk (own and counterparty), volatilities and correlations require judgment in making estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

5. Cash and Demand Deposits

Cash and demand deposits are summarized below:

	2023	2022
Cash on hand	500	500
Current account	877,575	725,768
Savings Account	334,417	427,606
	<u>1,212,492</u>	<u>1,153,874</u>

The fair value of cash and demand deposits is similar to the book value, due to their short-term nature.

The Company maintains fixed-term deposits for B/.250,205 (2022: B/.500,302), with an interest rate of 6.00% and maturity on March 27, 2024.

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(Stated in balboas B/.)

6. Investment in Securities

The investments in securities as of December 31, 2023 and 2022 are detailed below:

	2023	2022
Investments through other comprehensive income	<u>107,265</u>	<u>119,057</u>

The movement of investments at fair value through comprehensive income is presented below:

	2023	2022
Balance at the beginning of the year	119,057	121,676
Valuation of investments in securities	<u>(11,792)</u>	<u>(2,619)</u>
Balance at the end of the year	<u>107,265</u>	<u>119,057</u>

7. Financial Assets at Amortized Cost

As of December 31, 2023, the Company maintains B/.486,863 (2022: B/.462,236) of which B/.441,111 (2022: B/.427,687) corresponds to accounts receivable at amortized cost, resulting from services provided to the Ministry of Economy and Finance (MEF) as Issuance Agent, Payment Agent and Registration and Transfer Agent of the securities migrated and registered on the iLink platform in Euroclear.

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(Stated in balboas B/.)

8. Properties, Furniture and Equipment, Net

The movement of properties, furniture and equipment is presented below:

	Building	Improvements in Property	Furniture	Computer Equipment	System Implementation in Process	Total
December 31, 2023						
Cost						
Beginning balance of the year	202,374	294,751	219,478	512,513	107,673	1,336,789
Additions	-	94,044	5,803	64,537	205,786	370,170
Ending balance of the year	202,374	388,795	225,281	577,050	313,459	1,706,959
Accumulated depreciation and amortization						
Beginning balance of the year	202,373	133,920	150,522	416,511	-	903,326
Expense of the year	-	26,446	14,110	53,271	-	93,827
Ending balance of the year	202,373	160,366	164,632	469,782	-	997,153
Net Value	1	228,429	60,649	107,268	313,459	709,806

	Building	Improvements in Property	Furniture	Computer Equipment	System Implementation in Process	Total
December 31, 2022						
Cost						
Beginning balance of the year	202,374	233,513	189,480	445,797	45,327	1,116,491
Additions	-	61,238	29,998	66,716	62,346	220,298
Ending balance of the year	202,374	294,751	219,478	512,513	107,673	1,336,789
Accumulated depreciation and amortization						
Beginning balance of the year	202,373	115,233	140,056	361,288	-	818,950
Expense of the year	-	18,687	10,466	55,223	-	84,376
Ending balance of the year	202,373	133,920	150,522	416,511	-	903,326
Net Value	1	160,831	68,956	96,002	107,673	433,463

As of December 31, 2023, the Company maintains B/.313,459 (2022: B/.107,673) which corresponds to the implementation of fixed assets in process. This implementation includes fixed assets in development or pending completion of a specific project.

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Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

9. Financial Income

Below is the detail of the financial income:

	2023	2022
Interests	25,815	24,674
Dividends	5,698	5,304
	<u>31,513</u>	<u>29,978</u>

10. Other Income

The other income is detailed as follows:

	2023	2022
Compensation system	52,650	54,000
Others	17,852	3,099
	<u>70,502</u>	<u>57,099</u>

In addition to the ordinary activities of the Company, it carries out complementary activities, authorized by the Superintendency of the Securities Market (SMV), including the dissemination of information through financial reports, personnel training, forums and events and other authorized activities.

11. Personnel Expenses

Personnel expenses are detailed as follows:

	2023	2022
Wages	746,756	679,708
Representation expenses	195,342	206,717
Profit sharing	86,500	83,000
Employment benefits	126,813	120,701
Compensation and seniority premium	3,303	17,604
	<u>1,158,714</u>	<u>1,107,730</u>

As of December 31, 2023, the total number of collaborators was 28 (2022: 29).

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Notes to the Financial Statements

December 31, 2023

(Stated in balboas B/.)

12. Other Administrative Expenses

The other administrative expenses are detailed below:

	2023	2022
Repair and Maintenance	184,228	186,981
Directors' allowances and professional fees (Note 14)	116,406	100,086
Banking services	73,047	69,399
Taxes and licenses	55,120	58,301
External audit	32,225	29,536
Promotion, events and associations	31,440	23,783
Water, electricity and cleaning	18,014	12,823
Travel and customer service	16,816	24,521
Legal expenses	6,552	12,734
Donations and CSR	4,450	6,225
Others	84,508	99,664
	<u>622,806</u>	<u>624,053</u>

13. Income Tax

Income tax is calculated based on net taxable income. The reconciliation of profit before income tax with net taxable income is presented below:

	2023	2022
Profits before Income Tax	1,691,435	1,460,822
Less: Exempt and/or non-taxable income	(31,513)	(29,978)
More: Non-deductible expenses	(3,922)	16,429
Net taxable income	<u>1,656,000</u>	<u>1,447,273</u>
Income tax caused 25%	414,000	361,818
Deferred income tax	(7,234)	(871)
Income tax caused 25%	<u>406,766</u>	<u>360,947</u>

Central Latinoamericana de Valores, S.A.

Notes to the Financial Statements

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13. Income Tax (Continued)

Legal entities whose taxable income exceeds one million five hundred thousand balboas annually (B/.1,500,000) will pay income tax on the calculation that is greater between:

- a. The 25% rate on tax profit (traditional method).
- b. The net taxable income resulting from applying 4.67% to the total taxable income at the rate of 25% (Alternative Income Tax Calculation).

As of December 31, 2023, the Company performed both calculations and determined the income tax based on the traditional method.

According to current regulations, the Company's income tax returns are subject to review by the tax authorities for the last three (3) years, including the year ended December 31, 2023.

Deferred Income Tax

The tax on the deferred income is determined using the Asset method applied to all temporary differences that exist between the tax base of assets, liabilities and equity and the figures recorded for financial purposes at the date of the financial statements. The deferred income tax is calculated considering the tax rate that is expected to apply in the period in which it is estimated that the asset will be realized or that the liability will be paid. Deferred tax assets are recognized only when there is a reasonable probability of their realization.

The carrying amount of a deferred tax asset is reviewed at the date of each statement of financial position. The Company reduces the amount of the balance of the deferred tax asset, to the extent that it considers it probable that it will not have sufficient taxable profit, in the future, to allow charging against it all or part of the benefits that make up the deferred tax asset. Likewise, at the closing date of each financial period, the Company reconsiders deferred tax assets that it has not previously recognized.

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Notes to the Financial Statements

December 31, 2023

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13. Income Tax (Continued)

The movement of the deferred income tax asset is presented below:

	2023	2022
Balance at the beginning of the year	3,275	2,404
Cesantia Fund, seniority bonus	<u>7,233</u>	<u>871</u>
Balance at the end of the year	<u>10,508</u>	<u>3,275</u>

14. Balances and Related Transactions

The balances and transactions with related parties are detailed below:

	2023	2022
Balances with Related Companies		
Investments at fair value through comprehensive income - other related parties	<u>21,265</u>	<u>21,156</u>
Dividends payable - shareholder	<u>1,284,669</u>	<u>1,336,005</u>
Transactions with Related Companies		
Investment income	<u>1,448</u>	<u>2,004</u>
Key Personnel Transactions		
Compensation for key personnel	<u>926,971</u>	<u>886,184</u>
Directors' allowances	<u>69,000</u>	<u>61,750</u>

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15. Dividend Declaration

The Board of Directors at a meeting on December 13, 2023 approved a dividend payment to the shareholder, as described below:

	<u>Type of Dividend</u>	<u>Declared Dividends</u>	<u>Dividend per Share</u>	<u>Declaration Date</u>	<u>Payment Date</u>
2023	Ordinary	<u>1,284,669</u>	<u>2,569</u>	December 31, 2023	Semiannual
2022	Ordinary	<u>1,099,875</u>	<u>2,200</u>	December 31, 2022	Semiannual

16. Guarantee Trust in Favor of the Company

As indicated in Note 1, the Company is controlled by Latinex Holdings, Inc. (Parent Company).

On February 9, 2012 Latinex Capital, Inc. (The Trustor) approved at the Board of Directors the constitution of an independent trust estate with Assets Trust and Corporate Services Inc. (The Trustee), through a trust contract called LATINCLEAR TRUST Number 119 with guarantee purposes to support the operations of its subsidiaries Central Latinoamericana de Valores, S.A. (The Beneficiary).

Latinex Capital, Inc. (The "Settlor") and part of the Latinex Holdings Group, is a holder of financial assets and shares in companies which are free of liens and restrictions, which operate professionally in the organized securities market of the Republic of Panama.

One of the powers of the Company as beneficiary and which translates as an obligation of the Trustee is to execute the transfer of assets from the Trust Assets to the accounts of the Beneficiary, at the simple request of the Beneficiary, to comply with capital requirements or to satisfy commercial needs or when they are convenient within the ordinary course of business of the Beneficiary.

As of December 31, 2023, the Trustee held a total of investments in trust in favor of the Company for B/4,389,418 (2022: B/3,907,775), included in the total investments at fair value through comprehensive income.

The Trustor and the Trustee signed a Trust Agreement No.119 called "Latinclear Trust", whose beneficiary is the Company.

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17. Assets in Administration and Custody

In the normal course of its activities, the Company keeps financial assets of third parties in custody in a fiduciary manner, as established in Decree Law No.1 of July 8, 1999 and its amendments.

The assets held in custody and deposits in banks as of December 31, 2023 and 2022 are presented below:

	2023	2022
Fixed rent	9,284,027,900	8,789,484,701
Treasury securities	6,381,894,901	6,844,145,940
Variable rent	6,854,628,621	6,484,716,297
Funds	8,651,695,169	4,870,002,230
Promissory notes	589,763,958	508,863,935
CERPANES	12,229,715	15,713,383
Bank deposits	<u>11,093,282</u>	<u>9,934,835</u>
	<u>31,785,333,546</u>	<u>27,522,861,321</u>

For the purposes of mitigating the risks inherent to the business, the Company maintains a fidelity policy with a local insurance company.

In accordance with the provisions of the Company's Internal Rules and as part of the safeguards of the financial activities of the participants, the custody center maintains as of December 31, 2023, a combined total of cash of B/.1,047,000 (2022: B/.1,194,349) as guarantees in support of the obligations of the participants. These guarantees are duly segregated and are managed in the Company's memorandum accounts.

18. Contingencies

There are lawsuits filed against the Company, regarding which the Company's Management and its legal advisors estimate that the results of these processes are not expected to generate an adverse effect on the Company's financial situation.

Annual Report

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