UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(MARK ONE)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2022

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 001-35436

TECNOGLASS INC.
(Exact Name of Registrant as Specified in Its Charter)

Cayman Islands	**98-1271120**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Avenida Circunvalar a 100 mts de la Via 40, Barrio Las Flores Barranquilla, Colombia
(Address of principal executive offices)

(+57)(605) 373 4000
(Issuer's telephone number)

N/A
(Former name, former address and former fiscal year, if changed since last report):

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares	TGLS	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirement for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of "large accelerated filer", "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.:

Large accelerated filer ☐	Accelerated filer ☒
Non-accelerated filer ☐	Smaller reporting company ☐
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of October 31, 2022, there were **47,674,773** ordinary shares, $0.0001 par value per share, outstanding.

TECNOGLASS INC.

FORM 10-Q FOR THE PERIOD ENDED SEPTEMBER 30, 2022

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited).

Tecnoglass Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands, except share and per share data)
(Unaudited)

	September 30, 2022	**December 31, 2021**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 84,434	$ 85,011
Investments	2,211	1,977
Trade accounts receivable, net	133,854	110,539
Due from related parties	1,642	2,252
Inventories	122,802	84,975
Contract assets – current portion	17,496	18,667
Other current assets	29,739	22,854
Total current assets	**$ 392,178**	**$ 326,275**
Long-term assets:		
Property, plant and equipment, net	$ 184,110	$ 166,629
Deferred income taxes	2,897	596
Contract assets – non-current	7,135	11,853
Long-term trade accounts receivable	4,138	3,995
Intangible assets	2,826	3,337
Goodwill	23,561	23,561
Long-term investments	57,249	51,160
Other long-term assets	3,988	4,157
Total long-term assets	**285,904**	**265,288**
Total assets	**$ 678,082**	**$ 591,563**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt and current portion of long-term debt	$ 434	$ 10,700
Trade accounts payable and accrued expenses	86,707	68,087
Due to related parties	5,209	3,857
Dividends payable	3,621	3,141
Contract liability – current portion	53,251	45,213
Other current liabilities	43,285	24,017
Total current liabilities	**$ 192,507**	**$ 155,015**
Long-term liabilities:		
Deferred income taxes	$ 3,939	$ 3,417
Contract liability – non-current	11	78
Long-term debt	168,255	188,355
Total long-term liabilities	**172,205**	**191,850**
Total liabilities	**$ 364,712**	**$ 346,865**
SHAREHOLDERS' EQUITY		
Preferred shares, $0.0001 par value, 1,000,000 shares authorized, 0 shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively	$ —	$ —
Ordinary shares, $0.0001 par value, 100,000,000 shares authorized, 47,674,773 and 47,674,773 shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively	5	5
Legal Reserves	1,458	2,273
Additional paid-in capital	219,290	219,290
Retained earnings	182,859	91,045
Accumulated other comprehensive loss	(91,593)	(68,751
Shareholders' equity attributable to controlling interest	**312,019**	**243,862**
Shareholders' equity attributable to non-controlling interest	**1,351**	**836**
Total shareholders' equity	**313,370**	**244,698**
Total liabilities and shareholders' equity	**$ 678,082**	**$ 591,563**

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

Tecnoglass Inc. and Subsidiaries
Condensed Consolidated Statements of Operations and Other Comprehensive Income
(In thousands, except share and per share data)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Operating revenues:				
External customers	$ 201,240	$ 131,201	$ 503,919	$ 363,777
Related parties	540	458	1,533	1,189
Total operating revenues	201,780	131,659	505,452	364,966
Cost of sales	96,484	80,110	266,191	218,978
Gross profit	**105,296**	**51,549**	**239,261**	**145,988**
Operating expenses:				
Selling expense	(20,250)	(13,310)	(50,234)	(36,423)
General and administrative expense	(14,914)	(8,351)	(36,040)	(25,476)
Other professional fees	-	-	(3,402)	-
Total operating expenses	(35,164)	(21,661)	(89,676)	(61,899)
Operating income	**70,132**	**29,888**	**149,585**	**84,089**
Non-operating income (expenses), net	634	139	1,137	69
Equity method income	1,821	1,291	5,070	3,170
Foreign currency transactions (loss) gains	(450)	188	(856)	333
Gain (loss) on debt extinguishment	-	175	-	(10,803)
Interest expense and deferred cost of financing	(2,249)	(2,156)	(5,432)	(8,120)
Income before taxes	69,888	29,525	149,504	68,738
Income tax provision	(22,966)	(8,866)	(48,216)	(20,155)
Net income	**$ 46,922**	**$ 20,659**	**$ 101,288**	**$ 48,583**
Income attributable to non-controlling interest	(196)	(20)	(515)	(160)
Income attributable to parent	**$ 46,726**	**$ 20,639**	**$ 100,773**	**$ 48,423**
Comprehensive income:				
Net income	$ 46,922	$ 20,659	$ 101,288	$ 48,583
Foreign currency translation adjustments	(22,054)	(4,023)	(32,039)	(20,842)
Change in fair value of derivative contracts	4,865	-	9,197	(159)
Total comprehensive income	**$ 29,733**	**$ 16,636**	**$ 78,446**	**$ 27,582**
Comprehensive (loss) income attributable to non-controlling interest	(196)	(20)	(515)	(160)
Total comprehensive income attributable to parent	**$ 29,537**	**$ 16,616**	**$ 77,931**	**$ 27,422**
Basic income per share	$ 0.98	$ 0.43	$ 2.12	$ 1.02
Diluted income per share	$ 0.98	0.43	$ 2.12	$ 1.02
Basic weighted average common shares outstanding	47,674,773	47,674,773	47,674,773	47,674,773
Diluted weighted average common shares outstanding	47,674,773	47,674,773	47,674,773	47,674,773

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

Tecnoglass Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Amounts in thousands)
(Unaudited)

	Nine months ended September 30,	
	2022	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 101,288	$ 48,583
Adjustments to reconcile net income to net cash provided by operating activities:		
Allowance for credit losses	541	1,056
Depreciation and amortization	15,089	15,613
Deferred income taxes	140	398
Equity method income	(5,070)	(3,170)
Deferred cost of financing	1,059	994
Other non-cash adjustments	(22)	(25)
Loss on debt extinguishment	-	2,333
Unrealized currency translation losses	9,482	4,582
Changes in operating assets and liabilities:		
Trade accounts receivable	(29,486)	(16,472)
Inventories	(53,911)	(8,430)
Prepaid expenses	(1,126)	(2,111)
Other assets	(1,646)	(9,703)
Trade accounts payable and accrued expenses	14,638	40,547
Accrued interest expense	(1)	(7,172)
Taxes payable	23,962	11,929
Labor liabilities	1,629	967
Other liabilities	(1,851)	(419)
Contract assets and liabilities	14,974	14,934
Related parties	2,409	(1,606)
CASH PROVIDED BY OPERATING ACTIVITIES	**$ 92,098**	**$ 92,828**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	-	177
Proceeds from sale of property and equipment	-	75
Purchase of investments	(1,285)	(63)
Acquisition of property and equipment	(46,817)	(32,066)
CASH USED IN INVESTING ACTIVITIES	**$ (48,102)**	**$ (31,877)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividend	(9,294)	(3,932)
Loss on debt extinguishment - call premium	-	(8,610)
Deferred financing transaction costs	-	(88)
Proceeds from debt	59	221,135
Repayments of debt	(32,002)	(247,024)
CASH USED IN FINANCING ACTIVITIES	**$ (41,237)**	**$ (38,519)**
Effect of exchange rate changes on cash and cash equivalents	$ (3,336)	$ (3,329)
NET INCREASE IN CASH	(577)	19,103
CASH - Beginning of period	85,011	67,668
CASH - End of period	$ 84,434	$ 86,771
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the period for:		
Interest	$ 4,136	$ 14,124
Income Tax	$ 25,377	$ 9,302
NON-CASH INVESTING AND FINANCING ACTIVITES:		
Assets acquired under credit or debt	$ 4,555	$ 1,641

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

Tecnoglass Inc. and Subsidiaries
Condensed Consolidated Statements of Shareholders' Equity
(Amounts in thousands, except share and per share data)
(Unaudited)

	Ordinary Shares, $0.0001 Par Value		Additional Paid in Capital	Legal Reserve	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity	Non-Controlling Interest	Total Shareholders' Equity and Non-Controlling Interest
	Shares	Amount							
Balance at December 31, 2021	**47,674,773**	**5**	**219,290**	**2,273**	**91,045**	**(68,751)**	**243,862**	**836**	**244,698**
Dividend	-	-	-	-	(3,099)	-	**(3,099)**	-	**(3,099)**
Derivative financial instruments	-	-	-	-	-	2,622	**2,622**	-	**2,622**
Foreign currency translation	-	-	-	-	-	13,635	**13,635**	-	**13,635**
Net income	-	-	-	-	20,853	-	**20,853**	100	**20,953**
Balance at March 31, 2022	**47,674,773**	**5**	**219,290**	**2,273**	**108,799**	**(52,494)**	**277,873**	**936**	**278,809**
Dividend	-	-	-	-	(3,099)	-	**(3,099)**	-	**(3,099)**
Legal Reserves	-	-	-	(815)	815	-	-	-	-
Derivative financial instruments	-	-	-	-	-	1,710	**1,710**	-	**1,710**
Foreign currency translation	-	-	-	-	-	(23,620)	**(23,620)**	-	**(23,620)**
Net income	-	-	-	-	33,194	-	**33,194**	219	**33,413**
Balance at June 30, 2022	**47,674,773**	**5**	**219,290**	**1,458**	**139,709**	**(74,404)**	**286,058**	**1,155**	**287,213**
Dividend	-	-	-	-	(3,577)	-	**(3,577)**	-	**(3,577)**
Legal Reserves	-	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	4,865	**4,865**	-	**4,865**
Foreign currency translation	-	-	-	-	-	(22,054)	**(22,054)**	-	**(22,054)**
Net income	-	-	-	-	46,726	-	**46,726**	196	**46,922**
Balance at Sep 30, 2022	**47,674,773**	**5**	**219,290**	**1,458**	**182,859**	**(91,593)**	**312,019**	**1,351**	**313,370**

	Ordinary Shares, $0.0001 Par Value		Additional Paid in Capital	Legal Reserve	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity	Non-Controlling Interest	Total Shareholders' Equity and Non-Controlling Interest
	Shares	Amount							
Balance at December 31, 2020	**47,674,773**	**5**	**219,290**	**2,273**	**29,927**	**(43,512)**	**207,983**	**560**	**208,543**
Dividend	-	-	-	-	(1,311)	-	**(1,311)**	-	**(1,311)**
Derivative financial instruments	-	-	-	-	-	(159)	**(159)**	-	**(159)**
Foreign currency translation	-	-	-	-	-	(15,634)	**(15,634)**	-	**(15,634)**
Net income	-	-	-	-	8,192	-	**8,192**	89	**8,281**
Balance at March 31, 2021	**47,674,773**	**5**	**219,290**	**2,273**	**36,808**	**(59,305)**	**199,071**	**649**	**199,720**
Dividend			-	-	(1,312)	-	**(1,312)**	-	**(1,312)**
Foreign currency translation	-	-	-	-	-	(1,185)	**(1,185)**		**(1,185)**

Net income	-	-	-	-	19,593	-	**19,593**	51	**19,644**
Balance at June 30, 2021	**47,674,773**	**5**	**219,290**	**2,273**	**55,089**	**(60,490)**	**216,167**	**700**	**216,867**
Dividend	-	-	-	-	(1,312)	-	**(1,312)**	-	**(1,312)**
Foreign currency translation	-	-	-	-	-	(4,023)	**(4,023)**	-	**(4,023)**
Net income	-	-	-	-	20,639	-	**20,639**	20	**20,659**
Balance at Sep 30, 2021	**47,674,773**	**5**	**219,290**	**2,273**	**74,416**	**(64,513)**	**231,471**	**720**	**232,191**

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

Note 1. General

Business Description

Tecnoglass Inc., a Cayman Islands exempted company (the “Company”, “Tecnoglass,” “TGI,” “we, “us” or “our”), manufactures hi-specification, architectural glass and windows for the global residential and commercial construction industries. Currently the Company offers design, production, marketing, and installation of architectural systems for buildings of high, medium, and low elevation size. Products include windows and doors in glass and aluminum, office partitions and interior divisions, floating facades and commercial window showcases. The Company exports most of its products to foreign countries, selling to customers in North, Central and South America.

The Company manufactures both glass and aluminum products. Its glass products include tempered glass, laminated glass, thermo-acoustic glass, curved glass, silk-screened glass, acoustic glass,and digital print glass. Its Alutions plant produces mill finished, anodized, painted aluminum profiles and rods, tubes, bars, and plates. Alution’s operations include extrusion, smelting, painting and anodizing processes, and exporting, importing and marketing aluminum products.

The Company also designs, manufactures, markets, and installs architectural systems for high, medium and low-rise construction, glass and aluminum windows and doors, office dividers and interiors, floating facades and commercial display windows.

Note 2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) and pursuant to the accounting and disclosure rules and regulations of the Securities and Exchange Commission (“SEC”) for interim reporting purposes. The results reported in these unaudited condensed consolidated financial statements are not necessarily indicative of results that may be expected for the entire year. These unaudited condensed consolidated financial statements should be read in conjunction with the information contained in the Company’s Annual Report on Form 10-K for the year ended December 31, 2021. The year-end condensed balance sheet data was derived from the audited financial statements in the Annual Report on Form 10-K but does not include all disclosures required by US GAAP.

The preparation of these unaudited condensed consolidated financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities at the date of the Company’s financial statements. Actual results may differ from these estimates under different assumptions and conditions. Estimates utilized in the preparation of these unaudited condensed consolidated financial statements relate to the collectability of account receivables, the valuation of inventories, estimated earnings on uncompleted contracts, useful lives and potential impairment of long-lived assets. Changes in estimates are reflected in the periods during which they become known. Actual amounts may differ from these estimates and could differ materially. These financial statements reflect all adjustments that in the opinion of management are necessary for a fair statement of the financial position, results of operations and cash flows for the period presented, and are of a normal, recurring nature.

The Company has one operating segment, Architectural Glass and Windows, which is also its reporting segment, comprising the design, manufacturing, distribution, marketing and installation of high-specification architectural glass and window products sold to the construction industry.

Principles of Consolidation

These unaudited condensed consolidated financial statements consolidate TGI and its subsidiaries Tecnoglass S.A.S ("TG"), C.I. Energía Solar S.A.S E.S. Windows ("ES"), ES Windows LLC ("ESW LLC"), Tecnoglass LLC ("Tecno LLC"), Tecno RE LLC ("Tecno RE"), GM&P Consulting and Glazing Contractors ("GM&P"), Componenti USA LLC, ES Metals SAS ("ES Metals"), and Ventanas Solar S.A ("VS"), which are entities in which we have a controlling financial interest because we hold a majority voting interest. To determine if we hold a controlling financial interest in an entity, we first evaluate if we are required to apply the variable interest entity ("VIE") model to the entityand if we are not, the entity is evaluated under the voting interest model. All significant intercompany accounts and transactions are eliminated in consolidation, including unrealized intercompany profits and losses. The equity method of accounting is used for investments in affiliates and other joint ventures over which the Company has significant influence but does not have effective control.

TGI and certain wholly owned subsidiaries with functional currency different than the U.S. dollar have long-term intercompany loan balances denominated in foreign currencies that are remeasured at the current exchange rate in effect at the balance sheet date. Such loan balances are not expected to be settled in the foreseeable future. Any gains and losses relating to these loans are included in the accumulated other comprehensive income (loss), which is reflected as a separate component of stockholders' equity.

Recast of Prior Year Period Financial Statements

On November 8, 2021, we announced that we entered into a purchase agreement with Ventanas Solar S.A. ("VS"), a Panama domiciled company that acts as an importer and distributor of the Company's products in the Republic of Panama. VS was affiliated with family members of Jose M. Daes, the Company's Chief Executive Officer, and Christian T. Daes, the Company's Chief Operating Officer. Pursuant to the Agreement, the Company through ES acquired 95% of the shares of VS for $4.0 million, which were paid for through the capitalization of certain accounts receivable of ES from previous sales to VS. The transaction was consummated in December 2021 and is part of the Company's continued strategy to vertically integrate its operations. In June, 2022, the remaining 5% interest was contributed to the Company, and now is a fully owned subsidiary of the Company.

The acquisition of VS was deemed to be a transaction between entities under common control. As a result, the assets and liabilities were transferred at the historical cost of VS, with prior periods retroactively adjusted to include the historical financial results of the acquired company for the period they were controlled by the previous owners of VS in the Company's financial statements.

The following table includes the financial information as originally reported and the net effect of the VS acquisition after elimination of intercompany transactions:

	Three months ended September 30, 2021			Nine months ended September 30, 2021		
	Prior to acquisition	Effect of acquisition	After acquisition	Prior to acquisition	Effect of acquisition	After Acquisition
Total Sales	130,410	1,249	131,659	363,004	1,962	364,966
Operating Income	30,154	(266)	29,888	83,944	145	84,089
Income attributable to parent	20,919	(280)	20,639	48,319	104	48,423
Basic income per share	0.44	(0.01)	0.43	1.01	0.01	1.02
Diluted income per share	0.44	(0.01)	0.43	1.01	0.01	1.02

Derivative Financial Instruments

The Company recognizes all derivative financial instruments as either assets or liabilities at fair value on the condensed consolidated balance sheet. The unrealized gains or losses arising from changes in fair value of derivative instruments that are designated and qualify as cash flow hedges, are recorded in the condensed consolidated statement of comprehensive income. Amounts in accumulated other comprehensive loss on the condensed consolidated balance sheet are reclassified into the condensed consolidated statement of income in the same period or periods during which the hedged transactions are settled.

Adoption of New Accounting Standards

In June 2016, Financial Accounting Standards Board ("FASB") issued Accounting Standards Update (ASU) 2016-13, Financial Instruments—Credit Losses (Topic 326). This ASU represents a significant change in the allowance for credit losses accounting model by requiring immediate recognition of management's estimates of current expected credit losses. Under the prior model, losses were recognized only as they were incurred, which FASB has noted delayed recognition of expected losses that might not yet have met the threshold of being probable. The new model is applicable to all financial instruments that are not accounted for at fair value through net income, thereby bringing consistency in accounting treatment across different types of financial instruments and requiring consideration of a broader range of variables when forming loss estimates. ASU 2016-13 was effective for fiscal years beginning after December 15, 2019, . The FASB issued ASU 2019-10 and ASU 2019-11 during the fourth quarter of 2019 that postponed the effective date to the year beginning after December 15, 2022 for smaller reporting companies. In February 2020, the FASB issued ASU 2020-02 "Financial Instruments – Credit Losses (Topic 326) and Leases (Topic 842), which amended SEC Staff Accounting Bulletin No. 119 (SAB119) which contains interpretative guidance from the SEC aligned to the FASB's ASC 326.

We adopted this standard using the modified retrospective approach at the beginning of fiscal year 2022 as we no longer qualified as a smaller reporting company. The adoption of this ASU did not have a significant impact on the Company's earnings or financial condition. Refer to additional disclosures in Note 4.

Recently Issued Accounting Pronouncements

In March 2020, the FASB issued ASU 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting". The amendments in this Update provide optional expedients and exceptions for contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments in this Update apply only to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. The expedients and exceptions provided by the amendments do not apply to contract modifications made and hedging relationships entered into or evaluated after December 31, 2022, except for hedging relationships existing as of December 31, 2022, that an entity has elected certain optional expedients for and that are retained through the end of the hedging relationship. The amendments in this Update are effective for the Company through December 31, 2022, with early adoption permitted. The Company's outstanding debt, which bears interest based on LIBOR. contains provisions for transitioning into a benchmark reference rate prior to the discontinuation of LIBOR in 2023. Our interest rate swap derivative contract will be adjusted accordingly.

In September 2022, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2022-04, Liabilities – Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations. The ASU requires a buyer in a supplier finance program to disclose information about the program's nature, activity during the period, changes from period to period, and potential magnitude. For the Company, this standard is effective beginning after January 1, 2023. As this ASU relates to disclosures only, there will be no impact to the Company's consolidated results of operations and financial condition

We reviewed all other recently issued accounting pronouncements and concluded that they were either not applicable or not expected to have a significant impact to the condensed consolidated financial statements.

Note 3. - Inventories, net

	September 30, 2022	December 31, 2021
Raw materials	$ 85,697	$ 54,443
Work in process	15,375	11,126
Finished goods	8,565	8,789
Spares and accessories	12,024	9,869
Packing material	1,257	870
Total Inventories, gross	**122,918**	**85,097**
Less: Inventory allowance	(116)	(122)
Total inventories, net	**$ 122,802**	**$ 84,975**

Note 4. – Revenues, Trade Accounts Receivable, Contract Assets and Contract Liabilities

Disaggregation of Total Net Sales

The Company disaggregates its sales with customers by revenue recognition method for its only segment, as the Company believes these factors affect the nature, amount, timing and uncertainty of the Company's revenue and cash flows.

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Fixed price contracts	$ 26,272	$ 16,631	$ 67,648	$ 60,306
Product sales	175,508	115,028	437,804	304,660
Total Revenues	$ 201,780	$ 131,659	$ 505,452	$ 364,966

The following table presents geographical information about revenues.

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Colombia	$ 4,817	$ 5,234	$ 13,657	$ 21,065
United States	193,504	123,237	481,965	333,923
Panama	571	1,476	2,373	3,706
Other	2,888	1,713	7,457	6,272
Total Revenues	$ 201,780	$ 131,659	$ 505,452	$ 364,966

Trade Accounts Receivable

In the ordinary course of business, we extend credit to customers on a generally non-collateralized basis. The Company maintains an allowance for expected credit losses which is based on management's assessments of the amount which may become uncollectible in the future and is determined through consideration of our write-off history, specific identification of uncollectible accounts based in part on the customer's past due balance (based on contractual terms), and consideration of prevailing economic and industry conditions. Uncollectible accounts are written off after repeated attempts to collect from the customer have been unsuccessful.

Trade accounts receivable consist of the following:

	September 30, 2022	December 31, 2021
Trade accounts receivable	134,490	110,727
Less: Allowance for credit losses	(636)	(188)
Total	$ 133,854	$ 110,539

The changes in the allowance for credit losses for the three months ended September 30, 2022 are:

	Nine months ended September 30, 2022
Balance at beginning of period	$ 705
Additions charged to costs and expenses	541
Deductions and write-offs, net of foreign currency adjustment	(610)
Balance at end of period	$ 636

Contract Assets and Liabilities

Contract assets represent accumulated incurred costs and earned profits on contracts with customers that have been recorded as sales but have not been billed to customers and are classified as current. In addition, a portion of the amounts billed on certain fixed price contracts that are withheld by the customer as a retainage until a final good receipt of the complete project to the customers satisfaction. Contract liabilities consist of advance payments and billings in excess of costs incurred and deferred revenue, and represent amounts received in excess of sales recognized on contracts. The Company classifies advance payments and billings in excess of costs incurred as current, and deferred revenue as current or non-current based on the expected timing of sales recognition. Contract assets and contract liabilities are determined on a contract-by-contract basis at the end of each reporting period. The non-current portion of contract liabilities is included in long-term liabilities in the Company's condensed consolidated balance sheets.

The table below presents the components of net contract assets (liabilities).

	September 30, 2022	December 31, 2021
Contract assets — current	$ 17,496	$ 18,667
Contract assets — non-current	7,135	11,853
Contract liabilities — current	(53,251)	(45,213)
Contract liabilities — non-current	(11)	(78)
Net contract assets	$ (28,631)	$ (14,771)

The components of contract assets are presented in the table below.

	September 30, 2022	December 31, 2021
Unbilled contract receivables, gross	$ 6,118	$ 8,174
Retainage	18,513	22,346
Total contract assets	24,631	30,520
Less: current portion	17,496	18,667
Contract Assets – non-current	$ 7,135	$ 11,853

The components of contract liabilities are presented in the table below.

	September 30, 2022	December 31, 2021
Billings in excess of costs	$ 14,227	12,854
Advances from customers on uncompleted contracts	39,035	32,437
Total contract liabilities	53,262	45,291
Less: current portion	53,251	45,213
Contract liabilities – non-current	$ 11	78

During the three and nine months ended September 30, 2022, the Company recognized $2,424 and $7,927 of sales related to its contract liabilities on January 1, 2022, respectively. During the three and nine months ended September 30, 2021, the Company recognized $359 and $4,123 of sales related to its contract liabilities on January 1, 2021, respectively.

Remaining Performance Obligations

As of September 30, 2022, the Company had $472.6 million of remaining performance obligations, which represents the transaction price of firm orders minus sales recognized from inception to date. Remaining performance obligations exclude unexercised contract options, verbal commitments, Letters of Intent or written mandates, and potential orders under basic ordering agreements. The Company expects to recognize 100% of sales relating to existing performance obligations within three years, of which $117.7 million are expected to be recognized during the year ending December 31, 2022, $315.0 million during the year ending December 31, 2023, and $39.9 million thereafter.

Note 5. Intangible Assets

Intangible assets include Miami-Dade County Notices of Acceptances (NOA's), which are certificates issued for approved products and required to market hurricane-resistant glass in Florida. Intangibles assets also include the intangibles acquired during the acquisition of GM&P.

	September 30, 2022		
	Gross	Acc. Amort.	Net
Trade Names	$ 980	$ (980)	$ -
Notice of Acceptances (NOAs), product designs and other intellectual property	9,834	(7,008)	2,826
Non-compete Agreement	165	(165)	-
Customer Relationships	4,140	(4,140)	-
Total	$ 15,119	$ (12,293)	$ 2,826

	December 31, 2021		
	Gross	Acc. Amort.	Net
Trade Names	$ 980	$ (947)	$ 33
Notice of Acceptances (NOAs), product designs and other intellectual property	9,456	(6,280)	3,176
Non-compete Agreement	165	(160)	5
Customer Relationships	4,140	(4,017)	123
Total	$ 14,741	$ (11,404)	$ 3,337

The weighted average amortization period is 5.20 years.

During the three and nine months ended September 30, 2022, the amortization expense amounted to $290 and $1,079, respectively, and was included within the general and administration expenses in our unaudited Condensed Consolidated Statement of Operations. Similarly, during the three and nine months ended September 30, 2021, the amortization expense amounted to $573 and $1,711, respectively.

The estimated aggregate amortization expense for each of the five succeeding years as of September 30, 2022 is as follows:

Year ending	(in thousands)
2022	$ 262
2023	980
2024	661
2025	355
Thereafter	568
	$ 2,826

Note 6. Debt

The Company's debt is comprised of the following:

	September 30, 2022	December 31, 2021
Revolving lines of credit	$ 328	$ 279
Finance lease	210	306
Other loans	-	239
Senior Secured Credit Facility	172,500	204,257
Less: Deferred cost of financing	(4,349)	(6,026)
Total obligations under borrowing arrangements	168,689	199,055
Less: Current portion of long-term debt and other current borrowings	434	10,700
Long-term debt	$ 168,255	$ 188,355

In October 2020, the Company closed a $300 million five-year term Senior Secured Credit Facility consisting of a $250 million delayed draw term loan and a $50 million committed revolving credit facility which bears interest at a rate of LIBOR, with a 0.75% floor, plus a spread of between 2.50% and 3.50%, based on the Company's net leverage ratio. In December 2020, we used $23.1 million proceeds of the long-term debt facility to repay several credit facilities. Subsequently, in January 2021 we redeemed the Company's existing $210 million unsecured senior notes, which had an interest rate of 8.2% and mature in 2022 using proceeds from this new facility and incurred in an extinguishment cost of $10.9 million including $8.6 of call premium to exercise the call option.

In November 2021, the Company amended its Senior Secured Credit Facility to (i) increase the borrowing capacity under its committed Line of credit from $50 million to $150 million, (ii) reduce its borrowing costs by an approximate 130 basis points, and (iii) extend the initial maturity date by one year to the end of 2026. Borrowings under the credit facility now bear interest at a rate of LIBOR with no floor plus a spread of 1.50%, based on the Company's net leverage ratio, compared to a prior rate of LIBOR with a floor of 0.75% plus a spread of 2.50%, resulting on total annual savings of approximately $15 million at current levels of outstanding borrowings, since entering into our inaugural US Bank syndicated facility in October of 2020. The effective interest rate for this credit facility including deferred issuance costs is 3.23%. In relation to this transaction, the Company accounted for costs related to fees paid of $1,496. This was accounted for as a debt modification and $1,346 of fees paid to banks were capitalized as deferred cost of financing and $150 paid to third parties recorded as an operating expense on the consolidated statements of operations for the year 2021. In March 2022, we voluntarily prepaid $15 million of capital to this credit facility which has decreased our net leverage ratio and triggered a step down in the applicable interest rate spread to 1.5%. Additionally, on September 30, 2022 we voluntarily prepaid $10.0 million of the term loan and $6.7 million under the revolving line of credit which is fully unused as of September 30, 2022.

As of September 30, 2022, the Company was obligated under various finance leases under which the aggregate present value of the minimum lease payments amounted to $210 and weighted average remaining lease term of 25 months. Differences between finance lease obligations and the value of property, plant and equipment under finance lease arises from differences between the maturities of finance lease obligations and the useful lives of the underlying assets.

Maturities of long-term debt and other current borrowings are as follows as of September 30, 2022:

2023	$ 434
2024	2,586
2025	15,018
2026	15,000
2027	140,000
Thereafter	-
Total	$ 173,038

The Company's loans have maturities ranging from a few weeks to 5 years. Our credit facilities bear a weighted average interest rate of 3.74% as of September 30, 2022.

Note 7. Hedging Activity and Fair Value Measurements

Hedging Activity

During the quarter ended March 31, 2022, we entered into interest rate swap contracts to hedge the interest rate fluctuations related to our outstanding debt. The effective date of the contract is December 31, 2022 and, thus, we shall have settlement dates each quarter, commencing March 31, 2023. Our contracts are designated as cash flow hedges since they are highly effective in offsetting changes in the cash flows attributable to forecasted LIBOR.

We record our hedge contracts at fair value and consider our credit risk for contracts in a liability position, and our counter-party's credit risk for contracts in an asset position, in determining fair value. We assess our counter-party's risk of non-performance when measuring the fair value of financial instruments in an asset position by evaluating their financial position, including cash on hand, as well as their credit ratings.

As of September 30, 2022, the fair value of interest rate swap contracts was in a net asset position of $9.2 million. We had 16 outstanding interest rate swap contracts to hedge $125 million related to our outstanding debt through November 2026. We assessed the risk of non-performance of the Company to these contracts and determined it was insignificant and, therefore, did not record any adjustment to fair value as of September 30, 2022.

We assess the effectiveness of our interest rate swap contracts by comparing the change in the fair value of the interest rate swap contracts to the change in the expected cash to be paid for the hedged item. The effective portion of the gain or loss on our interest rate swap contracts is reported as a component of accumulated other comprehensive income and is reclassified into earnings in the same line item in the income statement as the hedged item in the same period or periods during which the transaction affects earnings. The amount of gains, net, recognized in the "accumulated other comprehensive income" line item in the accompanying consolidated balance sheet as of September 30, 2022 that we expect will be reclassified to earnings within the next twelve months, is $9.2 million.

The fair value of our interest rate swap hedges that are classified in the accompanying consolidated balance sheets as of September 30, 2022 are as follows:

	Derivative Assets		Derivative Liabilities	
	September 30, 2022		September 30, 2022	
Derivatives designated as hedging instruments under Subtopic 815-20:	**Balance Sheet Location**	**Fair Value**	**Balance Sheet Location**	**Fair Value**
Derivative instruments:				
Interest rate swap contracts	Other current assets	$ 9,197	Accrued liabilities	$ -
Total derivative instruments	Total derivative assets	$ 9,197	Total derivative liabilities	$ -

The ending accumulated balance for the interest rate swap contracts included in accumulated other comprehensive income was $9,197 as of September 30, 2022.

The following table presents the gains (losses) on derivative financial instruments, and their classifications within the accompanying consolidated financial statements, for the quarter ended September 30, 2022:

	Derivatives in Cash Flow Hedging Relationships				
	Amount of Gain or (Loss) Recognized in OCI (Loss) on Derivatives		Location of Gain or (Loss) Reclassified from Accumulated OCI (Loss) into Income	Amount of Gain or (Loss) Reclassified from Accumulated OCI (Loss) into Income	
	Three Months Ended			Three Months Ended	
	September 30, 2022	September 30, 2021		September 30, 2022	September 30, 2021
Interest rate swap contracts	$ 4,865	$ -	Interest expense	$ -	$ -

	Derivatives in Cash Flow Hedging Relationships				
	Amount of Gain or (Loss) Recognized in OCI (Loss) on Derivatives		Location of Gain or (Loss) Reclassified from Accumulated OCI (Loss) into Income	Amount of Gain or (Loss) Reclassified from Accumulated OCI (Loss) into Income	
	Nine Months Ended			Nine Months Ended	
	September 30, 2021	September 30, 2020		September 30, 2021	September 30, 2020
Interest rate swap contracts	$ 9,197	$ -	Interest expense	$ -	$ -

Fair Value Measurements

The Company accounts for financial assets and liabilities in accordance with accounting standards that define fair value and establish a framework for measuring fair value. The hierarchy prioritizes the inputs into three broad levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based on the Company's assumptions used to measure assets and liabilities at fair value. A financial asset's or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The carrying amounts of the Company's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and advances from customers approximate their fair value due to their relatively short-term maturities. The Company bases its fair value estimate for long term debt obligations on its internal valuation that all debt is floating rate debt based on current interest rates in Colombia.

The fair values of derivatives used to manage interest rate risks are based on LIBOR rates and interest rate swap curves. Measurement of our derivative assets and liabilities is considered a level 2 measurement. To carry out the swap valuation, the definition of the fixed leg (obligation) and variable leg (right) is used. Once the projected flows are obtained in both fixed and variable rates, the regression analysis is performed for prospective effectiveness test. The projection curve contains the forward interest rates to project flows at a variable rate and the discount curve contains the interest rates to discount future flows, using the one-month USD Libor curve.

As of September 30, 2022, financial instruments carried at amortized cost that do not approximate fair value consist of long-term debt. See Note 6 – Debt. The fair value of long-term debt was calculated based on an analysis of future cash flows discounted at current market rates, which are level 2 inputs.

The following table summarizes the fair value and carrying amounts of our long-term debt:

	September 30, 2022	December 31, 2021
Fair Value	171,250	194,285
Carrying Value	168,255	188,355

Note 8. Income Taxes

The Company files income tax returns for TG, ES and ES Metals in the Republic of Colombia. GM&P, Componenti and ESW LLC are U.S. entities based in Florida subject to U.S. federal and state income taxes. Tecnoglass Inc. as well as all the other subsidiaries in the Cayman Islands do not currently have any tax obligations.

The components of income tax expense are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Current income tax				
United States	$ (1,027)	$ (1,260)	$ (3,775)	$ (2,753)
Colombia	(20,777)	(7,614)	(44,275)	(16,961)
Panama	(6)	(18)	(26)	(43)
	(21,810)	(8,892)	(48,076)	(19,757)
Deferred income Tax				
United States	203	113	402	192
Colombia	(1,359)	(87)	(542)	(590)
Panama	-	-	-	-
	(1,156)	26	(140)	(398)
Total income provision	$ (22,966)	$ (8,866)	$ (48,216)	$ (20,155)
Effective tax rate	32.9%	30.0%	32.3%	29.3%

The weighted average statutory income tax rate for the three months ended September 30, 2022 and 2021 of 32.9% and 30.0%, respectively, and the effective income tax rate for the nine months ended September 30, 2022 and 2021 of 32.3% and 29.3%, respectively, approximates the statutory rate.

Note 9. Related Parties

The following is a summary of assets, liabilities, and income transactions with all related parties:

	September 30, 2022	December 31, 2021
Due from related parties:		
Alutrafic Led SAS	458	526
Studio Avanti SAS	127	408
Due from other related parties	1,057	1,318
Total due from related parties	**$ 1,642**	**$ 2,252**
Due to related parties:		
Vidrio Andino	4,398	2,834
Due to other related parties	811	1,023
Total due to related parties	**$ 5,209**	**$ 3,857**

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Sales to related parties:				
Alutrafic Led SAS	201	253	771	778
Studio Avanti SAS	116	171	448	336
Sales to other related parties	223	34	314	75
	$ 540	**$ 458**	**$ 1,533**	**$ 1,189**

A Construir SA

On a recurring basis, we have engaged A Construir S.A., a heavy construction company operating in Barranquilla, Colombia, to carry out construction related to our on-going capital expenditures at our production facilities in Colombia. Affiliates of Jose Daes and Christian Daes had an ownership stake in A Construir through June 1, 2022. We purchased $4,312 during the five months through May 31, 2022 and $5,618 and $9,849 during the three and nine months ended September 30, 2021, respectively, from A Construir S.A. for construction and facilities which have been capitalized on the Company's balance sheet as property, plant and equipment. Amounts due to A Construir as of September 30, 2022 are not reflected as balances due from and due to related parties as of September 30, 2022 on the face of the Consolidated Balance Sheet nor the summary table above.

Alutrafic Led SAS

In the ordinary course of business, we sell products to Alutrafic Led SAS ("Alutrafic"), a fabricator of electrical lighting equipment. Affiliates of Jose Daes and Christian Daes have an ownership stake in Alutrafic. During the three and nine months ended September 30, 2022, we sold $201 and $771 to Alutrafic, respectively, compared to $253 and $778 during the three and nine months ended September 30, 2021, respectively. Additionally, we had outstanding accounts receivable from Alutrafic for $458 and $526 as of September 30, 2022 and December 31, 2021, respectively.

Santa Maria del Mar SAS

In the ordinary course of business, we purchase fuel for use at our manufacturing facilities from Estación Santa Maria del Mar SAS, a gas station located in the vicinity of our manufacturing campus which is owned by affiliates of Jose Daes and Christian Daes. During the three and nine months ended September 30, 2022, we purchased $243 and $655, respectively, compared to $118 and $218 purchased during the three and nine months ended September 30, 2021, respectively.

Fundacion Tecnoglass-ESWindows

Fundacion Tecnoglass-ESWindows is a non-profit organization set up by the Company to carry out social causes in the communities around where we operate. We made charitable contributions during the three and nine months ended September 30, 2022 for $358 and $1,153, respectively, compared to $306 and $887 during the three and nine months ended September 30, 2021, respectively.

Studio Avanti SAS

In the ordinary course of business, we sell products to Studio Avanti SAS ("Avanti"), a distributer and installer of architectural systems in Colombia. Avanti is owned and controlled by Alberto Velilla, who is director of Energy Holding Corporation, the controlling shareholder of the Company. As of September 30, 2022, and December 31, 2021, the Company had outstanding accounts receivable from Avanti of $127 and $408, respectively. During the three and nine months ended September 30, 2022, we sold $116 and $448 of products to Studio Avanti respectively, compared to $171 and $336 during the three and nine months ended September 30, 2021, respectively.

Vidrio Andino Joint Venture

On May 3, 2019, we consummated a joint venture agreement with Saint-Gobain, a world leader in the production of float glass, a key component of our manufacturing process, whereby we acquired a 25.8% minority ownership interest in Vidrio Andino, a Colombia-based subsidiary of Saint-Gobain. The purchase price for our interest in Vidrio Andino was $45 million, of which $34.1 million was paid in cash and $10.9 million paid through the contribution of land on December 9, 2020. On October 28, 2020, we acquired said land from a related party and paid for it with the issuance of an aggregate of 1,557,142 ordinary shares of the Company, valued at $7.00 per share, which represented an approximate 33% premium based on the closing stock price as of October 27, 2020.

The land will serve the purpose of developing a second float glass plant nearby our existing manufacturing facilities which we expect will carry significant efficiencies for us once it becomes operative, in which we will also have a 25.8% interest. The new plant will be funded with proceeds from the original cash contribution made by the Company, operating cashflows from the Bogota plant, debt incurred at the joint venture level that will not consolidate into the Company and an additional contribution by us of approximately $12.5 million if needed (based on debt availability as a first option).

In the ordinary course of business, we purchased $4,923 and $13,964 from Vidrio Andino during the three and nine months ended September 30, 2022, respectively, compared to $4,129 and $10,957, during the three and nine months ended September 30, 2021, respectively. We also had outstanding payables to Vidrio Andino for $4,398 and $2,834 as of September 30, 2022, and December 31, 2021, respectively. We recorded equity method income of $1,821 and $5,070 on our Consolidated Statement of Operations during the three and nine months ended September 30, 2022, respectively, compared to $1,291 and $3,170 recorded during the three and nine months ended September 30, 2021, respectively.

Zofracosta SA

We have an investment in Zofracosta SA, a real estate holding company and operator of a tax-free zone located in the vicinity of the proposed glass plant being built through our Vidrio Andino joint venture recorded at $671 and $764 as of September 30, 2022 and December 31, 2021, respectively. Affiliates of Jose Daes and Christian Daes have a majority ownership stake in Zofracosta SA.

Note 10. Shareholders' Equity

Dividends

On August 3, 2022, the Company declared a regular quarterly dividend of $0.075 per share, or $0.30 per share on an annualized basis. The dividend was paid on October 31, 2022, to shareholders of record as of the close of business on September 30, 2022.

Earnings per Share

The following table sets forth the computation of the basic and diluted earnings per share for the three and nine months ended September 30, 2022 and 2021:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Numerator for basic and diluted earnings per share				
Net Income	$ 46,922	$ 20,659	$ 101,288	$ 48,583
Denominator				
Denominator for basic earnings per ordinary share - weighted average shares outstanding	47,674,773	47,674,773	47,674,773	47,674,773
Effect of dilutive securities and stock dividend	-	-	-	-
Denominator for diluted earnings per ordinary share - weighted average shares outstanding	47,674,773	47,674,773	47,674,773	47,674,773
Basic earnings per ordinary share	$ 0.98	$ 0.43	$ 2.12	$ 1.02
Diluted earnings per ordinary share	$ 0.98	$ 0.43	$ 2.12	$ 1.02

Note 11. Commitments and Contingencies

Commitments

As of September 30, 2022, the Company had an outstanding obligation to purchase an aggregate of at least $82,877 of certain raw materials from a specific supplier before November 30, 2030.

On May 3, 2019, we consummated a joint venture agreement with Saint-Gobain whereby we acquired a 25.8% minority ownership interest in Vidrio Andino. The purchase price for our interest in Vidrio Andino was $45 million, of which $34.1 million was paid in cash and $10.9 million was contributed through a parcel of land to be used for the building of a second factory. On October 28, 2020, the land was paid for through the issuance of an aggregate of 1,557,142 ordinary shares of the Company, at $7.00 per share, which represented an approximate 33% premium based on the Company´s share price as of October 27, 2020.

The joint venture agreement includes plans to build a new plant in Galapa, Colombia that will be located approximately 20 miles from our primary manufacturing facility, in which we will also have a 25.8% interest. The new plant will be funded with proceeds from the original cash contribution made by the Company, operating cashflows from the Bogota plant, debt incurred at the joint venture level that will not consolidate into the Company and an additional contribution by us of approximately $12.5 million to be paid if needed (based on debt availability as a first option).

General Legal Matters

From time to time, the Company is involved in legal matters arising in the regular course of business. Some disputes are derived directly from our construction projects, related to supply and installation, and even though deemed ordinary, they may involve significant monetary damages. We are also subject to other type of litigations arising from employment practices, worker's compensation, automobile claims and general liability. It is very difficult to predict precisely what the outcome of these litigations might be. However, with the information at our disposition as this time, there are no indications that such claims will result in a material adverse effect on the business, financial condition or results of operations of the Company.

Note 12. Subsequent Events

On October 6, 2022 we entered into a one-time settlement of a project. The conditions were determined to have existed as of the date of the balance sheet and therefore were recorded the related expenses on the results of operations and accounts payable on the balance sheet as of September 30, 2022.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward-Looking Statements

This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions about us that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "could," "would," "expect," "plan," "anticipate," "believe," "estimate," "continue," or the negative of such terms or other similar expressions. Factors that might cause or contribute to such a discrepancy include, but are not limited to, those described in our other Securities and Exchange Commission ("SEC") filings. References to "we", "us" or "our" are to Tecnoglass Inc., except where the context requires otherwise. The following discussion should be read in conjunction with our unaudited condensed consolidated financial statements and related notes thereto included elsewhere in this report.

Overview

We are a vertically integrated manufacturer, supplier and installer of architectural glass, windows and associated aluminum products for the global commercial and residential construction markets. With a focus on innovation, combined with providing highly specified products with the highest quality standards at competitive prices, we have developed a leadership position in each of our core markets. In the United States, which is our largest market, we were ranked as the second largest glass fabricator as well as the second largest metal company serving the United States in 2021 by Glass Magazine. In addition, we believe we are the leading glass transformation company in Colombia. Our customers, which include developers, general contractors or installers for hotels, office buildings, shopping centers, airports, universities, hospitals and multi-family and residential buildings, look to us as a value-added partner based on our product development capabilities, our high-quality products and our unwavering commitment to exceptional service.

We have more than 38 years of experience in architectural glass and aluminum profile structure assembly. We transform a variety of glass products, including tempered safety, double thermo-acoustic and laminated glass. Our finished glass products are installed in a wide variety of buildings across a number of different applications, including floating facades, curtain walls, windows, doors, handrails, and interior and bathroom spatial dividers. We also produce aluminum products such as profiles, rods, bars, plates and other hardware used in the manufacturing of windows.

Our products are manufactured in a 3.8 million square foot, state-of-the-art manufacturing complex in Barranquilla, Colombia that provides easy access to North, Central and South America, the Caribbean, and the Pacific. Our products can be found on some of the most distinctive buildings in these regions, including One Thousand Museum (Miami), Paramount Miami Worldcenter (Miami), Hub50House (Boston), Via 57 West (New York), Ae'o Tower (Honolulu), Salesforce Tower (San Francisco), Trump Plaza (Panama), and Departmental Legislative Assembly (Bolivia). Our track record of successfully delivering high profile projects has earned us an increasing number of opportunities across the United States, evidenced by our expanding backlog and overall revenue growth.

Our structural competitive advantage is underpinned by our low-cost manufacturing footprint, vertically integrated business model and geographic location. Our integrated facilities in Colombia and distribution and services operations in Florida provide us with a significant cost advantage in both manufacturing and distribution, and we continue to invest in these operations to expand our operational capabilities. Our lower cost manufacturing footprint allows us to offer competitive prices for our customers, while also providing innovative, high quality and high value-added products, together with consistent and reliable service. We have historically generated high margin organic growth based on our position as a value-added solutions provider for our customers.

We have a strong presence in the Florida market, which represents a substantial portion of our revenue stream and backlog. Our success in Florida has primarily been achieved through sustained organic growth, with further penetration taking place into other highly populated areas of the United States. As part of our strategy to become a fully vertically integrated company, we have supplemented our organic growth with some acquisitions that have afforded us incremental control over our supply chain while maintaining efficient lead times. In 2016, we completed the acquisition of ESW, which gave us control over the distribution of products into the United States from our manufacturing facilities in Colombia. In March 2017, we completed the acquisition of GM&P, a consulting and glazing installation business that was previously our largest installation customer.

The continued diversification of the group's presence and product portfolio is a core component of our strategy. In particular, we are actively seeking to expand our presence in United States outside of Florida. Since 2017, we have been expanding our presence in U.S. residential markets which went from less than 5% of our sales to nearly 36% of our revenues for the full year 2021. We believe that the quality of our products, coupled with our ability to price competitively given our structural advantages on cost and our efficient lead times given our vertical integration, will allow us to generate further growth in the future.

Our company has focused on working with *The Power of Quality*, always ensuring that our vision of sustainability is immersed into every aspect of our business, including social, environmental, economic and governance variables (ESG), that help us make decisions and create value for our stakeholders. We carry out a series of initiatives based on our global sustainability strategy, which is supported on three fundamental pillars: promoting an ethical and responsible continuous growth, leading eco-efficiency and innovation and empowering our environment. As part of this strategy the Company has voluntarily adhered to UN Global Compact Principles since 2017 and in pursuit of our cooperation with the attainment of the Sustainable Development Goals (SDGs) joined in 2021 a program to dynamize, strengthen and make visible the management of greenhouse gas emissions as a carbon neutral strategy set out by the Colombian government for 2050.

RESULTS OF OPERATIONS

	Three months ended September 30,		Nine months ended September 30,	
	2022	**2021**	**2022**	**2021**
Operating Revenues	$ 201,780	$ 131,659	$ 505,452	$ 364,966
Cost of sales	96,484	80,110	266,191	218,978
Gross profit	**105,296**	**51,549**	**239,261**	**145,988**
Operating expenses	(35,164)	(21,661)	(89,676)	(61,899)
Operating income	**70,132**	**29,888**	**149,585**	**84,089**
Non-operating income and expenses, net	634	139	1,137	69
Equity method income	1,821	1,291	5,070	3,170
Foreign currency transactions (losses) gains	(450)	188	(856)	333
Gain (loss) on debt extinguishment	-	175	-	(10,803)
Interest Expense and deferred cost of financing	(2,249)	(2,156)	(5,432)	(8,120)
Income tax provision	(22,966)	(8,866)	(48,216)	(20,155)
Net income	**46,922**	**20,659**	**101,288**	**48,583**
Income attributable to non-controlling interest	(196)	(20)	(515)	(160)
Income attributable to parent	**$ 46,726**	**$ 20,639**	**$ 100,773**	**$ 48,423**

Comparison of quarterly periods ended September 30, 2022 and 2021

Revenues

The Company's operating revenues increased $70.1 million or 53.3%, from $131.7 million for the quarter ended September 30, 2021, to $201.8 million for the quarter ended September 30, 2022.

Strong sales during the third quarter of 2022 were driven by strong U.S. residential and commercial market activity, where sales increased $70.3 million, or 57.0%, from $123.2 million in 2021 to $193.5 million in 2022. Commercial market sales increased $43.8 million, or 60.6% from $72.2 million to $116.0 million as we continue to execute on our growing backlog. Single family residential market sales increased $26.3 million, or 44.3%, from $59.4 million in 2021 to $85.8 million in 2022, and account for 42.5% of total sales during the quarter ended September 30, 2022. Sales to Latin-American markets, including Colombia, decreased $0.1 million, or 1.7%, from $8.4 million in 2021 to $8.3 million in 2022.

Gross profit

Gross profit increased $53.7 million, or 104.0%, to $105.3 million during the three months ended September 30, 2022, compared with $51.5 million during the same period of 2021. This resulted in gross profit margin reaching 52.2% during the third quarter of 2022, up from 39.2% during the third quarter of 2021. The 1,300-basis point improvement in gross margin can be mainly attributable to operating leverage on higher sales, favorable product pricing dynamics, ongoing efficiency efforts, and favorable foreign exchange rates resulting from a depreciation of the Colombian Peso.

Expenses

Operating expenses increased $13.5 million, or 62.3%, from $21.7 million to $35.2 million for the quarters ended September 30, 2021 and 2022, respectively. The increase was mainly driven by $6.4 million, or 105.8% increase in shipping expense as a result of a higher sales volume coupled with increased shipping rates and a higher mix of sales going into the more atomized US residential market. Additionally, during the period, we accounted for a one-time settlement payment of $4.1 million associated with a dispute related to a project.

Non-operating income and expenses, net

During the three months ended September 30, 2022 and 2021, the Company recorded non-operating income of $0.6 million and $0.1 million, respectively. Non-operating income is comprised primarily of income from rental properties and gains on sale of scrap materials as well as non-operating expenses related to certain charitable contributions outside of the Company's direct sphere of influence.

Foreign currency transaction gains and losses

During the quarter ended September 30, 2022, the Company recorded a non-operating loss of $0.5 million associated with foreign currency transactions, which excludes a non-cash $6.7 million foreign currency transaction loss from remeasurement of certain intercompany loans reclassified to other comprehensive income. Comparatively, the Company recorded a net gain of $0.2 million during the three months ended September 30, 2021, within the statement of operations.

Interest Expense and deferred cost of financing

Interest expense and deferred cost of financing increased less than $0.1 million, or 4.3%, to $2.2 million during the quarter ended September 30, 2022, from $2.2 million during the quarter ended September 30, 2021, as a result of increasing floating interest rates, despite a lower debt balance and a more favorable interest rate spread, as discussed in the liquidity section.

Income Taxes

During the quarters ended September 30, 2022 and 2021, the Company recorded an income tax provision of $23.0 million and $8.9 million, respectively, reflecting an effective income tax rate of 32.9% and 30.0%, respectively, which approximate the statutory rate, including the impact of an increase in Colombian corporate income tax rates from 31% in 2021 to 35% in 2022.

As a result of the foregoing, the Company recorded net income for the three months ended September 30, 2022 of $46.9 million compared to net income of $20.7 million for the three months ended September 30, 2021.

Comparison of nine-month periods ended September 30, 2022 and 2021

Revenues

The Company's operating revenues increased $140.5 million or 38.5% from $365.0 million to $505.4 million for the nine months ended September 30, 2022, compared with the nine months ended September 30, 2021.

Strong sales during the first nine months of 2022 were driven by U.S. single family residential and commercial market activity, where sales increased $148.0 million, or 44.3%, from $333.9 million in 2021 to $482.0 million in 2022. Single family residential market sales increased $97.6 million, or 78.9%, from $123.7 million in 2021 to $221.3 million in 2022, and accounted for 43.8% of total sales during the nine months ended September 30, 2022. Sales to Latin-American markets, including Colombia decreased $7.6 million, or 24.3%, from $31.0 million in 2021 to $23.5 million in 2022.

Gross profit

Gross profit increased $93.3 million, or 63.9%, to $239.3 million during the nine months ended September 30, 2022, compared with $146.0 million during the same period of 2021. This resulted in gross profit margin reaching 47.3% during the first nine months of 2022, up from 40.0% during the first nine months of 2021. The 730-basis point improvement in gross margin mainly reflected operating leverage on higher sales, favorable product pricing dynamics, ongoing efficiencies and favorable foreign exchange rates, as a significant portion of our costs are denominated in Colombian Pesos.

Expenses

Operating expenses increased $27.8 million, or 44.9%, from $61.9 million to $89.7 million for the nine months ended September 30, 2021, and 2022, respectively. The increase was driven by $3.4 million in non-recurring professional fees and by a $4.1 million one-time settlement payment associated with a dispute related to project. Additionally, shipping expense increased $12.0 million, or 71.4%, as a result of a higher sales volume and higher shipping rates with a higher mix of sales going into the more atomized US market.

Non-operating income and expenses, net

During the nine months ended September 30, 2022 and 2021, the Company recorded a non-operating income of $1.1 and less than $0.1 million, respectively. Non-operating income is comprised primarily of income from rental properties and gains on sale of scrap materials as well as non-operating expenses related to certain charitable contributions outside of the Company's direct sphere of influence.

During the nine months ended September 30, 2021, the Company also recorded a loss in debt extinguishment of $11.0 million, mainly comprised of a one-time $8.6 million call premium paid on the $210 million senior notes redemption, along with a non-cash amortization of deferred cost of financing related to said notes.

Foreign currency transaction gains and losses

During the nine months ended September 30, 2022, the Company recorded a non-cash loss of $0.9 million associated with foreign currency transactions, which excludes a non-cash $10.8 million foreign currency transaction gain from remeasurement of certain intercompany loans reclassified to other comprehensive income. Comparatively, the Company recorded a net gain of $0.3 million during the nine months ended September 30, 2021 within the statement of operations.

Interest Expense

Interest expense and deferred cost of financing decreased $2.7 million, or 33.1%, to $5.4 million during the nine months ended September 30, 2022, from $8.1 million during the nine months ended September 30, 2021, despite increases in floating interest rates as a result of a reduction to our debt balance and our new financing arrangement further described below in the liquidity section.

Income Taxes

During the nine-month periods ended September 30, 2022 and 2021, the Company recorded an income tax provision of $48.2 million and $20.2 million, respectively, reflecting an effective income tax rate of 32.3% and 29.3%, respectively. The effective income tax rates for both periods approximates the statutory rates, including the impact of an increase in Colombian corporate income tax rates from 31% in 2021 to 35% in 2022.

As a result of the foregoing, the Company recorded a net income for the nine months ended September 30, 2022 of $101.3 million and $48.6 million for the nine months ended September 30, 2021.

Liquidity

As of September 30, 2022 and December 31, 2021, we had cash and cash equivalents of approximately $84.4 million and $85.0 million, respectively. Additionally, we currently have approximately $170.0 million available under different lines of credit.

In November 2021, the Company amended its Senior Secured Credit Facility to (i) increase the borrowing capacity under its committed Line of credit from $50 million to $150 million, (ii) reduce its borrowing costs by an approximate 130 basis points, and (iii) extend the initial maturity date by one year to the end of 2026. Borrowings under the credit facility now bear interest at a rate of LIBOR with no floor plus a spread of 1.50%, based on the Company's net leverage ratio, compared to a prior rate of LIBOR with a floor of 0.75% plus a spread of 2.50%, resulting on total annual savings of approximately $15 million at current levels of outstanding borrowings, since entering into our inaugural US Bank syndicated facility in October of 2020. The effective interest rate for this credit facility including deferred issuance costs is 3.23%. In relation to this transaction, the Company accounted for costs related to fees paid of $1,496. This was accounted for as a debt modification and $1,346 of fees paid to banks were capitalized as deferred cost of financing and $150 paid to third parties recorded as an operating expense on the consolidated statements of operations for the year 2021. In March 2022, we voluntarily prepaid $15 million of capital to this credit facility which has decreased our net leverage ratio and triggered a step down in the applicable interest rate spread to 1.5%. Additionally, on September 30, 2022 we used excess cash on hand to voluntarily prepay $10.0 million of the term loan and $6.7 million under the revolving line of credit which is fully unused as of September 30, 2022.

We anticipate that working capital will continue be a net benefit to cash flow for the full year 2022, which in addition to our current liquidity position, provides ample flexibility to service our obligations through the next twelve months.

Capital Resources

We transform glass and aluminum into high specification architectural glass and custom-made aluminum profiles which require significant investments in state-of-the-art technology. During the nine months ended September 30, 2022 and 2021, we made cash investments primarily in building and construction, and machinery and equipment in the amounts of $47.0 million and $32.0 million, respectively. These investments across our vertically-integrated operations include further automating our glass and window assembly production lines, adding glass production lines and expanding our aluminum facilities, among other initiatives to generate high-returns. The Company expects the resulting increase in output to improve efficiency throughout its operations while reducing material waste and overall lead times.

On May 3, 2019, we consummated a joint venture agreement with Saint-Gobain, a world leader in the production of float glass, a key component of our manufacturing process, whereby we acquired a 25.8% minority ownership interest in Vidrio Andino, a Colombia-based subsidiary of Saint-Gobain. The purchase price for our interest in Vidrio Andino was $45 million, of which $34.1 million was paid in cash and $10.9 million to be paid through the contribution of land once a complete assessment of the project timing is completed based on the overall market conditions as they relate to the ongoing COVID-19 pandemic. On October 28, 2020, the land was paid for through the issuance of an aggregate of 1,557,142 ordinary shares of the Company, at $7.00 per share, which represented an approximate 33% premium based on last sale price as of October 27, 2020.

The joint venture agreement includes plans to build a new plant in Galapa, Colombia that will be located approximately 20 miles from our primary manufacturing facility, in which we will also have a 25.8% interest. The new plant will be funded with proceeds from the original cash contribution made by the Company, operating cashflows from the Bogota plant, debt incurred at the joint venture level that will not consolidate into the Company and an additional contribution by us of approximately $12.5 million to be paid toward the end of the two-year construction period, if needed (based on debt availability as a first option).

Cash Flow from Operations, Investing and Financing Activities

	Nine months ended September 30,	
	2022	2021
Cash Flow provided by Operating Activities	$ 92,098	$ 92,828
Cash Flow used in Investing Activities	(48,102)	(31,877)
Cash Flow used in Financing Activities	(41,237)	(38,519)
Effect of exchange rates on cash and cash equivalents	(3,336)	(3,329)
Cash Balance - Beginning of Period	85,011	67,668
Cash Balance - End of Period	$ 84,434	$ 86,771

During the nine months ended September 30, 2022 and 2021, operating activities generated approximately $92.1 million and $92.8 million, respectively. The positive cashflow from operations during the first nine months of 2022 has been related to a much higher profitability year over year, enhanced working capital efforts, reduced interest expense and a more favorable mix of revenues in the single-family residential space which carries a shorter cash cycle and no retainage.

The main source of operating cash during the nine months ended September 30, 2022, were taxes payable, which generated $24.0 million related to higher income tax provision as a result of several record breaking quarters, compared with $11.9 million during the nine months ended September 30, 2021.Contract assets and liabilities generated $15.0 million, resulting from a combination of a decrease in retainage as several jobs in the US were finalized, a reduction of unbilled receivables tied to our advance on projects currently in execution, and increase advances received from customers. Comparatively, contract assets and liabilities generated $14.9 million during the nine months ended September 30, 2021. Additionally, trade accounts payable generated $14.6 million and $40.5 million during the same period of 2022 and 2021, respectively. Cash provided by trade accounts payable is related to increasing purchases to support our growing material needs commensurate with our increased output. The largest use of cash in operating activities was inventories, which used $53.9 million during the nine months ended September 30, 2022, compared with $8.4 million used during the nine months ended September 30, 2021, as we procure materials to support our outgoing growth.

We used $48.1 million and $31.9 million in investing activities during the nine months ended September 30, 2022 and 2021, respectively. The main use of cash in investing activities during the nine months ended September 30, 2022, was related to the automation of our architectural system assembly processes further described above in the Capital Resources section. During the first nine months of 2022, we paid $46.8 million to acquire property plant and equipment, which in combination with $4.6 million acquired under credit or debt, amount to total Capital Expenditures of $51.4 million. During 2021, we used $32.1 million for the acquisition of property and equipment. Including assets acquired with debt or supplier credit, total capital expenditures during the period were $33.7 million.

Financing activities used $41.2 million and $38.5 million during the nine months ended September 30, 2022 and 2021, respectively. During the first quarter of 2022 we voluntarily prepaid $15 million of capital to this credit facility which has decreased our net leverage ratio and triggered a step down in the applicable interest rate spread to 1.5% and later prepaid an additional $6.7 million under our revolving line of credit and $10 million under our term loan on September 30, 2022 with cash on hand. Outflows during the first nine months of 2021 include the full redemption of the $210 million unsecured senior notes, which bore interest at a rate of 8.2% and matured in 2022, following a step down in redemption price at the end of January 2021, along with $8.6 million for the corresponding call premium. These payments were made with proceeds of the new Senior Secured Credit Facility for up to $300 million, of which we received proceeds of $220 million during the nine-month period.

Off-Balance Sheet Arrangements

None

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to ongoing market risk related to changes in interest rates, foreign currency exchange rates and commodity market prices.

A rise in interest rates could negatively affect the cost of financing for a significant portion of our debt with variable interest rates. If interest rates were to increase over the next 12 months by 100 basis points, net earnings would decrease by approximately $0.5 million based the current composition of our indebtedness. This market risk exposure is net of the effect from interest rate hedging derivative financial instruments further described in the footnotes to the financial statements.

We are subject to market risk due to changes in the value of foreign currencies in relation to our reporting currency, the U.S. dollar. Some of our subsidiaries' operations are based in Colombia, and primarily transact business in local currency. Approximately 3% of our consolidated revenues and 39% of our costs and expenses are denominated in Colombian pesos, thereby mitigating some of the risk associated with changes in foreign exchange rates. However, as our costs and expenses in Colombian Pesos exceed, a 5% appreciation of the Colombian Peso relative to the US Dollar would result in our annual revenues increasing by $0.8 million and our costs and expenses increasing by approximately $10.0 million, resulting in a $9.2 million decrease to net earnings based on results for the nine months ended September 30, 2022.

Similarly, a significant portion of the monetary assets and liabilities of these subsidiaries are generally denominated in US Dollars, while their functional currency is the Colombian peso, thereby resulting in gains or losses from remeasurement of assets and liabilities using end of period spot exchange rate. These subsidiaries have both monetary assets and monetary liabilities denominated in US Dollars, thereby mitigating some of the risk associated with changes in foreign exchange rate. Furthermore, we record a portion of the non-cash foreign currency transaction gains and losses from remeasurement of certain intercompany loans as other comprehensive income. Net of this, the Colombian subsidiaries' US Dollar denominated monetary assets exceed their monetary liabilities by $19.5 million, such that a 1% devaluation of the Colombian peso will result in a loss of $0.2 million recorded in the Company's Consolidated Statement of Operations as of September 30, 2022.

Additionally, the results of the foreign subsidiaries must be translated into US Dollar, our reporting currency, in the Company's consolidated financial statements. The currency translation of the financial statements using different exchange rates, as appropriate, for different parts of the financial statements generates a translation adjustment, which is recorded within other comprehensive income on the Company's Consolidated Statement of Comprehensive Income and Consolidated Balance Sheet.

We are also subject to market risk exposure related to volatility in the prices of aluminum, one of the principal raw materials used for our manufacturing. The commodities markets, which include the aluminum industry, are highly cyclical in nature, and as a result, prices can be volatile. Commodity costs are influenced by numerous factors beyond our control, including general economic conditions, the availability of raw materials, competition, labor costs, freight and transportation costs, production costs, import duties and other trade restrictions. Our selling prices are also impacted by changes in commodity costs base our pricing of aluminum products based on the quoted price on the London Metals Exchange plus a manufacturing premium with the intention of aligning cost of our raw materials with selling prices to attempt to pass commodity price changes through to our customers.

We cannot accurately estimate the impact a one percent change in the commodity costs of would have on our results of operation, as the change in commodity costs would both impact the cost to purchase materials and our selling prices. The impact to our results of operations depends on the conditions of the market for our products, which could impact our ability to pass commodities costs to our customers.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We performed an evaluation required by Rules 13a-15 and 15d-15 of the Securities Exchange Act of 1934, as amended, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of Tecnoglass, Inc.´s design and operating effectiveness of the internal controls over financial reporting as of the end of the period covered by this Quarterly Report. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, were effective as of September 30, 2022, in order to provide reasonable assurance that the information disclosed in our reports is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms and to provide reasonable assurance that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

For the quarter ended September 30, 2022, there has been no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

General Legal Matters

From time to time, the Company is involved in legal matters arising in the ordinary course of business. While management believes that such matters are currently not material, there can be no assurance that matters arising in the ordinary course of business for which the Company is, or could be, involved in litigation, will not have a material adverse effect on its business, financial condition or results of operations.

Item 6. Exhibits

Exhibit No.	Description
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification of Chief Executive Officers pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	Financial statements from the Quarterly Report on Form 10-Q of Tecnoglass Inc. for the quarter ended September 30, 2022, formatted in XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statement of Changes in Stockholders' Equity, (iv) Condensed Consolidated Statement of Cash Flows and (v) Notes to Unaudited Condensed Consolidated Financial Statements, as blocks of text and in detail.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TECNOGLASS INC.

By: */s/ Jose M. Daes*
Jose M. Daes
Chief Executive Officer
(Principal executive officer)

By: */s/ Santiago Giraldo*
Santiago Giraldo
Chief Financial Officer
(Principal financial and accounting officer)

Date: November 4, 2022

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jose M. Daes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tecnoglass Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2022

/s/ Jose M. Daes
Jose M. Daes
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Santiago Giraldo, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tecnoglass Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2022

/s/ Santiago Giraldo
Santiago Giraldo
Chief Financial Officer
(Principal financial and accounting officer)

EXHIBIT 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Tecnoglass Inc. (the “Company”) on Form 10-Q for the period ended September 30, 2022 as filed with the Securities and Exchange Commission (the “Report”), the undersigned, in the capacities and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated November 4, 2022

By: */s/ Jose M. Daes*
Jose M. Daes
Chief Executive Officer
(Principal executive officer)

By: */s/ Santiago Giraldo*
Santiago Giraldo
Chief Financial Officer
(Principal financial and accounting officer)