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, 2023

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

3550 NW 49th Street, Miami, Florida 33142, USA

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

+1 305 638 5151
(Issuer's telephone number)

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 November 1, 2023, there were **47,099,133** ordinary shares, $0.0001 par value per share, outstanding.

TECNOGLASS INC.

FORM 10-Q FOR THE PERIOD ENDED SEPTEMBER 30, 2023

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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, 2023		December 31, 2022
ASSETS				
Current assets:				
Cash and cash equivalents	$	118,973	$	103,671
Investments		2,479		2,049
Trade accounts receivable, net		174,148		158,397
Due from related parties		1,493		1,447
Inventories		165,846		124,997
Contract assets – current portion		16,539		12,610
Other current assets		57,668		28,963
Total current assets	**$**	**537,146**	**$**	**432,134**
Long-term assets:				
Property, plant and equipment, net	$	299,120	$	202,865
Deferred income taxes		111		558
Contract assets – non-current		9,075		8,875
Long-term trade accounts receivable		-		1,225
Intangible assets		3,249		2,706
Goodwill		23,561		23,561
Long-term investments		61,516		57,839
Other long-term assets		5,278		4,545
Total long-term assets		**401,910**		**302,174**
Total assets	**$**	**939,056**	**$**	**734,308**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Short-term debt and current portion of long-term debt	$	3,127	$	504
Trade accounts payable and accrued expenses		108,259		90,186
Due to related parties		4,108		5,323
Dividends payable		4,317		3,622
Contract liability – current portion		68,654		49,601
Other current liabilities		50,537		60,566
Total current liabilities	**$**	**239,002**	**$**	**209,802**
Long-term liabilities:				
Deferred income taxes	$	13,876	$	5,190
Contract liability – non-current		13		11
Long-term debt		166,699		168,980
Total long-term liabilities		**180,588**		**174,181**
Total liabilities	**$**	**419,590**	**$**	**383,983**
SHAREHOLDERS' EQUITY				
Preferred shares, $0.0001 par value, 1,000,000 shares authorized, 0 shares issued and outstanding at September 30, 2023 and December 31, 2022, respectively	$	—	$	—
Ordinary shares, $0.0001 par value, 100,000,000 shares authorized, 47,445,991 and 47,674,773 shares issued and outstanding at September 30, 2023 and December 31, 2022, respectively		5		5
Legal Reserves		1,458		1,458
Additional paid-in capital		210,408		219,290
Retained earnings		367,925		234,254
Accumulated other comprehensive loss		(62,323)		(106,187)
Shareholders' equity attributable to controlling interest		**517,473**		**348,820**

Shareholders' equity attributable to non-controlling interest	**1,993**	**1,505**
Total shareholders' equity	**519,466**	**350,325**
Total liabilities and shareholders' equity	**$ 939,056**	**$ 734,308**

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,	
	2023	**2022**	**2023**	**2022**
Operating revenues:				
External customers	$ 210,268	$ 201,240	$ 637,362	$ 503,919
Related parties	475	540	1,300	1,533
Total operating revenues	210,743	201,780	638,662	505,452
Cost of sales	(120,216)	(96,484)	(330,710)	(266,191)
Gross profit	**90,527**	**105,296**	**307,952**	**239,261**
Operating expenses:				
Selling expense	(15,724)	(20,250)	(52,531)	(50,234)
General and administrative expense	(13,791)	(14,914)	(46,228)	(39,442)
Total operating expenses	(29,515)	(35,164)	(98,759)	(89,676)
Operating income	**61,012**	**70,132**	**209,193**	**149,585**
Non-operating income, net	605	634	3,517	1,137
Equity method income	1,108	1,821	3,676	5,070
Foreign currency transactions (loss) gains	1,142	(450)	931	(856)
Interest expense and deferred cost of financing	(2,325)	(2,249)	(6,919)	(5,432)
Income before taxes	61,542	69,888	210,398	149,504
Income tax provision	(15,447)	(22,966)	(63,366)	(48,216)
Net income	**$ 46,095**	**$ 46,922**	**$ 147,032**	**$ 101,288**
Income attributable to non-controlling interest	(232)	(196)	(489)	(515)
Income attributable to parent	**$ 45,863**	**$ 46,726**	**$ 146,543**	**$ 100,773**
Comprehensive income:				
Net income	$ 46,095	$ 46,922	$ 147,032	$ 101,288
Foreign currency translation adjustments	8,227	(22,054)	43,276	(32,039)
Change in fair value of derivative contracts	601	4,865	587	9,197
Total comprehensive income	**$ 54,923**	**$ 29,733**	**$ 190,895**	**$ 78,446**
Comprehensive loss attributable to non-controlling interest	(232)	(196)	(489)	(515)
Total comprehensive income attributable to parent	**$ 54,691**	**$ 29,537**	**$ 190,406**	**$ 77,931**
Basic income per share	$ 0.97	$ 0.98	$ 3.09	$ 2.12
Diluted income per share	$ 0.97	0.98	$ 3.09	$ 2.12
Basic weighted average common shares outstanding	47,599,339	47,674,773	47,649,037	47,674,773
Diluted weighted average common shares outstanding	47,599,339	47,674,773	47,649,037	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,	
	2023	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 147,032	$ 101,288
Adjustments to reconcile net income to net cash provided by operating activities:		
Allowance for credit losses	2,537	541
Depreciation and amortization	15,841	15,089
Deferred income taxes	7,565	140
Equity method income	(3,676)	(5,070)
Deferred cost of financing	929	1,059
Other non-cash adjustments	157	(22)
Unrealized currency translation (loss) gains	(23,280)	9,482
Changes in operating assets and liabilities:		
Trade accounts receivable	(10,351)	(29,486)
Inventories	(15,271)	(53,911)
Prepaid expenses	(2,028)	(1,126)
Other assets	(25,535)	(1,646)
Trade accounts payable and accrued expenses	8,371	14,637
Taxes payable	(21,670)	23,962
Labor liabilities	2,425	1,629
Other liabilities	245	(1,851)

Contract assets and liabilities		13,066		14,974
Related parties		(1,871)		2,409
CASH PROVIDED BY OPERATING ACTIVITIES	**$**	**94,486**	**$**	**92,098**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments		(303)		(1,285)
Acquisition of property and equipment		(62,194)		(46,817)
CASH USED IN INVESTING ACTIVITIES	**$**	**(62,497)**	**$**	**(48,102)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash dividend		(12,158)		(9,294)
Stock buyback		(8,882)		-
Proceeds from debt		109		59
Repayments of debt		-		(32,002)
CASH USED IN FINANCING ACTIVITIES	**$**	**(20,931)**	**$**	**(41,237)**
Effect of exchange rate changes on cash and cash equivalents	$	4,243	$	(3,336)
NET INCREASE IN CASH		15,301		(577)
CASH - Beginning of period		103,672		85,011
CASH - End of period	$	118,973	$	84,434
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION				
Cash paid during the period for:				
Interest	$	8,543	$	4,136
Income Tax	$	94,914	$	25,377
NON-CASH INVESTING AND FINANCING ACTIVITIES:				
Assets acquired under credit or debt	$	11,626	$	4,555

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								
	Shares	**Amount**	**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**
Balance at December 31, 2022	**47,674,773**	**5**	**219,290**	**1,458**	**234,254**	**(106,187)**	**348,820**	**1,505.00**	**350,325**
Dividend	-	-	-	-	(4,291)	-	**(4,291)**	-	**(4,291)**
Derivative financial instruments	-	-	-	-	-	(1,837)	**(1,837)**	-	**(1,837)**
Foreign currency translation	-	-	-	-	-	7,811	**7,811**	-	**7,811**
Net income	-	-	-	-	48,235	-	**48,235**	137	**48,372**
Balance at March 31, 2023	**47,674,773**	**5**	**219,290**	**1,458**	**278,198**	**(100,213)**	**398,738**	**1,642**	**400,380**
Dividend	-	-	-	-	(4,291)	-	**(4,291)**	-	**(4,291)**
Share Repurchase	(1,340)	-	(56)	-	-	-	**(56)**	-	**(56)**
Derivative financial instruments	-	-	-	-	-	1,823	**1,823**	-	**1,823**
Foreign currency translation	-	-	-	-	-	27,238	**27,238**	-	**27,238**
Net income	-	-	-	-	52,445	-	**52,445**	120	**52,565**
Balance at June 30, 2023	**47,673,433**	**5**	**219,234**	**1,458**	**326,353**	**(71,152)**	**475,898**	**1,762**	**477,660**
Dividend	-	-	-	-	(4,291)	-	**(4,291)**	-	**(4,291)**
Share Repurchase	(227,442)	-	(8,826)	-	-	-	**(8,826)**	-	**(8,826)**
Derivative financial instruments	-	-	-	-	-	601	**601**	-	**601**

(Amounts in thousands, except share and per share data)

Foreign currency translation	-	-	-	-	-	8,227	**8,227**	-	**8,227**
Net income	-	-	-	-	45,863	-	**45,863**	232	**46,095**
Balance at Sep 30, 2023	**47,445,991**	**5**	**210,408**	**1,458**	**367,925**	**(62,323)**	**517,473**	**1,993**	**519,466**

	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	-	-	-	-	-	-	-	-	**0**
Derivative financial instruments	-	-	-	-	-	4,865	**4,865**	-	**4,865**
									0
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**

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, 2022. 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"), 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 entity and 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 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 shareholders' equity.

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.

Accounting Standards Adopted in 2023

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 the London Interbank Offered Rate ("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 interest rate on our credit facility was updated to SOFR plus the same spread of 1.5%. In addition, the Company amended the Interest Rate Swap contract from Libor plus spread to SOFR plus spread. The settlements of the instruments remain under the existing conditions; however, the fixed leg goes from 1.93% to 1.87%. The Company did not apply any of the optional expedients or exceptions allowed under this ASU.

Note 3. - Inventories, net

	September 30, 2023	December 31, 2022
Raw materials	$ 106,935	$ 93,360
Work in process	22,161	9,875
Finished goods	10,407	6,409
Spares and accessories	24,888	13,902
Packing material	1,648	1,563

Total Inventories, gross	**166,039**	**125,109**
Less: Inventory allowance	(193)	(112)
Total inventories, net	**$ 165,846**	**$ 124,997**

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,	
	2023	**2022**	**2023**	**2022**
Fixed price contracts	$ 35,735	$ 26,272	$ 97,158	$ 67,648
Product sales	175,008	175,508	541,504	437,804
Total Revenues	$ 210,743	$ 201,780	$ 638,662	$ 505,452

The following table presents geographical information about revenues.

	Three months ended September 30,		Nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
Colombia	$ 7,218	$ 4,817	$ 18,920	$ 13,657
United States	200,347	193,504	609,911	481,965
Panama	433	571	1,017	2,373
Other	2,745	2,888	8,814	7,457
Total Revenues	$ 210,743	$ 201,780	$ 638,662	$ 505,452

The following table presents revenues breakdown by market.

	Three months ended September 30,		Nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
Residential	$ 87,811	$ 85,780	$ 258,345	$ 221,328
Commercial	122,932	116,000	380,317	284,123
Total Revenues	$ 210,743	$ 201,780	$ 638,662	$ 505,452

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, 2023	December 31, 2022
Trade accounts receivable	176,223	159,068
Less: Allowance for credit losses	(2,075)	(671)
Total	$ 174,148	$ 158,397

The changes in the allowance for credit losses for the nine months ended September 30, 2023, are:

	Nine months ended September 30, 2023
Balance at beginning of period	$ 671
Provisions for credit losses	2,537
Deductions and write-offs, net of foreign currency adjustment	(1,133)
Balance at end of period	$ 2,075

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, 2023	December 31, 2022
Contract assets — current	$ 16,539	$ 12,610
Contract assets — non-current	9,075	8,875
Contract liabilities — current	(68,654)	(49,601)
Contract liabilities — non-current	(13)	(11)
Net contract assets	$ (43,053)	$ (28,127)

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

	September 30, 2023	December 31, 2022
Unbilled contract receivables, gross	$ 6,096	$ 5,738
Retainage	19,518	15,747
Total contract assets	25,614	21,485
Less: current portion	16,539	12,610
Contract Assets – non-current	$ 9,075	$ 8,875

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

	September 30, 2023	December 31, 2022
Billings in excess of costs	$ 32,759	14,724
Advances from customers on uncompleted contracts	35,908	34,888
Total contract liabilities	68,667	49,612
Less: current portion	68,654	49,601
Contract liabilities – non-current	$ 13	11

During the three and nine months ended September 30, 2023, the Company recognized $ 472 and $6,375 of sales related to its contract liabilities on January 1, 2023, respectively. 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.

Remaining Performance Obligations

As of September 30, 2023, the Company had $ 482.3 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 $123.5 million are expected to be recognized during the year ending December 31, 2023, $ 315.2 million during the year ending December 31, 2024, and $43.6 million during the year ending December 31, 2025.

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, 2023		
	Gross	Acc. Amort.	Net
Notice of Acceptances (NOAs), product designs and other intellectual property	11,611	(8,362)	3,249

	December 31, 2022		
	Gross	Acc. Amort.	Net
Trade Names	$ 980	$ (980)	$ -
Notice of Acceptances (NOAs), product designs and other intellectual property	9,987	(7,281)	2,706
Non-compete Agreement	165	(165)	-
Customer Relationships	4,140	(4,140)	-
Total	$ 15,272	$ (12,566)	$ 2,706

The weighted average amortization period is 4.9 years.

During the three and nine months ended September 30, 2023, the amortization expense amounted to $ 293 and $908, 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, 2022, the amortization expense amounted to $290 and $1,079, respectively.

The estimated aggregate amortization expense for each of the five succeeding years as of September 30, 2023, is as follows:

Year ending	(in thousands)
2023	$ 297
2024	968
2025	499
2026	401
2027	335
Thereafter	749
	$ 3,249

Note 6. Supplier Finance Program

Tecnoglass has established payment terms to suppliers for the purchase of goods and services, which normally range between 30 and 60 days. In the normal course of business, suppliers may require liquidity and manage, through third parties, the advanced payment of invoices. The Company allows its suppliers the option to payments in advance of an invoice due date, through a third-party finance provider or intermediary, with the purpose of allowing suppliers to obtain the required liquidity. For these purposes, suppliers present to Tecnoglass the third-party finance provider or intermediary with whom they will carry out the finance program and establish an agreement, through which the invoices will be paid by the third-party finance provider or intermediary once Tecnoglass has confirmed the invoices as valid. Once the Company confirms the invoices are valid, the third-party finance provider or intermediary proceeds with the payment to the supplier. Subsequently, Tecnoglass pays the invoices for goods or services to the third-party finance provider or intermediary selected by the supplier. Payment times do not vary from those initially agreed with the supplier, as stated in the invoices factored by the supplier (i.e. between 30 and 60 days). Pursuant to the supplier finance programs, the Company has not been required to pledge any assets as security nor to provide any guarantee to third-party finance provider or intermediary.

As of September 30, 2023, the obligations outstanding related to the supplier finance program amounted to $ 11,323, recorded as current liabilities, with $11,122 classified as Trade accounts payable and accrued expenses and $ 201 classified as Due to related parties.

Note 7. Debt

The Company's debt is comprised of the following:

	September 30, 2023	December 31, 2022
Revolving lines of credit	$ 438	$ 329
Finance lease	360	395
Senior Secured Credit Facility	172,500	172,500
Less: Deferred cost of financing	(3,472)	(3,740)
Total obligations under borrowing arrangements	169,826	169,484
Less: Current portion of long-term debt and other current borrowings	3,127	504
Long-term debt	$ 166,699	$ 168,980

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 7.65%. 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 ended December 31, 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 remains fully unused as of September 30, 2023. Beginning on July 1, 2023 the interest rate on this credit facility was updated to SOFR plus the same spread of 1.5%.

Maturities of long-term debt and other current borrowings are as follows as of September 30, 2023:

2024	$ 3,127
2025	15,139
2026	15,032
2027	140,000
2028	-
Total	$ 173,298

The Company's loans have maturities ranging from a few weeks to 5 years. Our credit facilities bear a weighted average interest rate of 6.88% as of September 30, 2023.

Note 8. Hedging Activity and Fair Value Measurements

Hedging Activity

During the quarter ended March 31, 2022, we entered into several 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 have payment dates each quarter, commencing March 31, 2023. During the quarter ended December 31, 2022, we entered into several foreign currency non-delivery forward contracts to hedge the fluctuations in the exchange rate between the Colombian Peso and the U.S. Dollar. Our contracts are designated as cash flow hedges since they are highly effective in offsetting changes in the cash flows attributable to forecasted LIBOR and Colombian Peso denominated costs and expenses, respectively.

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.

Due to the Libor discontinuance, on June 21, 2023, the Company amended the Interest Rate Swap contract from LIBOR plus spread to SOFR plus spread. The settlements of the instruments remain under the existing conditions; however, the fixed leg goes from 1.93% to 1.87%. Regarding the conditions of our outstanding debt, only LIBOR was replaced by SOFR, maintaining the other initial conditions.

As of September 30, 2023, the fair value of our interest rate swap was in a net asset position of $ 9.8 million. We had 14 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, 2023.

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, 2023, that we expect will be reclassified to earnings within the next twelve months, is $4.2 million.

The fair value of our interest rate swap hedges is classified in the accompanying consolidated balance sheets, as of September 30, 2023, as follows:

Derivatives designated as hedging instruments under Subtopic 815-20:	Derivative Assets September 30, 2023 Balance Sheet Location	Derivative Assets September 30, 2023 Fair Value	Derivative Liabilities September 30, 2023 Balance Sheet Location	Derivative Liabilities September 30, 2023 Fair Value
Derivative instruments:				
Interest rate swap contracts and foreign currency non-delivery forwards	Other current assets	$ 9,773	Accrued liabilities	$ -
Total derivative instruments	Total derivative assets	$ 9,773	Total derivative liabilities	$ -

The ending accumulated balance for the interest rate swap contracts included in accumulated other comprehensive income was $ 9,773 as of September 30, 2023.

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, 2023:

Derivatives in Cash Flow Hedging Relationships	Amount of Gain or (Loss) Recognized in OCI (Loss) on Derivatives — Three Months Ended September 30, 2023	Amount of Gain or (Loss) Recognized in OCI (Loss) on Derivatives — Three Months Ended September 30, 2022	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 September 30, 2023	Amount of Gain or (Loss) Reclassified from Accumulated OCI (Loss) into Income — Three Months Ended September 30, 2022
Interest rate swap contracts and foreign currency non-delivery forwards contracts	$ 601	$ 4,865	Interest expense and operating income	$ 1,065	$ -

The following table presents the gains (losses) on derivative financial instruments, and their classifications within the accompanying consolidated financial statements, for the nine months ended September 30, 2023:

Derivatives in Cash Flow Hedging Relationships	Amount of Gain or (Loss) Recognized in OCI (Loss) on Derivatives — Nine Months Ended September 30, 2023	Amount of Gain or (Loss) Recognized in OCI (Loss) on Derivatives — Nine Months Ended September 30, 2022	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 September 30, 2023	Amount of Gain or (Loss) Reclassified from Accumulated OCI (Loss) into Income — Nine Months Ended September 30, 2022
Interest Rate Swap Contracts	$ 587	$ 9,197	Interest Expense and Operating Income	$ 5,219	$ -

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 SOFR 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, 2023, financial instruments carried at amortized cost that do not approximate fair value consist of long-term debt. See Note 7 – 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, 2023	December 31, 2022
Fair Value	163,842	172,408
Carrying Value	166,699	168,980

Note 9. 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 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,	
	2023	2022	2023	2022
Current income tax				
United States	$ (8,840)	$ (1,027)	$ (15,300)	$ (3,775)
Colombia	(3,167)	(20,777)	(40,490)	(44,275)
Panama	(5)	(6)	(11)	(26)
	(12,012)	(21,810)	(55,801)	(48,076)
Deferred income Tax				
United States	(433)	203	(560)	402
Colombia	(3,002)	(1,359)	(7,005)	(542)
	(3,435)	(1,156)	(7,565)	(140)
Total income provision	$ (15,447)	$ (22,966)	$ (63,366)	$ (48,216)
Effective tax rate	25.1%	32.9%	30.1%	32.3%

The weighted average statutory income tax rate for 2023 and 2022, was 33.3%, and 34.0, respectively. The effective income tax rate of 25.1% during the three months ended September 30, 2023 is below the statutory rate as the Colombian subsidiaries which bear a higher corporate income tax rate recorded a proportionally lower share of the consolidated income.

Note 10. Related Parties

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

	September 30, 2023	December 31, 2022
Due from related parties:		
Alutrafic Led SAS	412	249
Studio Avanti SAS	324	113
Due from other related parties	757	1,085
Total due from related parties	**$ 1,493**	**$ 1,447**
Due to related parties:		
Vidrio Andino	3,274	4,853
Due to other related parties	834	470
Total due to related parties	**$ 4,108**	**$ 5,323**

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Sales to related parties:				
Alutrafic Led SAS	275	201	640	771
Studio Avanti SAS	64	116	349	448
Sales to other related parties	136	223	311	314
	$ 475	**$ 540**	**$ 1,300**	**$ 1,533**

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, the Company's Chief Executive Officer and Chief Operating Officer, respectively, have an ownership stake in Alutrafic. During the three and nine months ended September 30, 2023, we sold $275 and $640 to Alutrafic, respectively, compared to $ 201 and $771 during the three and nine months ended September 30, 2022, respectively. Additionally, we had outstanding accounts receivable from Alutrafic for $ 412 and $249 as of September 30, 2023 and December 31, 2022, respectively.

Barranquilla Capital de Luz SAS

In the ordinary course of business, we purchase products from Barranquilla Capital de Luz SAS ("Alubaq"), a fabricator of electrical lighting equipment. Affiliates of Jose Daes and Christian Daes, the Company's Chief Executive Officer and Chief Operating Officer, respectively, have an ownership stake in Alubaq. During the three and nine months ended September 30, 2023, we purchased equipment from Alubaq for $90 and $309, respectively, compared to $8 and $51 during the three and nine months ended September 30, 2022, 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, 2023 of $1,023 and $2,556, respectively, compared to $358 and $1,153 during the three and nine months ended September 30, 2022, 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, 2023, we purchased $268 and $973, respectively, compared to $243 and $655 purchased during the three and nine months ended September 30, 2022, 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, 2023 and December 31, 2022, the Company had outstanding accounts receivable from Avanti of $324 and $113, respectively. During the three and nine months ended September 30, 2023, we sold $64 and $349 of products to Avanti, respectively, compared to $ 116 and $448 during the three and nine months ended September 30, 2022, 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 $ 6,912 and $20,869 from Vidrio Andino during the three and nine months ended September 30, 2023, respectively, compared to $4,923 and $13,964, during the three and nine months ended September 30, 2022, respectively. We also had outstanding payables to Vidrio Andino of $3,274 and $4,853 as of September 30, 2023 and December 31, 2022, respectively. We recorded equity method income of $1,108 and $3,676 on our Consolidated Statement of Operations during the three and nine months ended September 30, 2023, respectively, compared to $1,821 and $5,070 recorded during the three and nine months ended September 30, 2022, respectively.

Zofracosta SA

We have an investment in Zofracosta SA, a real estate holding company located in the vicinity of the proposed glass plant being built through our Vidrio Andino joint venture, recorded at $750 and $632 as of September 30, 2023, and December 31, 2022, respectively. Affiliates of Jose Daes and Christian Daes have a majority ownership stake in Zofracosta SA.

Note 11. Shareholders' Equity

Dividends

On September 15, 2023, the Company declared a regular quarterly dividend of $ 0.09 per share, or $0.36 per share on an annualized basis. The dividend was paid on October 31, 2023, to shareholders of record as of the close of business on September 29, 2023.

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, 2023 and 2022:

	Three months ended September 30,				Nine months ended September 30,			
	2023		2022		2023		2022	
Numerator for basic and diluted earnings per share								
Net Income	$	46,095	$	46,922	$	147,032	$	101,288
Denominator								
Denominator for basic earnings per ordinary share - weighted average shares outstanding		47,599,339		47,674,773		47,649,037		47,674,773
Effect of dilutive securities and stock dividend		-		-		-		-
Denominator for diluted earnings per ordinary share - weighted average shares outstanding		47,599,339		47,674,773		47,649,037		47,674,773
Basic earnings per ordinary share	$	0.97	$	0.98	$	3.09	$	2.12
Diluted earnings per ordinary share	$	0.97	$	0.98	$	3.09	$	2.12

Note 12. Commitments and Contingencies

Commitments

As of September 30, 2023, the Company had outstanding obligations to purchase an aggregate of at least $ 65,198 of certain raw materials from a specific supplier before November 30, 2030, and an aggregate of at least $11,008 of certain raw materials from a specific supplier through 2028.

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.

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 and vinyl 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 third largest glass fabricator serving the United States in 2022 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 40 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 5.6 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 45% of our revenues for the full year 2022. 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 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, we have voluntarily adhered to UN Global Compact Principles since 2017. In 2021, in pursuit of our cooperation with the attainment of the Sustainable Development Goals, or SDGs, we joined a program to strengthen and make visible the management of greenhouse gas emissions as a carbon neutral strategy set out by the Colombian government by 2050.

RESULTS OF OPERATIONS

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Operating Revenues	$ 210,743	$ 201,780	$ 638,662	$ 505,452
Cost of sales	(120,216)	(96,484)	(330,710)	(266,191)
Gross profit	**90,527**	**105,296**	**307,952**	**239,261**
Operating expenses	(29,515)	(35,164)	(98,759)	(89,676)
Operating income	**61,012**	**70,132**	**209,193**	**149,585**
Non-operating income and expenses, net	605	634	3,517	1,137
Equity method income	1,108	1,821	3,676	5,070
Foreign currency transactions gains (losses)	1,142	(450)	931	(856)
Interest Expense and deferred cost of financing	(2,325)	(2,249)	(6,919)	(5,432)
Income tax provision	(15,447)	(22,966)	(63,366)	(48,216)
Net income	**46,095**	**46,922**	**147,032**	**101,288**
Income attributable to non-controlling interest	(232)	(196)	(489)	(515)
Income attributable to parent	**$ 45,863**	**$ 46,726**	**$ 146,543**	**$ 100,773**

Comparison of quarterly periods ended September 30, 2023, and 2022

Revenues

Operating revenues increased $9.0 million or 4.4%, from $201.8 million for the quarter ended September 30, 2022, to $210.7 million for the quarter ended September 30, 2023. Revenue growth was driven by activity in U.S. markets, where revenues increased $6.8 million, or 3.5%, from $193.5 million in 2022 to $200.3 million in 2023. U.S. commercial market revenues increased $4.8 million, or 4.5%, from $107.7 million in 2022 to $112.5 million in 2023 as we continue to execute on our growing backlog, while single family residential market revenues reached an all-time high of $87.8 million during the third quarter of 2023, up from $85.8 million in 2022. Revenues from Latin-American markets increased $1.9 million, or 22.6%, from $8.3 million in 2022 to $10.2 million in 2023.

Gross profit

Gross profit during the three months ended September 30, 2023 was$ 90.5 million, a decrease of $14.8 million, or 14.0%, from $105.3 million during the three months ended September 30, 2022. The gross profit margin during the current year quarter of 43.0% was down from 52.2% during the third quarter of 2022, primarily as a result of non-cash effect related to a strong appreciation of the Colombian Peso. Inventories were recorded into the balance sheet at a weaker Peso and then accounted for under raw material costs at a much stronger Peso, translating into more US Dollars at the time the revenues are recognized. This effect contributed to a 660-basis point decrease year-over-year when assessing the same effect during the comparable period. Additionally, this unfavorable FX dynamic impacted our costs denominated in Colombian Pesos against our predominantly US Dollar revenue stream. Finally, margins were impacted by our revenue mix which included more installation and stand-alone product sales during the current period. Installation and stand-alone product revenues were up 43.6% and 18.1% respectively year over year, weighting down overall gross margins.

Expenses

Operating expenses decreased $5.6 million, or 16.1%, from $35.2 million to $29.5 million for the quarters ended September 30, 2022 and 2023, respectively. The decrease was mainly driven by lower shipping expense due to maritime rates reduction, and the absence of a settlement payment which occurred during the prior year period. As a result, operating expenses as a percentage of sales improved from 17.4% to 14.0%.

Non-operating income and expenses, net

During the three months ended September 30, 2023 and 2022, the Company recorded non-operating income of $0.6 million and $0.6 million, respectively. Non-operating income is comprised of interest income from short term investments and deposits income from rental properties 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 three months ended September 30, 2023, the Company recorded a non-operating gain of $1.1 million associated with foreign currency transactions compared to a net non-operating loss of $0.5 million during the three months ended September 30, 2022.

Interest Expense and deferred cost of financing

Interest expense and deferred cost of financing increased less than $0.1 million, or 3.4%, to $2.3 million during the quarter ended September 30, 2023, as the Company maintained a stable debt balance and benefited from having a favorable interest rate hedge in place for approximately 75% of its outstanding debt.

Income Taxes

During the quarters ended September 30, 2023 and 2022, the Company recorded an income tax provision of $15.4 million and $23.0 million, respectively, reflecting an effective income tax rate of 25.1% and 32.9%, respectively, which approximate the statutory rate. The effective tax rate of 25.1% during the quarter ended September 30, 2023 was due to the Company generating more profit by its US subsidiaries where corporate taxation is lower.

As a result of the foregoing, the Company recorded net income for the three months ended September 30, 2023 of $46.1 million compared to net income of $46.9 million for the three months ended September 30, 2022.

Comparison of nine-month periods ended September 30, 2023 and 2022

Revenues

The Company's operating revenues increased $133.2 million, or 26.4%, from $505.5 million to $638.7 million for the nine months ended September 30, 2023, compared with the nine months ended September 30, 2022.

Strong revenues during the first nine months of 2023 were driven by activity in U.S. commercial and residential markets, where revenues increased $128.0 million, or 26.5%, from $482.0 million in 2022 to $610.0 million in 2023. U.S. Commercial market revenues increased $91.0 million, or 34.9%, from $260.6 million in 2022 to $351.6 million in 2023. Single family residential market revenues increased $37.0 million, or 16.7%, from $221.3 million in 2022 to $258.3 million in 2023, and accounted for 40.5% of total revenues during the nine months ended September 30, 2023. Revenues from Latin-American markets, including Colombia, increased $5.3 million, or 22.4%, from $23.5 million in 2022 to $28.8 million in 2023.

Gross profit

Gross profit increased $68.7 million, or 28.7%, to $308.0 million during the nine months ended September 30, 2023, compared with $239.3 million during the same period of 2022. This resulted in gross profit margin reaching 48.2% during the first nine months of 2023, up from 47.3% during the first nine months of 2022. The 90-basis point improvement in gross margin mainly reflected operating leverage on higher sales and ongoing efficiencies.

Expenses

Operating expenses increased $9.1 million, or 10.1%, from $89.7 million to $98.8 million for the nine months ended September 30, 2022 and 2023, respectively. The increase was mainly driven by higher variable expenses related to incremental revenues and increased administrative expenses to support a larger operation and ongoing geographical expansion. As a result of our continued effort to enhance our lean administrative structure and tight cost controls, our operating expenses as a percentage of sales improved from 17.7% to 15.5%.

Non-operating income and expenses, net

During the nine months ended September 30, 2023 and 2022, the Company recorded non-operating income of $3.5 and $1.1 million, respectively. Non-operating income for the period is comprised primarily of short-term investments return, 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 nine months ended September 30, 2023, the Company recorded a non-operating gain of $0.9 million associated with foreign currency transactions, compared to a net loss of $0.9 million during the nine months ended September 30, 2022.

Interest Expense

Interest expense and deferred cost of financing increased $1.5 million, or 27.4%, to $6.9 million during the nine months ended September 30, 2023, from $5.4 million during the nine months ended September 30, 2022, as a result of increasing floating interest rates, partially offset by a lower debt balance and the favorable effect of an ongoing interest rate hedge.

Income Taxes

During the nine-month periods ended September 30, 2023 and 2022, the Company recorded an income tax provision of $63.4 million and $48.2 million, respectively, reflecting an effective income tax rate of 30.1% and 32.3%, respectively. The effective tax rate of 30.1% during the nine months ended September 30, 2023, results as the Company generates more profit by its US subsidiaries where corporate taxation is lower.

As a result of the foregoing, the Company recorded a net income for the nine months ended September 30, 2023 of $147.0 million and $101.3 million for the nine months ended September 30, 2022.

Liquidity

As of September 30, 2023 and December 31, 2022, we had cash and cash equivalents of approximately $119.0 million and $103.7 million, respectively. Additionally, we currently have approximately $170.0 million available under different lines of credit.

We anticipate that the Company will continue to generate positive Cashflow from operating activities through the end of 2023, which we believe, 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, 2023 and 2022, we made investments primarily in building and construction and machinery and equipment in the amounts of $73.8 million and $51.4 million, respectively. These investments across our vertically-integrated operations include further automating our glass and window assembly production lines, adding glass production lines, expanding our aluminum facilities, putting new vinyl windows lines to penetrate this new product segment and purchasing land to grow beyond current installed capacity. The Company estimates that current manufacturing operating capacity has reached approximately $1 billion which does not account for incremental installation revenue capacity. Additionally, the Company expects the resulting increase in output to improve efficiency throughout its operations while reducing material waste and overall lead times.

Cash Flow from Operations, Investing and Financing Activities

	Nine months ended September 30,	
	2023	**2022**
Cash Flow provided by Operating Activities	$ 94,486	$ 92,098
Cash Flow used in Investing Activities	(62,497)	(48,102)
Cash Flow used in Financing Activities	(20,931)	(41,237)
Effect of exchange rates on cash and cash equivalents	4,243	(3,336)

Cash Balance - Beginning of Period		103,672		85,011
Cash Balance - End of Period	$	118,973	$	84,434

During the nine months ended September 30, 2023 and 2022, operating activities generated approximately $94.5 million and $92.1 million, respectively. The main sources of operating cash during the nine months ended September 30, 2023, were Contract assets and liabilities, which generated $13.0 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 $15.0 million during the nine months ended September 30, 2022. In addition, improved working capital associated with trade accounts payable, generated $8.4 million, compared with $14.6 million during the nine months ended September 30, 2022. The largest use of cash in operating activities were other assets, comprised primarily of prepaid taxes, which used $25.5 million during the nine months ended September 30, 2023, and taxes payable which used an additional $21.7 million. Both of these uses of cash were related to the aggregate of $94.9 million related to taxes paid during the period, most of which was paid by the Colombian subsidiaries during the second quarter of 2023. Comparatively, other assets used $1.6 million during the nine months ended September 30, 2022, and Taxes payable generated $24.0 million related to of the return of prepaid value added taxes of Colombian subsidiaries offsetting income tax payments during 2022. During the nine months ended September 30, 2023, Trade accounts receivable used $10.4 million, compared to $29.5 million during the nine months ended September 30, 2022, after several quarters of record-breaking sales. Inventories used $15.3 million and $53.9 million during the nine months ended September 30, 2023 and 2022, respectively, as we procure materials to meet our growing operations.

We used $62.5 million and $48.1 million in investing activities during the nine months ended September 30, 2023 and 2022, respectively. The main use of cash in investing activities during the nine months ended September 30, 2023 related to the automation of our architectural system assembly processes further described above in the “Capital Resources” section. During the nine months ended September 30, 2023, we paid $62.2 million to acquire property plant and equipment, which in combination with $11.6 million acquired under credit or debt, amount to total capital expenditures of $73.8 million. During the nine months ended September 30, 2022, we used $46.8 million for the acquisition of property and equipment. Including assets acquired with debt or supplier credit, total capital expenditures during the period were $51.4 million.

Financing activities used $20.9 million and $41.2 million during the nine months ended September 30, 2023 and 2022, respectively. We paid $12.2 million and $9.3 million of dividends to holders of our ordinary shares during the nine months ended September 2023 and 2022, respectively. During the nine months ended September 30, 2023, we used $8.9 million to repurchase shares under the $50 million buyback program authorized by our Board of Directors.

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 24% of our costs and expenses are denominated in Colombian pesos, thereby mitigating some of the risk associated with changes in foreign exchange rates. This portion of costs and expenses denominated in Colombian Peso excludes certain items which are transacted in Colombia using Colombian Peso but are priced in U.S. Dollars or are otherwise indexed to U.S. Dollar 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 $1.0 million and our costs and expenses increasing by approximately $6.0 million, resulting in a $5.0 million decrease to net earnings based on results for the nine months ended September 30, 2023.

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 the 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 liabilities exceed their monetary assets by $50.4 million, such that a 1% devaluation of the Colombian peso will result in a loss of $0.5 million recorded in the Company’s Consolidated Statement of Operations as of September 30, 2023.

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, 2023, 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, 2023, 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

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 2. Unregistered Sales of Equity Securities and Use of Proceeds

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Share repurchase activity during the three months ended September 30, 2023 was as follows:

Periods	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs(1)
July 1, 2023 to July 31, 2023				
Open market and privately negotiated purchases	310	$ 42	0	
August 1, 2023 to August 31, 2023				
Open market and privately negotiated purchases	160,332	$ 38	160,332	
September 1, 2023 to September 30, 2023				
Open market and privately negotiated purchases	67,000	$ 38	67,000	
Total	227,642	$ 38	227,332	$ 41,182,038

(1) On November 3, 2022, the Board of Directors authorized the purchase of up to $50 million of the Company's common shares. The program does not obligate the Company to acquire a minimum amount of shares. Under the program, shares may be repurchased in privately negotiated and/or open market transactions, including under plans complying with Rule 10b5-1 under the Exchange Act.

Item 5. Other Information

During the three months ended September 30, 2023, no director or officer adopted or terminated any (i) "Rule 10b5-1 trading arrangement," as defined in Item 408(a) of Regulation S-K intending to satisfy the affirmative defense conditions of Rule 10b5–1(c) or (ii) "non-Rule 10b5-1 trading arrangement," as defined in Item 408(a) of Regulation S-K.

During the three months ended September 30, 2023, the Company did not adopt or terminate any Rule 10b5-1 trading arrangement.

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 6, 2023

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 6, 2023

/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 6, 2023

/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, 2023 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 6, 2023

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)