

**CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR
DE ZONA FRANCA AND SUBSIDIARIES**

Condensed Interim Consolidated Financial Statements

For the periods ended on June 31, 2018 and December 31, 2017

Report of the Statutory Auditor on the Review of the Interim Financial Statements

To the Shareholders
Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca

Introduction

I have reviewed consolidated condensed interim statements of financial information of Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca and subsidiaries, which comprise:

- The consolidated condensed interim statements of financial position at June 30, 2018;
- The consolidated condensed interim statements of comprehensive income, three and six months period ended June 30, 2018;
- The consolidated condensed interim statements of changes in equity six months ended June 30, 2018; and
- The notes to the interim financial statements.

The management of Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca is responsible for the adequate preparation and presentation of these consolidated condensed interim statements of financial information, in accordance with financial information accounting standards accepted in Colombia, including requirements of the international International Accounting Standard 34 (IAS 34) for Interim Financial Information. My responsibility consists of expressing a conclusion of these interim consolidated financial statements based on my review.

Scope of the review

I have made my review in accordance with the International Standard on Review Engagements 2410 "Review of financial information performed by the independent auditor of the entity", included in the standards for Information Assurance accepted in Colombia. A review of interim financial information consists of making enquiries, with persons responsible for financial and accounting matters, and the application of analytical procedures and other review procedures. A review of interim financial information is substantially smaller in scope than an audit made in accordance with international standards, and therefore, does not allow me to obtain the certainty of having had knowledge of all significant matters which could have been identified by an audit. I therefore do not express an audit opinion.

Conclusion

Based on my review, nothing has called my attention to make me suppose that the interim consolidated financial information of Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca does not present, in all material aspects, its financial situation June 30, 2018, the consolidated results of operations and cash flows for the quarter ended on that state, in accordance with accounting and financial information standards accepted in Colombia, including International Accounting Standard 34-Interim Financial Information.

(Original in spanish signed)

Diego Alejandro Corredor Ortiz

Deputy Statutory Auditor

Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca

License TP 199078-T

Member of KPMG S.A.S

August 13, 2018

**Report of the Statutory Auditor of Reporting in Extensible Business Reporting Language
(XBRL)**

To the Shareholders
Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca

Introduction

I have reviewed the report in consolidated Extensible Business Reporting Language (XBRL) which include the condensed interim statements of financial information of Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca and subsidiaries, which comprise:

- The consolidated condensed interim statements of financial position at June 30, 2018;
- The consolidated condensed interim statements of comprehensive income, three and six months period ended June 30, 2018;
- The consolidated condensed interim statements of changes in equity six months ended June 30, 2018; and
- The notes to the consolidated condensed interim statements.

The management of Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca is responsible for the adequate preparation and presentation of these interim consolidated statements of financial information, in accordance with financial information accounting standards accepted in Colombia, and presentation in accordance with XBRL as instructed by the Colombian Financial Superintendency (Superintendencia Financiera de Colombia). My responsibility consists of expressing a conclusion of these interim consolidated financial statements based on my review.

Scope of the review

I have made my review in accordance with the International Standard on Review Engagements 2410 "Review of financial information performed by the independent auditor of the entity", included in the standards for Information Assurance accepted in Colombia. A review of interim financial information consists of making enquiries, with persons responsible for financial and accounting matters, and the application of analytical procedures and other review procedures. A review of interim financial information is substantially smaller in scope than an audit made in accordance with international standards, and therefore, does not allow me to obtain the certainty of having had knowledge of all significant matters which could have been identified by an audit. I therefore do not express an audit opinion.

Conclusion

Based on my review, nothing has called my attention to make me suppose that the XBRL report of the interim consolidated financial information of Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca does not present, in all material aspects, its financial situation June 30, 2018, the consolidated results of operations and cash flows for the quarter ended on that date, in accordance with accounting and financial information standards accepted in Colombia, including International Accounting Standard 34-Interim Financial Information.

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Deputy Statutory Auditor

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August 13, 2018

CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND SUBSIDIARIES
Consolidated Interim Condensed Statements of Financial Position
(Figures in thousands of Colombian pesos)

	Note	June 30, 2018	December 31, 2017
ASSETS			
Current assets			
Cash and cash equivalent	3	\$ 10.578.652	13.440.928
Accounts receivable	4 and 18	32.857.744	18.927.973
Tax assets		1.935.303	-
Inventories	5	641.954	1.034.839
Other non-financial assets	6 and 18	26.170.456	768.348
Total current assets		<u>72.184.109</u>	<u>34.172.088</u>
Non-current assets			
Other financial assets	7	13.934.434	13.933.834
Investments in associates	7	64.502.884	63.998.057
Intangibles	8	14.883.197	13.396.156
Property and equipment	9	472.300.083	460.600.775
Investment properties	10	166.087.314	146.716.158
Deferred Tax Assets		151.705	226.256
Total non-current assets		<u>731.859.617</u>	<u>698.871.236</u>
Total assets		\$ <u>804.043.726</u>	<u>733.043.324</u>
LIABILITIES			
Current liabilities			
Financial debt	11	13.138.668	8.126.250
Accounts payable	12 y 18	41.879.624	30.089.911
Tax liabilities	12	320.042	2.114.055
Other financial liabilities	14	10.774.662	3.114.124
Other non-financial liabilities	14	18.309.415	7.923.373
Total current liabilities		<u>84.422.411</u>	<u>51.367.713</u>
Non-current liabilities			
Financial debt	11	68.152.917	48.963.750
Employee benefits	13	2.092.888	2.074.888
Other provisions	13	2.578.758	2.578.758
Other non-financial liabilities	14	127.790.210	102.584.077
Deferred tax liability, net		41.744.898	41.077.598
Total non-current liabilities		<u>242.359.671</u>	<u>197.279.071</u>
Total liabilities		\$ <u>326.782.082</u>	<u>248.646.784</u>
EQUITY			
Capital		1.673.920	1.673.920
Share Placement Premium		43.451.721	43.451.721
Reserves	15	98.641.172	87.249.566
Accumulated profit	16	328.909.463	328.909.463
Other equity interests in equity		344.694	344.694
Result for the period		4.240.674	22.767.176
Total equity		\$ <u>477.261.644</u>	<u>484.396.540</u>
Total liabilities and equity		\$ <u>804.043.726</u>	<u>733.043.324</u>

See the Notes that form part of the Condensed Interim Consolidated Financial Statements.

(*): The Entity and its subsidiaries adopted NIF 9 and 15 as of January 1, 2018. With the transition methods selected, comparative information is not re-expressed. (See Note 2d)

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(See my Report of august 13, 2018)

CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND SUBSIDIARIES
Consolidated condensed interim statements of comprehensive income
(Figures in thousands of Colombian pesos)

	<u>Note</u>		1 January to June 30, 2018	1 January to June 30, 2017	1 April to June 30, 2018	1 April to June 30, 2017
Income from ordinary activities	16 and 18	\$	55.414.389	45.793.188	38.982.681	37.441.125
Overhead	17 and 18		27.999.733	24.419.295	13.694.248	13.591.978
Selling expenses	18		23.798.386	17.597.514	19.014.098	14.373.677
Other income	18		2.575.776	1.674.300	2.056.700	1.382.669
Cost of sales			936.871	648.982	683.831	499.057
Other expenses	18		330.651	190.224	63.716	118.983
Profit on operating activities			4.924.524	4.611.473	7.583.488	10.240.099
Financial income	17		789.810	581.445	491.584	359.839
Financial expenses	18		1.057.538	897.961	474.632	352.665
Entity Profit for the Period	18		504.827	352.129	560.130	360.529
Profit before tax			5.161.623	4.647.086	8.160.570	10.607.802
Income tax expense	18		920.949	162.138	414.071	162.138
Result for the period		\$	4.240.674	4.484.948	7.746.499	10.445.664
Other Comprehensive Income			-	-	-	-
Result for the period and other comprehensive income		\$	4.240.674	4.484.948	7.746.499	10.445.664

See the Notes that form part of the Condensed Interim Consolidated Financial Statements.

(*): The Entity and its subsidiaries adopted NIIF 9 and 15 as of January 1, 2018. With the transition methods selected, comparative

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CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND SUBSIDIARIES

Consolidated condensed interim statements of changes in equity

(Figures in thousands of Colombian pesos)

<u>Note</u>	<u>Subscribed and paid Capital</u>	<u>Share Placement Premium</u>	<u>Reserves</u>	<u>Accumulated profits</u>	<u>Other equity interests in equity</u>	<u>Result for the period</u>	<u>Total equity</u>
Balance as of December 31, 2016	\$ 1.673.920	43.451.721	70.289.491	328.909.463	-	33.919.712	478.244.307
Cash dividend declared of \$101,38 per share, on 167.287.797 subscribed and paid shares; paid in April and October 2017	-	-	-	-	-	(16.959.637)	(16.959.637)
Appropriated to mandatory and occasional reserves	-	-	16.960.075	-	-	(16.960.075)	-
Movement in the period	-	-	-	-	-	-	-
Result for the period	-	-	-	-	-	4.484.948	4.484.948
For period of six months ended at June 30, 2017	\$ 1.673.920	43.451.721	87.249.566	328.909.463	-	4.484.948	465.769.618
Balance as of December 31, 2017	\$ 1.673.920	43.451.721	87.249.566	328.909.463	344.694	22.767.176	484.396.540
Cash dividend declared of \$68 per share, on 167.287.797 subscribed and paid shares; paid in April and October 2018	-	-	-	-	-	(11.375.570)	(11.375.570)
Appropriated to mandatory and occasional reserves 15	-	-	11.391.606	-	-	(11.391.606)	-
Result for the period	-	-	-	-	-	4.240.674	4.240.674
For period of six months ended at June 30, 2017	\$ 1.673.920	43.451.721	98.641.172	328.909.463	344.694	4.240.674	477.261.644

See the Notes that form part of the Condensed Interim Consolidated Financial Statements.

(*): The Entity and its subsidiaries adopted NIIF 9 and 15 as of January 1, 2018. With the transition methods selected, comparative information is not re-expressed.
(See Note 2d)

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CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND SUBSIDIARIES
Condensed Interim Consolidated Statement of Cash Flows
(Figures in thousands of Colombian pesos)

	<u>Note</u>	<u>June 30, 2018</u>	<u>June 30, 2017 (*)</u>
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year		\$ 4,240,674	4,484,948
Reconciliation between the profit for the period and net cash provided by operating activities:			
Depreciations	17	3,158,319	2,781,479
Amortization	17	876,809	807,030
Impairment accounts receivable, net	4	668,588	574,031
Loss on sale and withdrawal of property and equipment	17	3,186	-
Recovery of provision for accounts payable	16	(188,141)	(151,509)
Profit on equity method	17	(504,827)	(352,129)
		<u>8,254,608</u>	<u>8,143,850</u>
Changes in operating items:			
Increase in accounts receivable		(14,598,359)	(16,626,380)
Decrease in Inventories		392,885	199,172
Increase in other non-financial assets		(25,402,108)	(7,246,153)
Increase (decrease) net tax		(1,683,916)	189,772
Increase (decrease) in accounts payable		7,010,675	(4,820,739)
Increase in employee benefits		18,000	18,000
Increase in other financial liabilities		7,660,538	30,381,353
Increase in other non-financial liabilities		35,592,175	17,361,552
Increase in deferred taxes, net		741,851	-
Interest Paid		(5,208,932)	-
Income Tax paid		(2,045,400)	(287,964)
NET CASH PROVIDED BY OPERATING ACTIVITIES		<u>10,732,017</u>	<u>27,312,463</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES			
(Increase) decrease in other financial assets		(600)	100,047
Purchase of intangibles	8	(2,363,850)	(716,103)
Increase in investment properties	10	(19,371,156)	(1,870,473)
Purchase of property and equipment	9	(14,860,813)	(37,085,701)
NET CASH USED IN INVESTING ACTIVITIES		<u>(36,596,419)</u>	<u>(39,572,230)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in financial obligations	11	24,201,585	12,055,000
Dividends paid in cash	12	(1,199,459)	(1,818,318)
NET CASH PROVIDED IN FINANCING ACTIVITIES		<u>23,002,126</u>	<u>10,236,682</u>
NET DECREASE IN CASH		<u>(2,862,276)</u>	<u>(2,023,085)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIODO		<u>13,440,928</u>	<u>5,583,759</u>
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD		<u>\$ 10,578,652</u>	<u>3,560,674</u>

See the Notes that form part of the Condensed Interim Consolidated Financial Statements.

(*): The Entity and its subsidiaries adopted NIIF 9 and 15 as of January 1, 2018. With the transition methods selected, comparative information is not re-expressed. (See Note 2d)

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(See my Report of August 13, 2018)

**CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND
SUBSIDIARIES**

Notes to the Condensed Interim Consolidated Financial Statements

At June 30, 2018

(Figures expressed in thousands of Colombian pesos)

1. Reporting Entity

CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA ("the Parent", or "CORFERIAS") is a stock corporation incorporated by Public Deed 3640 of July 18, 1955, Notary 2, Bogota, its Articles expire in July 2099. The consolidated financial statements at June 30, 2018 includes the Parent and its subsidiary. The corporate business of the Parent is to foster industrial and commercial development at regional, national and international levels, and to form closer ties of friendship and cooperation between Colombia and friendly nations; to organize national and international fairs and exhibitions for industry, commerce, agriculture and livestock breeding and science, on its own premises or elsewhere, in Colombia or abroad, and to promote and organize Colombia's participation in fairs and exhibitions held abroad, directly or through its subsidiary Corferias Inversiones S.A.S.

The Parent was declared a Permanent Special Free Zone User-Operator in Resolution 5425 of September 20, 2008. According to Public Deed 2931 of July 25, 2008, Notary 48, Bogota, registered on July 28, 2008 as. No. 1231243 Book IX, the company changed its name from Corporación de Ferias y Exposiciones S.A., to **Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca** with registered offices in Bogota at Cra 37 No., 24-67.

The Parent is a subsidiary of the Bogotá Chamber of Commerce, which owns 79.74% of the shares.

The consolidated financial statements include Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca, Corferias Inversiones S.A.S. and Patrimonio Autónoma Fiducoldex.

2. Basis of preparation of the condensed interim consolidated financial statements

(a) Framework of technical standards

The consolidated financial statements have been prepared in accordance with international financial reporting standards accepted in Colombia ("COL-IFRS"), established in Law 1314/2009, regulated by Regulatory Degree 2420/2015, amended by Decree 2496/2015, Decree 2131/2016 and Decree 2170/2017. COL-IFRS is based on International Financial Reporting Standards (IFRS) together with the interpretations issued by the International Accounting Standards Board IASB. The basic standards correspond to those officially translated into Spanish and issued by IASB on December 31, 2015.

The condensed interim consolidated financial statements for an interim period do not contain the full information and disclosures required for annual financial statements. They must therefore be read in conjunction with the consolidated financial statements at December 31, 2017 published in the webpage www.corferias.com in the section for Shareholders. Following IAS 34, the accounting policies used for interim periods are the same as those applied to the annual financial statements, except for policy changes in recording accounts receivable and revenues, with the coming into force of IFRS 9 and IFRS 15 as of January 1, 2018.

Seasonality of transactions: During the second quarter of the year the events Gran Salon Inmobiliario, Feria Internacional del Libro, Feria Internacional del Medio Ambiente – FIMA and Alimentec were developed. All these events produced more incomes than other events developed in previous quarters.

For legal purposes in Colombia, the principal financial statements are the separate financial statements.

(b) Basis of measurement

The consolidated financial statements have been prepared on a historic cost basis, except for the following major items included in the Statement of Financial Position:

- Financial instruments at fair value with changes in Results are measured at fair value;
- Investment properties are measured at fair value;
- In relation to employee benefits, the assets for benefits defined are recognized as the total assets of the plan, plus past unrecognized service costs and unrecognized actuarial losses; less unrecognized actuarial gains, and the present value of the obligations for defined benefits.

(c) Functional currency and currency of presentation

The items included in the financial statements are expressed in the currency of the primary economic environment where the entity operates (Colombian pesos).

The performance of the Parent and subsidiary is measured and reported to the public in pesos. Therefore, management considers that the Colombian peso is the currency that represents the economic effects of operations, events and underlying conditions most faithfully, and therefore the financial the financial statements are presented in Colombia pesos as the functional currency.

All the information presented in thousands of colombian pesos has been rounded to the nearest unit.

(d) Changes in accounting policy

IFRS 9. Financial instruments

IFRS 9 – Financial Instruments – came into force on January 1, 2018. It introduces prospective changes in standards of account receivable aging measurement in Corporación de Ferias y Exposiciones S.A. and subsidiaries, and therefore financial information for 2017 was not re-expressed.

Impairment of Customer Accounts Receivable

The Parent and Subsidiaries analyze the following events that represent objective evidence that a loss is expected in an account receivable, based on a model of losses expected for the next 12 months:

1. Impairment of solvency
2. Strong possibility of bankruptcy
3. The disappearance of an active market
4. Breach of contract
5. Significant financial difficulties
6. Uncollectibility

The Parent and Subsidiaries estimate expected percentage losses as follows:

Type of receivable	Maturity	Probability of loss
Customer receivable	0 - 90 días	0%
	91 - 150 días	10%
	151 - 360 días	70%-Over 4 SMLV 90%-Under 4 SMLV
	361 días o más	100%

*SMLV: Minimum monthly salary. In 2017, approximately USD250

Receivables from State entities which have a Certificate of Budget Availability are not subject to estimates of impairment, because the certification guarantees the payment of the receivable.

The application of this policy did not generate impacts on measurement because the model used prior to January 1, 2018 was already aligned with these variables and the economic realities of the Parent and Subsidiaries, which were not far different from the impairment loss expected.

IFRS 15. Revenues from ordinary activities

IFRS 15 provides a comprehensive framework for the determination of the amount and timing of income recognized. It replaces the existing guide for recognition of revenues, including IAS 18-Revenues; IAS 11-Construction contracts; IFRIC 13 - Customer Loyalty Programs. The Parent evaluated categories of service contracts, and analyzed the requirements of contained in the standard. The analysis is based on a determination of the transfer of control in the rendering of services. There was evidence that the contracts met the criteria of IFRS 15, with no significant impact upon application.

Criteria for recognition:

- Step 1: Identify the contract(s) with the customer
- Step 2: Identify performance obligations
- Step 3: Determine the price of the transaction
- Step 4: Assign the transaction Price between the performance obligations in the contract
- Step 5: Recognize ordinary activities income when (or, to the extent that) the entity satisfies the performance obligation

(e) Significant Accounting Estimates and Judgement

The preparation of the consolidated financial statements using COL-IFRS requires management to use judgment, estimates and suppositions that affect the application of accounting policies and the amounts of assets, liabilities and contingent liabilities on the closing date, and the income and expenses of the year. The real results may differ from these estimates.

The relevant estimates and assumptions are regularly reviewed. The reviews of accounting estimates are recognized in the period in which the estimate is reviewed, and in any future period affected.

Information on critical judgement in the application of accounting policies which have the most important effect on the consolidated financial statements is to be found in:

- Notes 2(d) and 4 – Estimates of impairment of accounts receivable.
- Note 11 - Classification of investment properties.
- Note 16 – Estimates of provisions.

3. Cash and Cash Equivalents

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Cash	120.940	42.704
Banks	505.465	578.601
Savings accounts	1.508.880	4.566.455
Unit funds	5.427.185	7.984.468
Trust rights (1)	3.016.182	268.700
	<u>\$ 10.578.652</u>	<u>13.440.928</u>

The change in cash and cash equivalents corresponds to the increase in loans granted, used in part for the cancellation of previous bank loans in the first half of the year and to cover the investment and operation plans, mainly of the Hotel and Borde Activo. As well as a decrease in the liquidity funds for disbursements in the subordinate Corferias Inversiones S.A.S. derived from the operation of the first semester at the Puerta de Oro.

- (1) Finally, an increase in fiduciary rights derived from the placement of money in the Fondo de Inversión Colectiva Superior, product of the transfer of funds from the collection of Alimentec's A/R, Ágora events and Comic Con ticket office.

At June 30, 2018 and December 31, 2017, there are no restrictions on cash and cash equivalents, and there is no impairment.

4. Accounts Receivable

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Customers (1)	26.558.834	11.158.344
Income receivable	6.847.691	7.613.998
Receivable from employees	529.980	621.900
Doubtful accounts	1.805.340	1.749.244
Impairment (2)	(2.884.101)	(2.215.513)
	<u>\$ 32.857.744</u>	<u>18.927.973</u>

- (1) The increase in accounts receivable corresponds mainly to the invoices generated to customers of the parent company due to participation in fairs and events such as the Congress of the Republic Elections for \$ 5,537,705, Anato Tourist Showcase for \$ 3,162,968 and International Fair of Bogotá for \$ 1,480,998. Finally, it presented an increase in accounts receivable in the subordinate Corferias Inversiones S.A.S. of the event Scrutiny Elections, Expoprobarranquilla and Alliances and Other Sponsorships made in the first semester of the year 2018 in Puerta de Oro.

- (2) The impairments of the account receivable are calculated according to the accounting policy, including current A/R and accruals.

The variation in the impairment provision during the period was as follows:

	Impairment
Balance at December 31, 2016	\$ 1.564.952
Impairment of receivables	956.790
Recoveries	(306.229)
Balance at December 31, 2017	<u>2.215.513</u>
Impairment of receivables	1.054.974
Recoveries	(386.386)
Balance at June 30, 2018	<u>\$ 2.884.101</u>

5. Inventories

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Raw materials	74.759	42.577
Goods not made by the business	38.755	38.357
Materials, spares and accessories	445.900	896.068
Packaging and filling	82.540	57.837
	<u>\$ 641.954</u>	<u>1.034.839</u>

Inventories held by the Parent and Subsidiary Corferias Inversiones S.A.S. are high-rotation items and are part of the finished product at point of sale such as raw materials, disposables, packaging, materials, spares and accessories and working clothing and implements; they are measured at cost and therefore, not the object of impairment.

At June 30, 2018 and December 31, 2017, inventories are measured at cost..

At June 30, 2018 and December 31, 2017, no constrains exist over the inventory.

6. Other non-financial assets

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Advances (1)	\$ 25.812.480	241.544
Prepaid expenses - insurance	146.496	291.682
Other	211.480	235.122
	<u>\$ 26.170.456</u>	<u>768.348</u>

- (1) The main increase corresponds to the transfer of advances paid by the parent company to Constructora Concreto for \$ 22,619,608, the construction of the Hotel Project for \$ 18,430,754 and Active Border for \$ 4,189,054, which are legalized in the ordinary course of business of operation as Delegate Administrator. As well as the transfer for \$ 1,993,927 for the acquisition of the houses near the International Convections Center Bogotá - Ágora.

At June 30, 2018 and December 31, 2017, other non.-financial assets are not deteriorated.

7. Other financial assets and investments in associates

Other financial assets

	<u>30 de junio de 2018</u>	<u>31 de diciembre de 2017</u>
Alpopular Almacén General de Depósitos S.A.	\$ 13.373.749	13.373.749
La Previsora S.A. Compañía de Seguros	385.620	385.620
Centro de Ferias y Exposiciones de Bucaramanga	174.448	174.448
Acerías Paz del Río S.A.	17	17
Operador Hotelero Pactia Corferias S.A.S.	600	-
	<u>\$ 13.934.434</u>	<u>13.933.834</u>

The other financial assets are Investments in financial instruments where the parent has no control or significant influence; in Alpopular Almacén General de Depósitos S.A., la Previsora S.A. Compañía de Seguros; which are recognized at fair value with effect in other comprehensive income. Likewise, in Centro de Exposiciones y Convenciones de Bucaramanga y Acerías Paz del Río S.A., which are recognized for their cost.

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Investments in associates-CICB	<u>\$ 64.502.884</u>	<u>63.998.057</u>

At June 30, 2018, the Parent had an investment in associates, given the influence it exercises over Patrimonio Autónomo Centro Internacional CICB. The escrow was formed to manage funds provided by the Bogotá Chamber of Commerce, Fontur and the Parent, for development of the AGORA international convention center. To date, the Parent has an interest of 18.63% in the escrow.

The following is a summary of the financial position of entities in which there are equity-method interests at June 30, 2018 and December 2017:

2018

Entity	% interest	Registered offices	Assets	Liabilities	Income	Expenses	Net profit
Patrimonio Autónomo Centro de Convenciones CICB	19%	Calle 67 7 - 37, Bogotá, Colombia	364.515.295	18.595.795	2.632.262	42.353	2.589.909

2017

Entity	% interest	Registered offices	Assets	Liabilities	Income	Expenses	Net profit
Patrimonio Autónomo Centro de Convenciones CICB	19%	Calle 67 7 - 37, Bogotá, Colombia	348.542.338	17.153.644	14.221	58.422	(44.201)

8. Intangibles

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Intangibles-trademarks acquired	15.097.323	12.769.723
Software	2.557.448	3.221.062
Accumulated amortization	<u>(2.771.574)</u>	<u>(2.594.629)</u>
	<u>\$ 14.883.197</u>	<u>13.396.156</u>

The increase in the first quarter of 2018 is mainly due to the Parent's acquisition of the trademark Expoagrofuturo for \$1,167,600 and Gran Salon Inmobiliario for \$960.000. For the acquisition of the Expoagrofuturo brand, a due diligence was carried out in 2017 for \$ 3,250

9. Property and Equipment

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Land	234.003.546	234.003.546
Construction in progress (1)	64.081.294	52.217.461
Buildings	168.405.980	168.354.483
Machinery and equipment	11.703.344	11.482.022
Office equipment	7.522.552	6.826.145
Computer and communications equipment (2)	8.325.549	6.301.753
Transport fleet and equipment	265.804	265.804
Accumulated depreciation	<u>(22.007.986)</u>	<u>(18.850.439)</u>
	<u>\$ 472.300.083</u>	<u>460.600.775</u>

(1) Construction in progress increased with work on the Active Border for \$6.675.380 and the Hotel Project offices for \$5.110.799

(2) The increase is due to the acquisition of the active equipment system, RTLS and WIFI for Ágora – Centro de Convenciones.

10. Investment properties

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Investment property - land	\$ 27.000.000	\$ 27.000.000
Investment property - construction in progress (1)	<u>139.087.314</u>	<u>119.716.158</u>
	<u>\$ 166.087.314</u>	<u>\$ 146.716.158</u>

(1) During 2018 and as part of commitments in the investors agreement, the Hotel made progress of \$19.371.156.

11. Financial debt

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Short term, financial debt	13.138.668	8.126.250
Long-term financial debt	68.152.917	48.963.750
	<u>\$ 81.291.585</u>	<u>57.090.000</u>

The increase comes mainly from loans taken by Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca from Banco Popular for \$8,600,000 at IBR+1.20% and from the Bogotá Chamber of Commerce at IBR+1.30% quarterly in arrears for 7 years for \$36,000,000 to finance investments plans and operations. And Davivienda's Bank for 3.600.000 at DTF +1.85% to attend the investment projects and operation. Likewise, there is lower level of debt due to the cancellation of previous loans.

12. Accounts payable and tax provisions

Accounts Payable

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Local	649.737	1.088.157
Foreing	51.492	-
To Contractors	2.968.488	5.122.184
Costs and Account Payables	23.855.999	19.575.439
Dividends or Interests Payable	10.410.197	235.756
Final Tax Withheld at the Source	864.848	1.570.427
Withheld Sales Tax	101.556	-
Withheld Industry and Business Tax	86.019	136.600
Withholding and Payroll Contributions	390.663	209.646
Other Creditors	275.520	100.361
Accrued Wages	4.839	41.339
Consolidated Unemployment Fund	888	777.274
Unemployment Fund Interests	755	93.634
Consolidated Vacations	302.821	383.449
Extra-Legal Benefits	152.640	166.613
Laboral Obligation	1.131.694	-
Third-Party Retentions on Contracts	631.468	589.032
	<u>\$ 41.879.624</u>	<u>30.089.911</u>

(1) The increase corresponds to accounts payable to suppliers and contractors for services provided mainly for the execution of the Alimentec fairs for \$ 2,570,996, the International Book Fair for \$1,850,855 and Comic Con Bogotá for \$ 1,832,887, carried out in the first semester.

(2) Corresponds to the dividends payable of \$ 10,144,579 originated in the 2017 profits, decreed according to the minutes of the General Shareholders Meeting of March 22, 2018, of these dividends, the shareholders with participation less than 6% received the payment on April 30, 2018 for \$ 1,199,459, shareholders with participation greater than this percentage will receive it on October 30, 2018

(3) Corresponds to the provision of social benefits derived from labor obligations.

Tax liabilities

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Current Income Tax	320.041	2.114.055
	<u>\$ 320.041</u>	<u>2.114.055</u>

13. Employee benefits and other provisions

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Retirement pension	\$ 2.092.888	2.074.888

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Estimated Liabilities and Provisions	<u>\$ 2.578.758</u>	<u>2.578.758</u>

During the second quarter processes against the parent had advances, however none of them implied a readjustment of the accountant estimations registered on December 31, 2017.

14. Other liabilities**a) Other financial liabilities**

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Deposits received for trade fairs and events (1)	7.951.660	3.113.094
Third-party revenue (2)	2.823.002	1.030
	<u>\$ 10.774.662</u>	<u>3.114.124</u>

(1) The increase in deposits received is mainly due to the reserves for the participation of exhibitors in the matrix for fairs and events such as Feria del Hogar for \$ 1,285,044, Feria Internacional de Bogotá for \$ 895,766 and Belleza y Salud for \$ 503,363 and in the subordinate Corferias Inversiones SAS for events such as Sabor Barranquilla, Concierto Chayanne and Agroexpo Caribe. These amounts are applied once the participation of the exhibitor at the fair is invoiced.

(2) The income received for third parties increased mainly due to the execution of the mandate contract in the matrix for the realization of the Anato Tourist Showcase for \$ 2,072,267 and Fadja for \$ 743,409

b) Other non financial liabilities

- **Short term**

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Rent	-	42.050
Other (1)	18.309.415	7.881.323
	<u>\$ 18.309.415</u>	<u>7.923.373</u>

- Long term

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Deposits received for project management (2)	<u>127.790.209</u>	<u>102.584.077</u>

- (1) Corresponds to income received in advance from national exhibitors for \$ 12,643,344 and international exhibitors for \$ 3,178,660. These are received in advance in order to separate the spaces to participate in the different fairs and events. These income received in advance are applied once the fairs or events are executed within the ordinary business cycle.
- (2) The increase of the deposits received for the management of projects corresponds to the resources received in the matrix by P.A. Pactia as hotel project investors for \$ 25,206,132 during the first semester of 2018.

15. Reserves

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Legal Reserve	839.830	839.830
Occasional Reserves	<u>97.801.342</u>	<u>86.409.736</u>
	<u>\$ 98.641.172</u>	<u>87.249.566</u>

In the Shareholders meeting celebrated on March 22 ,2018, an increase in the occasional reserve was approved for \$11.391.606.

16. Revenue

a) Ordinary incomes

	<u>January 1 June 30,</u> <u>2018</u>	<u>January 1 June 30,</u> <u>2017</u>	<u>April 1 June 30,</u> <u>2018</u>	<u>April 1 June 30,</u> <u>2017</u>
Food and Beverages	3.154.812	2.456.448	2.583.620	1.861.813
Real Estate, Corporate and Leasing Activities (1)	9.949.455	7.942.345	4.969.074	6.100.379
Entertainment and leisure (2)	<u>42.310.122</u>	<u>35.394.395</u>	<u>31.429.987</u>	<u>29.478.933</u>
	<u>\$ 55.414.389</u>	<u>45.793.188</u>	<u>38.982.681</u>	<u>37.441.125</u>

- (1) During the first semester of 2018, the events that generated the variation correspond to the Congress of the Republic Elections for \$ 4,652,413, Lego Fun Fest Bogotá for \$ 996,976 and Macrorueda Procolombia for \$ 768,565.
- (2) In the first semester of 2018, the highest revenues were generated by the International Book Fair events for \$ 9,548,157, Alimentec for \$ 5,584,136, Industrial Furniture and Wood Show \$ 2,930,569, Alliances and Other Sponsorships for 3,734 .336, Comic Con Bogotá for 2,605,726 and FIMA - Fair for the Environment for 2,114,626. As well as, Construferia del Caribe for 661,983 and VIMO for 602,593, made in the Puerta de Oro site in Barranquilla through the subordinate Corferias Inversiones S.A.S.

b) Other incomes

	January 1 June 30, 2018	January 1 June 30, 2017	April 1 June 30, 2018	April 1 June 30, 2017
Dividends and Participations	1.868.015	1.275.291	1.868.015	1.275.291
Commissions	18.014	21.463	8.412	10.181
Recoveries	574.527	278.674	94.004	21.090
Compensations	16.335	68.643	12.196	60.313
Others revenues	98.885	30.229	74.073	15.794
	<u>\$ 2.575.776</u>	<u>1.674.300</u>	<u>2.056.700</u>	<u>1.382.669</u>

(1) During the first semester income was recognized for a reversal of receivables impairment for \$386,386; and for 2017, for \$127.165. As well as recovery of other expenses for \$ 188,141 and for 2017 \$ 151.509.

a) Financial Incomes

	January 1 June 30, 2018	January 1 June 30, 2017	April 1 June 30, 2018	April 1 June 30, 2017
Interest	52.808	19.376	40.926	10.157
Savings account interest	268.585	81.527	106.360	46.729
Exchange difference	409.636	361.062	304.351	242.029
Discounts	58.781	119.480	39.947	60.924
	<u>\$ 789.810</u>	<u>581.445</u>	<u>491.584</u>	<u>359.839</u>

17. Expenses**a) Overhead**

	January 1 June 30, 2018	January 1 June 30, 2017	April 1 June 30, 2018	April 1 June 30, 2017
Payroll	10.207.230	9.077.805	5.576.083	4.321.274
Fees	772.434	977.521	517.803	668.751
Taxes	4.240.098	3.026.815	997.392	2.724.716
Leases	361.867	839.574	305.081	741.789
Contributions and affiliations	228.131	256.931	134.868	176.557
Insurances	213.992	166.272	110.875	89.792
Services	3.524.318	2.252.254	2.421.776	1.366.409
Legal Expenses	44.409	35.504	18.023	29.947
Maintenance and repairs	783.736	680.071	441.937	391.648
Compliance and Installation	849.633	1.013.853	486.869	556.699
Travels expenses	103.970	109.713	63.273	82.533
Depreciations	3.158.319	2.781.479	1.635.603	1.403.722
Amortizations	876.809	807.030	451.728	408.878
Sundry	919.472	1.018.809	515.905	610.256
Other	1.715.315	1.375.664	17.032	19.007
	<u>\$ 27.999.733</u>	<u>24.419.295</u>	<u>13.694.248</u>	<u>13.591.978</u>

- (1) Administrative expenses increased in the quarter of 2018 with respect to 2017, mainly due to the higher payment value in the property tax matrix of the taxable year 2018 of each of the properties for \$ 2,787,837.
- (2) Corresponds to the A/R impairment expense in 2018 of \$1.054.974 and in 2017 of \$701.198

b) Selling expenses

	January 1 June 30, 2018	January 1 June 30, 2017	April 1 June 30, 2018	April 1 June 30, 2017
Payroll	2.530.360	2.007.079	1.431.273	1.167.237
Taxes	41.775	31.970	41.773	31.970
Fees	646.390	457.003	567.870	400.044
Leases	1.287.795	356.965	980.465	233.637
Contributions and affiliations	948.162	1.541.949	948.162	1.134.868
Insurances	16.577	21.049	11.335	19.477
Services	5.799.976	4.349.000	4.944.004	3.627.839
Legal Expenses	72.344	15.974	70.100	12.823
Maintenance and repairs	79.062	63.475	65.855	49.373
Compliance and Installation	1.314.314	1.609.733	1.045.237	1.051.198
Travels expenses	348.643	225.286	279.277	204.970
Sundry	1.451.863	1.025.890	1.080.902	696.182
Other	9.261.125	5.892.141	7.547.845	5.744.059
	<u>\$ 23.798.386</u>	<u>17.597.514</u>	<u>19.014.098</u>	<u>14.373.677</u>

Sales expenses have shown an increase mainly due to personnel expenses, leases and other services acquired for execution in the matrix of the International Book Fair Trade Fair for \$ 4,180,289, Alimentec for \$ 3,122,291, Comic Con Bogotá for \$ 2,210. 975 and Industrial Sample of Furniture and Wood 2018 for \$ 1,461,108 and in the subordinate Corferias Inversiones SAS for the events Construferia del Caribe and VIMO 2018. As well as the necessary expenses for the execution of the events held in the facilities of Ágora - Convention Center for 2018 for \$ 1,122,138.

c) Other expenses

	January 1 June 30, 2018	January 1 June 30, 2017	April 1 June 30, 2018	April 1 June 30, 2017
Sale Losses and removal of assets	3.186	-	-	-
Costs and expenses of previous years	83.545	41.418	36.039	7.586
Taxes assumed	17.619	25.234	12.365	1.859
Sundry (1)	226.301	123.572	15.312	109.538
	<u>\$ 330.651</u>	<u>190.224</u>	<u>63.716</u>	<u>118.983</u>

- (1) Other expenses increased mainly due to the Parent's donation of \$200.000 in January to the company Bogotá y Cundinamarca Convention Bureau.

d) Financial expense

	January 1 June 30, 2018	January 1 June 30, 2017	April 1 June 30, 2018	April 1 June 30, 2017
Bank charges	473	8	3	(30)
Commissions	170.274	140.093	122.730	100.314
Interest	437.142	499.337	218.324	206.577
Exchange difference	438.800	247.843	127.237	38.071
Others	10.849	10.680	6.338	7.733
	<u>\$ 1.057.538</u>	<u>897.961</u>	<u>474.632</u>	<u>352.665</u>

Financial expenses increased due mainly to the exchange difference on foreign currency receivables, caused by a fall in the dollar/peso Market Reference Rate.

e) Income tax expense

Income tax expense is recognized based on the administration's best estimate of both current income tax and deferred income tax. The effective tax rate of the Company with respect to continuing operations for the three-month period ended June 30, 2018 was 5.07% (Three-month period ended June 30, 2017, 1.53%)

The variation of 3.54% in the effective tax rate originates mainly due to the following:

- ✓ The income tax expense to June 2017 was not updated, since there is a fiscal loss. The adjustment was made with cut to September 2017.

The effective tax rate of the Company in respect of continuing operations for the six-month period ended June 30, 2018 was 17.84% (Period of six months ended June 30, 2017, 3.49%).

The variation of 14.35% in the effective tax rate originates mainly due to the following factors:

- ✓ In the filing of the current income tax, the parent company paid non-taxed dividends of \$ 1,868,015, which represents 7.37%.
- ✓ Non-deductible expenses such as 50% of the GMF, taxes paid and fines and penalties, which represents 1.77%.
- ✓ A reimbursement of the provision of the income expense was generated for \$ 148,563, which represents 2.93%.

f) Entities result for the period

	January 1 June 30, 2018	January 1 June 30, 2017	April 1 June 30, 2018	April 1 June 30, 2017
Profit participation method	<u>\$ 504.827</u>	<u>352.129</u>	<u>504.827</u>	<u>360.529</u>

The balance for the first quarter of 2018 is represented by the expense in the application of the equity method for the interest in Patrimonio Autónomo Centro Internacional CICB for \$504.827.

18. Related parties

The following is the detail of accounts receivable from related parties:

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Controlling interest	\$ 201.697	127.673
Key management personnel	211.409	203.201
Associate (1)	255.329	1.922.612
Subsidiaries	22.544	-
Capital interest	1.245.106	
Shareholders	2.510.224	515.878
	<u>\$ 4.446.309</u>	<u>2.769.364</u>

(1) The reduction corresponds to the payment of the urban demarcation tax for the property on which Patrimonio Autónomo del Centro Internacional de Convenciones de Bogotá – Ágora.

The following is the details of the accounts payable to related parties:

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Controlling interest (1)	\$ 45.342.256	696.447
Capital interest	1.332	-
Key management personnel	66.015	257.751
Directors	15.463	-
Subsidiaries	3.048	1.062
Shareholders (2)	1.378.109	437.866
	<u>\$ 46.806.223</u>	<u>1.393.126</u>

(1) The balance at June 30, 2018 is mainly due to a loan of \$36,000,000 and dividends of \$9,071,408.

Services received, operations with related parties:

	<u>January 1 June 30,</u> <u>2018</u>	<u>January 1 June 30,</u> <u>2017</u>	<u>April 1 June 30,</u> <u>2018</u>	<u>April 1 June 30,</u> <u>2017</u>
Controlling interest	\$ 231.543	14.378	227.829	\$ 9.352
Key management personnel	1.418.803	1.615.204	758.823	663.579
Capital interest	6.716	7.187	\$ 3.357	3.570
Subsidiaries	108.090	-	56.300	-
Directors	224.574	-	115.968	-
Shareholders	460.556	-	352.271	-
	<u>\$ 2.450.282</u>	<u>1.636.769</u>	<u>1.514.548</u>	<u>676.501</u>

Incomes from ordinary activities related to services and parties transactions:

	January 1 June 30, 2018	January 1 June 30, 2017	April 1 June 30, 2018	April 1 June 30, 2017
Controlling interest	\$ 630.347	5.774	582.284	1.000
Key management personnel	7.616		7.616	-
Capital interest	1.869.294	1.235.153	1.868.015	1.235.153
Subsidiaries	-	-	(910)	-
Associate	-	436.059	-	436.059
Shareholders	2.258.031	-	1.305.079	-
	<u>\$ 4.765.288</u>	<u>1.676.986</u>	<u>3.762.084</u>	<u>1.672.212</u>

Investments, operations with related parties:

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
Associate	\$ 64.502.884	63.998.057
Capital interest	13.373.749	13.373.749
	<u>\$ 77.876.633</u>	<u>77.371.806</u>

19. Contingencies

During the first semester of 2018 there were no changes in the contingencies.

The parent company has the following contingencies as of June 30, 2018:

- By processes of trademark registrations, such as Agroexpo, International Book Fair and Meditech.
- For legal and tax processes with the Tax and Customs National Directorate for Income Tax and Supplementary taxable year 2009.

Finally, due to labor processes that currently take place in the judicial offices, through which the plaintiffs claim that the link that existed between each of them and Corferias was governed by an employment contract and that, as a consequence of the foregoing, it is ordered to Corferias the payment of the claims. See note 13.

The subordinates do not have contingencies as of June 30, 2018.

20. Subsequent events

There were no events subsequent to June 30, 2018 and the date of the Statutory Auditor's Report that could have an impact on the condensed interim consolidated financial statements.

21. Approval of the Condensed Interim Consolidated Financial Statements

The condensed interim consolidated financial statements at June 30, 2018, attached, were approved by the Legal Representative and the Chief Accountant on August 8, 2018.