

**CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR
DE ZONA FRANCA AND SUBORDINATE**
Condensed Interim Consolidated Financial Statements

For the periods ended on September 30 ,2019 and December 31, 2018

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 that is attached as of September 30, 2019 of Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca and subordinate, which comprise:

- The consolidated condensed interim statements of financial position at September a 30, 2019;
- The consolidated condensed interim statements of comprehensive income, nine- and three-months period ended September 30, 2019;
- The consolidated condensed interim statements of changes in equity for the period of nine months ended September 30, 2019;
- The condensed interim consolidated cash flow statement for the period of nine months ending on September 30, 2019; 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 the International Accounting Standard 34 (IAS 34) - Interim Financial Information contained in financial information accounting standards accepted in 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 consolidated financial information does not present, in all material aspects, its financial position as of September 30, 2019, which is attached, in accordance with the International Standard of Accounting 34 (IAS 34) - Intermediate Financial Information contained in the Accounting and Financial Information Standards accepted in Colombia.

(Original in spanish signed)

Yesica Alejandra Ballen Borrero

Deputy Substitute Statutory Auditor

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

License TP 232744-T

Member of KPMG S.A.S

November 14, 2019

**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) as of September 30, 2019, which include the condensed interim statements of financial information of Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca and subordinate, which comprise:

- The consolidated condensed interim statements of financial position at September a 30, 2019;
- The consolidated condensed interim statements of comprehensive income, nine- and three-months period ended September 30, 2019;
- The consolidated condensed interim statements of changes in equity for the period of nine months ended September 30, 2019;
- The condensed interim consolidated cash flow statement for the period of nine months ending on September 30, 2019; and
- The notes to the interim financial statements.

The management is responsible for the adequate preparation and presentation of these in Extensible Business Reporting Language (XBRL) that incorporates interim consolidated statements of financial information, in accordance with the International Accounting Standard 34 (IAS 34) - Interim Financial Information contained in financial information and accounting standards accepted in Colombia and presentation the Extensible Business Reporting Language (XBRL) as instructed by the Colombian Financial Superintendency (Superintendencia Financiera de Colombia) . My responsibility consists of expressing a conclusion of Extensible Business Reporting Language (XBRL) that incorporates financial information interim consolidate, 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", in 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 Extensible Business Reporting Language (XBRL), that incorporate report of the interim consolidated financial information of Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca and subordinate, does not present, in all material aspects, its financial situation September 30, 2019, in accordance with the International Accounting Standard 34 (IAS 34) - Interim Financial Information contained in financial information accounting standards accepted in Colombia and as instructed by the Colombian Financial Superintendency (Superintendencia Financiera de Colombia).

(Original in spanish signed)

Yesica Alejandra Ballen Borrero

Deputy Substitute Statutory Auditor

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

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November 14, 2019

CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND SUBSIDIARIES
Consolidated Interim Condensed Statements of Financial Position
At September 30, 2019
(Figures in thousands of Colombian pesos)

	<u>Note</u>	<u>September 30, 2019</u>	<u>December 31, 2018</u>
ASSETS			
Current assets			
Cash and cash equivalent	3	\$ 35,213,561	10,987,417
Accounts receivable	4 and 20	38,368,636	28,604,391
Tax assets		536,559	310,202
Inventories	5	1,424,226	577,655
Other non-financial assets	6 and 20	<u>5,360,202</u>	<u>1,112,283</u>
Total current assets		<u>80,903,184</u>	<u>41,591,948</u>
Non-current assets			
Other financial assets	7	15,140,593	15,134,980
Investments in associates	7	65,039,178	64,933,159
Intangibles	8	14,707,274	16,468,129
Property and equipment	9	501,934,695	497,147,864
Investment properties	10	250,102,631	233,891,941
Deferred Tax Assets		<u>93,958</u>	<u>268,164</u>
Total non-current assets		<u>847,018,329</u>	<u>827,844,237</u>
Total assets		<u>\$ 927,921,513</u>	<u>869,436,185</u>
LIABILITIES			
Current liabilities			
Financial debt	11	22,244,248	16,563,504
Accounts payable	12 and 20	51,711,267	42,153,304
Tax liabilities	13	-	1,466,075
Income received in advance	15	<u>31,147,950</u>	<u>14,620,819</u>
Total current liabilities		<u>105,103,465</u>	<u>74,803,702</u>
Non-current liabilities			
Financial debt	11	97,891,727	85,351,606
Employee benefits	14	2,055,168	2,028,167
Other provisions	14	3,343,010	3,348,573
Other non-financial liabilities	16	174,280,466	161,737,822
Deferred tax liability, net		<u>34,333,193</u>	<u>41,865,374</u>
Total non-current liabilities		<u>311,903,564</u>	<u>294,331,542</u>
Total liabilities		<u>\$ 417,007,029</u>	<u>369,135,244</u>
EQUITY			
Capital		1,673,920	1,673,920
Share Placement Premium		43,451,721	43,451,721
Reserves	17	111,915,850	98,641,172
Accumulated profit		328,909,463	328,909,463
Other equity interests in equity		1,075,700	1,075,700
Result for the period		<u>23,887,830</u>	<u>26,548,965</u>
Total equity		<u>\$ 510,914,484</u>	<u>500,300,941</u>
Total liabilities and equity		<u>\$ 927,921,513</u>	<u>869,436,185</u>

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

(Original in spanish signed)
Mario Cajiao Pedraza
Legal Representative

(Original in spanish signed)
Juan Carlos Sánchez
Chief Accountant
T.P. 102419 - T

(Original in spanish signed)
Yesica Alejandra Ballen Barrero
Substitute Statutory Auditor
Corporación de Ferias y Exposiciones S.A.
Usuario Operador de Zona Franca
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(See my Report of November 14, 2019)

CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND SUBSIDIARIES
Consolidated condensed interim statements of comprehensive income
For nine and three months period ended September 30, 2019
(Figures in thousands of Colombian pesos)

	<u>Note</u>		1 January to September 30, 2019	1 January to September 30, 2018	1 July to September 30, 2019	1 July to September 30, 2018
Income from ordinary activities	18 and 20	\$	125.132.979	108.966.109	63.971.540	53.551.720
Overhead	19a) and 20		50.908.917	40.719.742	17.363.115	13.774.988
Selling expenses	19b) and 20		50.617.614	40.363.117	23.895.289	16.564.731
Other income	18b)		3.156.676	2.541.300	287.039	351.915
Cost of sales			2.152.721	1.509.885	800.169	573.014
Other expenses	19c)		538.006	452.698	15.055	122.047
Profit on operating activities			24.072.397	28.461.967	22.184.951	22.868.855
Financial income	18c)		1.896.823	1.054.090	811.837	264.280
Financial expenses	19d)		3.894.271	1.430.952	1.781.568	373.414
Entity Profit (loss) for the Period	19f)		(1.004.784)	459.663	(288.142)	(45.164)
Profit before tax			21.070.165	28.544.768	20.927.078	22.714.557
Income tax expense	19e)		(3.322.664)	6.089.413	(3.634.472)	5.168.464
Result for the period		\$	24.392.829	22.455.355	24.561.550	17.546.093
Other Comprehensive Income			-	-	-	-
Result for the period and other comprehensive income		\$	24.392.829	22.455.355	24.561.550	17.546.093

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

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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
For nine months period ended september 30, 2019
(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, 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	-	-	11.391.606	-	-	(11.391.606)	-
Result for the period	-	-	-	-	-	22.076.014	22.076.014
Balance as of September 30, 2018	\$ 1.673.920	43.451.721	98.641.172	328.909.463	344.694	22.076.014	495.096.984
Balance as of December 31, 2018	\$ 1.673.920	43.451.721	98.641.172	328.909.463	1.075.700	26.548.965	500.300.941
Cash dividend declared of \$79,35 per share, on 167.287.797 subscribed and paid shares; paid in April and October 2019	-	-	-	-	-	(13.274.287)	(13.274.287)
Appropriated to mandatory and occasional reserves 17	-	-	13.274.678	-	-	(13.274.678)	-
Result for the period	-	-	-	-	-	23.887.830	23.887.830
Balance as of September 30, 2019	\$ 1.673.920	43.451.721	111.915.850	328.909.463	1.075.700	23.887.830	510.914.484

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

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CORPORACIÓN DE FERIS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND SUBSIDIARIES
Consolidated Condensed Interim Statement of Cash Flows
For nine months period ended September 30, 2019
(Figures in thousands of Colombian pesos)

	<u>Note</u>	<u>January 1 to September 30, 2019</u>	<u>January 1 to September 30, 2018</u>
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the period		\$ 23.887.830	22.076.014
Adjustments to reconciliation between the profit for the period and net cash provided by operating activities:			
Depreciations	9 and 19	5.537.735	4.825.072
Amortization	8 and 19	2.054.060	1.562.894
Impairment accounts receivable, net	4, 18b) and 19a)	504.999	379.341
Loss on sale and withdrawals of property and equipment	9, 18b) and 19c)	445	5.842
Recovery of provision for accounts payable	18b)	-343.362	-397.965
Loss (profit) equity method	19f)	1.004.784	-459.663
Income tax		-3.322.664	6.089.413
		<u>29.323.827</u>	<u>34.080.948</u>
Changes in assets and liabilities			
Accounts receivable		-10.269.244	-6.236.725
Inventories		-846.571	269.863
Other non-financial assets		-4.247.919	-24.063.520
Net tax		2.924.256	-4.800.567
Accounts payable		-1.378.717	10.437.545
Employee benefits		27.001	27.000
Other provisions		-5.563	-17.704
Income received in advance		16.527.131	10.839.310
Other non-financial liabilities		12.542.644	37.094.947
Deferred taxes, net		-7.357.975	924.149
Interest paid	11	-6.341.085	-3.735.318
Income tax paid		-1.294.024	-2.045.400
		<u>29.603.761</u>	<u>52.774.528</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES			
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Investments	7	-3.300.894	-1.899.120
Dividends received from investments in other financial assets	18b)	2.184.478	1.898.520
Purchase of intangibles	8	-293.205	-6.748.914
Investment properties	10	-16.210.690	-39.205.566
Purchase of property and equipment	9	-10.325.011	-27.437.351
		<u>-27.945.322</u>	<u>-73.392.431</u>
NET CASH USED IN INVESTING ACTIVITIES			
CASH FLOWS FROM FINANCING ACTIVITIES			
Financial Obligations	11	24.561.950	33.435.318
Cash dividends paid	12	-1.994.245	-1.199.706
		<u>22.567.705</u>	<u>32.235.612</u>
NET CASH PROVIDE IN FINANCING ACTIVITIES			
NET INCREASE (DECREASE) IN CASH			
		24.226.144	11.617.709
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		10.987.417	13.440.928
CASH AND CASH EQUIVALENTS AT END OF PERIOD		\$ 35.213.561	25.058.637

See the notes that form an integral part of the consolidated condensed interim financial statements.

(Original in Spanish signed)
Mario Cajiao Pedraza
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(See my Report of November 14, 2019)

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

Notes to the Condensed Interim Consolidated Financial Statements

At September 30, 2019

(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 September 30, 2019 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 and Corferias Inversiones S.A.S.

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 Accounting Standard 34 (IAS 34) - Interim Financial Information, contained in financial information accounting standards accepted in Colombia (NCIF), established in Law 1314/2009, regulated by Regulatory Degree 2420/2015, amended by Decree 2496/2015, Decree 2131/2016, 2170/2017 and 2483/2018. 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, 2017.

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, 2018 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 leases (See note 2d).

Seasonality of transactions: During the third quarter of 2019 the fairs that were held: Feria Internacional de Seguridad, F-AIR, Agroexpo, Gran Salón Inmobiliario, Nexcar, Silverexpo, Feria del Hogar, and the events Expovinos and Semana Putumayo, LIBRAQ, Expoagrofuturo, Medellin, Sabor

**CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA Y
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Notes to the Condensed Interim Consolidated Financial Statements

Barranquilla ; the fairs that generate the highest income for the parent company and its subordinate Corferias Inversiones S.A.S.

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

(b) Basis of measurement

The condensed interim 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;
- 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 condensed interim consolidated 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 16. Leases

IFRS 16 – Leases replaces the guidelines on existing leases including IAS 17 Leases, IFRIC 4 Determination of whether an agreement contains a lease, SIC-15 Operating leases - Incentives and SIC 27 Evaluation of the essence of transactions that take the legal form of a lease.

The standard is effective for years, starting January 1, 2019. IFRS 16 introduces a single model of accounting for lessees. The lessee recognizes an asset by rights of use, representing the right to use an underlying asset, and a liability for lease payments representing his obligation to make the lease-payments.

There are exemptions for the recognition of short-term leases (less than one year) and the leases of low value items. The lessor's accounting remains similar to that of the current standard, that is, the lessor continues to classify lease payments as financial or operational.

The application of the previous policy did not generate impacts on the measurement because the parent and its subordinate, both as lessors and as tenants do not have contracts for periods longer than 1 year; Lease expenses registered by the Corporation refer to leases of machinery and equipment, decoration elements; to carry out the different fairs which do not exceed a period of 3 weeks on average each fair.

(e) Significant Accounting Estimates and Judgement

The preparation of the condensed interim consolidated financial statements using COL-IFRS requires management to use judgment, estimates and suppositions that affect the application of accounting

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

Notes to the Condensed Interim Consolidated Financial Statements

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 4 - Estimates of impairment of accounts receivable.
- Notes 6 - The fair value of investments in other financial assets
- Note 10 - Classification of investment properties.
- Note 14 - Estimates of provisions.

(f) Operating segments

An operating segment is a component of the Parent and its subsidiaries that engages in a business earning ordinary income and incurring expenses; its results are regularly reviewed by the Company's Board in decision-making for Parent and subsidiary operations, in order to decide on resources to be allotted to it and to evaluate its performance, and in relation which there is differentiated financial information available.

The factors that serve to identify segments in Corferias take account of infrastructure and management only for the rendering of services that define the generation of ordinary income. Therefore, and given that the business lines generate income have similar economic characteristics, the Group applies the criterion of aggregation, after analysing:

- a. The nature of the products and services;
- b. The nature of processes involved in the service;
- c. The type or category of customer targeted by the products and services;
- d. The methods used to render the services.

With this, it can be considered that all income, costs, assets and liabilities form a single segment of operation to be reported, taking account of the following products:

- Entertainment and leisure; includes the rental of space and the rendering of services in the organization and the holding of fair events;
- Property, business and rental activities correspond to space rentals and the rendering of services related directly to non-fair events;
- Food and beverages (offered during fair events); and
- Parking management (offered to visitors at fairs and exhibitions)

The results of operations are reviewed regularly by the Board of Corferias as the senior organ of management.

Determination of fair value

The fair value of a financial asset or liability trading active market is based on quoted market prices at the close of business on the closing date.

The further of financial assets and liabilities not traded active market is determined using valuation techniques; the Parent uses methods and assumes that they are based on market conditions at the close of each period. Valuation techniques used for non-standardized financial instruments, include the use of similar transactions in similar circumstances, and references to other instruments with are

**CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA Y
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Notes to the Condensed Interim Consolidated Financial Statements

substantially the same, and the analysis of the discounted dividend methodology.

Hierarchy of fair value

The fair value hierarchy has the following levels

- Level 1. Unadjusted quoted prices in active markets for identical assets or liabilities of which the entity may have access on the date of measurement. The Parent applies this level to its investment in Acerías Paz del Rio
- Level 2 Data other than quoted prices included in Level 1, observable for the asset or liability whether directly (as a price), or indirectly (as derived from prices)
- Level 3. Data from the asset or liability not based on observable market data (non-observable variables).

If the variables used to measure fair value of an asset or liability can be classified in other levels other than the hierarchy of fair value, then the measurement of their value is classified entirely at the same level of hierarchy of fair value as the lowest- level variable significant to the overall measurement.

The table below uses the fair value hierarchy to show financial assets and liabilities (by class), measured at fair value as of September 30, 2019 and December 31, 2018, on a recurring basis:

September 30, 2019

Asset/liability type	Level 1	Level 2	Level 3	Evaluation technique Level 2	Principal entry data
Investments in other financial assets - Acerías Paz del Rio Shares	\$ 16	-	-	-	Market / share price.
Investments in other financial assets (Alpopular and La Previsora)	-	\$14.490.376 (*)	-	Dividend model discounted by the Gordon model.	Dividends paid, EMBI Colombia, Beta and Devaluation.
Property private capital fund	-	\$475.753	-	Valuation of underlying assets	Value of the unit of the Fund provided by the Management Company

December 31, 2018

Asset/liability type	Level 1	Level 2	Level 3	Evaluation technique Level 2	Principal entry data
Investments in other financial assets - Acerías Paz del Rio Shares	\$ 16	-	-	-	Market / share price.
Investments in other financial assets (Alpopular and La Previsora)	-	\$14.490.376	-	Dividend model discounted by the Gordon model.	Dividends paid, EMBI Colombia, Beta and Devaluation.
Property private capital fund	-	\$470.140	-	Valuation of underlying assets	Value of the unit of the Fund provided by the Management Company

**CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA Y
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Notes to the Condensed Interim Consolidated Financial Statements

(*) As of de closing of September 2019, the Corporation conducted an analysis of these investments, without finding elements that would modify their fair value compared to the one determined as of de closing of December 31, 2018.

The Parent company recognizes transfers between the levels of the fair value hierarchy at the end of the reporting period, during which the change occurred.

The Parent does not present any type of reclassification at the hierarchy levels, between September 30, 2019 and December 31, 2018.

OPERATING SEGMENTS

The following is the information related to assets, liabilities and results be operating segment identified by the parent for the period ended September 30, 2019 and December 31, 2018

	September 2019	December 2018
Assets	927.921.513	869.436.185
Cash and cash equivalent	35.213.561	10.987.417
Accounts receivable	38.368.636	28.604.391
Tax assets	536.559	310.202
Inventories	1.424.226	577.655
Other non-financial assets	5.360.202	1.112.283
Other financial assets	15.140.593	15.134.980
Investments in associates	65.039.178	64.933.159
Intangibles	14.707.274	16.468.129
Property and equipment	501.934.695	497.147.864
Investment property	250.102.631	233.891.941
Deferred tax assets	93.958	268.164
Liabilities	415.985.647	369.135.244
Financial debt	120.135.975	101.915.110
Accounts payable	51.711.267	42.153.304
Tax liabilities	-	1.466.075
Income received in advance	31.147.950	14.620.819
Employee benefits	2.055.168	2.028.167
Other provisions	3.343.010	3.348.573
Other non-financial liabilities	174.280.466	161.737.822
Deferred tax liability	33.311.811	41.865.374
Equity	511.935.866	500.300.941

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Revenues from ordinary activities	125.132.979	108.966.109
Activities in entertainment and leisure	68.923.520	89.103.575
Activities in real property, business and rentals	9.627.368	14.657.484
Food and beverages	8.678.538	5.205.050
Selling expenses	50.617.614	40.363.117
Overhead	52.059.518	42.021.925
Other income	3.802.278	3.464.142
Cost of sales	2.152.721	1.509.885
Other expenses	538.006	452.698
Profit from operating activities	23.567.398	28.082.626
Financial income	1.896.823	1.054.090
Financial expense	3.894.271	1.430.952
Loss from equity method	-1.004.784	459.663
Profit before tax	20.565.166	28.165.427
Income tax expense	-4.344.046	6.089.413
Result for the period	24.909.212	22.076.014

3. Cash and Cash Equivalents

The following is the detail of cash and cash equivalents

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
cash	86.731	19.247
Current accounts (1)	1.670.925	449.808
Savings accounts (1)	13.637.686	6.538.036
Collective investment funds (2)	18.365.389	3.980.326
Guarantee funds (2)	856.551	-
National tax return titles (3)	596.279	-
	<u>\$ 35.213.561</u>	<u>\$ 10.987.417</u>

(1) The increase corresponds to the collection of the portfolio of the fairs and events carried out mainly in the F-AIR Aeronautical Fair 2019, the International Security Fair 2019, the ARTBO Fair 2019 and the collection of customer disbursements for the version of the Andina Pack Fair 2019. Finally, an increase in the subordinate Corferias Inversiones SAS, due to the collection of the portfolio in the produced parking service for \$ 2,905,615.

(2) The increase corresponds mainly in the parent company to the largest investment in the Collective Investment Fund Interest Participation A for \$ 9,039,869 administered by Davivienda Corredores. As well as the constitution of the guarantee fund with Patrimonios Autónomos Fiduciaria Bancolombia S.A. Sociedad Fiduciaria for \$ 856,362 to meet the financial obligation acquired for the investment project of the Hilton-Corferias Hotel; The validity of this fund is revolving based on each payment, of which the value of a fee must be kept minimum. Finally, in the subordinate Corferias Inversiones S.A.S. an increase due to higher investments mainly in the Open Interest Fund for \$ 2,742,576. The validity of this fund is rotatable according to each payment, which must maintain a minimum value of a share.

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- (3) On September 20, 2019, a TEST - Treasury Title was acquired, which will be used for the payment of taxes in October 2019.

As of September 30, 2019, and December 31, 2018, there is no evidence of impairment and there is only restriction on the guarantee fund acquired by the parent company in order to comply with the obligations acquired with Banco AV. Villas and Banco Bogotá for the Hotel project.

4. Accounts receivable

The following is the detail of accounts receivable:

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Customers (1)	24.205.492	19.842.962
Income receivable (2)	14.335.473	8.522.871
Receivable from employees	427.557	450.478
Doubtful accounts	2.330.266	2.213.233
Impairment (3)	<u>-2.930.152</u>	<u>-2.425.153</u>
	<u>\$ 38.368.636</u>	<u>\$ 28.604.391</u>

- (1) The increase in accounts receivable corresponds mainly to the invoices generated to customers for the participation in the events carried out by the Home fair for \$ 1,738,114, Expodefensa for \$ 1,646,657, Agroexpo for \$ 1,154,943 and the events held at the Agora International Center for \$ 1,154,944 among others and in the subordinate Corferias SAS mainly for the Expoagrofuturo Medellín events for \$ 911,260 and the National Public Accounting Congress for \$ 868,064. As well as the collection of portfolios mainly from the Expocundinamarca Fair held in December 2018 for \$ 4,069,787, among others.
- (2) The increase corresponds mainly to the account receivable from Alpopular Almacén General de Depósito S.A. for \$ 862,930 for dividends decreed. Also, to accounts receivable from the Chamber of Commerce of Bogotá for \$ 1,994,537 of ARTBO fairs and events held at the International Agora Center such as Bogotá Fashion Week and Agora Bogotá Forum.
- (3) The impairment of accounts receivable is calculated in accordance with accounting policy taking into account current accounts receivable and hard-to-collect debts, based on the expected loss model.

The impairment of accounts receivable during the period was as follows:

	<u>2019</u>	<u>2018</u>
Balance at December 31, 2018	\$ 2.425.153	2.215.512
Impairment of receivables	1.150.601	1.302.183
Recoveries	<u>-645.602</u>	<u>-922.842</u>
Balance at September 30, 2019	<u>\$ 2.930.152</u>	<u>\$ 2.594.853</u>

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5. Inventories

The following is the detail of inventories:

	September 30, 2019	December 31, 2018
Raw materials	66.648	51.290
Goods not made by the business	68.746	43.621
Materials, spares and accesories (1)	1.174.811	387.894
Packaging and filling	114.021	94.850
	\$ 1.424.226	\$ 577.655

- (1) 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. The increase corresponds mainly to the acquisition of mat for the different pavilions for \$ 685,981.

As of September 30, 2019, and December 31, 2018, there are no inventory restrictions.

6. Other Non-Financial Assets

The following is the detail of other financial assets:

	September 30, 2019	December 31, 2018
Interest on employee loans	214.143	151.087
Prepaid expenses (1)	5.146.059	961.196
	\$ 5.360.202	\$ 1.112.283

- (1) The increase corresponds in the Matrix mainly to advance payments to suppliers and contractors for \$ 4,031,828 for the provision of services and realization of the fairs. Likewise, advance of taxes of VAT and ICA for \$ 46,998.

7. Other financial assets and investments in associates

The following is the detail of other financial assets and investments in associates:

	September 30, 2019	December 31, 2018
Investments in: (1)		
Alpopular Almacén General de Depósitos S.A.	14.106.244	14.106.244
La Previsora S.A. Compañía de Seguros	384.132	384.132
Centro de Ferias y Exposiciones de Bucaramanga	174.448	174.448
Acerías de Paz del Río S.A.	16	16
Fondo de Capital Privado (2)	475.753	470.140
	\$ 15.140.593	\$ 15.134.980

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- (1) These are investments in financial instruments where the parent company has no control or significant influence.

The investment in the Fairs and Exhibitions Center of Bucaramanga is measured at cost. As of September 30, 2019, and December 31, 2018, there is no evidence of impairment for this investment, since the company has not historically shown loss rates.

- (2) Investment made by the Parent Company in Fondo de Capital Privado Nexus Inmobiliario, managed by Fiduciaria de Occidente S.A.; which generates daily yields.

As of September 30, 2019, and December 31, 2018, there are no restrictions on these investments.

Investments in associates

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Investment in associates - CICB	\$ 65.039.178	\$ 64.933.159

As of September 30, 2019, the Parent Company has an investment in associates, given the significant influence it has over the Patrimonio Autónomo Centro Internacional CICB, which was established for the administration of the resources delivered by the Bogota Chamber of Commerce, Fontur and the Corporation, for the development of the Bogotá-AGORA International Convention Center. To date, the Corporation has a 17.23% interest in the Patrimonio Autónomo Centro Internacional CICB.

The following is a summary of the financial information of investments accounted for using the equity method, as of September 30, 2019 and December 31, 2018:

2019

Entity	% participation	Registered Office	Assets	Liabilities	Income	Expenses	Net profit and / or loss
Patrimonio Autónomo Centro de Convenciones CICB	17.23%	Calle 67 7 - 37, Bogotá, Colombia	381.320.022	3.895.240	1.857.026	1.199.129	657.897

2018

Entity	% participation	Registered Office	Assets	Liabilities	Income	Expenses	Net profit and / or loss
Patrimonio Autónomo Centro de Convenciones CICB	19%	Calle 67 7 - 37, Bogotá, Colombia	376.278.435	10.902.076	8.534.490	3.297.662	5.236.828

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8. Intangibles

The following is the detail of intangibles:

	September 30, 2019	December 31, 2018
Intangibles - trademarks acquired	15.483.592	15.483.593
Computer Programs - Licenses and Software	5.326.810	5.033.603
Accumulated amortization	-6.103.128	-4.049.067
	\$ 14.707.274	\$ 16.468.129

The following is the movement of intangibles as of September 30, 2019:

Intangibles	Balance at 12/31/2018	Purchases	Amortization in period	Balance at 09/30/2019
Software licenses	4.139.913	293.205	-1.288.530	3.144.588
Trademark acquired	12.328.216	-	-765.530	11.562.686
Total intangible	16.468.129	293.205	-2.054.060	14.707.274

The following is the movement of intangibles as of September 30, 2018:

Intangibles	Balance at 12/31/2017	Purchases	Amortization in period	Balance at 09/30/2018
Software licenses	3.221.062	762.712	-1.040.651	2.943.123
Trademark acquired	10.175.094	5.986.202	-522.243	15.639.053
Total intangible	13.396.156	6.748.914	-1.562.894	18.582.176

9. Property and Equipment

The following is the detail of property and equipment:

	September 30, 2019	December 31, 2018
Land	\$ 234.003.546	234.003.546
Construction in progress (1)	81.347.864	72.602.486
Buildings	183.829.704	183.829.705
Machinery and equipment	12.606.953	12.234.570
Office equipment	9.995.296	9.563.103
Computer and communications equipment	10.852.432	10.077.516
Transport fleet and equipment	265.804	265.804
Accumulated depreciation	-30.956.976	-25.418.938
Impairment	-9.928	-9.928
	\$ 501.934.695	\$ 497.147.864

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- (1) Construction in progress has an increase mainly in Borde Activo projects \$ 2,217,150 and offices for \$ 1,798,561. Likewise, it registers other improvement projects for \$ 1,534,957. And in the subordinate Corferias Inversiones S.A.S. for investments in the parking lot of the Hilton Hotel for \$ 16,757 and the advancement of the acoustic conditioning of the Americas tent for \$ 14,280.

The following is the detail of the movement of property and equipment as of September 30, 2019:

Intangibles	Balance at 12/31/2018	Purchases	Withdrawn	Depreciation in period	Balance at 09/30/2019
Land	234.003.546	-	-	-	234.003.546
Improvement to third party property	312.325	-	-	-	312.325
Construction in progress	72.602.486	8.745.378	-	-	81.347.864
Construction and Buildings	170.085.537	-	-	-2.297.177	167.788.360
Machinery and equipment	5.992.828	372.982	-	-954.779	5.410.431
Office equipment	6.344.442	432.306	-445	-859.721	5.916.582
Computer and communications	7.724.746	774.945	-	-1.413.765	7.085.926
Transport fleet and equipment	81.954	-	-	-12.293	69.661
Total Property and equipment	497.147.864	10.325.611	-445	-5.537.735	501.934.695

The following is the detail of the movement of property and equipment as of September 30, 2018:

Intangibles	Balance at 12/31/2017	Purchases	Withdrawn	Depreciation in period	Balance at 09/30/2018
Land	234.003.546	-	-	-	234.003.546
Improvement to third party property	144.822	-	-	-	144.822
Construction in progress	52.072.639	22.394.308	-	-	74.466.947
Construction and Buildings	157.702.944	51.497	-	-2.096.658	155.657.783
Machinery and equipment	3.770.055	635.723	-5.842	-665.104	3.734.832
Office equipment	4.599.685	984.275	-	-945.579	4.638.381
Computer and communications	8.188.360	3.371.548	-	-1.090.153	10.469.755
Transport fleet and equipment	118.724	-	-	-27.578	91.146
Total Property and equipment	460.600.775	27.437.351	-5.842	-4.825.072	483.207.212

As of September 30, 2019, and December 31, 2018, there are no restrictions on these assets.

10. Investment properties

The following is the detail of the investment properties:

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Investment property - land	27.000.000	27.000.000
Investment property - construction in progress (1)	209.272.764	195.887.467
Investment property - hotel equipmnet (1)	13.829.867	11.004.474
	<u>\$ 250.102.631</u>	<u>\$ 233.891.941</u>

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- (1) During 2019 as part of the commitments of the investors' agreement, in the parent company the Hotel project had an increase in construction amounting to \$ 13,385,297 and in endowment the amount of \$ 2,825,393.

The following is the detail of the movement of investment properties as of September 2019:

Investment Property	Balance at 12/31/2018	Purchases	Balance at 09/30/2019
Land	27.000.000	-	27.000.000
Construction in progress	195.887.467	13.385.297	209.272.764
Hotel Equipment	11.004.474	2.825.393	13.829.867
Total in Investment Property	233.891.941	16.210.690	250.102.631

The following is the detail of the movement of investment properties as of September 2018:

Investment Property	Balance at 31/12/2017	Purchases	Balance at 09/30/2018
Land	27.000.000	-	27.000.000
Construction in progress	119.716.158	39.205.566	158.921.724
Total in Investment Property	146.716.158	39.205.566	185.921.724

11. Financial Obligations

The following is the detail of the financial obligations:

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Short term, financial obligation	22.244.248	16.563.504
Long term, financial obligation	97.891.727	85.351.606
	<u>\$ 120.135.975</u>	<u>\$ 101.915.110</u>

The Parent Company increased its financial obligations for the execution of the Borde Activo, Hotel and Corferias offices projects with Banco Av Villas for \$ 17,313,665 IBR + 4.40% E.A. with a term of 3 years and with Banco de Bogotá for \$ 22,576,434 IBR + 4.40 E.A. Likewise, the payment of interest for \$ 4,842 on the loans acquired until September 2019. The subordinate Corferias Inversiones S.A.S. He obtained a loan with Banco Davivienda for \$ 1,500,000 IBR + 3.70 MV for a term of 5 years.

As of September 30, 2019, and December 31, 2018, the obligations guaranteed in the Parent Company amount to \$ 39,890,100 and \$ 15,308,273 respectively. There are no guaranteed obligations on subordinates.

The following is the detail of the interest paid during the year 2019 to each entity for a total value of \$ 6,341,085 and for the year 2018 \$ 5,085,068:

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	September 30, 2019		December 31, 2018	
	<u>Capitalization</u>	<u>Expense</u>	<u>Capitalization</u>	<u>Expense</u>
Banco Comercial AV. Villas S.A	\$ 1.038.845	725.881	1.320.666	45.933
Banco Davivienda S.A	75.799	392.081	130.015	121.436
Banco Popular S.A	1.097.716	483.200	1.598.744	108.944
Cámara de Comercio de Bogotá	942.290	416.787	1.309.755	407.592
Banco de Bogotá	394.105	774.381	41.983	-
	<u>\$ 3.548.755</u>	<u>\$ 2.792.330</u>	<u>\$ 4.401.163</u>	<u>\$ 683.905</u>

12. Accounts Payable

The following is the detail of accounts payable:

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
National providers	\$ 1.118.548	1.115.500
Providers from abroad (1)	105.548	2.885.378
To Contractors (2)	4.501.213	11.194.118
Costs and Account Payables (3)	21.871.752	19.720.757
Dividends or Interests Payable (4)	11.484.765	264.885
Final Tax Withheld at the Source	1.329.500	2.209.082
Withheld Sales Tax	102.753	744.178
Withheld Industry and Business Tax	43.775	153.394
Withholding and Payroll Contributions	397.163	735.848
Other Creditors (5)	7.669.969	790.079
Accrued Wages	97.970	12.130
Consolidated Unemployment Fund	608	972.600
Unemployment Fund Interests	921	113.114
Consolidated Vacations	226.741	381.383
Extra-Legal Benefits	110.632	164.762
Laboral Obligations (6)	2.276.331	-
Third-Party Retentions on Contracts	373.078	696.096
	<u>\$ 51.711.267</u>	<u>\$ 42.153.304</u>

(1) The decrease corresponds to the payment in the parent in 2019 of the profits from fairs held in 2018 in association with foreign allies such as Alimentec, Mueble y Madera and Andinapack.

(2) The decrease corresponds to the payment in 2019 of accounts payable to contractors for mainly advertising services provided in December 2018, as well as liquidation of the fairs.

(3) The increase corresponds mainly to the costs and expenses payable in the subordinate Corferias Inversiones S.A.S. which corresponds mainly to the costs and expenses of Expoagrofuturo Medellín Fair for \$ 1,533,185.

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(4) The increase corresponds to the accrual of dividends payable to shareholders for \$ 13,274,287 originated in 2018 earnings, decreed according to the minutes of the General Shareholders Meeting 93 of March 28, 2019, of which \$ 1,994,245 were paid for the year 2019.

(5) The increase corresponds mainly to the account payable to Patrimonios Autónomos Fiduciaria Bogotá S.A. for the profits of the International Convention Center - ÁGORA for \$ 5,772,639 and the account payable in favor of the AFIDA Ecuador Administration Trust for \$ 159,806. At the subordinate Corferias Inversiones S.A.S. corresponds to the recognition of the loss in the equity method for the investment in the Hotel Operator Pactia Corferias S.A.S. for \$ 1,110,804, taking into account that Corferias Inversiones S.A.S has incurred certain obligations in accordance with the signed operating contracts.

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

13. Tax liabilities

The following is the detail of tax liabilities:

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Current Income Tax (1)	-	1.466.075
	<u>\$ -</u>	<u>\$ 1.466.075</u>

(1) Corresponds in 2018 to the balance payable of income and complementary taxes of the respective taxable year, canceled in June 2019.

14. Employee benefits and other provisions

The following is the detail of employee benefits and other provisions:

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Retirement Pension (1)	<u>\$ 2.055.168</u>	<u>\$ 2.028.167</u>

(1) The variation corresponds to the recognition of the provision in the first half for \$27.001.

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Estimated Liabilities and Provisions (2)	<u>\$ 3.343.010</u>	<u>\$ 3.348.573</u>

(2) Corresponds mainly to contingencies due to labor processes.

15. Income received in advance

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Deposits received for fairs and events (1)	<u>\$ 31.147.950</u>	<u>\$ 14.620.819</u>

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- (1) Corresponds to deposits received from clients during the period for participation in different fairs; These monies are received up to a maximum of one year in advance, which are applied once the participation of the fair exhibitor is billed. The increase from one period to another is caused by advances received at the headquarters for the fairs: ARTBO for \$ 2,141,116, Andinapack for \$1,670,831 and Belleza y Salud for \$ 978,765, among others. As well as the income invoiced in advance of the different fairs pending to be executed by the Parent Company such as Andinapack for \$ 5,000,428, Belleza y Salud \$ 2,780,229 and Expodefensa for \$ 1,858,960, among others. At the subordinate Corferias Inversiones S.A.S. corresponds mainly to advances received for the fairs: Expoagrofuturo Medellín for \$ 456,057.

16. Other Non-Financial Liabilities

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Deposits received for projects management (1)	\$ 174.280.466	\$ 161.737.822

- (1) The increase of the deposits received for the management of projects corresponds to the resources received in the parent by P.A. Pactia as hotel project investors for \$12.542.644 during the 2019 year.

17. Reserves

The following is the detail of the reserves:

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Mandatory Reserves	839.830	839.830
Occasional Reserves	111.076.020	97.801.342
	<u>\$ 111.915.850</u>	<u>\$ 98.641.172</u>

In the Shareholders meeting of the parent and subordinates celebrated on March 28 ,2019, an increase in the occasional reserve was approved for \$13.274.678.

18. Revenue

a) Ordinary Incomes

The following is the detail of revenues from ordinary activities for the six- and three-month periods ended on:

	<u>January 1 - September 30, 2019</u>	<u>January 1 - September 30, 2018</u>	<u>July 1 - September 30, 2019</u>	<u>July 1 - September 30, 2018</u>
Food and Beverages	\$ 8.678.538	5.205.050	3.059.240	2.050.238
Real Estate, Corporate and Leasing Activities (1)	9.627.368	14.657.484	4.045.957	4.708.029
Entertainment and Leisure (2)	106.827.073	89.103.575	56.866.343	46.793.453
	<u>\$ 125.132.979</u>	<u>\$ 108.966.109</u>	<u>\$ 63.971.540</u>	<u>\$ 53.551.720</u>

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- (1) During 2019, the main events that generated the corresponding variation in the parent to Expovinos for \$ 1,105,366, Putumayo's Week for \$ 366,000, FEDOPTO for \$ 307,350, among others. The decrease corresponding to the execution in 2018 of the Congress of the Republic and Lego Fun Fest events, which were not held in 2019.
- (2) So far in 2019, the highest income was generated in the parent mainly by Feria del Hogar for \$12,499,127, Agroexpo Fair for \$12,867,983, F-AIR for \$ 6,849,250, Gran Salon Inmobiliario fair for \$2,280. 625, Boyacá in Corferias for \$ 1,562,691, E + F + S International Security Fair for \$1,773,630. As well as the income generated by the Agora Convention Center for \$12,247,462. At the subordinate Corferias Inversiones S.A.S. by the Sabor Barranquilla Fair for \$1,656,966, Expodrinks for \$ 971,053, Festival del Libro for \$ 908,393, the administration of parking lots for \$ 2,660,485 and Expo Agrofuturo Medellín fair in its first version for \$2,991,861, among others. It should be noted that the Home Fair and the Book Fair had a better performance compared to its previous version, also the Agora International Convention Center with a number of similar events obtained an increase in income of more than 50%. Finally, due to the seasonality of the fairs, those held during 2019, we obtained better income on average than the fairs of even years.

b) Other Incomes

The following is the detail of other income for the six- and three-month periods ended on:

	<u>January 1 - September 30, 2019</u>	<u>January 1 - September 30, 2018</u>	<u>July 1 - September 30, 2019</u>	<u>July 1 - September 30, 2018</u>
Dividends and Participations (1)	\$ 2.184.478	1.898.520	-	30.505
Commissions	\$ 22.478	26.565	7.220	8.552
Recoveries (2)	\$ 343.362	397.965	133.345	209.824
Compensations (3)	\$ 251	-	150	-
Utility for sale property, plan and equipment	122.440	41.007	96.593	24.672
Other revenues	483.667	177.243	49.731	78.362
	<u>\$ 3.156.676</u>	<u>\$ 2.541.300</u>	<u>\$ 287.039</u>	<u>\$ 351.915</u>

- (1) Corresponds in the matrix to dividends obtained by the Corporation, derived from the investment registered in Alpopular Almacén General de Depósito S.A. for \$2.184.478.
- (2) Corresponds to the parent and its subordinate Corferias Inversiones S.A.S. to income from recovery of accounts payable provision.
- (3) Corresponds in the matrix to the reimbursement for disabilities for \$32,408 and other indemnities for the directors' insurance policy of \$90,000 corresponding to SBS Seguros Colombia S.A

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c) Financial Incomes

The following is the detail of financial income for the nine- and three-month periods ended on:

	<u>January 1 - September 30, 2019</u>	<u>January 1 - September 30, 2018</u>	<u>July 1 - September 30, 2019</u>	<u>July 1 - September 30, 2018</u>
Interest (1)	\$ 144.765	226.839	9.762	44.535
Svings Account Interest	\$ 552.036	239.624	265.989	100.535
Exchange difference	\$ 1.046.802	-	486.976	-
Discounts	\$ 115.487	496.287	36.557	86.651
Investment returns (2)	37.733	91.340	12.553	32.559
	<u>\$ 1.896.823</u>	<u>\$ 1.054.090</u>	<u>\$ 811.837</u>	<u>\$ 264.280</u>

- (1) In the parent company, it mainly corresponds to the financial returns obtained in the collective investment funds managed by Constructora Concreto SA, in its capacity as delegated administrator of the construction projects for a value of \$ 113,117, as well as the returns obtained from the liquidation of the Patrimonio Autónomo Corferias, in charge of acquiring the houses adjacent to the Agora Convention Center, for \$ 7,156. Lastly, the balance is the product of the calculation of the interest for housing and vehicle loans granted to the Corporation's employees.
- (2) Corresponds in the matrix to the returns generated by the investment in the Nexus Real Estate Private Capital Fund for \$37.733.

19. Expenses

a) Administration Expenses

The following is the detail of administrative expenses, for the nine- and three-month periods ended on:

	<u>January 1 - September 30, 2019</u>	<u>January 1 - September 30, 2018</u>	<u>July 1 - September 30, 2019</u>	<u>July 1 - September 30, 2018</u>
Payroll	\$ 18.323.837	15.910.560	6.576.292	5.703.331
Fees	\$ 1.484.334	1.122.770	940.483	350.337
Taxes (1)	\$ 5.424.719	5.098.713	1.000.136	858.615
Leases	\$ 314.124	457.539	115.196	95.672
Contributions and Afiliations	\$ 726.846	637.898	108.834	409.768
Insurances	\$ 287.971	319.126	90.955	105.134
Services (2)	\$ 4.986.370	5.245.532	2.110.265	1.721.214
Legal Expenses	\$ 80.354	45.105	30.677	696
Maintenance and Repairs (3)	\$ 2.078.617	1.098.173	821.307	314.437
Compliance and Installation	\$ 1.438.987	1.316.372	508.021	466.740
Travel Expenses	\$ 345.762	227.138	180.217	123.169
Depreciations	\$ 5.537.735	4.825.072	1.848.902	1.666.753
Amortizations	\$ 2.054.060	1.562.894	709.445	686.085
Sundry	\$ 1.471.681	1.367.079	836.438	447.607
Others (4)	6.353.520	1.485.771	1.485.947	825.430
	<u>\$ 50.908.917</u>	<u>\$ 40.719.742</u>	<u>\$ 17.363.115</u>	<u>\$ 13.774.988</u>

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- (1) Corresponds in the matrix to the property tax payment of the taxable year 2019 of each of the properties for \$ 2,199,206. Likewise, it presents an increase in the expense for sales and industry and commerce tax as a result of the execution of fairs in the parent company, primarily by Feria del Hogar, Agroexpo, Gran Salon Inmobiliario Fair, F-AIR. At the subordinate Corferias Inversiones S.A.S. for the Sabor Barranquilla Fair, Expodrinks and the Expo Agrofuturo Medellín fair, among others.
- (2) The decrease corresponds to the austerity plan of expenses proposed by the Administration for the year 2019 and the seasonality of the fairs. The balance corresponds mainly to the parent and its subordinate Corferias Inversiones S.A.S. to cleaning and surveillance expenses of \$ 3,120,726. As well as expenses for public services for \$ 1,311,000.
- (3) Corresponds to the parent and its subordinate Corferias Inversiones S.A.S. to the maintenance costs of machinery and equipment for \$ 942,746 and maintenance of communication and computer equipment for \$ 771,590. The increase compared to 2018 corresponds mainly to the execution of the maintenance plan of the Agora International Convention Center.
- (4) Corresponds in the matrix in 2019 to the remuneration of investors of the Agora International Convention Center for \$ 5,772,639.

b) Selling Expenses

The following is the detail of selling expense for the nine- and three-month periods ended on:

	<u>January 1 - September 30, 2019</u>	<u>January 1 - September 30, 2018</u>	<u>July 1 - September 30, 2019</u>	<u>July 1 - September 30, 2018</u>
Payroll	\$ 4.572.207	4.017.924	1.626.831	1.487.564
Fees (1)	1.818.414	1.362.596	1.141.113	716.206
Taxes	72.329	269.037	67.013	227.262
Leases (2)	3.847.739	1.960.974	1.584.741	673.179
Contributions and Afiliations	2.451.129	2.400.218	345.986	1.452.056
Insurances	22.430	20.739	18.447	4.162
Services (2)	13.517.198	11.332.648	7.560.407	5.532.672
Legal Expenses	103.850	102.445	59.898	30.101
Maintenance and Repairs	319.901	167.901	221.276	88.839
Compliance and Installation (2)	8.857.213	3.106.055	6.345.544	1.791.741
Travel Expenses	1.070.087	714.224	564.439	365.581
Sundry	2.887.265	2.394.891	1.356.973	943.028
Others (3)	11.077.852	12.513.465	3.002.621	3.252.340
	<u>\$ 50.617.614</u>	<u>\$ 40.363.117</u>	<u>\$ 23.895.289</u>	<u>\$ 16.564.731</u>

- (1) The increase corresponds to the fees for consulting and technical assistance in the parent company for the execution of Feria del Hogar \$ 146,631, International Fair of security E + F + S for \$ 188,341, SOFA Fair for \$ 114,370, among others. At the subordinate Corferias Inversiones S.A.S. It corresponds mainly to the necessary expenses for the execution of the Sabor Barranquilla Fair for \$ 82,826, Festival del Libro for \$ 69,562 and the Expo Agrofuturo Medellín fair for \$ 232,858.
- (2) Corresponds in the matrix to the rental of equipment, advertising services and auxiliary personnel of accesses and informants and adjustments of electrical installations for fairs: Agroexpo for \$ 3,705,958, Expoconstrucción y Diseño for \$ 1,186,117, F-AIR for \$ 4,191,110, Feria del Hogar for \$ 1,630,545 among others. At the subordinate Corferias Inversiones S.A.S. It corresponds mainly to the necessary expenses for the operation of the parking lots for

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\$623,674, the execution of the Sabor Barranquilla Fair for \$ 503,623 and Festival del Libro for \$28,928, among others.

- (3) Corresponds to the services provided by suppliers and contractors that have not been billed mainly for the Expoconstrucción y Diseño, Comic Con Bogotá, Feria del Hogar, E + F + S International Security Fair, Sabor Barranquilla, Expodrinks, Festival del Libro, Expo Agrofuturo Medellín and operation of the Food and Beverage unit, among others.

c) Other Expenses

The detail of other expenses is as follows for the nine- and three-month periods ended on:

	<u>January 1 - September 30, 2019</u>	<u>January 1 - September 30, 2018</u>	<u>July 1 - September 30, 2019</u>	<u>July 1 - September 30, 2018</u>
Loss on sale and withdrawal of property and equipment	\$ 696	5.842	-	2.656
Other expenses (1)	537.310	446.856	15.055	119.391
	<u>\$ 538.006</u>	<u>\$ 452.698</u>	<u>\$ 15.055</u>	<u>\$ 122.047</u>

- (1) Corresponds mainly in the matrix to the donation made for \$ 250,000 to Fenalco Nacional on February 4, 2019 for new product development project

d) Financial Expenses

The following is the detail of financial expense for the nine- and three-month periods ended on:

	<u>January 1 - September 30, 2019</u>	<u>January 1 - September 30, 2018</u>	<u>July 1 - September 30, 2019</u>	<u>July 1 - September 30, 2018</u>
Bank charges	\$ 1.430	473	21	-
Commissions	\$ 314.763	299.147	167.360	128.873
Interest (1)	\$ 2.805.756	594.377	1.396.513	157.235
Exchange difference	\$ 760.874	518.614	213.340	79.814
Others	11.448	18.341	4.334	7.492
	<u>\$ 3.894.271</u>	<u>\$ 1.430.952</u>	<u>\$ 1.781.568</u>	<u>\$ 373.414</u>

- (1) Corresponds to the payment of interest for bank loans for \$ 2,792,330 and for consumption by credit cards for \$ 13,426. The increase corresponds to obtaining new financial obligations to attend to the main investment projects.

e) Income Tax Expense

Income tax expense is recognized based on management's best estimate of both current income tax and deferred income tax. The Corporation's effective tax rate with respect to continuous operations for the three-month period ended September 30, 2019 was (17.59%) (Three-month period ended September 30, 2018, 22.47%).

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The variation of (39.85%) in the effective tax rate is mainly due to the following:

- ✓ The aforementioned variation corresponds to the update of the deferred tax, in the heading of fiduciary rights in the Patrimonio Autónomo CICB which was carried out in the parent company in the third quarter of 2019.

The Corporation's effective tax rate for continuous operations for the nine-month period ended September 30, 2019 was (16.16%) (Nine-month period ended September 30, 2018, 21.62%).

The variation of (37.78%) in the effective tax rate is mainly caused by the following factors:

- ✓ The aforementioned variation corresponds to the update of the deferred tax, in the heading of fiduciary rights in the Patrimonio Autónomo CICB which was carried out in the parent company in the third quarter of 2019.

f) Entities Result for the Period

The following is the detail of entities result for the period for the nine- and three-month periods ended on:

	<u>January 1 - September 30, 2019</u>	<u>January 1 - September 30, 2018</u>	<u>July 1 - September 30, 2019</u>	<u>July 1 - September 30, 2018</u>
Loss participation method	-1.004.784	459.663	-288.142	-45.164
	-\$ 1.004.784	\$ 459.663	-\$ 288.142	-\$ 45.164

The balance of the third quarter of 2019 is represented by the profit from the application of the participation method in the Patrimonio Autónomo Centro Internacional CICB for \$ 106,020; as well as the loss recognized in the Subordinate Corferias Inversiones SAS for its investment in the Hotel Operator Pactia Corferias S.A.S. for \$ 1,110,804.

g) Impairment of Accounts Receivable, Net

The following is the detail of the impairment of accounts receivable, for the periods of nine- and three-month periods ended on:

	<u>January 1 - September 30, 2019</u>	<u>January 1 - September 30, 2018</u>	<u>July 1 - September 30, 2019</u>	<u>July 1 - September 30, 2018</u>
Impairment recovery income	\$ 645.602	922.842	12.003	536.456
Impairment loss	1.150.601	1.302.183	25.173	247.209
	\$ 504.999	\$ 379.341	\$ 13.170	-\$ 289.247

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20. Related Parties

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

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Controlling - Cámara de Comercio de Bogotá (1)	\$ 2.269.055,00	363.268
Key management personnel	106.027	161.775
Associate - Patrimonio Autónomo CICB	2.568.131	2.264.342
Participated - Alpopular Almacén General de Depósitos S.A.	1.173.953	311.024
Shareholders	182.011	483.529
Other related parties (2)	230.059	2.929.212
	<u>\$ 6.529.236</u>	<u>\$ 6.513.150</u>

- (1) The increase and variation correspond to the account receivable from the parent company to the Bogota Chamber of Commerce as the representative of the Patrimony of the ARTBO Fair for \$1,600,017. As well as the account receivable for participation in the Foro Agora Bogotá event for \$ 578,686.
- (2) Mainly corresponds to the decrease in the account receivable from the Hotel Operator Pactia Corferias S.A.S. for loan payment.

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

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Controlling - Cámara de Comercio de Bogotá (1)	\$ 45.394.800	36.254.084
Associate - Patrimonio Autónomo CICB (2)	2.701.882	5.718.725
Participated - Alpopular Almacén General de Depósitos S.A.	1.374	-
Key management personnel	45.488	341.739
Board of Directors	230	229
Shareholders	517.050	192.051
Other related parties	244.716	-
	<u>\$ 48.905.540</u>	<u>\$ 42.506.828</u>

- (1) The balance as of September 30, 2019 corresponds to \$ 33,000,000 in the matrix for loans and dividends payable of \$ 10,585,532 from the Bogotá Chamber of Commerce.
- (2) Represents in the parent company the remuneration to shareholders as a result of Agora's exercise. The decrease corresponds to the payment of remuneration in accordance with the Investor Assembly of the Agora International Convention Center for \$ 3,016,843.

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Expenses for services received, transactions with related parties:

	<u>January 1 - September 30, 2019</u>	<u>January 1 - September 30, 2018</u>	<u>July 1 - September 30, 2019</u>	<u>July 1 - September 30, 2018</u>
Controlling - Cámara de Comercio de Bogotá	\$ 452.425	300.019	180.734	68.476
Key management personnel	\$ 2.238.814	2.157.182	756.534	738.379
Participated - Alpopular Almacén General de Depósitos S.A. (1)	11.318	10.560	4.388	3.844
Board of Directors	178.229	306.781	65.347	82.207
Minority Shareholders (2)	1.507.375	865.577	419.582	405.021
Other related parties	40.480	-	29.361	-
	<u>\$ 4.428.641</u>	<u>\$ 3.640.119</u>	<u>\$ 1.455.946</u>	<u>\$ 1.297.927</u>

(1) Alpopular provides warehousing and archival storage services.

(2) The increase corresponds mainly to the payment of participation in fair profits to minority shareholders such as the National Union of Colombian Livestock Associations -UNAGA- and to expenses of air tickets provided by the Travel and Tourism Agency Aviator S.A.S

Income from the provision of services and other income, transactions with related parties:

	<u>January 1 - September 30, 2019</u>	<u>January 1 - September 30, 2018</u>	<u>July 1 - September 30, 2019</u>	<u>July 1 - September 30, 2018</u>
Controlling - Cámara de Comercio de Bogotá	\$ 2.749.654	780.330	2.128.496	149.983
Associate - Patrimonio Autónomo CICB	\$ 95.650	-	-	-
Key management personnel	\$ 68.250	10.923	2.642	3.307
Participated - Alpopular Almacén General de Depósitos S.A. (1)	2.184.478	1.869.294	-	-
Board of Directors	54	15	54	15
Shareholders	2.741.869	5.319.815	291.589	3.061.784
Other related parties (2)	831.062	-	256.342	-
	<u>\$ 8.671.017</u>	<u>\$ 7.980.377</u>	<u>\$ 2.679.123</u>	<u>\$ 3.215.089</u>

(1) Corresponds in the matrix to the increase in pending revenues to be invoiced on behalf of the controller for its participation in fairs and events during 2019, such as ARTBO, Bogotá Fashion Week, Foro Agora Bogotá, among others.

(2) The matrix corresponds to the income from technical assistance and Back Office to the Hotel Operator Pactia Corferias S.A.S.

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Investments, with related parties:

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
Associate - Patrimonio Autónomo Centro Internacional CICB	\$ 65.039.178	64.933.159
Participated - Alpopular Almacén General de Depósitos S.A.	14.106.244	14.106.244
	<u>\$ 79.145.422</u>	<u>\$ 79.039.403</u>

21. Contingencies

So far in 2019 there were no changes in contingencies.

As of September 30, 2019, the parent has the following contingencies:

- By trademark registration processes, such as Agroexpo, International Book Fair and Meditech.
- Due to legal and tax processes with the Directorate of National Taxes and Customs for Income Tax and Complementary Taxable Year 2009.
- Due to labor processes currently taking place in judicial offices, through which the plaintiffs seek to declare 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, order Corferias to pay the claims.

The subordinate does not have contingencies as of September 30, 2019.

22. Subsequent Events

There were no subsequent situations between September 30, 2019 and the date of the Statutory Auditor's report, which may have an impact on the condensed consolidated interim financial statements.

23. Approval of the Condensed Interim Consolidated Financial Statements

The condensed interim consolidated financial statements at September 30, 2019, attached, were approved by the Legal Representative and the Chief Accountant on November 13 2019.