

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

Notes to the Consolidated Financial Statements
as December 31, 2019

(Figures expressed in thousands of colombian pesos)

1. Reporting entity

La Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca (now the parent Company) is a public limited company incorporated by Public Deed No. 3640 of July 18, 1955, of the Second Notary (2nd) of Bogotá DC, with a duration until July 2099. The consolidated financial statements as December 31, 2019 includes the parent company and its subordinate. The corporate purpose of the Parent Company is to promote industrial and commercial development in the region, national and international level and to strengthen Colombia's ties of friendship and cooperation with friendly nations, to organize fairs, national and international exhibitions of an industrial, commercial, agricultural or scientist inside or outside their facilities, at home or abroad; as well as promoting and organizing the participation of Colombia in fairs and exhibitions held abroad, directly or through its subordinate.

The Parent Company is subordinate to the Bogotá Chamber of Commerce, which has a 79.74% participation in the share capital.

The consolidated financial statements include la Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca y su subordinada Corferias Inversiones S.A.S.

Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca user was declared Special Permanent Free Zone Operator User through Resolution No. 5425 of June 20, 2008. According to Public Deed No. 2931 of July 25, 2008 of Notary 48 of Bogotá DC, registered on 28 July 2008 under number 01231243 of book IX, the company changed its name from Corporación de Ferias y Exposiciones SA, to Corporación de Ferias y Exposiciones SA Usuario Operador de Zona Franca. Its main domicile is in the city of Bogotá at Carrera 37 N ° 24-67.

Corferias Inversiones S.A.S., it is a company incorporated by private document dated April 30, 2012; with an indefinite term duration, it began to develop economic activities in June 2012. Its economic activity is the performance of any lawful activity both in Colombia and abroad, that allow to facilitate or develop commerce or the industry of society. Currently, the activity that it carries out is the administration of the parking lots of the buildings called Torre Parquaderos, Avenida Américas and Parquadero Verde. Likewise, it is the operator of the "Puerta de Oro" fairground in Barranquilla, where it organizes fairs and exhibitions of a commercial and agricultural nature, events for the population and visitors to the Colombian Caribbean.

Corferias Inversiones S.A.S. It is located in the city of Bogotá at Carrera 37 No. 24-67 and in Barranquilla at Calle 77B No. 57-103. La Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca owns 100% of the stake in Corferias Inversiones S.A.S. Likewise, it could direct accounting, administrative and financial policies.

Below is the financial information of the subordinate company, for the years 2019 and 2018:

2019

Company	% Holding	Assets	Liabilities	Patrimony	Utily
Corferias Inversiones S.A.S.	100%	\$14.161.986	11.678.993	2.482.993	1.062.193

2018

Company	% Holding	Assets	Liabilities	Patrimony	Utily
Corferias Inversiones S.A.S.	100%	\$10.371.644	8.950.844	1.420.800	1.117

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

Notas a los Estados Financieros Consolidados

1. Correction of the Consolidated Financial Statement

In relation to the preparation of the consolidated financial statements as December 31, 2019

1. The consolidated statement of financial position originally presented for ended year of December 31, 2018, has been checked to correctly present the balances of investment property and contractual liabilities, due to the existence of a significant financial component and capitalized interests. The impact was \$ 7,523,466.
2. The separate statement of cash flows originally presented for ended year December 31, 2018, has been checked to present correctly the item "other non-financial liabilities", as "contractual liability" within the net cash provided by the activities of financing instead of net cash provided by operating activities and also to adequately present non-monetary items included in the line of "purchases of property and equipment", which had been offset by the line of "transfers of property and equipment", within investment activities.
3. The Company has also reviewed the disclosure of its policy to correctly indicate that it has chosen to measure Investment Properties at cost; policy that will remain in force while the investment property is under construction.

The Company does not consider that the impact of the correction of the previous period is material to the consolidated financial statement of the previous period.

4. Givens of preparation

1. Normative Technical Framework

The consolidated financial statements have been prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia (NCIF), established in Law 1314 of 2009, regulated by Sole Regulatory Decree 2420 of 2015 modified by Decrees 2496 of 2015, 2131 of 2016, 2170 of 2017, 2483 of 2018 and 2270 of 2019. The applicable NCIFs in 2019 are based on International Financial Reporting Standards (IFRS), together with their interpretations, issued by the International Accounting Standards Board (International Accounting Standards Board - IASB); the basic standards correspond to those officially translated into Spanish and issued by the IASB in the second half of 2017.

Starting from January 1, 2019, IFRS 16 - Leases came into force. Changes related to accounting policies are described in Note 3

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

2. Givens of Mensuration

The consolidated financial statements have been prepared based on historical cost apart from the following important items included in the statement of financial position:

1. Financial instruments at fair value through profit or loss and other comprehensive income are measured at fair value.
2. In relation to employee benefits, defined benefit assets are recognized as the net total of plan assets, plus unrecognized past service costs, and unrecognized actuarial losses, less unrecognized actuarial gains and the present value of the defined benefit obligation.

3. Functional currency and presentation currency

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 the subordinate is measured and reported to the general public in Colombian pesos. Due to the foregoing, the administration considers that the Colombian peso is

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

Notas a los Estados Financieros Consolidados

the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions, and for this reason, the consolidated financial statements are presented in Colombian pesos as its functional currency.

All the information is expressed in thousands of pesos and has been rounded to the nearest unit.

4. Significant accounting estimates and judgments

The preparation of the consolidated financial statements in accordance with the Accounting and Financial Reporting Standards accepted in Colombia requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities and contingent liabilities in the balance sheet date, as well as the income and expenses of the year. Actual results could differ from these estimates.

The relevant estimates and assumptions are regularly reviewed. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected

Reason

Information at the reason in the application of accounting policies that have the most important effect in the consolidated financial statements is described in the following notes:

5. Notes 4, literal e, numeral (i) and 11 - The evolution of changes in accounts receivable.
6. Notes 4, literal g, and 23 - The estimation of provisions

7. NIIF 16 –Leases

La NIIF 16 – Leases supersedes existing leasing guidelines including IAS 17 Leases, IFRIC 4 Determining Whether an Agreement Contains a Lease, SIC-15 Operating Leases - Incentives, and SIC 27 Assessing the Essence of Transactions that Take the Legal Form of a lease.

The standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 introduces a single accounting lease model for lessees. The lessee recognizes a right-of-use asset that represents its right to use the underlying asset and a lease liability that represents its obligation to make lease payments.

There are exemptions from recognition for short-term leases (less than 1 year) and leases for low-value items. The lessor's accounting remains similar to that of the current standard, that is, lessors continue to classify leases as financial or operating.

The application of the above policy did not generate any impact on the measurement because the Parent Company and its subordinate, both as lessor and lessee, do not record contracts for periods longer than 1 year; The expenses for leases that they register 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..

8. Significant accounting policies

The accounting policies established below have been consistently applied by the Parent and its subordinate to all periods, in the preparation of the consolidated financial statements in accordance with the Accounting and Financial Reporting Standards Accepted in Colombia (NCIF), unless otherwise indicated.

1. Givens of consolidation

1. Subordinate

Subordinate is the one over which the Parent Company, directly or indirectly, through subsidiaries exercises control. The Parent controls a subordinate when due to her involvement in it, she is exposed to, or is entitled to, variable returns from her involvement in the participation and has the ability to influence said returns through the power she exercises over it. The Parent has power when it has substantive rights in force that give it the ability to direct the relevant activities.

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

Notas a los Estados Financieros Consolidados

La Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca consolidates the financial information of Corferias Inversiones S.A.S. % over which it exercises control and 100% participation.

In compliance with the Accounting and Financial Reporting Standards Accepted in Colombia, the consolidation method applied is the equity method, where:

- They combine similar items of assets, liabilities, equity, income, expenses, and cash flows of the Parent Company with that of its subordinate.
- They eliminate the carrying amount of the investment in its subordinate according to the percentage of participation.
- They eliminate assets, liabilities, equity, income, expenses and intragroup cash flows related to transactions between group entities.

The Parent Company and its subordinate established the same accounting policies, in the recognition and measurement for transactions of the same type and nature.

The financial statements of the subordinate used in the consolidation process correspond to the same period, and to the same presentation date, as those of the Parent

Loss of control

When control over a subordinate is lost, the assets and liabilities of the subordinate, any related non-controlling interests and other components of equity will be derecognised. Any resulting gain or loss will be recognized in profit or loss. If any interest in the subordinate is retained, it will be measured at its fair value on the date that control is lost.

2. Eliminated transactions in consolidation

Intercompany balances and transactions and any unrealized income or expenses that arise from transactions between the parent companies are eliminated during the preparation of the consolidated financial statements. Unrealized gains from transactions with companies whose investment is recognized using the equity method are eliminated from the investment in proportion to the Parent's interest in the investment. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment

3. Investments in associates

Associated entities are those entities in which the Parent Company has significant influence, but not joint control or control, over financial and operating policies. One of the presumptions established by the standard indicates that there is significant influence when the Parent Company owns between 20% and 50% of the voting rights of another entity, however, the significant influence must be reviewed.

The existence of the significant influence by the Matrix is evidenced, usually, through one or more of the following routes:

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

Notas a los Estados Financieros Consolidados

- a) Representation on the board of directors, or equivalent management body of the investee Entity.
- b) Participation in policy setting processes, including participation in decisions on dividends and other distributions.
- c) Relatively important transactions between the Entity and the investee.
- d) Exchange of management personnel; or
- e) Provision of essential technical information.

The Parent Company records investments in associated entities in the Autonomous Heritage International Convention Center of Bogotá (CICB), administered by Fiduciaria Bogotá.

The Parent Company recognizes investments in associated entities initially at cost and subsequently applying the equity method in the financial statements.

The participation on the associate in the results of the period after those of its acquisition, is recognized in results or directly in equity, depending on the origin of the transaction. When it is necessary to ensure its uniformity with the policies adopted by the Parent, the accounting policies of the associates are modified since these, accept the policies of the Parent and in turn those of the Bogota Chamber of Commerce, as Parent from Corferias

(d) Foreign currency

Transactions in foreign currency

Transactions in foreign currency are converted into the respective functional currency of the Parent on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the closing date are converted into the functional currency at the exchange rate of that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are converted into the functional currency at the exchange rate on the date on which the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not converted.

Gains or losses from conversion of foreign currency into monetary items is the difference between the book value of the functional currency at the beginning of the period, adjusted for interest and effective payments during the period, and the book value in foreign currency converted to the exchange rate at the end of the period.

Differences in foreign currency that arise during the conversion are generally recognized in results.

Closing rates used:

Country	31-dec-19	31-dec-18
---------	-----------	-----------

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

Notas a los Estados Financieros Consolidados

Colombia	3.277,44	3.249,75
----------	----------	----------

(e) Financial instruments

1. Financial assets

Recognition, initial measurement, subsequent measurement, and classification Financial assets are classified at amortized cost or at fair value based on:

- (a) The entity's business model for managing financial assets and
- (b) of the characteristics of the contractual cash flows of the financial asset.

Financial assets at fair value

The initial fair value of a financial instrument will normally be the price of the transaction, that is, the fair value of the consideration delivered or received. The following financial assets are recognized at fair value: Cash and cash equivalents, investments in other financial assets and accounts receivable from clients.

Financial assets at fair value through profit or loss include financial assets not designated at the time they are classified as amortized cost.

The Parent Company presents investments in equity instruments, measured at fair value with changes in results and with changes in other comprehensive income, as detailed below.

Cash and cash equivalents

The cash and cash equivalents of the Parent and the subordinate, is made up of cash balances and demand deposits with original maturities of 90 days or less, which are characterized by having great liquidity, are easily convertible into determined amounts of effective and being subject to an insignificant risk of changes in value. Cash and cash equivalents are used as a means of payment to settle liabilities acquired by the Parent and the subordinate.

Cash and cash equivalents can include:

1. General box
2. Minor savings banks in functional and foreign currency
3. Current and savings bank accounts in functional and foreign currency
4. Term Deposit Certificates (CDT), with a maximum term of 90 days
5. Collective investment funds

Investments in joint ventures:

Investments in joint ventures are those in which the subordinate shares control over an economic activity, financial and operating policies whereby they require the unanimous consent of the parties that share control.

The existence of joint control by the subordinate will determine the type of joint agreement, usually in one of the following ways:

1. Evaluate the rights and obligations in accordance with the structure and legal form of the agreement.
2. Recognize and measure assets and liabilities in relation to their participation in the joint arrangement.
3. Recognize and measure the income from ordinary activities and expenses in relation to their participation in the joint agreement.

The subordinate recognizes the investment in a joint venture initially at cost and subsequently applying the equity method in accordance with IAS 28 - Investment in Associates and Joint Ventures in the financial statements.

The participation in the joint venture in the results of the period after those of its acquisition, is recognized in results or directly in equity, depending on the origin of the transaction.

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

Notas a los Estados Financieros Consolidados

Investments in other financial assets

• **At fair value with effect on other comprehensive income:** The Parent Company records investments measured at fair value with effect on other comprehensive income based on the discounted dividend flow methodology and Gordon Shapiro, in the following entities: Alpopular Almacén General de Deposito S.A. and La Previsora S.A. Insurance company, respectively.

• **At cost less impairment:** The recognition of impairment and its reversal are recorded and reversed in the income statement. The Parent Company has investments measured at cost less impairment.

Participation in the Bucaramanga Fairs and Exhibitions Center uses this type of measurement, this in accordance with the provisions of IFRS 9, paragraph B5 2.3 and 2.4, which establishes that all investments in equity instruments must be measured at fair value. ; however, in specific circumstances, cost may be an adequate estimate of fair value. This may be the case if the recent available information is insufficient to measure said fair value and consequently cost represents the best estimate of fair value.

• **At fair value through profit or loss:** The measurement of investments listed on the Stock Exchange is based on the listed price of the share at the cut-off date. The Parent Company measures the investment held in Acerías Paz del Rio S.A. at the value quoted on the Colombian Stock Exchange at the end of each year.

Accounts receivable

Accounts receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Initial recognition is for the value of the transaction, as is its subsequent measurement less any impairment. Accounts receivable that are classified as less than 365 days are not subject to amortized cost unless the effect of the discount is significant; those over one year old, as they are totally impaired, are not subject to amortized cost.

Impairment of accounts receivable from customers

The Parent and its subordinate analyze the following events that correspond to objective evidence that losses are expected from the account receivable, based on an expected loss model for the next twelve (12) months:

1. The deterioration of solvency.
2. High probability of bankruptcy.
3. The disappearance of an active market.
4. Breach of contract.
5. Significant financial difficulties.
6. Bad debt.

The Parent and its subordinate estimated the expected percentage (%) of loss as follows:

Type of account receivable	Expiration	Impairment percentage
Accounts receivable from clients	0 - 90 days	0%
	91 - 150 days	10%
	151 - 365 days	Greater than 4 SMMLV: 70%
		Under 4 SMMLV: 90%
	More than 365 days	100%

Accounts receivable with state entities that have a budget availability certificate will not be subject to an estimate of impairment since said certificate guarantees the payment of the account receivable.

Financial Assets at amortized cost

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

Notas a los Estados Financieros Consolidados

Financial assets are measured, initially and subsequently, at amortized cost using the effective interest method and net of any impairment loss. Parent and subordinate records in this category, the long-term accounts receivable to employees, which are measured at amortized cost due to the payment conditions agreed with the employees.

Derecognition of a Financial Asset

A financial asset (or, if applicable, part of a financial asset or a part of a similar Financial Asset group) is derecognized when:

1. The contractual rights expire on the active cash flows.
2. The contractual rights are transferred on the active cash flows or the assumption of a liability to pay to a third party the all its estimated cash flows without significant delays, by a Transfer Agreement.
3. That have been transferred all risks and rewards incidental to the asset ownership, and
4. That have been retained all risks and rewards incidental to the asset ownership, but does not retain control over this financial asset

Financial Liabilities

Initial and Subsequent Measurement

Financial liabilities of the parent and subordinate are recognized initially and subsequently by the value of the transaction; for long-term liabilities, their measurement is the amortized cost. Interests are calculated using the effective interest method, differences of exchange are recorded on the financial results. Inside the Financial Liabilities category appears the financial obligations, accounts payable and anticipated incomes.

Financial obligations

Corresponds to the obligations incurred in the parent and the subordinate to obtain the financing of projects. The financial obligations are recognized when receiving the loan.

Accounts Payable

Parent and Subordinate recognize the rights of payment to third parties (accounts payable) as a financial liability of creditor's nature, based on: a credit goods purchasing, and other obligations to third parties.

Anticipated Incomes

These are incurred in the Parent and the Subordinate by money received in advance from clients for their participation in fairs.

Settlement of Liabilities

Related to financial liabilities, these are settled if the responsibility has been extinguished, this could happen when:

1. It is downloaded (liability paid)
2. It has been canceled (Debt cancellation)
3. Rights expired (option that exceeded the expiration date)

1. Non-financial Assets

The non-financial assets of parent and subordinate are those where is expected to receive a service instead of any financial or equity instrument. Parent and Subordinate classifies as non-financial assets: inventory, other non-financial assets, intangibles, properties and equipment, investment properties.

Properties and Equipment

Recognition, initial measurement, and classification

Properties and Equipment shall be understood for the Parent and Subordinate, all property elements and equipment acquired for an equal or higher cost of three (3) times the current legal monthly minimum wage per unit, or, of those that, due to their features/characteristics, need to the controlled. Also, the tangible assets that:

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

Notas a los Estados Financieros Consolidados

1. Belongs for their use of production or supply of goods and services, for rent to third parties or administrative purposes; and
2. Expected to last over a period cycle.

Properties and Equipment are recognized in accountings if, and only if, is probable that economic benefits in the future may apply to the parent and the subordinate, and the cost of the element could be determined reliably.

Initial recognition of Properties and Equipment is the cost that includes:

1. Acquisition cost, including import duties and non-recoverable indirect taxes excluding trade discounts and rebates.
2. Costs related to setting the asset in place and capable conditions of operating in the manner intended by management.
3. initial estimate of any cost involved in dismantling and removing the asset or restoring the physical site where it is located.

When other items of property and equipment (important components of immovable property) have different lifespans, they are registered as separated items.

Profits and losses resulting from the sale of any property and equipment is recognized as net in results.

Subsequent Measurement

Following initial recognition, the parent and the subordinate applies the cost model to measure all properties and equipment.

Cost model requires that, after initial recognition, all properties and equipment must be valued at cost less accumulated depreciation and accumulated impairment losses.

Subsequent Costs

Book value of the replaced item is removed. Daily maintenance costs of properties and equipment are recognized in results when applicable.

Parent and Subordinate runs in additional costs related with their assets later to the capitalization of an item of Properties and Equipment. These costs are capitalized when corresponds to additions, in which is necessary to fulfil the following recognition criteria:

1. Increase capability of generating future economic income, or
2. Increase expected lifespan.

Depreciation

Depreciation is calculated over the depreciable amount, corresponding to the asset cost less its residual value, the latter is calculated only for immovable goods.

Useful life starts at the acquisition date, which is when the asset is capable to operate in the manner intended by management, even though the asset is not placed into service.

The amount of depreciation is recognized in the results of operation using the straight-line method according to the estimated lifespans of the different categories of the Properties and Equipment, thus:

1. Immovable Goods:

For this kind of goods, two representative components, materially important and with different lifespans, are determined.

1. Component 1: Constructive chapters (civil work – technical installations and finishing) corresponding to a 22% of the building cost, with a maximum useful life of 30 years
2. Component 2: Constructive Chapters (civil work – foundation and structure) corresponding to a 78% of the building cost, with a maximum useful life of 80 years.

These components were eliminated as the result of the analysis made by the external appraiser.

3. Movable assets:

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

Notas a los Estados Financieros Consolidados

1. Office Equipment: 10 years
2. Computer and communication equipment: 5 years
3. Fleet and Transport equipment: 10 years
4. Machinery and equipment: 10 years

Components are determined according to the items that have a significant cost against the total cost of the good.

Parent and Subordinate checks the residual value, useful life and the depreciation of Properties and Equipment at the end of each financial year. Changes to the initially established criteria are recognized as a change in estimates.

Impairment loss

On each reporting date, the parent and the subordinated checks the carrying value of their non-financial assets to determine any case of impairment. In case of impairment, it is performed an estimation of recoverable amount for the asset, the amounts recoverable are estimated on each balance sheet date.

Derecognition of Properties and Equipment

The carrying amounts for an item of Properties and Equipment Will be derecognized; by decision or when the future economic benefits are not the expected for their use.

Intangible Assets

Recognition, initial measurement, and Classification

The intangible assets of the Parent and the Subordinate are those non-monetary assets with no physical appearance and apparent to be identified individually, either to be separable or because comes from a legal or contractual right. In the initial measurement, the intangible assets recognized in cost.

An intangible asset is subject of recognition when:

1. It is probable that the future economic benefits attributed flows to the parent and the subordinate.
2. The cost of the asset can be reliably measured.

In addition, when meets the following features:

1. Identifiable: It is separable, if capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so; or arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations, control over a resource and existence of future economic benefits.
2. Control: An entity controls an asset if the entity has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits.
3. Future Economic Benefits: The future economic benefits flowing from an intangible asset may include revenue from the sale of products or services, cost savings, or other benefits resulting from the use of the asset by the Parent and the Subordinate.

Acquisition

The cost of a separately acquired intangible asset comprises:

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

Notas a los Estados Financieros Consolidados

1. its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and
2. any directly attributable cost of preparing the asset for its intended use.

Subsequent measurement of Intangible Assets

The Cost Model is used for the subsequent measurement of intangible asset, that shall be carried at its cost less any accumulated amortization and any accumulated impairment losses.

Amortization

Amortization is recognized on results based on the straight-line depreciation during the estimated useful life of the intangible assets, from the date of availability for their use.

The estimated useful life for each current and comparative period is:

- | | | |
|----|----------------------------|-------------|
| 3. | Commercial Brands acquired | 15-25 years |
| 4. | Licenses-software | 1-5 years |

The amortization and useful life methods are revised in each balance sheet date and adjusted if necessary.

Derecognition

An intangible asset will be derecognized:

1. By its disposition; or
2. When the future economic benefits are not the expected for their use or disposition.

Profits and losses from the derecognition of an intangible asset shall be determined as the difference between the net amount obtained on the disposal and the book value of the asset. It shall be recognized in profit or loss when the asset is derecognized.

Impairment of value

At each reporting date, the carrying amount of non-financial assets is reviewed to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated, and the recoverable amounts are estimated at each balance sheet date.

Investment properties

Investment properties are real estate held for the purpose of obtaining rental income and/or capital appreciation on the investment, but not for use in the production or supply of goods or services, or for administrative purposes.

For the measurement of investment properties at its initial and subsequent recognition, the matrix chose as its accounting policy the cost model (as permitted by IAS 40.30). Policy which will remain in effect while the investment property be under construction.

Cost includes expenses that are directly attributable to the construction of the investment properties. The cost of investment properties constructed by the matriz includes the cost of direct materials and labor, any other costs directly attributable to the process of making the asset fit for purpose and the costs for capitalizable loans.

Any gain or loss on the sale of an investment property (calculated as the difference between the consideration obtained from the disposal and the carrying value of the asset) is recognized in income

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

Notas a los Estados Financieros Consolidados

Inventories

The inventories of the Matrix and subordinate companies are measured initially and subsequently at cost, Due they are high turnover items. The inventory valuation method is the weighted average cost and is calculated at the end of the period.

The cost of inventories includes all costs related to the acquisition and transformation of inventories for the realization of each Fair and the provision of food and beverage services, as well as other costs incurred to give them their current condition and location, including the cost of materials consumed and labor

Trade discounts, rebates and other similar items are deducted in determining the acquisition price.

(g) Non-financial liabilities

The other non-financial liabilities of the Matrix and its subordinate are those of which a service is expected to be rendered instead of delivering a financial instrument or an equity instrument, which in their initial and subsequent recognition are measured by the value of the transaction. Non-financial liabilities include employee benefits, other provisions, other non-financial liabilities, and tax liabilities.

Employee Benefits

Defined benefit plans

The pension obligations at the Matrix represents the present value of all future outlays that the Matrix will have to pay to those employees who meet certain legal requirements regarding age, length of service and others. The present value of the Matrix's liability is determined annually based on actuarial studies.

The Matrix records the expense corresponding to these commitments in accordance with actuarial studies calculated using the projected unit credit method. Actuarial gains and losses emerge from experience and changes in the hypothesis are charged to profit and loss in the year in which they arise.

Past service costs corresponding to changes in benefits are recognized immediately in the income statement.

Termination benefits

Termination benefits are recognized as an expense when as a result of a decision by the Matrix and its subordinate to terminate an employment contract before the normal retirement age or when the employee agrees to voluntarily resign in exchange for such benefits.

Short-term employee benefits

Short-term employee benefits are recognized as an expense when the related service is rendered. These are expected to be settled within twelve months after the end of the reporting period.

Short-term employee benefits include the following: salaries, legal and extra-legal premiums, vacations, severance payments, life insurance and parafiscal contributions to state entities. Such benefits are accrued through the causation system charged to results and in the statement of financial position it is reflected in accounts payable.

Provisions

Provisions are recognized when the Matrix and its subordinate have a present obligation (legal or constructive) as a result of a past event, for which it is probable that the Matrix and its subordinate will be required to settle the obligation and a reliable estimate can be made of the value of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the date of the statement of financial position, taking into account the risks and uncertainties surrounding the obligation.

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

Notas a los Estados Financieros Consolidados

For litigation purposes, the Matrix will rely on the estimate of its experts who, in accordance with the need, will report the status and amount of the claims, specifying the probability of winning or losing the case.

The accounting treatment of provisions is illustrated below:

Situation	Recognition	Disclosures
If you have a present obligation that is likely to require an outflow of resources	A provision is recognized for the full value of the obligation.	Disclosure of the provision is required.
Whether you have a possible obligation, or a present obligation, that may or may not require an outflow of resources	No provision is recognized.	Disclosure of contingent liabilities is required in the notes to the financial statements.
If you have a present obligation where the possibility of outflow of resources is considered remote.	No provision is recognized.	There is no requirement to disclose any information.

Contractual liabilities

The Matrix records contractual liabilities for the original value of the transaction plus a significant financing component because payment to the third party is through the delivery of goods sold in advance and with a term exceeding one year.

(h) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity, net of any tax effect.

Capital management

The capital of the Matrix is mainly invested in property and real estate, as the main corporate purpose is carried out through these.

The Matrix and its subordinate are capable of adequately managing available cash and its equivalents, establishing financing with suppliers, banks and other third parties with whom it has obligations. Likewise, the Matrix and its subordinate company have as their main objective to generate cash in advance from their customers by marketing fairs and events in advance.

There are no externally imposed capital requirements.

(i) Revenue recognition

Provision of services

The Matrix and its subordinate carry out the following operations to carry out their main activity

1. **Real estate, business, and rental activities:** These are activities related to the leasing of space and the provision of services for nonfair events; for example, business events, private events, concerts, among others. These services are offered by the Matrix
2. **Entertainment and Leisure:** Involves activities derived from the leasing of space and the provision of services in the organization and holding of trade fair events of the Matrix; established in the trade fair calendar for each year.
3. **Food and Beverages:** Sale of food and beverages to the public at the fairs, the income is caused when the service is rendered in a satisfactory manner, since it constitutes a definitive exchange operation.

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

Notas a los Estados Financieros Consolidados

4. **-Parking Administration:** Income from parking lot leasing is recognized at the time the service is provided. This service is offered by the Subordinate.

(j) Expense Recognition

The matrix and its subordinate record their costs and expenses, to the extent that economic events occur in such a way that they are systematically recorded in the corresponding accounting period (causation), independent of the flow of monetary or financial resources (cash).

An expense is recognized immediately when a disbursement does not generate future economic benefits or when it does not meet the requirements for recognition as an asset.

(k) Financial income and financial expenses

The financial income and financial expenses of the matrix and its subordinate include the following

- Interest income.
- Interest expense.
- Dividend income.
- Net gain or loss on financial assets recorded at fair value with changes in results
- Gain or loss on translation of foreign currency financial assets and liabilities.

Dividend income is recognized in income on the date that the Matrix right to receive payment is established.

(i) Gain taxes

The tax expense or income comprises current and deferred income and supplementary tax.

Current and deferred taxes are recognized as income or expense and included in profit or loss, except when they relate to items in other comprehensive income or directly in equity, in which case, current or deferred tax is also recognized in other comprehensive income or directly in equity, respectively.

Current taxes

Current taxes are calculated based on tax laws enacted at the date of the statement of financial position. Management periodically evaluates the position assumed in tax returns with respect to situations in which tax laws are subject to interpretation and, if necessary, makes provisions for the amounts it expects to pay to the tax authorities.

To determine the provision for income and supplementary taxes, the Matrix, and the subordinate company Corferias Inversiones S.A.S. calculate them based on taxable income.

The effect of temporary differences implies the determination of a lower or higher tax in the current year, calculated at current rates, is recorded as a deferred tax asset or liability, as applicable, provided there is a reasonable expectation that such differences will be reversed.

In accordance with numeral 11 of article 191 of the Tax Statute, events and convention centers in which the majority of the participants are Chambers of Commerce and those incorporated as industrial and commercial state enterprises or mixed economy companies in which the state capital participation exceeds 51%, provided they are duly authorized by the Ministry of Commerce, Industry and Tourism, no equity tax must be recorded.

As of 2014, declarations and supporting documentation corresponding to the transfer pricing regime must be presented for operations between companies located in free trade zones and their affiliates in the national customs territory.

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

Notas a los Estados Financieros Consolidados

The Matrix Corporación de Ferias y Exposiciones was authorized as Special Permanent Free Trade Zone User Operator by resolution N° 5425 of June 20, 2008; therefore, Income Tax is calculated at the 20% rate, as of 2016, according to the provisions of Law 1819 of 2016, which remains in force after the issuance of Law 1943 of 2018.

With the start-up of the food and beverage business, the Matrix and the subordinate company started with the responsibility of the consumption tax, which is levied on the sale of food to the table provided by restaurants and bars. This tax is maintained after the issuance of Law 1943 of 2018.

Deferred tax

Deferred tax assets and liabilities are measured using the tax rates that will be applied in the years in which the assets are expected to be realized or the liabilities to be paid, based on the regulations and the types that are approved or nearly to be approved and once the tax consequences that will derive from the way the Headquarter and the subordinate expect to recover the assets or settle the liabilities are considered.

Deferred tax is recognized using the liability method, determined on the temporary differences between the tax bases and the assets and liabilities amount included in the financial statements.

Deferred tax liabilities are the amount to be paid in the future as income tax related to taxable temporary differences, while deferred tax assets are those imported to be recovered for income tax due to the existence of deductible temporary differences, compensable negative tax bases or pending of application deductions. Temporary difference is understood as the one between the assets and liabilities and their tax base in the balance sheet.

1. Taxable temporary differences acknowledgment

Deferred tax liabilities derived from taxable temporary differences are recognized in all cases, except those in which:

1. They arise from the initial recognition of capital gain or an asset or liability in a non-business combination transaction and the date of the transaction does not affect the accounting result or the tax base.
2. They correspond to differences associated with investments in subordinates, associates and joint ventures over which the Headquarter and the subordinate have the ability to control the moment of the reversal and it is not probable that reversal will occur in the foreseeable future.

3. Deductible temporary differences acknowledgment

Deferred tax assets derived from deductible temporary differences are recognized whenever:

4. It is probable that there will be sufficient future tax gains for its compensation, except in those cases in which the differences arise from the assets or liabilities initial recognition in a transaction that is not a business combination and on the date of the transaction does not affect the accounting result or tax base;
5. It corresponds to temporary differences associated with investments in subordinates, associates and joint ventures as long as the temporary differences will reverse in the foreseeable future and it is expected to generate positive future taxable profits to offset the differences.

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

Notas a los Estados Financieros Consolidados

Deferred tax assets that do not meet the above conditions are not recognized in the consolidated financial statement. The Headquarter and the subordinate reconsider at the end of the financial year, if the conditions to recognize deferred tax assets previously not recognized are accomplished. Tax planning opportunities are only considered in the evaluation of assets deferred tax recovery if the Headquarter and the subordinate intend to adopt them or will probably adopt them.

1. Measurement

The Headquarter and the subordinate review the deferred tax assets amount balance sheet at the end of financial, in order to reduce this value, as long as it is unlikely that there will be sufficient future positive tax bases to compensate them.

The non-monetary Headquarter and the subordinate assets and liabilities are measured in terms of their functional currency. If the tax losses or gains are calculated in a different currency, the variations in the exchange rate give rise to temporary differences and the recognition of a deferred tax liability or asset and the resulting effect will be charged or credited to the period results.

6. Compensation and classification

The Headquarter and the subordinate only offset deferred income tax assets and liabilities, if there is a legal right of compensation against the tax authorities and these assets and liabilities correspond to the same tax authority, and to the same taxpayer, or , to different taxable persons who intend to liquidate or realize current tax assets and liabilities for their net amount or realize assets and liquidate liabilities simultaneously, in each of the future years in which it is expected to liquidate or recover significant assets or liabilities amounts of deferred taxes.

Deferred tax assets and liabilities are recognized in the consolidated financial statement situation as non-current assets or liabilities, regardless of the expected date of realization or settlement.

7. Earnings per-share

The Headquarter presents basic earnings per share (EPS) data. EPS are calculated by dividing the result attributable to ordinary shareholders by the ordinary outstanding shares weighted average during the financial year, adjusted by the treasury shares held.

8. Operating segments

An operating segment is a Headquarter and its subordinate component that carries out business activities from which it can obtain ordinary income and incur expenses, the operations results are frequently reviewed by the Headquarter and its subordinate highest authority making operational decisions, to decide on the resources to assign to the segment, evaluate its performance and related to available differentiated financial information.

The factors that served to identify the segments in the Corporation considered the infrastructure and the central control direction for the services provision that determine the generation of income from ordinary activities. According to this, and since the business lines that generate income have similar economic characteristics, the Group applied the aggregation criterion, after analyzing the following:

1. The products and services nature.
2. Services processes nature.
3. The customers type or category of whom your products and services are intended.
4. Methods used in the Services processes.

Therefore, all income, costs, assets, and liabilities can be considered as a single operating segment that must be reported, such as the products listed below:

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

Notas a los Estados Financieros Consolidados

1. Entertainment and leisure: include spaces leasing and services provided in the organization and fair events organization.
2. Real estate, business and rental activities corresponds to spaces leasing and services provided, related to the organization of non-fair events.
3. Drinks and Food (offered within fair events)
4. Parking administration (offered to fairs and exhibitions visitors)

The operation results are reviewed regularly by the Board of Directors of the Headquarter: maximum authority in decision-making.

5. Non-effective issued norms

Standards and amendments applicable from January 1st, 2020.

According with the provisions of Decree 2270 of 2019, the regulations issued applicable from 2020 are listed below. The application of these regulations impact is under evaluation by the Entity Administration; however, they are not expected to have a significant impact on the financial statements of the Headquarter and its subordinate.

Financial Information Norm	Norm or amendment Subject	Details
Conceptual framework for financial reporting - Modifications to references to the Conceptual Framework in IFRS standards.	Complete modification to the previous conceptual framework.	<p>A new conceptual framework is established for entities that apply Full IFRS (Group 1) for the preparation of general-purpose financial information.</p> <p>The new conceptual framework is more aligned with current IFRS and incorporates concepts not established in the previous framework, such as the objectives and principles of the disclosed information, the account unit, derecognition, pending contracts, among others.</p> <p>In the modifications to the References to the Conceptual Framework in the IFRS Standards some of these references and citations are updated that form a reference to the 2018 Conceptual Framework and other modifications are made to clarify which version of the Conceptual Framework is referenced.</p>
IAS 19 – Employee benefits	Modifications are made related to post-employment benefits,	The amendment requires an entity to use updated actuarial

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

Notas a los Estados Financieros Consolidados

Financial Information Norm	Norm or amendment Subject	Details
	defined benefit plans - Modification, Reduction or Plan Liquidation.	assumptions to determine the services cost for the current period and the net interest for the rest of the annual period that is reported after the modification, reduction or plan liquidation when the entity measures again the net defined benefit liability (asset)
IAS 1 – Financial Statements Presentation IAS 8 – Accounting policies, changes in accounting estimates and errors	The definition of materiality and relative importance is modified	The amendment is to provide guidance to assist entities in making materiality judgments, or relative importance rather than making significant changes in the definition of material or with relative importance. Consequently, in September 2017, the IASB issued Practice Document No. 2 "Making Judgments on Materiality or Relative Importance."
IFRS 23 – Uncertainty regarding income tax treatments	Clarification of recognition and measurement application requirements of IAS 12 when there is uncertainty about tax treatments	These recognition and measurement requirements apply to the determination of tax profit or loss, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty about the tax treatments under IAS 12.

6. Determination of Fair Values

The fair value of financial assets and liabilities that are traded in active markets are based on close of trading quoted market prices on the period-end date. The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques; the Headquarter uses methods and assumes that they are based on existing market conditions at the closing date of each period. Valuation techniques used for non-standard financial instruments include the use of similar transactions on equal terms, references to other instruments that are substantially the same, and analysis of the discounted dividend flow methodology and Gordon Shapiro valuation model.

Hierarchies of the Fair Value

The hierarchy of the fair value has the following levels:

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

Notas a los Estados Financieros Consolidados

1. Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities to which the entity can have access at the measurement date. The Matrix applies this level for investments in Acerías Paz del Río.
2. Level 2: data different from the quoted prices included in Level 1, which are observable for the asset or liability, either directly (that is, prices) or indirectly (that is, derived from prices).
3. Level 3: data for the asset or liability that is not based on observable market data (unobservable variables).

If the variables used to measure the fair value of an asset or liability can be classified at different levels of the hierarchy of the fair value, then the fair value measurement is classified completely at the same level of the hierarchy of the fair value as the lowest level variable that is significant for the total measurement.

The following table analyzes, within the hierarchy of the fair value, the assets measured at fair value up to December 31st, 2019 and 2018 on a recurring basis:

December 31st, 2019

Type of asset / liability	Level 1	Level 2	Level 3	Assessment techniques for Level 2 and 3	Main input data
Other financial assets- Acerías Paz del Rio Shares	\$ 16	-	-		Market / share price.
Other financial assets (Alpopular and La Previsora)	-	14.401.593	-	Discounted dividend flow model (Al Popular) and Gordon Shapiro model (La Previsora).	Dividends paid, EMBI Colombia, Beta and Devaluation, growth rates of projected dividends and required rates of return.

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

Notas a los Estados Financieros Consolidados

Real Estate Private Equity Fund	- 471.935	- Valuation of the underlying assets of the Fund.	Unit value of the Fund provided by the Management Company.
---------------------------------------	-----------	---	--

December 31st, 2018

Type of asset / liability	Level 1	Level 2	Level 3	Assessment techniques for Level 2 and 3	Main input data
Other financial assets- Acerías Paz del Rio Shares	\$ 10.000.000	-	-		Market / share price.
Other financial assets (Alpopular and La Previsora)	-	14.490.376	-	Discounted dividend model.	Dividends paid, EMBI Colombia, Beta and Devaluation.
Real Estate Private Equity Fund	-	470.140	-	Valuation of the underlying assets of the Fund.	Unit value of the Fund provided by the Management Company.

The Matrix does not present any type of reclassification or transfers at the hierarchy levels, between December 2019 and 2018.

Fair value of assets and liabilities not measured at fair value

The following is a comparison of the book value and the fair value of assets and liabilities not measured at fair value:

	December 31st, 2019		December 31st, 2018	
	Value in books (*)	Fair value (*)	Value in books (*)	Fair value (*)
Cash and cash equivalents (1)	\$26.528.451	26.528.451	10.987.417	10.987.417
Investment Property (6)	270.852.910	271.215.871	241.415.407	241.415.407
Accounts receivable (1)	28.592.548	28.592.548	28.604.391	28.604.391
Other financial assets (1)	174.448	174.448	174.448	174.448
Inventories (4)	1.185.600	1.185.600	577.655	577.655
Financial liabilities (2)	175.113.174	175.113.174	149.183.705	149.183.705

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

Notas a los Estados Financieros Consolidados

Properties and equipment (3)	492.224.272	492.224.272	497.147.864	497.147.864
Intangibles (5)	14.818.369	14.818.369	16.468.129	16.468.129

(*) The carrying amount is a very close approximation to the fair value, closed on December 31, 2019 and 2018.

1. The fair value of financial assets not measured at fair value is determined based on the amount at which the instrument could be exchanged in a transaction between interested parties, other than a forced or liquidation sale. The fair values represent the cost of the transaction and the interests, when applicable, are settled using the effective interest method. No impairment losses are evident. This other financial asset corresponds to the investment in the Bucaramanga Fair and Exhibition Center, which is measured at cost. As of December 31st, 2019, and 2018, there is no evidence of impairment for this investment, since the company has not historically shown loss rates.
2. Financial liabilities record amounts incurred, and pending payment generated by the operation, including the following items: financial obligations, accounts payable and other financial liabilities.
3. The properties and equipment are recognized in their initial and subsequent cost measurement, for the year 2019 the fair value was established through technical memoranda of the expert areas.
4. Inventories are measured at the lowest value of cost or net realizable value. The book value is equivalent to the fair value because the cost is equal to the acquisition value. This includes raw materials and supplies from the food and beverage unit, as well as the consumable elements necessary for the development of the trade fair activity.
5. The fair value of intangible assets is equivalent to the book value. This item includes software, licenses and trademarks, which have been amortized according to the estimated useful life, no impairment loss is evident.
6. Investment property is recognized in its initial and subsequent cost measurement, which are in the construction stage. For the estimation of the fair value the Matrix made a calculation through the methodology of flows of each discounted.

7. Administration and risk management

The Parent Company and its subordinate are exposed to the following risks related to the use of financial instruments:

1. Credit risk
2. Liquidity risk
3. Market risk
4. Interest rate

This note presents information regarding the exposure of the Parent Company and the subordinate to each of the risks, the objectives, the policies and the procedures of the Parent Company and the subordinate to measure and manage the risk.

(i) Risk management framework

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

Notas a los Estados Financieros Consolidados

Risk management framework

The Parent Company and the subordinate, seeking the continuous improvement of their processes, have established a Risk Management model in each of the macro processes, classifying them within the methodology approved by the Risk Committee, in which the probability of occurrence and the impact they may have on the objectives of the same, the macroprocess and the product (trade fairs and events) are evaluated; existing controls are identified and evaluated to minimize the impact at the time of the occurrence of a risk and thus determine its residual risk.

For this effect, the risks are prioritized through an evaluation exercise, identifying them as high, medium, and low. Facing the prioritization of risks, the Risk Committee analyzes the main information and defines the risks that the Administration must manage with the highest priority.

(ii) Credit risk

Credit risk is the risk of financial loss faced by the Parent and the subordinate if a client or counterparty in a financial instrument does not comply with its contractual obligations, and it originates mainly from accounts receivable from clients and credit instruments investment of the Parent Company and the subordinate.

The following is the greatest exposure to credit risk:

	Note	2019	2018
Accounts receivable	11	\$28.592.548	28.604.391
Other financial assets	15	15.047.992	15.134.980

The credit risks identified in the Parent and the subordinate are:

Accounts receivable

Exposure to credit risk is mainly affected by the general characteristics of each client. The Parent Company and the subordinate have established a deterioration policy based on the trade fair activity, events and according to the non-compliance of the payment on the established date.

Bad debt estimates for trade debtors and other accounts receivable are used to record impairment losses. See detail in note 11.

Other financial assets

The Parent Company and the subsidiary limit their exposure to credit risk by investing only in liquid debt instruments and only with counterparties that have a credit rating of at least AA +. See detail in note 15.

(iii) Liquidity risk

Liquidity risk is the risk that the Parent Company and the subordinate may have in fulfilling the obligations associated with their financial liabilities, which are mainly settled through the delivery of cash.

The focus of the Parent Company and the subordinate Company, to manage liquidity, is to ensure, to the greatest extent possible, that they will always have sufficient liquidity to meet their obligations when they are due; they aim to maintain the level of their cash and equivalents in an amount that exceeds the expected cash outflows for financial liabilities.

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

Notas a los Estados Financieros Consolidados

The Parent Company and the subordinate company monitor the level of cash inflows expected by commercial debtors and other accounts receivable along with the expected cash outflows from commercial creditors, other accounts payable and investment projects.

The Parent Company and the subordinate Company have a low liquidity risk since the collection of the fairs is done in advance of the event, which guarantees cash inflows.

The following is an analysis of the maturity profile of financial liabilities as of December 31, 2019 and 2018:

Term	Market value (thousands of pesos) 2019	% Part	Term	Market value (thousands of pesos) 2018	% Part
Up to one month	\$1.413.055	1,20%	Up to one month	\$1.380.292	1,35%
More than one month and not more than three months	\$2.826.109	2,40%	More than one month and not more than three months	\$2.760.584	2,71%
More than three months and not more than one year	\$12.717.492	10,81%	More than three months and not more than one year	\$12.422.628	12,19%
Between one and five years	\$23.986.408	20,39%	Between one and five years	\$9.624.742	9,44%
Over five years	\$76.700.493	65,20%	Over five years	\$75.726.864	74,30%

(iv) Market risk

Market risk is the risk that changes in market prices, for example, in exchange rates, interest rates or share prices, affect the income of the matrix and the subordinate or the value of financial instruments it maintains.

The matrix and the subordinate are exposed to a minimum market risk because all the cash and equivalents are invested in demand deposits. The only shares in participation of the matrix that are listed on the Stock Exchange and are exposed to changes in their value, are the shares in Acerías Paz del Río without representing a significant percentage in the assets of it.

The matrix and the subordinate are exposed to exchange rate risk, mainly in the sale and purchase of goods and services agreed in a different currency than the functional currency (Colombian peso COP), contracts that are made in foreign currency are a minimum proportion of the total value of the income and expenses and these are collected and/or paid in a period that not exceeds 60 days.

Bank loans of the matrix and the subordinate have been taken in the functional currency (Colombian peso COP) with a term of 10 years for the matrix and 5 years for the subordinate and the interests thereof agreed at indexed rates that are subject to the market behavior (DTF, IBR). The details of the contractual terms of the financial obligations of the matrix and its subordinate are listed in note 20.

(v) Interest rate risk

Profile

At the end of the period on which the interest rate situation of interest-bearing financial instruments is reported is as follows:

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

Notas a los Estados Financieros Consolidados

Variable rate instruments	2019	2018
Financial assets subject to interest rate risk *	\$5.059.112	3.980.326
Financial liabilities subject to interest rate risk **	116.767.721	101.448.273

The financial assets subject to interest rate risk correspond in the matrix to Fondo de Inversión Colectiva Interés Participación A, managed by Davivienda Corredores and in the subordinate to the Fondo de Inversión Colectiva Interés Davivienda y Fondo de Inversión Colectiva Abierto Rentar managed by Corredores Davivienda y Fiduciaria Occidente S.A., respectively.

Sensitivity analysis for fixed rate instruments

Taking into account that all the obligations with the financial system are indexed at variable rates, the matrix and the subordinate are exposed to the variation of the DTF and IBR rates that correspond to the underlying of the Banco de la República intervention rate, which at 2019 were at 4.52% and 4.14%, and by the end of 2018, 4.54% and 4.24%, respectively, directly affect bank loans used for working capital and development projects.

2018-2019 Variation	IBR TV 0,2928%	IBR TV E. A 0,3065%	of construction
---------------------	--------------------------	-------------------------------	-----------------

To control the risk of the interest rate, the sensitivity to possible changes in it, is evaluated by taking the variation of the historical reference rates applicable to each of the loans, as shown below:

The variations generate an increase of 0.2803% in the balance of total consolidated indebtedness as of December 31, 2019.

5. Operating Segments

The following is the information related to the assets, liabilities and results for the only operating segment identified by the matrix and the subordinate, referring to the trade show operation, for the years ending December 31, 2019 and 2018:

	2019	2018
Asset	929.246.352	876.959.651
Cash and cash equivalents	26.528.451	10.987.417
Accounts Receivable	28.592.548	28.604.391
Assets by taxes	1.518.890	298.190
Inventory	1.185.600	577.655
Other non-financial assets	271.489	1.124.295
Other financial assets	15.047.992	15.134.980
Investments in associates and joint ventures	78.081.702	64.933.159
Intangibles	14.818.369	16.468.129
Properties and equipment	492.224.272	497.147.864
Investment properties	270.852.910	241.415.407

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

Notas a los Estados Financieros Consolidados

	2019	2018
Deferred tax asset	124.129	268.164
Liabilities	412.014.277	376.658.710
Financial Obligations	117.643.557	101.915.110
Accounts payable	49.688.251	42.153.304
Current tax liability	-	1.466.075
Anticipated incomes	10.229.166	14.620.819
Employee benefits	2.198.931	2.028.168
Accounting provisions	5.582.435	3.348.573
Contractual liability	192.075.645	169.261.287
Deferred tax liability, net	34.596.292	41.865.374
Equity	517.232.075	500.300.941
Income from ordinary activities	196.971.647	169.803.200
Entertainment and recreation activities	161.284.769	136.936.618
Real estate, business and rental activities	17.297.120	18.979.622
Food and drinks	14.654.847	10.352.238
Parking Administration	3.734.911	3.534.722
Administrative expenses	52.769.972	47.361.085
Depreciation expense	7.408.609	6.596.346
Amortization expense	2.765.550	2.363.036
Cost of sales	96.224.104	74.026.504
Impairment of accounts receivable	1.592.094	972.750
Accounts receivable impairment recovery	719.435	763.109
Other incomes	3.484.353	3.291.965
Cost of sales	3.388.057	2.907.402
Other expenses	7.546.192	5.107.769
Income from operating activities	29.480.857	34.523.382
Financial incomes	2.534.370	1.506.065
Financial expenses	9.400.020	1.960.219
Profit from the equity method	6.117.889	622.026
Profit before taxes	28.733.096	34.691.254
(Recovery) income tax expense	(1.561.108)	8.142.289
Results for the year	30.294.204	26.548.965
Other comprehensive income	(88.783)	731.006
Profit for the period and total comprehensive income	30.205.421	27.279.971

9. Cash and cash equivalents

The following is the detail of cash and cash equivalents:

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

Notas a los Estados Financieros Consolidados

	December 31st, 2019	December 31st, 2018
Cash	\$ 27.953	19.247
Current Accounts (1)	1.369.274	449.808
Saving Accounts (1)	14.158.617	6.538.036
Fixed term deposit certificates (2)	5.044.853	-
	5.927.754	3.980.326
Collective investment funds (3)	<u>26.528.451</u>	<u>10.987.417</u>
	<u>\$</u>	

(1) The increase corresponds in the Matrix to the collection of the portfolio of the trade shows and events carried out, mainly from F-AIR 2019 the aeronautical fair, The International Security Fair 2019, the Artbo 2019 trade show, Expodefensa and Andinapack 2019, and an increase in the subordinate for payments received from clients in the participation of trade shows and events such as Sabor Barranquilla, Agrofuturo Medellín, Expodrinks, Libraq, among others.

(2) The increase corresponds in the matrix to the constitution of a CDT on October 21st, 2019 with Banco BBVA Colombia S.A. for \$ 5,000,000, with an expiration date of January 21st, 2020; effective rate of 4.7% E.A.

The increase corresponds mainly in the matrix to the largest investment in Fondo de Inversión Colectiva Interés Participación A, managed by Davivienda Corredores. In the subordinate for the transfer of resources from the savings accounts to the Fondo de Inversión Colectiva de Interés managed by Davivienda Corredores y to Fondo de Inversión Colectiva Abierto Renta, since the performance of profitability of the Investment Funds was more favorable with respect to the profitability of savings accounts.

Below is a detail of the credit quality determined by independent risk rating agents, of the financial institutions in which the matrix and the subordinate hold cash funds in banks, mutual funds and other financial entities for their gross amounts:

Issuer	2019			2018	
	Balance	Credit Rating	Balance	Credit Rating	
Banco AV Villas S.A.	\$ 1.517.440	AAA	1.442	AAA	
Banco de Occidente S.A.	312.789	AAA	245.638	AAA	
Bancolombia S.A.	396.256	AAA	431.611	AAA	
Banco Itaú Corpbanca Colombia S.A.	6.726	AAA	6.788	AA+	
Banco Popular S.A.	6.452.657	AAA	1.232.951	AAA	
Banco Davivienda S.A.	2.790.871	AAA	4.336.262	AAA	
Banco BBVA Argentina Colombia	9.096.005	AAA	-		
Banco Sudameris	-	AA+	733.152	AA+	
Fondo de Inversión Colectiva Abierta Superior	4.555.794	F AAA 2+	3.967.240	AAA	
Fondo de Inversión Colectiva Abierta Interés	500.898	F AAA 2+	1.490	AAA	
Fondo de Inversión Colectiva Abierto Ultraserfinco Liquidez	354	AAA 2	11.596	AAA	
Fondo de Inversión Colectiva Abierto Fiducuenta	868.642	AAA	-		
Fondo de Inversión Colectiva Abierta Rentar	2.066	AAA	-	AAA	
	<u>\$ 26.500.498</u>		<u>10.968.170</u>		

The matrix and the subordinate evaluated the reconciling items of cash and cash equivalents, determining that they do not present impairment since they are not susceptible to future losses.

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

Notas a los Estados Financieros Consolidados

National Congress of Public Accounting for \$1'561.161 and the Anuel and Karol G Concert "Culpables Tour" for \$77.350, among others.

(2) The balance corresponds mainly to the matrix on the account receivable for the provision of operation services at the Agora International Convention Center for \$2'150.772 and accounts receivable generated from exhibitors in the stage prior to carrying out some trade shows for \$1'621.553; in the subordinate mainly to the events that began in December and that end in 2020 as Cundinamarca Project Development Fund for \$342.142 and Naviland-AR Entertainment for \$ 285.237.

(3) Accounts receivable with a validity of more than 365 days are totally impaired. The length of the impaired accounts receivable at the end of the reporting period is as follows:

	<u>December 31st, 2019</u>	<u>December 31st, 2018</u>
91 to 150 days	\$ 239.622	117.314
151 to 365 days	586.730	94.606
More than 365	2.471.460	2.213.233
	<u>\$ 3.297.812</u>	<u>2.425.153</u>

The movement in the provision for impairment of accounts receivable was as follows:

	Impairment
Balance as of December 31, 2017	2.215.512
Impairment of accounts receivable	972.750
Recoveries	<u>(763.109)</u>
Balance as of December 31, 2018	<u>2.425.153</u>
Impairment of accounts receivable	1.592.094
Recoveries	<u>(719.435)</u>
Balance as of December 31, 2019	<u>\$ 3.297.812</u>

Accounts receivable are considered current that is maximum recoverable within the twelve (12) months following the reporting period.

6. Current Tax Assets, nets.

The following is the detail of Tax Assets:

	<u>December 31st 2019</u>	<u>December 31st 2018</u>
Remaining in taxes private liquidation (1)	<u>\$ 1.518.890</u>	<u>\$ 298.190</u>

1. The Increase represents the greatest number of withholding taxes and self-withholding taxes made for 2019 year and the decrease of the tax basis for the earnings tax calculation.

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

Notas a los Estados Financieros Consolidados

2. Inventories

The following is the inventories detail

	<u>December 31st 2019</u>	<u>December 31st 2018</u>
Raw materials (1)	\$ 44.644 COP	\$ 51.290 COP
Merchandise non-manufactured by the company	40.061 COP	43.620 COP
Materials, spares and accesories (2)	1.011.834 COP	387.895 COP
Packages and packaging	<u>89.061 COP</u>	<u>94.850 COP</u>
	<u>\$ 1.185.600 COP</u>	<u>\$ 577.655 COP</u>

different fairs and//or events.

2. Other non-financial assets

The following is the detail of other non-financial assets

	<u>December 31st 2019</u>	<u>December 31st 2018</u>
Loans for employees interests	\$ 163.679 COP	\$ 151.087 COP
Prepaid expenses (1)	101.547 COP	961.196 COP
Industry and business tax	6.263 COP	12.012 COP
	<u>\$ 271.489 COP</u>	<u>\$ 1.124.295 COP</u>

suppliers and contractors.

2. Investments in other financial assets

The following is the detail of other financial assets

Investments in: (1)	<u>December 31st 2019</u>	<u>December 31st 2018</u>
Alpopular Almacén General de Depósito S.A.	\$ 13.972.736 COP	\$ 14.106.244 COP
La previsora S.A. Insurance company	428.857 COP	384.132 COP
Bucaramanga Exhibition and Convention Center (3)	174.448 COP	174.448 COP
Acerías Paz del Río S.A.	16 COP	16 COP
Private Equity Fund	<u>471.935 COP</u>	<u>470.140 COP</u>
	<u>\$ 15.047.992 COP</u>	<u>\$ 15.134.980 COP</u>

managed by Fiduciaria *de Occidente* for an original amount of \$468.745 COP, giving daily earnings, which has increased at the financial year-end to \$3.190 COP

3. In December of 2019 and 2018, there is no evidence of impairment for this investment.

In December of 2019 and 2018, the Matrix does not have any intention of selling these financial assets.

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

Notas a los Estados Financieros Consolidados

4. Associated investments

The following is the detail of associated investments

	<u>December 31st 2019</u>	<u>December 31st 2018</u>
Investments in associated companies (1)	\$ 78.081.702 COP	\$ 64.933.159 COP

- At December 31st of 2019, the Matrix has an investment in associated companies which corresponds to the investment in the *Patrimonio Autónomo Centro Internacional CICB*, which was established for the management of the resources given by the Chamber of Commerce of Bogotá, Fontur and the Matrix, for the development of the International Convention Center of Bogotá AGORA. By this time, the Matrix has a participation in the *Patrimonio Autónomo Centro Internacional CICB* of 18.78 % upon which has no control, but significative influence.

The increase corresponds to the updating method of the participation in the autonomous equity by \$6.117.889 COP and to the legalization of in-kind contribution in compliance to the commitment of investment to the autonomous equity as stipulated in the clause 34 of the contract with ***Fiducia Mercantil Inmobiliaria de Administración y Pagos*** in which was constituted the *Patrimonio Autónomo Centro Internacional de Convenciones CICB* by \$7.477.117 (Non-monetary item see note 18).

The following is a financial information summary of this investment accounted by the participation method up to December 31st of 2019 and 2018:

2019

Entity	% Participation	Address	Current assests	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Results before taxes	Results after taxes	Other integral result	Total Integral result
Patrimonio Autónomo Centro	18.78%	Calle 67 7-37,	11.732.001	407.735.960	3.772.859	-	37.310.014	32.632.477	32.632.477	-	32.632.477
Entity	% Participation	Address	Current assests	Non-current assets	Current liabilities	Non-current liabilities	Revenue	Results before taxes	Results after taxes	Other integral result	Total Integral result
Patrimonio Autónomo Centro Internacional CICB	17,77%	Calle 67 7-37, Bogota Colombia	13.026.000	363.536.000	11.185.000	-	8.534.490	5.236.828	5.236.828	-	5.236.828

During 2019, dividends were received from the *Patrimonio Autónomo Centro Internacional de Convenciones CICB* amounting to \$446.553 COP, for 2018 dividends were not received. Additionally, the investment in this associated company registered an underlying asset concerning to an investment property by \$399.939.000 COP; which during the 2019 period registered an increase by \$25.048.000 COP as a result of the adjustment to fair value, supported by outside experts study throughout the discounted cash flows method.

During 2019 and 2018, the *Patrimonio Autónomo Centro Internacional CICB* registered the following items:

- The cash and cash equivalents up to December 31st of 2019 and 2018 is \$242.785 COP and \$1.905.896 COP, respectively.

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

Notas a los Estados Financieros Consolidados

2. The current financial liabilities up to December 31st of 2019 and 2018 excluding the commercial accounts payable, other accounts payable, and allowances is zero (0) for both years, respectively.
3. The property and equipment depreciation up to December 31st of 2019 and 2018 is \$1.598.839 COP and \$1.455.481 COP, respectively.
4. The incomes and expenses due to bank interests up to December 31st of 2019 and 2018 is zero (0) for both years, respectively.

5. Intangible assets

The following is the detail of Intangible assets

	<u>December 31st 2019</u>	<u>December 31st 2018</u>
Commercial Brands acquired (1)	\$ 15.483.592 COP	\$ 15.483.592 COP
Software-licenses (2)	6.149.393 COP	4.139.912 COP
Accumulated depreciation	<u>(6.814.616 COP)</u>	<u>(3.155.375 COP)</u>
	<u>\$ 14.818.369 COP</u>	<u>\$ 16.468.129 COP</u>

2. During 2019, the matrix and its subsidiary company invested in computer programs and software licenses, to optimize the corporate tools and to renew physical services licensing and Cloud Services.

The following is the detail of intangible assets movements up to December 31st of 2019:

Intangible assets	Balance to 31/12/2018	Purchases	Impairment	Depreciation	Balance to 31/12/2019
Software licenses	\$ 4.139.914	1.115.790	-	(1.744.843)	3.510.861
Commercial brands acquired	\$ 12.328.215	-	-	(1.020.707)	11.307.508
Total Intangible assets	\$ 16.468.129	1.115.790	-	(2.765.550)	14.818.369

Intangible assets	Balance to 31/12/2017	Purchases	Impairment	Depreciation	Balance to 31/12/2018
Software licenses	\$ 3.221.062	2.421.854	-	(1.503.002)	4.139.914
Commercial brands acquired	\$ 10.175.094	5.987.294	(2.974.139)	(860.034)	12.328.215
Total Intangible assets	\$ 13.396.156	8.409.148	(2.974.139)	(2.363.036)	16.468.129

\$1.455.481 COP, respectively.

During 2018 came the impairment of the brand Almax by \$2.974.139 COP due to the commercialization of some events, in which the brand was used as a producer, however the targets set for ticket sales were not accomplished, and should be cancelled, which is why, it was determined the asset obsolescence according to the evaluation made by part of the events committee. Regarding to other intangible assets, there is no evidence of impairment in the Matrix and the subsidiary up to December 31st of 2019 and 2018.

3. Properties and equipment

The following is the detail of properties and net equipment:

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

Notas a los Estados Financieros Consolidados

	<u>December 31st 2019</u>	<u>December 31st 2018</u>
Lands (1)	\$ 233.215.356 COP	\$ 234.003.546 COP
Third-party betterment	312.866 COP	312.866 COP
Constructions in progress (1)	37.284.127 COP	72.602.486 COP
Constructions and buildings (2)	222.197.505 COP	183.516.839 COP
Machinery and equipment	10.025.605 COP	12.234.570 COP
Office equipment	8.409.582 COP	9.563.103 COP
Computer and communication equipment	10.003.785 COP	10.077.516 COP
Fleet and transport equipment	265.804 COP	265.804 COP
Accumulated depreciation	(29.480.430 COP)	(25.418.938 COP)
Impairment	(9.928 COP)	(9.928 COP)
	<u>\$ 492.224.272 COP</u>	<u>\$ 497.147.864 COP</u>

1. The decrease was generated by contributions given to the *Patrimonio Autónomo Centro internacional CICB*, in compliance to the investment commitment by \$788.190 COP.
2. The decrease in ongoing constructions and the corresponding increase in constructions and buildings in the Matrix and the subsidiary corresponds to:
 1. In the Matrix, the activation of investment projects: such as, the construction of *borde activo* project and *calle 25* public space, whom have a variation of \$38.396.439 COP; and in the subsidiary an increase mainly by the acoustic conditioning made to the Americas tent by \$998.780 COP and the hotel parking refurbishment by \$16.757 COP, which are in construction.

In the Matrix the contribution in compliance to the investment commitment to the *Patrimonio Centro Internacional de Convenciones de Bogotá CICB* by \$6.688.927 COP.

The following is the detail of the movement of properties and equipment during 2019:

Property and equipment	Balance to 31/12/2018	Purchases	Sales	Write-offs	Depreciation	Sale result	Relocation	Investment contribution (see note 14)	Impairment	Balance to 31/12/2019
Lands	234.003.546	-	-	-	-	-	-	(788.190)	-	233.215.356
Third-party betterment	312.325	-	-	-	(15.102)	-	-	-	-	297.223
Constructions in progress (1)	72.602.487	9.767.008	-	-	-	-	(38.396.439)	(6.688.927)	-	37.284.129
Constructions and buildings (2)	170.085.536	283.795	-	-	(3.058.852)	-	38.396.439	-	-	205.706.918
Machinery and equipment	7.724.746	466.130	-	(1.115.508)	(1.277.460)	-	-	-	-	5.797.908
Office equipment	6.344.443	550.715	-	(612.993)	(1.137.336)	251	-	-	-	5.145.080
Computer and communication equipment	5.992.828	780.365	-	(157.629)	(1.903.470)	-	-	-	-	4.712.094

Property and equipment	Balance to 31/12/2017	Purchases	Write-offs	Depreciation	Sale result	Relocation	Impairment	Balance to 31/12/2018
Lands	234.003.546	-	-	-	-	-	-	234.003.546
Third-party betterment	144.822	168.044	-	(541)	-	-	-	312.325
Constructions in progress (1)	52.072.639	35.794.867	-	-	-	(15.265.019)	-	72.602.487
Constructions and buildings (2)	157.702.944	51.497	(131.492)	(2.802.432)	-	15.265.019	-	170.085.536
Machinery and equipment	8.187.531	762.925	(8.429)	(1.217.281)	-	-	-	7.724.746
Office equipment	4.593.392	2.746.340	(2.112)	(983.250)	-	-	(9.928)	6.344.442
Computer and communication equipment	3.777.177	3.772.267	(544)	(1.556.072)	-	-	-	5.992.828
Fleet and transport equipment	118.724	-	-	(36.770)	-	-	-	81.954
Total Property and equipment	\$ 460.600.775	43.295.940	(142.577)	(6.596.346)	-	-	(9.928)	497.147.864

The accumulated depreciation up to December 31st of 2019 and 2018 is \$29.480.430 COP and \$25.418.938 COP respectively.

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

Notas a los Estados Financieros Consolidados

During 2018 there was evidence of the impairment in the Matrix for assets classified as assembly equipment by \$9.928 COP as a result of the recoverable amount evaluation measured by an external entity. In relation to other assets, there is no evidence of impairment for each type of assets of the Matrix and the subsidiary up to December 31st of 2019 and 2018.

The fully depreciated assets in use for the Matrix and its subsidiary represents for 2019 a 0.66% and for 2018 a 0.08% out of the total of assets with value in ledgers.

The following is the detail of the fully depreciated assets for 2019 and 2018:

Year	Detail	Cost
2019	Constructions and buildings	17.186 COP
	Computer and Communication equipment	1.346.906 COP
	Office equipment	1.262.621 COP
	Machinery and equipment	469.404 COP
	Fleet and transport equipment	101.900 COP
2018	Machinery and equipment	71.065 COP
	Office equipment	194.194 COP
	Transport equipment	101.900 COP

On December 31st of 2019 and 2018, there are no restrictions regarding these assets

3. Investment properties

The following is the detail of the investment property:

	<u>December 31st 2019</u>	<u>December 31st 2018</u>
Investment properties - Land and constructions in progress (1)	\$ 270.852.910 COP	\$ 241.415.407 COP

The investment property corresponds to the construction of the Hotel Project.

The following is the detail of the movement of the investment properties in 2019:

Investment property	Balance until 31/12/2018	Additions	Capitalization Component financing (Non-monetary item)	Balance until 31/12/2019
Land and Constructions in progress	\$241.415.407 COP	19.434.678 COP	10.002.825 COP	270.852.910 COP

The following is the detail of the movement of the investment properties in 2018:

Investment property	Balance until 31/12/2017	Additions	Capitalization Component financing (Non-monetary item)	Balance until 31/12/2018
---------------------	--------------------------	-----------	--	--------------------------

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

Notas a los Estados Financieros Consolidados

Land and Constructions in progress	\$146.716.158 COP	87.175.783 COP	7.523.466 COP	241.415.407 COP
------------------------------------	----------------------	-------------------	---------------	--------------------

The investment property during the years ended up to December 31st of 2019 and 2018 does not present losses by impairment which had affected the income statement because they were in their construction stage.

There are contractual obligations created by the construction of the investment property (see note 20 Financial Obligations and note 24 Contractual liability with PA Pactia).

At December 31st of 2019 the investment property – plot of land, is a guarantee for the banks: *Banco de Bogotá* and *AV Villas S.A.*, with the purpose of support the loans received for the capital required for the final execution of the hotel project.

The measure of the investment property is at cost; however, for the purpose of the requested disclosure in the NIC 40 paragraph 79 (e), the Matrix has calculated an estimated of the investment property fair value, which has increased to \$271.215.871 COP.

4. Financial Obligations

The following is the detail of the financial obligations:

	<u>December 31st 2019</u>	<u>December 31st 2018</u>
Short-term financial obligations (**)	\$ 16.956.656 COP	\$ 16.563.504 COP
Long-term financial obligations	100.686.901 COP	85.351.606 COP
	<u>\$ 117.643.557 COP</u>	<u>\$ 101.915.110 COP</u>

On December 31st of 2019 and 2018 the capitalized interests spike to \$1.422.057 COP and \$4.401.163 COP and the results to \$7.540.836 COP and to \$683.906, respectively.

On December 31st of 2019 the guaranteed obligations in the Matrix spike to \$39.890.100 COP, with *Banco de Bogotá* \$22.576.434 COP and *Banco AV Villas* \$17.313.666 COP; at December 31st of 2018 \$15.308.273 COP, with *Banco de Bogotá* \$8.610.881 and *AV Villas* \$6.697.392 COP.

5. Accounts payable

The following is the detail of accounts payable:

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

Notas a los Estados Financieros Consolidados

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
National	\$ 985.597	1.117.138
From abroad (1)	20.779	2.883.740
To contractors (2)	6.751.897	11.194.118
Costs and expenses to pay (3)	33.405.671	18.647.178
Sales tax payable	1.830.925	1.287.536
Trade and industry tax payable	605.423	530.221
Dividends or shares payable	271.260	264.885
Withholding tax	1.919.262	2.209.083
Industry and Commerce Tax Withheld	127.809	153.394
Payroll withholdings and contributions	682.123	735.847
Various creditors	899.261	790.079
Salaries to pay	10.280	12.130
Consolidated layoffs	1.081.610	972.600
Interest on layoffs	128.481	113.114
Consolidated vacation	436.335	381.383
Extralegal benefits	161.968	164.762
Withholding to third parties on contracts	369.570	696.096
	<u>\$ 49.688.251</u>	<u>42.153.304</u>

(1) The decrease corresponds, mainly in the Parent Company, to the payment in 2019 of the accounts payable abroad corresponding to the Andinapack Fair with the partner Koelnmesse GNBH for \$ 2,790,749.

(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 fair settlements.

(3) The costs and expenses payable correspond to:

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Financial costs	-	306.512
Fee	708.471	420.598
Technical services	91.459	106.111
Maintenance services	214.995	989.640
Leases (*)	2.583.094	877.617
Transportation, Freight and Hauling	99.949	54.498
Public services	426	-
Insurance	67	171
Representation and Public Relations Expenses	1.739	1.739
Others (**)	15.390.118	10.428.214
Accounts Payable Billing Warehouse	26.620	-
Other accounts payable (***)	14.288.733	5.462.078
	<u>33.405.671</u>	<u>18.647.178</u>

(*) The increase in the balance originates mainly from the Parent Company due to the rental of audiovisual equipment used during the events held at the ÁGORA International Convention Center for \$ 2,148,179.

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

Notas a los Estados Financieros Consolidados

(**) It mainly corresponds to the results of the development of the operation of the ÁGORA International Convention Center for the year 2019 and 2018 for \$ 10,033,136 and \$ 5,718,724 respectively, which are registered by the Parent as its operator, these resources will be delivered to Fiduciaria Bogotá as administrator of the Autonomous Patrimony; in the subordinate for tourism taxes of \$ 11,439 and consumption tax of \$ 15,274 and \$ 344,681 for 2018.

(***) The balance is mainly composed in 2019 in the Parent Company by reimbursement of expenses \$ 2,088,638 to partners participating in Fairs such as Expodefensa and Andinapack and settlement of profits from fairs for \$ 6,198,670 corresponding to the percentage of profit to partners for the final execution of Fairs such as: Artesanías de Colombia and Andinapack. For the year 2018 for the settlement of profits from fairs, advertising, and assembly services.

22. Current tax liabilities

The following is the detail of tax liabilities:

December 31, 2019

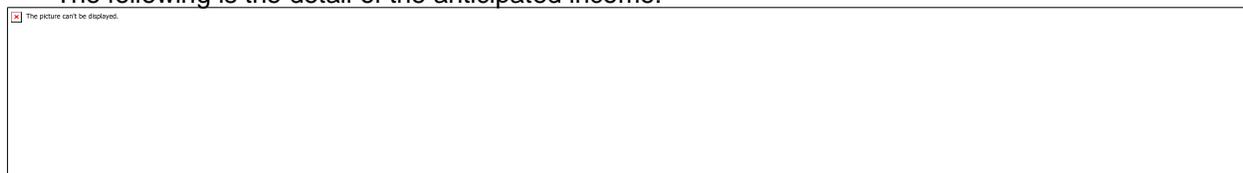
December 31, 2018



The decrease in the balance to be paid by income tax in the Parent Company is due to higher self-deductions calculated and paid during the year, because of the increase in income.

23. Anticipated income

The following is the detail of the anticipated income:



1. Corresponds to the deposits received from clients during the year for participation in the different fairs organized by the Parent and the subordinate; These monies are received up to a maximum of one year in advance, which are applied once the exhibitor's participation in the fair is billed. The decrease corresponds mainly in the Parent Company to the application of monies received in advance in 2018 from Fairs such as Andinapack for \$ 2,422,460 and Expoconstrucción & Expodiseño for \$ 1,348,557; in the subordinate the monies received in advance from fairs such as Expoagrofuturo for \$ 122,642, Alliances and Other sponsorships for \$ 400,000, Naviland \$ 65,000 among others.

24. Contractual liability



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

Notas a los Estados Financieros Consolidados

(1) The contractual liability is related to the advance consideration received by P.A. Pactia by the Parent Company, for the construction of the Hotel Project.

The increase corresponds to the advances received by PA Pactia in the 2019 period, according to the established schedule. Additionally, on the contractual liability the financing component of the construction of the investment property, Hotel project is recognized, which is capitalized because the project is under construction.

The following table presents the composition of the contractual liability with P.A Pactia for the years 2019 and 2018:



The image shows a rectangular placeholder for a table. In the top-left corner, there is a small red square icon followed by the text "The picture can't be displayed." The rest of the area is empty.

25. Employee benefits

The following is a breakdown of employee benefits in the long-term Matrix:



The image shows a rectangular placeholder for a table. In the top-left corner, there is a small red square icon followed by the text "The picture can't be displayed." The rest of the area is empty.

Actuarial studies of pensions include:



The image shows a rectangular placeholder for a table. In the top-left corner, there is a small red square icon followed by the text "The picture can't be displayed." The rest of the area is empty.

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

Notas a los Estados Financieros Consolidados

Payments expected for the next 10 years (Figures in millions of pesos)

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Year 1	\$ 243	239
Year 2	244	242
Year 3	242	244
Year 4	239	242
Year 5	233	237
Next 5 years	\$ 1.020	1.021

The actuarial studies of pensions and decades, include the following actuarial assumptions:

Economic assumptions	December 31, 2019	December 31, 2018
Discount rate	5,50%	6,75%
Salary increase	3,50%	3,50%
Social security increase	3,50%	3,50%
Increased cost of living	3,50%	3,50%
Mortality	Table RV08. Demographic assumptions	Table RV08. Demographic assumptions
Disability	None	None
Rotation	SOA 2003 rotation table. It was assumed that there are no contract terminations without just cause	SOA 2003 rotation table. It was assumed that there are no contract terminations without just cause
Retirement age	62 for men and 57 for women	62 for men and 57 for women
Asset valuation	All assets are book reserves	All assets are book reserves

The liability for defined benefit plans was calculated using the method called "Projected Credit unit in accordance with the provisions of IAS 19. This method consists of quantifying the benefits of each participant in the plan as they are entitled to them, considering future salary increases and plan formula for the allocation of benefits. The valuation is done individually for each retiree. By applying actuarial assumptions, the projected benefit amount is calculated depending on the estimated separation date, the accredited service, and the salary at the time of the causal event.

To perform the calculation, a single actuarial scenario was used within a range of reasonable possibilities; however, the future is uncertain, and the future experience of the plan will differ from the assumptions to a lesser or greater extent.

On the other hand, in order to comply with the provisions of Decree 1625 of October 11, 2016, with respect to actuarial calculations, the current value of the pension liability payable by the Corporation is determined annually based on actuarial studies of in accordance with the regulations of the Financial Superintendence of Colombia and according to article 2 of Decree 2783 of December 20, 2001 of the Ministry of Finance and Public Credit.

Its amortization is made with a charge to results in accordance with Decree 4565 of December 7, 2010 of the Ministry of Finance and Public Credit.

The Parent Company availed itself of article 1 of Decree 4565 of December 7, 2010 of the Ministry of Finance and Public Credit, in the sense of amortizing the actuarial calculation generated with the mortality tables of Male and Female Rentiers updated by the Financial Superintendence of Colombia Through Resolution 1555 of July 30, 2010.

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

Notas a los Estados Financieros Consolidados

Finally, in accordance with the requirements of Decree 2131 of 2016, the variables used and the differences between the calculation of post-employment liabilities determined under IAS 19 and the parameters established in Decree 1625 of 2016 are disclosed below:

2019			
Staff	Group	People	Reserves
Shared Beneficiary	5	2	1.342.244
Shared Retiree	2	3	516.382
Total reserve as of December 31, 2019		5	1.858.626

2018			
Staff	Group	People	Reserves
Shared Beneficiary	2	4	1.832.018
Shared Retiree	5	1	34.447
Total reserve as of December 31, 2018		5	1.866.465

Under IAS 19, the hypotheses used to determine the defined benefit obligations are: discount rate of 5.50%, pension increase rate and wage inflation rate of 3.5% and under Decree 4565 of December 7, 2010, the calculation of the pension liability uses the technical interest rate of 4.07%. Therefore, the difference between the calculation made under local government requirements and that established in the NCIF is \$ 334,305 and \$ 161,703 for 2019 and 2018, respectively.

26. Provisions

The following is the detail of the other provisions:

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Estimated liabilities and provisions (1)	\$ <u>5.582.435</u>	<u>3.348.573</u>

- As of December 31st, 2019, and 2018, corresponds mainly to contingencies in the Parent Company for labor processes; 11 and 8 processes, respectively. The increase corresponds to the update of the status of the processes carried out by the external lawyers.

27. Subscribed and paid capital

As of December 31st, 2019 and 2018, respectively, the authorized share capital of the Parent Company included two hundred million (200,000,000) shares with a nominal value of ten pesos each and the capital subscribed and paid on those same dates, is made up of 167,391 .943 common shares, for \$ 1,673,920.

As of December 31st, 2019, and 2018, the Parent Company registers 104,146 treasury shares, whose inherent rights are suspended while they remain in its possession. All issued shares are fully paid.

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

Notas a los Estados Financieros Consolidados

Shareholders with common shares have the right to receive dividends as they are declared from time to time and have the right to one vote per share in the meetings of the Parent Company.
Basic earnings per share

As of December 31st, 2019, and 2018, the basic EPS is calculated by dividing the result attributable to the ordinary shareholders of the Parent Company by the number of ordinary shares outstanding during the year:

Concept	2019	2018
Net income for the year	\$30.294.204	26.548.965
Outstanding shares	167.391.943	167.391.943
Basic earnings per share	180,98	158,60

28. Reserves

The following is the detail of the reservations:

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Legal Reserve (1)	839.707	839.707
Reserve for acquisition of own shares	1.164	1.164
Own shares repurchased	(1.041)	(1.041)
Occasional reservations (2)	111.076.020	97.801.342
	<u>111.915.850 \$</u>	<u>98.641.172</u>

(1) In accordance with legal provisions, every entity must establish a legal reserve appropriating ten percent (10%) of the net profits of each year until reaching fifty percent (50%) of the subscribed capital, the reserve may be reduced to less than fifty percent (50%) of the subscribed capital, when it is intended to wipe out excess losses of undistributed profits, the legal reserve may not be used to pay dividends or to cover expenses or losses during the time that the entity have undistributed profits.

(2) At the Parent Shareholders' Meetings held on March 28 and 29, 2019 and 2018, respectively, it was determined to establish an occasional reserve of \$ 13,274,678 and \$ 11,391,606, respectively; in order to leverage the modernization projects carried out by the Parent Company.

Additionally, for 2019 cash dividends were decreed for \$ 13,274,287 and \$ 13,223,905 were paid, for 2018 dividends were decreed for \$ 11,375,570 and \$ 11,344,777 were paid.

29. Other equity interests – ORI

The following is the detail of the balances of the accounts of other comprehensive income included in equity during the periods ended December 31, 2019 and 2018:

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

Notas a los Estados Financieros Consolidados

Balance as of December 2017	\$	344.694
Variation equity instruments measured at fair value (To the popular and La Previsora)		731.006
Balance as of December 2018		1.075.700
Variation equity instruments measured at fair value (To the popular and La Previsora)		(88.783)
Balance as of December 2019	\$	986.917

The decrease in the value of other equity interests for the period 2019, is due to the update of the fair value through the discounted dividend flow methodology and Gordon Shapiro.

30. Ordinary activities income

The following is the detail of income from ordinary activities:

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Entertainment and recreation (1)	\$ 161.284.769	136.936.618
Real Estate, Business and Rental Activities (2)	17.297.120	18.979.622
Food and Beverages (3)	14.654.847	10.352.238
Parking Administration	3.734.911	3.534.722
	\$ 196.971.647	169.803.200

1. Entertainment and Recreation: It registers the income obtained from the leasing of spaces and the provision of services in the organization and execution of fair events of the Parent Company and the subordinate. The main events that generated the variation in the Matrix were the Home Fair for \$ 10,544,697, Expoconstrucción & Expodiseño \$ 8,549,760, Agroexpo Bogotá \$ 8,369,662, among others; in the subordinate for events such as Sabor Barranquilla for \$ 1,780,947, ExpoAgrofuturo Medellín for \$ 3,233,936, among others.
2. Real estate, business, and rental activities: Registers the income originated from the leasing of spaces and the provision of services, related to the organization of the non-fair events of the Parent Company and its subordinate. During 2019 in the Matrix the events that generated the highest income were: Election of the Mayor of Bogotá for \$ 2,221,347, Campus Party for \$ 705,604, Macrorueda Procolombia for \$ 494,144, Ganoexcel

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

Notas a los Estados Financieros Consolidados

Convention for \$ 405,621, Candidate registration and call for \$ 396,596, among others.

3. Food and Drinks: Registers the value of the income obtained from the provision of food and drink services. The increase is mainly generated by the new versions of the fairs organized by the Corporation such as Kickoff Medtronic for \$ 876,775, Meeting of candidates for the Mayor of Bogotá for \$ 542,512, Congress of the Americas on education for \$ 294,327, among others. and an increase in the sale of food and beverages at events for \$ 2,139,835; in the subordinate mainly for events such as: Tourism and Nature for \$ 36,300, Colombia 4.0 for \$ 45,043, Launch of APP del Rio for \$ 903, Events for \$ 649,317 and others for \$ 168,627.

1. Selling Expenses

The following Table details the Selling Expenses:

	31st December 2019	31st December 2018
Personnel Expenses ¹	\$7.464.019	\$6.142.704
Fees	\$3.681.553	\$3.446.418
Taxes	\$354.092	\$332.248
Leases ²	\$9.004.794	\$4.621.027
Contributions and Affiliations ³	\$14.535.420	\$8.777.906
Insurance	\$31.614	\$43.425
Services ⁴	\$26.211.551	\$25.311.609
Legal Expenses	\$125.893	\$93.820
Maintenance and Repairs	\$479.565	\$305.771
Suitability and Instalation ⁵	\$16.142.558	\$12.435.487
Travel Expenses	\$2.373.721	\$1.250.931
Diverse Costs	\$4.796.839	\$4.942.598
Others ⁶	\$11.022.485	\$6.322.560
	\$96.224.104	\$74.026.504

¹ The following Table details the Personnel Expenses:

	31st December 2019	31st December 2018
Salaries and other Personnel Expenses *	\$4.948.905	\$4.043.912
Parafiscal Contributions and Social Benefits	\$1.466.437	\$1.240.884
Bonuses	\$151.809	\$130.110
Reliefs **	\$133.581	\$106.782

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

Notas a los Estados Financieros Consolidados

Contributions toward Pension Funds	\$627.870	\$520.897
Contributions Health Services (E.P.S and A.R.L)	\$117.732	\$81.868
Other Labour Expenses ***	\$17.685	\$18.251
	\$7.464.019	\$6.142.704

* Includes salaries, overtime, commissions, and disabilities of the personnel of the operational area.

** Includes aid to the worker for transportation and prepaid medicine.

*** Represents concepts such as personnel equipment, personnel training, sports and recreation activities, incentives, among others.

² Corresponds to the short-term lease of machinery and equipment, decoration elements, sound and video equipment necessary to carry out fairs and events. The increase in value corresponds mainly to the rental of audiovisual equipment to external contractors for the operation of the International Convention Center of Bogotá - AGORA for \$ 6.067.724, by both the parent company and subsidiary. Also, to the rental of machinery and equipment for the execution and assembly of fairs such as Agrofuturo Medellín for \$281.004 and ComicCon Medellín for \$224.484, among others. The increase in value is due to the greater number of events held in 2019.

³ Corresponds mainly to the expenses held by the parent company for canceled payments to Unions for the development of Fairs during 2019, such as: Andinapack \$2.620.361, Expoconstrucción & Expodiseño \$2.293.154, International Book Fair \$1.994.497, Expodefensa \$1.956.219, among others. The increase in costs in 2019 is due to the parent company's Fair calendar, which includes Fairs that are held every year or every two years.

⁴ Corresponds to the parent company expenses for advertising services equal to \$9.397.958, temporary staff expenses for \$4.639.528, cleaning and surveillance for \$1.749.530 and public services for \$2.516.200, among others; and in the subsidiary company represents expenses for advertising services \$1.289.825, for cleaning and surveillance \$819.312, temporary staff for \$849.134 and public services for \$833.155, among others.

⁵ Represents the special assemblies, signage and other services for the assemblies and dismantling of the parent company's Fairs and events. The following stands out: F-AIR for \$3.581.051, Agroexpo for \$1.933.783, Expoartesánias for \$1.226.375, Bogotá Madrid Fusión for \$852.216, Sofa for \$601.622, Feria del Hogar for \$ 555.701, Artbo for \$547.767 and Expodefensa for \$546.433; And in the subordinate for events such as the National Congress of Public Accounting for \$391.719, Sabor Barranquilla for \$317.794, Regiotram for \$197.882, Colombia 4.0 for \$128.118 and FOE Integration Activity for \$123.801, among others.

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

Notas a los Estados Financieros Consolidados

6 Represents the special assemblies, signage and other services for the assemblies and dismantling of the parent company's Fairs and events.

Includes expenses for the operation of the Agora International Convention Center for \$10.033.136 in 2019 and 2018. \$5,718,724 in expenses generated at the end of the year that have not been invoiced by suppliers and contractors. The increase in value is due to the greater number of events held in the 2019 period, especially in the month of December.

1. Administration Expenses

The following Table details the Administration Expenses:

	31st December 2019	31st December 2018
Personnel Expenses	\$26.318.857	\$23.476.906
Fees	\$1.428.590	\$1.599.078
Taxes ¹	\$7.011.076	\$5.995.922
Leases	\$723.248	\$567.605
Contributions and Affiliations	\$870.903	\$913.730
Insurance	\$393.387	\$404.227
Services ²	\$7.821.776	\$7.248.486
Legal Expenses	\$91.789	\$67.504
Maintenance and Repairs ³	\$3.153.199	\$1.964.770
Suitability and Instalation	\$2.344.152	\$1.831.075
Travel Expenses	\$536.993	\$433.065
Depreciations	\$7.408.609	\$6.596.346
Amortizement	\$2.765.550	\$2.363.036
Diverse Costs	\$1.863.125	\$2.267.702
Others ⁶	\$212.877	\$591.015
	\$62.944.131	\$56.320.467

The following Table details the Personnel Expenses related in the Administration Expenses Table:

	31st December 2019	31st December 2018
Integral Salaries	\$5.353.756	\$4.896.238
Pensions	\$408.077	\$229.733
Salaries and Other Personnel Expenses *	\$12.069.528	\$10.461.179
Parafiscal Contributions and Social Benefits	\$4.363.859	\$3.826.407
Bonuses	\$602.603	\$700.977

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

Notas a los Estados Financieros Consolidados

Reliefs **	\$199.893	\$178.562
Contributions toward Pension Funds	\$1.962.049	\$1.741.044
Contributions Health Services (E.P.S and A.R.L)	\$604.616	\$720.667
Other Labour Expenses ***	\$754.476	\$722.099
	\$26.318.857	\$23.476.906

* Includes mainly wages, integral salaries, parafiscal contributions and social benefits of the administrative department personnel.

** Corresponds to workers' aid for transport and prepaid medicine assistance.

*** Represents concepts such as personnel equipment, personnel training, sports and recreation activities, incentives, among others.

¹ Represents taxes for industry and commerce, real estate, appraisal, tourism, vehicles, public entertainment, and tax on financial movements. The increase in value corresponds mainly to the increased parking lots tax of \$713.825.

² The balance corresponds mainly to service expenses such as cleaning, surveillance, temporary personnel, technical assistance, public services, and others incurred for the administrative operation and the holding of events.

³ Corresponds in the parent company to the maintenance costs of machinery and equipment for \$1.211.827, maintenance of computer and communication equipment for \$921.514, and in the subsidiary company to the maintenance costs of machinery and equipment for \$305.956 and maintenance of computer and communication equipment for \$164.213, among others. The increase in costs compared to 2018 corresponds in the parent company mainly to the execution of the maintenance plan of the Agora International Convention Center.

2. Other Income

The following Table details Other Income:

	31st December 2019	31st December 2018
Asset Valuation	-	\$1.394
Dividends and Shares ¹	\$2.184.478	\$1.898.520
Commissions	\$28.873	\$34.903
Utility Sale of Property and Equipment	\$251	-
Paybacks ²	\$644.810	\$1.073.818
Compensations	\$88.272	283.330

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

Notas a los Estados Financieros Consolidados

Other Income ³	\$537.669	-
	\$3.484.353	\$3.291.965

¹ Corresponds to the dividends obtained by the parent company derived from the investments registered in Alpopular Almacén General de Depósito S.A. for \$2.184.478 in the year 2019, \$1.868.015 dividends received in the year 2018, and \$30.505 from the Investments in Alpopular Almacén General de Deposito S.A. and Previsora S.A. Insurance Company, respectively, which are valued at fair value with changes in the ORI.

² Corresponds in the parent company to the reimbursement of account payable provisions for \$469.501 and \$614.043, the recovered income for breach of contracts of \$8.107; and in the subsidiary company for the recovery of public account payable provisions of \$154.630 and \$450.534, respectively.

³ Corresponds in the parent company to the compensation received for damages caused to contractors and reimbursement for inabilities.

3. Other Expenses

The following Table details Other Expenses:

	31st December 2019	31st December 2018
Loss on Withdrawal of Property and Equipment ¹	\$1.886.130	\$142.577
Loss on Withdrawal of Intangibles	-	\$2.974.139
Deterioration of Plant Property and Equipment	-	\$9.928
Other Expenses ²	\$5.660.062	\$1.981.125
	\$7.546.192	\$5.107.769

¹ Corresponds in the parent company to the derecognition of fixed assets as approved by the Machinery and Equipment Purchasing Committee for \$1.115.508, office equipment for \$612.993, and computer and communication equipment for \$157.629.

For the year 2019, it corresponds in the parent company to the provision of litigation contingencies for \$2.233.862, a fine imposed by the Institute of Urban Development (IDU) of \$2.471.345 due to the number of parking spots built in the Hotel Project, which is less than required by the District Decree No. 364 of 2013. The IDU offers the option to build the missing parking lots or pay a fine - choosing the second option in the parent company -. In 2018 for the provision of procedural contingencies, equal to \$769.815. It also includes donations made for \$314.617 and \$534.704 in 2019 and 2018

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

Notas a los Estados Financieros Consolidados

correspondently, and the expenses assumed in the subsidiary company that year of \$76.640, taxes of \$50.458, and others for \$1.813.

4. Financial Income

The following Table details Financial Income:

	31st December 2019	31st December 2018
Savings Accounts Interest and CDT ¹	\$874.509	\$599.961
Currency Exchange Rate ²	\$1.403.074	\$785.466
Discounts	\$214.160	\$120.638
Return on Investment ³	\$42.627	-
	\$2.534.370	\$1.506.065

¹ Corresponds in the parent company to the interest obtained in the year 2019 and 2018 for the savings accounts income of \$749.241 and \$396.796, and to the interest obtained from the constitution of a CDT in 2019 of \$98.404; and in the subsidiary to the interests obtained in the savings accounts and Collective Investment Funds for \$26.864 and \$203.165.

² Corresponds in the parent company and subsidiary to the difference registered in the payment of the obligations in foreign currency with clients, suppliers and contractors in the conversion to the national currency.

³ Corresponds to the returns generated by the investment of the parent company in the Nexus Real Estate Capital Fund for \$42.627.

5. Financial Expenses

The following Table details the Financial Expenses:

	31st December 2019	31st December 2018
Banking Expenses	\$1.937	\$523
Commissions	\$489.983	\$472.858
Interest ¹	\$7.556.342	\$823.335
Currency Exchange Rate ²	\$1.331.157	\$642.361
Others	\$20.601	\$21.142
	\$9.400.020	\$1.960.219

¹ Corresponds to the parent company payment of bank loan interest equal to \$7.105.577, credit card expenses of \$14.071, and the subsidiary company payment of bank loan interest of \$434.971. The increase corresponds to both the parent and subsidiary companies obtaining new financial obligations to attend the main investment projects.

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

Notas a los Estados Financieros Consolidados

² Corresponds to the exchange rate difference incurred by the management of bank accounts in American dollars (USD) used to pay clients related to the different Fairs organized by the parent company and the subsidiary company, among which stand out Andinapack for \$398.725, Expodefensa for \$210.327, F-AIR for \$67.602, and the payment of foreign supplier accounts for \$243.319.

6. Equity Profit

	31st December 2019	31st December 2018
Equity Profit	\$6.117.889	\$622.026

¹ The variation corresponds to the increase in profits obtained by the CICB Ágora Autonomous Heritage managed by Fiduciaria de Bogotá S.A., generating an increase of \$5.182.787.

7. Income Tax Expense

1. Components of Income Tax Expense

The Income Tax Expense for the years 2019 and 2018, ending on the 31st of December, include the following:

	2019	2018
Current Income Tax	\$5.714.928	\$7.537.365
Previous Income Tax	(\$150.989)	(\$140.943)
Income Tax Subtotal	\$5.563.939	\$7.396.422
Deferred Annual Tax	(\$7.125.047)	\$745.867
Income Tax Total	(\$1.561.108)	\$8.142.289

The decrease in income tax expense is mainly generated in the parent company is due to the adjustment in the measurement of the passive deferred tax on investment in the CICB Autonomous Equity.

Reconciliation of the tax rate in accordance with the tax provisions and the effective rate

The current tax provisions applicable to the Matrix and the subordinate stipulates that:

1. The Corporation was authorized as a Special Permanent Free Trade Zone user operator by resolution No. 5425 of June 20, 2008 and in accordance with Law 1819 of 2016, the income tax is calculated at a 20% rate.
2. The income tax rate for the year 2019 is 33 %. With the Ruling of the Constitutional Court C-510 of October 2019 is declared unconstitutional the application of the additional percentage points to income tax applicable to financial institutions; for the year 2018 the income tax rate is 33% plus 4 additional points on the general rate.
3. According to the Economic Growth Act 2010 of 2019, the income tax rate for the years 2020, 2021 and 2022 and following is 32%, 31%, and 30 % respectively. For the financial institutions

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

Notas a los Estados Financieros Consolidados

that obtain in the period an income equal or superior to 120,000 UVT they apply some additional percentage points of income tax of 4% for the year 2020 and 3% for the years 2020 and 2021.

4. By 2019 the presumptive income is 1.5% of liquid assets on the last day of the immediately preceding taxable year, while by 2018 it was 3.5%.
5. The Economic Growth Act 2010 of 2019 reduces the presumptive income to 0.5% of the liquid assets of the last day of the immediately preceding taxable year 2020 and at 0% from the year 2021 onwards.
1. The Economic Growth Act 2010 of 2019 maintains the possibility of taking as a tax discount on income tax 50% of the industry and commerce tax notices and boards actually paid in the year or taxable period, which from 2022 will be 100%. For the year 2018 this tax has the treatment of deduction in the income tax.
2. With the Economic Growth Act 2010 of 2019 for the taxable years 2020 and 2021 the audit benefit is extended to taxpayers who increase their net income tax for the taxable year in relation to the net income tax for the immediately preceding year at least 30% or 20%, so that the tax return will be firm within 6 or 12 months from the date of filing, respectively.
3. With the Economic Growth Act 2010 of 2019, the term of firmness of the income tax and supplementary tax returns of taxpayers who determine or offset tax losses or are subject to the transfer pricing regime, shall be 5 years.
4. The tax losses may be offset against ordinary taxable income obtained in the following 12 taxable periods.
5. The excess presumptive income can be compensated in the following 5 taxable periods.
6. The occasional income tax is taxed at the rate of 10%.

In accordance with paragraph 81(c) of IAS 12, the details of the reconciliation are as follows between the Company's total income tax expense calculated at current tax rates and the tax expense recorded in the results of the period for the periods ended December 31, 2019 and 2018.

	December 31, 2019	December 31, 2018
Earnings before tax	\$ 28.733.096	34.691.254
	-	-
Notional tax	5.746.619	6.997.456
	-	-
Interest on presumed taxes	60	17
Non-deductible past expenses	85.441	76.202
Non-deductible expenses fines and litigation	942.892	173.013
Non-deductible taxes	203.901	159.098
Other non-deductible expenses	455.906	1.085.198
Industry and commerce, loss on sale of goods and other non-deductible	1.153.388	-
On-going dividends	(436.896)	(379.704)
Net income by equity method and other non-taxed income	(1.539.540)	(89.504)
Marginal rate range	-	(32.505)
Effect of rate differences	518.416	32.505

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

Notas a los Estados Financieros Consolidados

Deferred tax adjustment for restatement of tax cost	(2.365.663)	-
Taxed income autonomous assets and other taxable income	50.643	-
Previous year's income tax return adjustment	(150.988)	7.620
Deferred tax adjustment to prior periods	(4.953.429)	-
Tax discount	(1.271.858)	(23.868)
Occasional profit	-	136.256
Total expenditure for income tax	\$ (1.561.108)	8.142.289

Deferred taxes with respect to investments in subsidiaries, associates, and joint ventures

In compliance with paragraph 39 of IAS 12, the Company does not record deferred tax liabilities related to temporary differences from investments in subsidiaries and associates. The foregoing is due to the fact that: i) the Company has control over the subsidiaries and over the decision to sell its investments in associates, therefore, it can decide on the reversal of such temporary differences; and ii) the Company does not foresee their realization in the foreseeable future.

The temporary differences for the items indicated as of December 31, 2019 and 2018, amounted to \$2,350,714 and \$1,288,521, respectively.

Deferred tax by type of temporary difference

Differences between the basis of assets and liabilities for NCPI purposes and the tax basis of the same assets and liabilities for tax purposes result in temporary differences that generate deferred taxes calculated and recorded at December 31, 2019 and 2018 based on the tax rates currently in effect for the years in which such temporary differences will be reverted.

Tax effects of tax-deductible differences	Balance as of 31 December 2018	Credited to results	Balance as of 31 December 2019
Available	\$ -	2.311	2.311
Portfolio impairment and accounts receivable	239.897	84.317	324.214
Brands	631.075	522.68	1.153.758
Property and equipment	6.184.047	39	6.184.086
Licenses	128.041	(128.041)	-
Prepaid expenses	2.427	129.795	132.222
Costs and expenses to be paid	393.286	-236.429	156.857
Taxes	-	29	29
Employment Obligations	9.913	2.355	12.268
Employee Benefits	37.914	28.947	66.861
Subtotal tax effects of taxable temporary differences	\$ 7.626.600	406.006	8.032.606

Tax effects of taxable tax differences	Balance as of 31 December 2018	Credited to results	Balance as of 31 December 2019
Available	\$ (2.772)	2.772	-

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

Notas a los Estados Financieros Consolidados

Ágora trust law investment	(10.907.841)	7.329.576	(3.578.265)
Sundry debtors	(129)	129	-
Inventory of materials, parts and accessories	(1.463)	-	(1.463)
Brands	(1.268.214)	(11.451)	(1.279.665)
Terrains	(19.922.801)	152.246	(19.770.555)
Constructions in progress	-	(50)	(50)
Accumulated depreciation	(14.726.882)	(604.761)	(15.331.643)
Licenses	-	(329.441)	(329.441)
Investment properties	(2.237.400)	163.903	(2.073.497)
Deposits received for fairs and events	(129.572)	19.492	(110.080)
Difference in change	-	(6.460)	96.460
Currency correction	(26.736)	3.086	(23.650)
Subtotal tax effects of taxable temporary differences	\$ (49.223.810)	6.719.041	(42.504.769)
Total	\$ (41.597.210)	7.125.047	(34.472.163)

Tax effects of tax-deductible differences	Balance as of 31 December 2017	Credited to results	Balance as of 31 December 2018
Available	\$ 998	(998)	-
Accounts receivables	313.241	(73.344)	239.897
Brands	518.926	112.149	631.075
Property and equipment	6.180.439	3.608	6.184.047
Licenses	-	128.041	128.041
Prepaid expenses	23.683	(21.256)	2.427
Costs and expenses to be paid	354.220	39.066	393.286
Employment Obligations	5.750	4.163	9.913
Employee Benefits	30.560	7.354	37.914
Subtotal tax effects of taxable temporary differences	\$ 7.427.817	198.783	7.626.600

Tax effects of taxable tax differences	Balance as of 31 December 2017	Credited to results	Balance as of 31 December 2018
Available	\$ -	2.772	(2.772)
Investments in associates	(10.880.250)	27.591	(10.907.841)
Sundry debtors	(9.499)	(9.370)	(129)
Inventory of materials, parts and accessories	(1.463)	-	(1.463)
Brands	(1.098.972)	169.242	(1.268.214)

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

Notas a los Estados Financieros Consolidados

Terrains	(19.616.958)	305.843	(19.922.801)
Accumulated depreciation	(14.184.878)	542.004	(14.726.882)
Licenses	(78.906)	(78.906)	-
Investment properties	(2.237.400)	-	(2.237.400)
Deposits received for fairs and events	(141.011)	(11.439)	(129.572)
Currency correction	(29.822)	(3.086)	(26.736)
Subtotal tax effects of taxable temporary differences	\$ (48.279.159)	944.65	(49.223.810)
Total	\$ (40.851.342)	1.143.434	(41.597.210)

The Parent and the subordinate performed the offsetting of the deferred tax assets and liabilities in accordance with paragraph 74 of IAS 12, considering the application of the tax provisions in force in Colombia on the legal right to offset current tax assets and liabilities.

Realization of the deferred tax asset.

In future periods, it is expected to continue to generate taxable liquid income against which the amounts recognized as deferred tax assets can be recovered. The estimate of future taxable income is based mainly on the projection of the Parent company's and subordinate's operations, whose positive trend is expected to continue.

As of December 31, 2019, and 2018, the Parent Company and the subordinate company do not have tax uncertainties that would generate a provision.

1. Related parties

In accordance with IAS 24, a related party is a person or entity that is related to the Parent and the subordinate, over whom control or joint control could be exercised; exercises significant influence; or is considered a member of the key management or controlling personnel of the reporting entity.

The Parent company and the subordinate company consider as related parties, the main shareholders, members of the Board of Directors, key management personnel, companies in which the shareholders or members of the Board of Directors have an interest of more than 10%.

The Parent company and the subordinate company recognize the balances of assets, liabilities, income, and expenses caused in each period, corresponding to operations with related parties, such as subordinate, associate, key management personnel and shareholders.

Compensation for key management personnel includes salaries and short-term benefits. The Steering Committee and the Board of Directors are considered key management personnel.

The terms and conditions of transactions with related parties were not made on terms more favorable than those available in the market, or those that could reasonably have been expected to be available in similar transactions.

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

Notas a los Estados Financieros Consolidados

The most representative balances by 31 December 2019 and 2018, with related parties, are included in the following accounts:

Related Party Receivables

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Controller - Camara de comercio de bogotá (1)	\$ 418.540	363.268
Participating-Alpopular Almacén General de depósitos S.A. (2)	500.273	311.024
Key management personnel	130.752	161.775
Associated - Autonomous Patrimony CICB (3)	3.086.669	2.264.342
Fiduciara Colombiana de Comercio Exterior S.A.	-	20.000
Minority shareholders	153.69	483.529
Other related parties	371.291	2.929.212
	<u>\$ 4.661.215</u>	<u>6.533.150</u>

(1) For 2019 it is constituted mainly by the variation in the account receivable from The Bogotá Chamber of Commerce for the participation in the fairs Bogota Madrid Fusion for \$364.708 and Expoartesania for \$53.832

(2) For 2019, the increase corresponds to the change in the frequency of dividend payments in accordance with the profit distribution project decreed at the General Meeting of Alpopular S.A.

(3) The balance and variation correspond to withholdings declared for \$935.898 that the parent company as the representative of the autonomous patrimony of the International Convention Centre of Bogotá-Ágora acts as a withholding agent in the payment of taxes in accordance with tax regulations and remuneration of \$2,150,771 as the Operator of the International Convention Center has the Parent Company.

Related Party Receivables

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

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Controller - Camara de comercio de bogotá (1)	\$ 34.746.775	36.254.084
Associated - Autonomous Patrimony CICB (2)	10.446.286	5.718.725
Participating-Alpopular Almacen General de Depositos S.A.	25.197	-
Key management personnel	460.869	336.402
Board of directors	21.347	229
Minority shareholders	126.124	192.051
Other related parties	137.214	-
	<u>\$ 45.963.812</u>	<u>42.501.491</u>

(1) The balance as of December 31, 2019 corresponds mainly to the Parent Company for \$33,000,000 by way of loan by the Bogotá Chamber of Commerce and can be seen in detail in note No. 20 of Financial Obligations.

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

Notas a los Estados Financieros Consolidados

(2) Corresponds mainly in the Matrix to the results of the development of the operation of the International Convention Centre of Bogotá- Ágora in 2019 and 2018, which are registered by the Parent Company as operator of the same, these resources will be delivered to Fiduciaria Bogotá as administrator of the Autonomous Patrimony.

Income and expenses

Bogotá Chamber of Commerce

	December 31, 2019	December 31, 2018
Income		
Food and beverages	\$ 160.455	139.634
Real estate, business, and rental activities	10.000	-
Entertainment and leisure	4.455.154	2.537.437
	<u>\$ 4.625.609</u>	<u>2.677.071</u>

Administrative expenses

Personnel expenses- staff training	\$ 257	2.145
Insurance	6.714	7.243
Legal expenses	5.212	4.483
Other	640	*
	<u>\$ 12.823</u>	<u>13.871</u>

Financial expenses	<u>\$ 1.890.780</u>	<u>407.592</u>
--------------------	---------------------	----------------

Alpopular Almacen General de Depositos S.A.

	December 31, 2019	December 31, 2018
Investments	<u>\$ 13.972.739</u>	<u>14.106.244</u>
Income		
Real estate, business, and rental activities	1.629	1.279
Dividends and shares	2.184.478	1.868.015
	<u>\$ 2.186.107</u>	<u>1.869.294</u>

Key management personnel

	December 31, 2019	December 31, 2018
Income		
Food and beverages	250	-
Financial - interest loans	\$ 17.223	13.999
	<u>17.473</u>	<u>13.999</u>

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

Notas a los Estados Financieros Consolidados

Administrative expenses

Personnel expenses	\$	3.661.052	3.637.635
Fees		1.064	-
Expenses and Travel		33.568	1.283
Other		1.267	685
	\$	<u>3.696.951</u>	<u>3.639.603</u>

Sales expenses

Legal fees	\$	320	-
Travel expenses		416	92
		<u>736</u>	<u>92</u>
Financial expenses		<u>6.991</u>	-

Autonomous Heritage International Centre CICB

		<u>December 31, 2019</u>	<u>December 31, 2018</u>
Investment	\$	<u>77.996.801</u>	<u>65.784.906</u>
Income			
CICB Operating fees	\$	1.807.371	970.541
Income methods of participation		6.117.889	622.026
	\$	<u>7.925.260</u>	<u>1.592.567</u>

Minority stockholders (*)

		<u>December 31, 2019</u>	<u>December 31, 2018</u>
Income			
Food and beverages	\$	-	39.599
Real estate, business and rental activities		1.218.157	923.149
Entertainment and leisure		<u>840.336</u>	<u>5.097.516</u>

Administrative expenses

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

Notas a los Estados Financieros Consolidados

Personnel expenses	\$	-	266.451
Travel expenses		10.693	174.652
		10.693	441.103
Sales expenses			
Fees	\$	-	189.542
Services		-	64.139
Travel expenses		130.119	432.241
Other		20.786	4.351
		150.905	690.273
		150.905	690.273

(*) The Parent company's minority shareholders include some employees.

2. Contingencies

The Parent Company records contingencies as of December 31, 2019 and 2018 as follows:

For trademark registration processes, such as Agroexpo, International Book Fair and Meditech. These processes are qualified as possible.

For legal and tax proceedings with the National Tax and Customs Administration for Income and Complementary Taxes for the taxable year 2009. The process on this matter is in the category of possible.

Finally, there are twenty-four labor proceedings currently in progress at the legal offices, through which the plaintiffs seek a declaration that the link that existed between each of them and the Parent Company was governed by an employment contract and, as a result of the foregoing, the Parent Company is ordered to pay the claims. The attorneys representing the Parent Company estimate the value of these proceedings at \$5,582,435 and classify them within the probable category; a provision of \$5,582,435 and \$3,348,573, respectively, is recorded for these proceedings as of December 31, 2019 and 2018.

The subordinate has no contingencies as of December 31, 2019 and 2018.

3. Subsequent events

After December 31, 2019, and in response to the global pandemic of the spread of the coronavirus or COVID-19, the National Government of Colombia adopted a series of measures and determinations in order to avoid an epidemiological spread, by which it ordered the prohibition of events of more than 500 people between the months of March and May 2020, as well as, the mandatory isolation of individuals, which implies a restriction to the mobility of people, measures that initially may generate consequences in the economic activity of the Corporation and therefore, may negatively affect the financial situation, financial performance and cash flows in the future.

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

Notas a los Estados Financieros Consolidados

As of the date of this report, it is not possible to determine or quantify the effect that such measures and legal provisions adopted by the Government may have on the Corporation, since it will depend on future provisions, facts, situations or developments at the national and international level, which are uncertain and cannot be predicted at the time.

4. Approval to present the financial statements to the General Shareholders' Meeting

The Board of Directors, at its meeting on January 30, 2020, recommended that management present the consolidated financial statements and accompanying notes to the General Shareholders' Meeting in March 2020 for approval by said body, which may approve or modify them.