

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

*As of September 30, 2020, and December 31, 2019*

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

To the Shareholders

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

### **Introduction**

I have reviewed consolidated condensed interim statements of financial information that is attached as of September 30, 2020 of Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca and subordinate, which comprise:

- The consolidated condensed interim statements of financial position at September 30, 2020;
- The consolidated condensed interim statements of comprehensive income, three and nine-months period ended September 30, 2020;
- The consolidated condensed interim statements of changes in equity for the period of nine months ended September 30, 2020;
- The condensed interim consolidated cash flow statement for the period of nine months ending on September 30, 2020; and
- The notes to the interim financial statements.

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

### **Scope of the review**

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

### **Conclusion**

Based on my review, nothing has called my attention to make me suppose that the interim consolidated financial information does not present, in all material aspects, its financial situation September 30, 2020, which is attached, in accordance with the International Standard of Accounting 34 (IAS 34) - Intermediate Financial Information contained in the Accounting and Financial Information Standards accepted in Colombia.

*(Original in spanish signed)*

**Diego Alejandro Corredor Ortiz**

Deputy Statutory Auditor

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

License TP 199078-T

Member of KPMG S.A.S.

November 13, 2020

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

To the Shareholders

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

**Introduction**

I have reviewed the report in consolidated Extensible Business Reporting Language (XBRL) as of September 30, 2020, which include the condensed interim statements of financial information of Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca and subordinate, which comprise:

- The consolidated condensed interim statements of financial position at September a 30, 2020;
- The consolidated condensed interim statements of comprehensive income, three- and nine-months period ended September 30, 2020;
- The consolidated condensed interim statements of changes in equity for the period of nine months ended September 30, 2020;
- The condensed interim consolidated cash flow statement for the period of nine months ending on September 30, 2020; and
- The notes to the interim financial statements.

The management is responsible for the adequate preparation and presentation of these in Extensible Business Reporting Language (XBRL) that incorporates interim consolidated statements of financial information, in accordance with the International Accounting Standard 34 (IAS 34) - Interim Financial Information contained in financial information and accounting standards accepted in Colombia and presentation the Extensible Business Reporting Language (XBRL) as instructed by the Colombian Financial Superintendency (Superintendencia Financiera de Colombia) . My responsibility consists of expressing a conclusion of Extensible Business Reporting Language (XBRL) that incorporates financial information interim consolidate, based on my review.

**Scope of the review**

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

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

**Notes to the Condensed Interim Consolidated Financial Statements**

**Conclusion**

Based on my review, nothing has called my attention to make me suppose that Extensible Business Reporting Language (XBRL), that incorporate report of the interim consolidated financial information of Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca and subordinate, does not present, in all material aspects, its financial situation September 30, 2020, in accordance with the International Accounting Standard 34 (IAS 34) - Interim Financial Information contained in financial information accounting standards accepted in Colombia and as instructed by the Colombian Financial Superintendency (Superintendencia Financiera de Colombia).

*(Original in spanish signed)*

**Diego Alejandro Corredor Ortiz**

Deputy Statutory Auditor

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

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November 13, 2020

**CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND SUBSIDIARIES**  
**Consolidated Interim Condensed Statements of Financial Position**  
At September 30, 2020  
(Figures in thousands of Colombian pesos )

	<u>Note</u>	<u>September 30, 2020</u>	<u>December 31, 2019</u>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalent	3	\$ 10.636.076	26.528.451
Joint venture investments	4	-	-
Accounts receivable	5 and 22	13.779.188	28.592.548
Tax assets	6	886.488	1518890
Inventories	7	1.098.750	1.185.600
Other non-financial assets	8 and 22	<u>1.514.030</u>	<u>271.489</u>
<b>Total current assets</b>		<u><b>27.914.532</b></u>	<u><b>58.096.978</b></u>
Non-current assets			
Other financial assets	9	15.058.215	15.047.992
Investments in associates	10	77.814.787	78.081.702
Intangibles	11	12.808.767	14.818.369
Property and equipment	12	491.953.097	492.224.272
Investment properties	13	270.899.571	270.852.910
Deferred Tax Assets		<u>216.405</u>	<u>124.129</u>
<b>Total non-current assets</b>		<u><b>868.750.842</b></u>	<u><b>871.149.374</b></u>
<b>Total assets</b>		<u><b>\$ 896.665.374</b></u>	<u><b>929.246.352</b></u>
<b>LIABILITIES</b>			
Current liabilities			
Financial debt	14	6.893.431	16.956.656
Accounts payable	15 and 22	12.279.779	49.688.251
Tax liabilities	13	3.252	-
Income received in advance	16	<u>26.697.437</u>	<u>10.229.166</u>
<b>Total current liabilities</b>		<u><b>45.873.899</b></u>	<u><b>76.874.073</b></u>
Non-current liabilities			
Financial debt	14	135.866.362	100.686.901
Employee benefits	17	2.225.931	2.198.931
Other provisions	17	5.582.435	5.582.435
Other non-financial liabilities	18	198.119.659	192.075.645
Deferred tax liability, net		<u>31.162.431</u>	<u>34.596.292</u>
<b>Total non-current liabilities</b>		<u><b>372.956.818</b></u>	<u><b>335.140.204</b></u>
<b>Total liabilities</b>		<u><b>\$ 418.830.717</b></u>	<u><b>412.014.277</b></u>
<b>EQUITY</b>			
Capital		1.673.920	1.673.920
Share Placement Premium		43.451.721	43.451.721
Reserves	19	142.210.054	111.915.850
Accumulated profit		328.909.463	328.909.463
Other equity interests in equity		986.917	986.917
Result for the period		<u>(39.397.418)</u>	<u>30.294.204</u>
<b>Total equity</b>		<u><b>\$ 477.834.657</b></u>	<u><b>517.232.075</b></u>
<b>Total liabilities and equity</b>		<u><b>\$ 896.665.374</b></u>	<u><b>929.246.352</b></u>

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

*(Original in spanish signed)*  
Andrés López Valderrama  
Legal Representative

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

*(Original in spanish signed)*  
Diego Alejandro Corredor Ortiz  
Statutory Auditor  
Corporación de Ferias y Exposiciones S.A.  
Usuario Operador de Zona Franca  
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(See my Report of November 13, 2020 )

**CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND SUBSIDIARIES**  
**Consolidated condensed interim statements of comprehensive income**  
For nine and three months period ended September 30, 2020  
(Figures in thousands of Colombian pesos)

	<u>Note</u>		1 January to September 30, 2020	1 January to September 30, 2019	1 July to September 30, 2020	1 July to September 30, 2019
Income from ordinary activities	20a) and 22	\$	11.793.129	125.132.979	579.393	63.971.540
Overhead	21a) and 22		33.247.737	50.908.917	11.053.060	17.363.115
Selling expenses	21b) and 22		12.850.770	50.617.614	3.349.099	23.895.289
Impairment of receivable	21g)		1.679.809	1.150.601	994.897	25.173
Recoveries of receivables	21g)		729.351	645.602	22.199	12.003
Other income	20b)		3.570.031	3.156.676	1.154.823	287.039
Cost of sales			361.122	2.152.721	14.703	800.169
Other expenses	21c)		348.226	538.006	44.714	15.055
<b>Profit on operating activities</b>			<b>(32.395.153)</b>	<b>23.567.398</b>	<b>(13.700.058)</b>	<b>22.171.781</b>
Financial income	20c)		2.174.511	1.896.823	361.536	811.837
Financial expenses	21d)		12.411.114	3.894.271	3.579.863	1.781.568
Entity loss (profit) for the period	21f)		266.915	(1.004.784)	108.337	(288.142)
<b>Profit before tax</b>			<b>(42.898.671)</b>	<b>20.565.166</b>	<b>(17.026.722)</b>	<b>20.913.908</b>
Recovery income tax	21e)		(3.501.253)	(3.322.664)	(607.608)	(3.634.472)
<b>Result for the period</b>		<b>\$</b>	<b>(39.397.418)</b>	<b>23.887.830</b>	<b>(16.419.114)</b>	<b>24.548.380</b>
Other Comprehensive Income			-	-	-	-
<b>Result for the period and other comprehensive income</b>		<b>\$</b>	<b>(39.397.418)</b>	<b>23.887.830</b>	<b>(16.419.114)</b>	<b>24.548.380</b>

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

*(Original in spanish signed)*  
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(See my Report of November 13, 2020 )

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

**Consolidated condensed interim statements of changes in equity**

For nine months period ended September 30, 2020

(Figures in thousands of Colombian pesos)

<u>Note</u>	<u>Subscribed and paid Capital</u>	<u>Share Placement Premium</u>	<u>Reserves</u>	<u>Accumulated profits</u>	<u>Other equity interests in equity</u>	<u>Result for the period</u>	<u>Total equity</u>
<b>Initial as of January 1, 2019</b>	\$ 1.673.920	43.451.721	98.641.172	328.909.463	1.075.700	26.548.965	500.300.941
Cash dividend declared of \$79,35 per share, on 167.287.797 subscribed and paid shares; paid in April and October 2019	-	-	-	-	-	(13.274.287)	(13.274.287)
Appropriated to mandatory and occasional reserves	-	-	13.274.678	-	-	(13.274.678)	-
Result for the period	-	-	-	-	-	23.887.830	23.887.830
<b>Balance as of September 30, 2019</b>	\$ <u>1.673.920</u>	<u>43.451.721</u>	<u>111.915.850</u>	<u>328.909.463</u>	<u>1.075.700</u>	<u>23.887.830,00</u>	<u>510.914.484</u>
<b>Initial as of January 1, 2020</b>	\$ 1.673.920	43.451.721	111.915.850	328.909.463	986.917	30.294.204	517.232.075
Appropriated to mandatory and occasional reserves	-	-	30294204	-	-	(30.294.204)	-
Result for the period	-	-	-	-	-	(39.397.418)	(39.397.418)
<b>Balance as of September 30, 2020</b>	\$ <u>1.673.920</u>	<u>43.451.721</u>	<u>142.210.054</u>	<u>328.909.463</u>	<u>986.917</u>	<u>(39.397.418)</u>	<u>477.834.657</u>

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

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**CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND SUBSIDIARIES**  
**Consolidated condensed interim statements of cash flows**  
For six months period ended September 30, 2020  
(Figures expressed in thousands of Colombian pesos)

	<u>Note</u>	1 January to September 30, 2020	1 January to September 30, 2019
<b>Profit for the period</b>		<b>\$ (39.397.418)</b>	<b>23.887.830</b>
Adjustments to reconciliation between the profit for the period and net cash (used in) by operating activities:			
Depreciations	12 and 21a)	5.522.563	5.537.735
Amortization	11 and 21a)	2.310.851	2.054.060
Impairment accounts receivable	5 and 21g)	1.679.809	1.150.601
Recoveries of receivables	5 and 21g)	(729.351)	(645.602)
Loss on sale and withdrawals of property and equipment	20b)	-	445
Recovery of provision for accounts payable		(1.438.610)	(343.362)
Provision for contingencies		-	(5.563)
Implied interest contractual liability	18 and 21d)	5.394.056	-
Income tax	21e)	(3.501.253)	(3.322.664)
Loss equity method	21f)	266.915	(1.004.784)
		<u>(29.892.438)</u>	<u>27.308.696</u>
<b>Changes in assets and liabilities:</b>			
Accounts receivable		12.654.899	(12.453.722)
Inventories		86.850	(846.571)
Other non-financial assets		(1.242.541)	(4.247.919)
Net tax		610.770	(4.433.719)
Accounts payable		(35.967.915)	(1.378.717)
Employee benefits		27.000	27.001
Income received in advance		16.468.271	16.527.131
Interest paid financial obligations		(2.903.945)	(6.117.472)
Payment of income tax	14	-	(1.294.024)
<b>NET CASH (USED IN) OPERATING ACTIVITIES</b>		<u>(40.159.049)</u>	<u>13.090.684</u>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
Investments		(10.223)	893.152
Dividends received from investments in other financial assets	20b)	1.208.003	2.184.478
Purchase of intangibles	11	(301.249)	(293.205)
Investment properties	13	(46.661)	(16.210.690)
Purchase of property and equipment	12	(5.251.388)	(10.325.011)
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>		<u>(4.401.518)</u>	<u>(23.751.276)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Contractual liability	18	649.958	12.542.644
Financial Obligations	14	28.020.181	24.338.337
Cash dividends paid	15	(1.947)	(1.994.245)
<b>NET CASH PROVIDE IN FINANCING ACTIVITIES</b>		<u>28.668.192</u>	<u>34.886.736</u>
<b>INCREASE NET, IN CASH AND CASH EQUIVALENTS</b>		<b>(15.892.375)</b>	<b>24.226.144</b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIODO		<u>26.528.451</u>	<u>10.987.417</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<b>\$ <u>10.636.076</u></b>	<b><u>35.213.561</u></b>

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

*(Original in spanish signed)*  
Andrés López Valderrama  
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Juan Carlos Sánchez  
Chief Accountant  
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Diego Alejandro Corredor Ortiz  
Statutory Auditor  
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(See my Report of November 13, 2020 )



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

**Notes to the Condensed Interim Consolidated Financial Statements**

**As of September 30, 2020**

**(Figures expressed in thousands of Colombian pesos)**

**1. Reporting Entity**

Corporación de Ferias y Exposiciones S.A. Free Zone Operator User (hereinafter the parent company) is a public limited company constituted by Public Deed No. 3640 of July 18, 1955, from the Second (2nd) notary's office of Bogotá DC, with a duration until July 2099. The financial statements Consolidated condensed intermediates as of June 30, 2020 include the parent company and the subsidiary. The corporate purpose of the parent company is to promote industrial and commercial development at the regional, national and international levels and to strengthen Colombia's bonds of friendship and cooperation with friendly nations. Organize fairs, national and international exhibitions of an industrial, commercial, agricultural or scientific nature within its facilities or outside of them, in the country or abroad; as well as promoting and organizing the participation of Colombia in fairs and exhibitions that are held abroad, directly or through the subordinate Corferias Inversiones S.A.S.

The parent company is subordinate to the Bogotá Chamber of Commerce, which has a 79.74% stake in the capital stock.

The consolidated financial statements include Corporación de Ferias y Exposiciones S.A. User Operator of Zona Franca y Corferias Inversiones S.A.S.

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

**Corferias Inversiones S.A.S.**, is a company incorporated by private document of April 30, 2012; With an indefinite term, it began to carry out economic activities in June 2012. Its economic activity is the carrying out of any legal activity both in Colombia and abroad, which enables it to facilitate or develop the company's trade or industry. Currently the activity carried out is the administration of the parking lots of the properties called Torre Parquaderos, Avenida Américas and Parquadero Verde. Likewise, it is the operator of the "Puerta de Oro" fairgrounds in Barranquilla, where it organizes trade fairs and exhibitions of a commercial and agricultural nature, events for the population and visitors of the Colombian Caribbean.

Corferias Inversiones S.A.S. It is located in the city of Bogotá on Carrera 37 No. 24-67 and in Barranquilla on Calle 77B No. 57-103. 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 has the ability to direct accounting, administrative and financial policies.

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

**Notes to the Condensed Interim Consolidated Financial Statements**

The following is the financial information of the subordinate company as of September 30, 2020 and December 31, 2019:

September 30, 2020

Company	% held	Assets	Liabilities	Equity	Profit
Corferias Inversiones SAS	100%	\$ 10.510.853	\$ 12.384.580	(1.873.723)	(4.356.716)

December 31, 2019

Company	% held	Assets	Liabilities	Equity	Profit
Corferias Inversiones SAS	100%	\$ 14.161.986	11.678.993	2.482.993	1.062.193

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

### **(a) Regulatory Technical Framework**

The condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34 (IAS 34) - Interim Financial Information, contained in the Accounting and Financial Information Standards accepted in Colombia (NCIF) established in Law 1314 of 2009, regulated by the 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 NCIFs are based on the International Financial Reporting Standards (IFRS), together with their interpretations, issued by the International Accounting Standards Board (IASB); The basic standards correspond to those officially translated into Spanish and issued by the IASB in 2018.

The condensed interim consolidated financial statements for the interim period do not include all the information and disclosures required for an annual financial statement, for this reason it is necessary to read them together with the consolidated annual financial statements as of December 31, 2019, published on the website [www.corferias.com](http://www.corferias.com) in the Shareholders section. In accordance with IAS 34, the accounting policies used for interim periods are the same as those applied in the preparation of the annual financial statements, except for the standards applicable as of January 1, 2020 (See note 2d).

**Seasonality of the transactions:** So far in 2020 the fairs that were held: Anato Tourist Showcase, Leather Show and the Tattoo Music Fest and Bavaria 2020 Convention events; which generate a large part of the income for the parent company and its subsidiary in the reporting period. As of March 12, with the issuance of Resolution 385 of 2020, events with an agglomeration of more than 50 people remain suspended to date, so that currently the fairgrounds are used only for hospital care.

In the third quarter, although the fairground and Agora, International Convention Center, continue to be closed due to the prohibition of holding events with an agglomeration of more than 50 people. The virtual events of Expoagrofuturo were developed from August 19 to 21, Barranquilla flavor at home from September 17 to 27 and during the month of September the launches of some of the ecosystems on the Econexia platform.

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

### **(b) Basis of measurement**

The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for the following important items included in the statement of financial position:

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

**Notes to the Condensed Interim Consolidated Financial Statements**

- Financial instruments at fair value through profit or loss and other comprehensive income are measured at fair value.
- In relation to employee benefits, the defined benefit asset is 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.

**(c) Functional currency and currency of presentation**

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

The performance of the parent company and the subordinate is measured and reported to the general public in Colombian pesos. Due to the above, management considers that the Colombian peso is the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and for this reason the condensed consolidated interim financial statements are presented in Colombian pesos as their functional currency.

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

**(d) Changes in accounting policy**

In accordance with the provisions of Decree 2270 of 2019, the standards issued applicable as of January 1, 2020 and their impact on the financial statements of the parent company and its subordinate are listed below:

**Conceptual framework for financial reporting - Amendments to references to the Conceptual Framework in IFRS standards.**

A new conceptual framework is established for entities that apply Full IFRS (Group 1) for the preparation of general-purpose financial information.

In the amendments to the References to the Conceptual Framework in IFRS Standards, some of these references and citations are updated, which form that they refer to the 2018 Conceptual Framework and other modifications are made to clarify which version of the Conceptual Framework is being referred to.

The modifications to the conceptual framework through Decree 2270 of 2019, do not generate an impact on the financial statements of the parent company and its subordinate, since the information presented already meets the criteria adopted in the new version, such as the factors considered for the presentation and disclosure of information, including the reclassifications of income and expenses in other comprehensive income, as well as the recognition of assets and liabilities according to the updated definitions.

**IAS 19 – Employee benefits.**

Modifications are made related to post-employment benefits, defined benefit plans - Modification, Reduction or Liquidation of the Plan.

The Standard is effective for annual periods beginning on or after January 1, 2020. The amendment requires an entity to use updated actuarial assumptions to determine the current period's cost of services and net interest for the remainder of the annual period on the one that is reported after the modification, reduction or liquidation of the plan when the entity remeasures its liability (asset) for net defined benefits.

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The application of this standard did not have an impact on the financial statements of the parent company and its subordinate, since at the end of each annual period, an actuarial study of the pension liability held by the parent company is carried out by an external entity, using an agreed technical interest. With current regulations, this in order to establish the present value of the retirement pension plan, as well as the estimate for the charge to results in the following annual period.

**IAS 1 – Presentation of financial statements; IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors**

The definition of materiality and relative importance is modified. The amendment consists of providing guidance to help entities make judgments about materiality or relative importance, rather than making substantive changes to the definition of material or materiality. Consequently, in September 2017, the IASB issued Practice Document No. 2 "Making Judgments on Materiality or Relative Importance".

The application of this standard did not generate impacts on the consolidated financial statements, since the policy adopted by the parent company and its subordinate regarding the presentation of general purpose financial statements already contemplates disclosure criteria on the information that is considered to have effects on the decisions of the users of this in accordance with the definitions contained in these modifications.

**IFRIC 23 - Uncertainty regarding income tax treatments**

This interpretation clarifies the application of recognition and measurement 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.

The application of this interpretation had no impact on the financial statements, since as of June 30, 2020, the parent company and its subordinate do not have uncertainty scenarios in the application of the tax treatments applied to the amounts that give rise to the assets and current and deferred tax liabilities. However, if an event with uncertain tax treatment is identified, the different criteria of the tax administration or courts of that treatment will be identified, recording the valuations of these events and evaluating whether it should reveal the potential effect of the uncertainty as a related contingency with taxes.

**(e) Significant Accounting Estimates and Judgement**

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

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.

The information on judgments in the application of accounting policies that have the most important effect on the condensed consolidated interim financial statements is described in the following notes:

**Judgments**

- Note 5 - The estimate of impairment of accounts receivable.

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- Note 17 - The estimate of provisions.

**(f) Operating segments**

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

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

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

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

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

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

**Determination of fair values**

The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the year-end date.

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques; the parent company uses methods that are based on market conditions existing at the closing date of each fiscal year. Valuation techniques used for non-standardized 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 methodology and Gordon Shapiro.

***Hierarchy of fair value***

The fair value hierarchy has the following levels

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

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

The following table indicates, within the fair value hierarchy, the financial assets (by class) measured at fair value as of September 30, 2020 and December 31, 2019, on a recurring basis:

September 30, 2020

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	\$15	-	-		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.
Real Estate Private Equity Fund	-	482.159	-	Valuation of the underlying assets of the Fund.	Unit value of the Fund provided by the Management Company.

December 31, 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 model.	Dividends paid, EMBI Colombia, Beta and Devaluation, growth rates of projected dividends and required rates of return.
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.

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

The parent company does not present any type of reclassification in the hierarchy levels, between September 30, 2020 and December 31, 2019.

**OPERATING SEGMENTS**

The following is the information related to assets and liabilities as of September 30, 2020 and December 31, 2019 and results as of September 30, 2020 and September 30, 2019 for the only operating segment identified by the parent company and its subordinate, referring to the operation.

	<b>September 2020</b>	<b>December 2019</b>
<b>Assets</b>	<b>896.665.374</b>	<b>929.246.352</b>
Cash and cash equivalent	10.636.076	26.528.451
Accounts receivable	13.779.188	28.592.548
Tax assets	886.488	1.518.890
Inventories	1.098.750	1.185.600
Other non-financial assets	1.514.030	271.489
Other financial assets	15.058.215	15.047.992
Investments in associates	77.814.787	78.081.702
Intangibles	12.808.767	14.818.369
Property and equipment	491.953.097	492.224.272
Investment property	270.899.571	270.852.910
Deferred tax assets	216.405	124.129
<b>Liabilities</b>	<b>418.830.717</b>	<b>412.014.277</b>
Financial debt	142.759.793	117.643.557
Accounts payable	12.279.779	49.688.251
Tax liabilities	3.252	-
Income received in advance	26.697.437	10.229.166
Employee benefits	2.225.931	2.198.931
Other provisions	5.582.435	5.582.435
Other non-financial liabilities	198.119.659	192.075.645
Deferred tax liability	31.162.431	34.596.292
<b>Equity</b>	<b>477.834.657</b>	<b>517.232.075</b>

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	<b>September 2020</b>	<b>September 2019</b>
<b>Revenues from ordinary activities</b>	<b>11.793.129</b>	<b>125.132.979</b>
Activities in entertainment and leisure	6.878.345	106.827.073
Activities in real property, business and rentals	3.258.809	9.627.368
Food and beverages	1.655.975	8.678.538
Selling expenses	33.247.737	50.908.917
Overhead	12.850.770	50.617.614
Impairment of accounts receivable	1.679.809	1.150.601
Recoveries receivable	729.351	645.602
Other income	3.570.031	3.156.676
Cost of sales	361.122	2.152.721
Other expenses	348.226	538.006
<b>Profit from operating activities</b>	<b>(32.395.153)</b>	<b>23.567.398</b>
Financial income	2.174.511	1.896.823
Financial expense	12.411.114	3.894.271
Loss from equity method	266.915	(1.004.784)
<b>Profit before tax</b>	<b>(42.898.671)</b>	<b>20.565.166</b>
Income tax expense	(3.501.253)	(3.322.664)
<b>Result for the period</b>	<b>(39.397.418)</b>	<b>23.887.830</b>

**3. Cash and Cash Equivalents**

The following is the detail of cash and cash equivalents:

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Cash	48.679	27.953
Banks (1)	505.731	1.369.274
Savings accounts (2)	9.373.759	14.158.617
Fixed-term certificates of deposit (3)	-	5.044.853
Collective investment funds (4)	233.450	-
Tax Refund Titles (TIDIS)	474.457	5.927.754
	<u>\$ 10.636.076</u>	<u>\$ 26.528.451</u>

(1) The decrease corresponds to the money disbursements made to meet the Corporation's operating expenses, as well as for the payment of suppliers, contractors and to the disbursements for the payment of obligations with the Mayor's Office of Bogotá corresponding to property taxes; as well as payments to suppliers and other obligations of the Corporation.

(2) The decrease corresponds to the money disbursements made to meet the Corporation's operating expenses, as well as for the payment of suppliers and contractors.



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- (3) The decrease corresponds to the redemption of the CDT established on October 21, 2019 with Banco BBVA Colombia S.A., for a nominal value of \$ 5,000,000, with a maturity date of January 21, 2020.
- (4) The decrease corresponds to the use of the resources of the collective investment funds.
- (5) The increase corresponds to Tax Refund Titles (TIDIS) for the return of the balance in favor in the 2019 Income return, these titles do not have an expiration date and will be used to meet short-term obligations with the Directorate of National taxes and customs, in a time no longer than 90 days.

As of September 30, 2020, and December 31, 2019, there is no evidence of impairment on cash and cash equivalents and there are no restrictions.

**4. Investments in joint ventures**

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Investments in joint ventures (1)	<u>\$ -</u>	<u>-</u>

- (1) The joint agreement in which the subsidiary participates is with the Hotel Operator, where it has a 30% stake, which will be mainly dedicated to the operation of the Hilton Corferias Hotel. Its address is in the city of Bogotá at Carrera 37 No. 24 - 29.

The Hotel Operator is structured as a separate vehicle and gives the subsidiary rights over the net assets of the Entity. Consequently, the subsidiary has classified the investment in the Hotel Operator as a joint venture.

Under the agreement under which the Hotel Operator was established, the subsidiary and the other joint venture investor have not agreed to make additional contributions in proportion to their stakes to offset any losses.

As of September 30, 2020, and December 31, 2019, the Hotel Operator's losses exceed the investment of the subsidiary, which is why the investment is presented in zeros.

The equity method for this Entity is not being recognized because the loss exceeds the stake of the subsidiary; As mentioned in IAS 28, recognition of the profit-sharing method will resume when it equals the unrecognized loss.

The Parent company does not record investments in joint ventures as of September 30, 2020 and December 31, 2019, respectively.

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**5. Accounts receivable**

The following is the detail of accounts receivable:

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Customers (1)	8.542.040	21.280.952
Related economic	664	-
Income receivable (2)	5.669.663	7.556.628
Receivable from employees	547.378	625.056
Other accounts receivable	1.285	-
Doubtful accounts	3.266.428	2.427.724
Impairment (3)	<u>(4.248.270)</u>	<u>(3.297.812)</u>
	<u>\$ 13.779.188</u>	<u>28.592.548</u>

- (1) The decrease, compared to December 2019, corresponds to the collection of accounts receivable from clients in the parent company for the Mayor Election events of Bogotá, Bogotá Madrid Fusión and Expodefensa and Expoartesanías fairs held in the months of November and December 2019 and compared to the third quarter of 2020, to the collection of the Bogotá hospital project carried out during the months of April to September 2020. In the same way, for the National Congress of Public Accounting event and Expoagrotuturo Medellín, Colombia 4.0 fairs executed, Bavaria convention and the collection of the Barranquilla hospital project carried out during the months of April to September 2020 by the subordinate.
- (2) The balance corresponds mainly to accounts receivable from the CICB Autonomous Heritage, managed by Fiduciaria Bogotá SA, on behalf of the operation of Agora, International Convention Center, for \$ 1,121,926 and \$ 2,150,771 and to accounts receivable from exhibitors at the stage prior to holding some Fairs for \$ 450,100.
- (3) Impairment of accounts receivable is calculated in accordance with accounting policy, taking into account current accounts receivable and debts that are difficult to collect, based on the expected loss model.

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

<b>Balance at December 31, 2019</b>	\$	3.297.812	2.215.512
Impairment of receivables		1.679.809	591.851
Recoveries		(729.351)	(333.289)
<b>Balance at September 30, 2020</b>	<b>\$</b>	<b><u>4.248.270</u></b>	<b><u>2.474.074</u></b>

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

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**6. Current tax assets, net**

The following is the detail of the current tax asset:

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Tax advance (1)	\$ 695.855	-
Surplus in private tax settlement (2)	\$ 190.633	1.518.890
	<u>\$ 886.488</u>	<u>1.518.890</u>

(1) Corresponds to the withholdings and self-withholdings made so far in 2020.

(2) Corresponds in the parent company and the subordinate to the balance in favor calculated by the income tax of the taxable year 2019 originated by the greater number of withholdings and self-withholdings made in 2019 and the decrease in the taxable base for the calculation of the tax to earnings. The balance in favor in the parent company was requested in return and / or compensation to the National Tax and Customs Directorate on June 19, 2020 and resolved by the administration on July 14 according to Resolution number 608-31-01071 for \$ 1,317,282 With this refund, the sales tax corresponding to the first two months was offset by \$ 554,893; In August and September, the monthly tax returns were canceled at source for \$ 287,932, the remainder was adjusted with income tax expense from previous years; the balance in favor of the subordinate's Income has not been requested in return to date.

**7. Inventories**

The following is the detail of inventories:

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Raw materials (1)	30.182	44.644
Goods not made by the business	36.433	40.061
Materials, spares and accessories (2)	894.325	1.011.834
Packaging and filling	137.810	89.061
	<u>\$ 1.098.750</u>	<u>1.185.600</u>

The inventories maintained by the parent company and the subordinate are high-turnover items and are part of the finished product of the points of sale such as raw materials, disposables, packaging, materials, spare parts, accessories and endowments.

(1) Corresponds to non-perishable food supplies that will be consumed in the development of the food and beverages business line.

(2) The decrease corresponds mainly in the parent company to the mat departures for the different pavilions, which is used in the assembly of the spaces that are rented for the development of the different Fairs and / or events in the first quarter of the year 2020; the use of this mat is for a single time, which means that it is not returned to the warehouse.

As of September 30, 2020, and December 31, 2019, there are no inventory restrictions.

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**8. Other non-financial assets**

The following is the detail of other financial assets:

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Interest on employee loans	149.119	163.679
Surplus in VAT and ICA tax settlement (1)	981.753	-
Prepaid expenses (1)	383.158	107.810
	<u>\$ 1.514.030</u>	<u>271.489</u>

- (1) Corresponds to the balances in favor in the parent company and the subordinate for the sales tax of the third two-month period of 2020 and to the balance in favor settled in the subordinate by industry and commerce of the year 2019 in the jurisdiction of Barranquilla.
- (2) The increase corresponds to insurance for \$201,374 generated by the all-risk property damage policy mainly drawn on the parent company. On the other hand, the transfer of advances to contractors for \$ 95,489 for the execution of the works of independence of the aqueduct network of the premises of the CCB in the Hilton - Corferias building of the parent company. Finally, the VAT and ICA tax advances for \$ 78,184.

**9. Investments in other financial assets and associates**

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

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Investments in : (1)		
Alpopular Almacén General de Depósitos S.A. (2)	13.972.736	13.972.736
La Previsora S.A. Compañía de Seguros (2)	428.857	428.857
Centro de Ferias y Exposiciones de Bucaramanga (3)	174.448	174.448
Acerías Paz del Río S.A.	15	16
Fondo de Capital Privado (4)	482.159	471.935
	<u>\$ 15.058.215</u>	<u>15.047.992</u>

- (1) These investments are financial instruments where the parent company does not have significant control or influence, in accordance with the provisions of IAS 28-6
- (2) These investments are measured at fair value with the data available for this purpose on an annual basis using the discounted dividend flow model in the case of Alpopular S.A. and Gordon Shapiro's model for La Previsora S.A.
- (3) This investment is measured at cost. As of September 30, 2020, and December 31, 2019, there is no evidence of impairment for this investment.
- (4) Investment made by the parent company in the Nexus Inmobiliario Private Capital Fund, managed by Fiduciaria de Occidente; which generates daily returns.

As of September 30, 2020, and December 31, 2019, there are no restrictions on these investments.

As of September 30, 2020, and December 31, 2019, the parent company does not intend to sell these financial assets.

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**10. Investment in associates**

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Investments in associates-CICB	<u>77.814.787</u>	<u>78.081.702</u>

Al 30 de septiembre de 2020, la matriz tiene una inversión en asociadas dado la influencia significativa que ejerce sobre el Patrimonio Autónomo Centro Internacional CICB, el cual fue constituido para la administración de los recursos entregados por la Cámara de Comercio de Bogotá, Fontur y la Corporación, para el desarrollo del Centro Internacional de Convenciones de Bogotá-ÁGORA. A la fecha, la matriz tiene una participación sobre el Patrimonio Autónomo Centro Internacional CICB del 18.76%.

As of September 30, 2020, the parent company has an investment in associates given the significant influence it exercises over the Patrimonio Autónomo Centro Internacional CICB, which was set up for the administration of the resources delivered by the Bogotá Chamber of Commerce, Fontur and the Corporation, for the development of the Bogotá-AGORA International Convention Center. To date, the parent company has an 18.76% stake in the Patrimonio Autónomo Centro Internacional CICB.

The following is a summary of the financial information of this investment accounted for using the equity method, as of September 30, 2020 and December 31, 2019:

**2020**

Entity	% participation	Registered Office	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Income from ordinary activities	Profit for the period before tax Resultado del periodo antes de impuestos	Profit for the period after tax	Other comprehensive income	Total comprehensive income
Patrimonio Autónomo Centro internacional CICB	18,78%	Calle 67 7 - 37, Bogotá, Colombia	10.555.043	406.536.830	2.294.644	-	46.921	(1.230.440)	(1.230.440)	-	(1.230.440)

**2019**

Entity	% participation	Registered Office	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Income from ordinary activities	Profit for the period before tax Resultado del periodo antes de impuestos	Profit for the period after tax	Other comprehensive income	Total comprehensive income
Patrimonio Autónomo Centro internacional CICB	18,78%	Calle 67 7 - 37, Bogotá, Colombia	11.732.001	407.735.960	3.772.859	-	37.310.014	32.632.477	32.632.477	-	32.632.477

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**11. Intangibles**

The following is the detail of intangibles:

	<u>30 de septiembre de 2020</u>	<u>31 de diciembre de 2019</u>
Intangibles-marcas adquiridas	\$ 15.483.592	15.483.592
Programas para computador - Licencias y software	6.450.643	6.149.393
Amortización acumulada	<u>(9.125.468)</u>	<u>(6.814.616)</u>
	<u>\$ 12.808.767</u>	<u>14.818.369</u>

The following is the movement of intangibles as of September 30, 2020:

<b>Intangibles</b>	<b>Balance at 31/12/2019</b>	<b>Purchases</b>	<b>Amortizarion in period</b>	<b>Balance at 30/09/2020</b>
Software licenses	3.510.860	301.249	(1.545.321)	2.266.788
Trademarks acquired	11.307.509	-	(765.530)	10.541.979
<b>Total Intangibles</b>	<b>14.818.369</b>	<b>301.249</b>	<b>(2.310.851)</b>	<b>12.808.767</b>

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

<b>Intangibles</b>	<b>Balance at 31/12/2018</b>	<b>Purchases</b>	<b>Amortizarion in period</b>	<b>Balance at 30/09/2019</b>
Software licenses	4.139.913	293.205	(1.288.530)	3.144.588
Trademarks acquired	12.328.216	-	(765.530)	11.562.686
<b>Total Intangibles</b>	<b>16.468.129</b>	<b>293.205</b>	<b>(2.054.060)</b>	<b>14.707.274</b>

As of September 30, 2020, and December 31, 2019, there are no indications of impairment for intangibles.

**12. Property and Equipment**

The following is the detail of property and equipment:

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Land	233.215.356	233.215.356
Improvements to third party property	312.866	312.866
Construction in progress (1)	39.473.249	37.284.127
Buildings	222.197.505	222.197.505
Machinery and equipment	10.069.857	10.025.605
Office equipment	9.800.992	8.409.582
Computer and communications equipment	11.603.788	10.003.785
Transport fleet and equipment	265.804	265.804
Accumulated depreciation	<u>(34.976.392)</u>	<u>(29.480.430)</u>
Impairment	<u>(9.928)</u>	<u>(9.928)</u>
	<u>\$ 491.953.097</u>	<u>\$ 492.224.272</u>

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- (1) The construction in progress has an increase mainly in the subordinate in the acoustic conditioning project of the Carpa Américas for \$938.636. Likewise, an increase in the parent company for the Offices project for \$ 525,903 and other modernization and improvement projects for \$ 721,675. The projects are on hold until the normal operation of the fair activities is resumed

The following is the detail of the movement of property and equipment as of September 30, 2020:

<b>Property and equipment</b>	<b>Balance at 31/12/2019</b>	<b>Purchases</b>	<b>Withdrawn</b>	<b>Depreciation in period</b>	<b>Balance at 30/09/2020</b>
Land	233.215.356	-	-	-	233.215.356
Improvement to third party property	297.223	-	-	-	297.223
Construction in progress	37.284.129	2.189.121	-	-	39.473.250
Construction and buildings	205.706.918	-	-	(2.726.520)	202.980.398
Computers and communications	4.712.094	1.600.002	-	(1.356.651)	4.955.445
Office equipment	5.145.080	1.415.831	-	(680.264)	5.880.647
Machinery and equipment	5.797.908	46.434	-	(746.835)	5.097.507
Transport fleet and equipment	65.564	-	-	(12.293)	53.271
<b>Total Property and equipment</b>	<b>492.224.272</b>	<b>5.251.388</b>	<b>-</b>	<b>(5.522.563)</b>	<b>491.953.097</b>

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

<b>Property and equipment</b>	<b>Balance at 31/12/2018</b>	<b>Purchases</b>	<b>Result for sale</b>	<b>Depreciation in period</b>	<b>Balance at 30/09/2019</b>
Land	234.003.546	-	-	-	234.003.546
Improvement to third party property	312.325	-	-	-	312.325
Construction in progress	72.602.486	8.745.378	-	-	81.347.864
Construction and buildings	170.085.537	-	-	(2.297.177)	167.788.360
Machinery and equipment	7.724.746	372.382	-	(954.779)	7.142.349
Office equipment	6.344.442	432.306	-	(859.721)	5.917.027
Computers and communications	5.992.828	774.945	(445)	(1.413.765)	5.353.563
Transport fleet and equipment	81.954	-	-	(12.293)	69.661
<b>Total Property and equipment</b>	<b>497.147.864</b>	<b>10.325.011</b>	<b>(445)</b>	<b>(5.537.735)</b>	<b>501.934.695</b>

As of September 30, 2020, and December 31, 2019, there are no restrictions on these assets.

There is no evidence of impairment for each type of asset of the parent company and its subordinate as of September 30, 2020 and December 31, 2019.

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**13. Investment properties**

The following is the detail of the investment properties:

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Investment property - land construction in progress	<u>270.899.571</u>	<u>\$ 270.852.910</u>

The investment property corresponds in the parent company to the construction of the Hotel project.

The following is the detail of the movement of investment properties as of September 2020:

<b>Investment property</b>	<b>Balance at 31/12/2019</b>	<b>Additions</b>	<b>Balance at 30/09/2020</b>
Land and construction in progress	270.852.910	46.661	270.899.571

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

<b>Investment property</b>	<b>Balance at 31/12/2018</b>	<b>Purchases</b>	<b>Balance at 30/09/2019</b>
Land and construction in progress	223.891.941	16.210.690	240.102.631

Investment property in the periods ended September 30, 2020 and December 31, 2019 did not present impairment losses that would have affected the income statement.

There are contractual obligations originated for the construction of the investment property (See note 14 Financial Obligations and note 18 Contractual Liability with PA Pactia) whose financing component so far in 2020 is led to results given that the construction is at a degree of 99% completion.

As of September 30, 2020 and December 31, 2019, the investment property - lot of land, is as collateral against the Banco de Bogotá and AV Villas SA Bank, in order to support the loans received in the parent company for capital necessary for the final execution of the Hotel Project.

**14. Financial Obligations**

The following is the detail of the financial obligations:

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Short term, financial debt	6.893.431	16.956.656
Long-term financial debt	<u>135.866.362</u>	<u>100.686.901</u>
	<u>\$ 142.759.793</u>	<u>117.643.557</u>

(\*\*) Short-term financial obligations as of September 30, 2020 include the balance of interest for \$3.054.145 and principal for \$3.839.286 and as of December 31, 2019, interest for \$ 875,836 and



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principal for \$16,080,820. The decrease is due to the negotiation of extension of terms with the banking entities.

The parent company and the subsidiary, in general, increased their financial obligations in the following terms as a result of accessing the financial support measures provided by banking entities as mitigation of the economic impact caused by the health crisis derived from COVID 19:

ACCUMULETED TO ENTITY	DECEMBER 31, 2019				SEPTEMBER 30, 2020			
	BALANCE	RATE	TERM	CAPITAL GRACE PERIOD	BALANCE	RATE	TERM	CAPITAL GRACE PERIOD
Banco Popular	\$ 100.000	DTF+2.50% T.A	5 YEARS	-	\$ -	-	-	-
Banco Popular	900.000	IBR+3.40% T.V.	5 YEARS	-	-	-	-	-
Banco Popular	630.000	IBR+3.40% T.V.	5 YEARS	-	-	-	-	-
Banco Popular	10.525.000	IBR+3.05% T.V.	7 YEARS	1 YEAR	-	-	-	-
Banco Popular	4.791.667	IBR+3.60% T.V.	7 YEARS	1 YEAR	-	-	-	-
Banco Popular	3.325.953	IBR+3.00% T.V.	3 YEARS	-	-	-	-	-
Banco Popular	330.000	IBR+3.50% T.V.	5 YEARS	-	-	-	-	-
Banco Popular	350.000	IBR+3.50% S.V.	5 YEARS	-	-	-	-	-
Banco Popular	-				1.200.000	IBR+2,6% T.V.	5 YEARS	2 YEARS
Banco Popular	-				1.700.000	IBR+3,6% S.V.	5 YEARS	2 YEARS
Banco Popular Bancoldex	-				5.000.000	IBR+1,50% T.V.	3 YEARS	6 MONTHS
Banco Popular	-				30.000.000	IBR+3,60% T.V.	5 YEARS	2 YEARS
Banco Av Villas	9.166.667	IBR+2,70 T.V.	7 YEARS	1 YEAR	8.708.333	IBR+2,70 T.V.	9 YEARS	2 YEARS
Banco Av Villas	5.000.000	IBR+2,60 T.V.	7 YEARS	1 YEAR	4.744.764	IBR+2,60 T.V.	9 YEARS	2 YEARS
Banco Av Villas	833.333	IBR+2,60 T.V.	7 YEARS	1 YEAR	788.577	IBR+2,60 T.V.	9 YEARS	2 YEARS
Banco Av Villas	-	IBR+2,75 T.V.	5 YEARS	1 YEAR	7.000.000	IBR+2,75 T.V.	7 AÑOS	2 YEARS
Banco Av Villas	17.313.666	IBR+4,40 T.V.	10 YEARS	2 YEARS	17.313.666	IBR+4,40 T.V.	12 YEARS	2 YEARS
Banco Davivienda - Bancoldex	3.300.000	DTF+1,85% E.A	8 YEARS	1 YEAR	3.128.597	DTF+1,85% E.A	8 YEARS	1 YEAR
Banco Davivienda	2.625.000	IBR+3,5% M.V.	5 YEARS	2 YEARS	2.250.000	IBR+3,5% M.V.	5 YEARS	2 YEARS
Banco Davivienda	500.000	IBR+3,5% M.V.	5 YEARS	2 YEARS	437.500	IBR+3,5% M.V.	5 YEARS	2 YEARS
Banco Davivienda	1.500.000	IBR+3,70% M.V.	5 YEARS	2 YEARS	1.500.000	IBR+3,70% M.V.	5 YEARS	2 YEARS
Banco de Bogotá	22.576.434	IBR+4,40 T.V.	10 YEARS	2 YEARS	22.576.434	IBR+4,40 T.V.	12 YEARS	2 YEARS
Bancolombia	-				2.500.000	IBR+4,50% S.V.	1 YEAR	1 YEAR
Cámara de Comercio de Bogotá	33.000.000	IBR+1,30 T.V.	7 YEARS	1 YEAR	30.857.778	IBR+2,60 T.V.	10 YEARS	3 YEARS
<b>TOTAL</b>	<b>\$ 116.767.720</b>				<b>\$ 139.705.648</b>			

Note: For September 30, 2020 includes \$139.705.648 plus \$3.054.145 of interest = \$142.759.793

For December 31, 2019 includes \$ 116,767,720 plus \$ 875,837 of interest = \$ 117,643,557

As of September 30, 2020, and December 31, 2019, the guaranteed obligations in the parent company amount to \$ 39,890,100; with Banco de Bogotá \$ 22,576,434 and with AV Villas bank \$17,313,666.

The following is the detail of the interest accrued and paid as of September 30, 2020 and 2019:

	September 30, 2020		31 de Diciembre de 2019	
	Capitalization	Expense	Capitalization	Expense
Banco Comercial AV Villas S.A	\$ -	1.919.685	1.038.845	725.881
Banco Davivienda S.A.	-	358.192	75.799	392.081
Banco Popular S.A.	-	1.502.664	1.097.716	483.200
Cámara de Comercio de Bogotá	-	1.075.644	942.290	416.787
Bancolombia	-	94.500	-	-
Banco de Bogotá	-	1.304.437	394.105	774.381
	<u>\$ -</u>	<u>6.255.122</u>	<u>3.548.755</u>	<u>2.792.330</u>

So far in 2020 and 2019, interest amounting to \$2,903,945 and \$6,117,472 was paid, respectively.

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**15. Accounts Payable**

The following is the detail of accounts payable:

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Local (1)	376.266	985.597
Foreing	36.849	20.779
To Contractors (2)	673.467	6.751.897
Costs and Account Payables (3)	8.087.891	35.842.019
Dividends or Interests Payable	269.313	271.260
Final Tax Withhelded at the Source	103.337	1.919.262
Withheld Sales Tax	10.589	-
Withheld Industry and Business Tax	26.221	127.809
Withholding and Payroll Contributions	176.505	682.123
Other Creditors (4)	186.610	899.261
Accrued Wages	13.400	10.280
Consolidated Unemployment Fund	2.736	1.081.610
Unemployment Fund Interests	947	128.481
Consolidated Vacations	143.005	436.335
Extra-Legal Benefits	136.500	161.968
Laboral Obligation (5)	1.557.015	-
Third-Party Retentions on Contracts	479.128	369.570
	<u>\$ 12.279.779</u>	<u>49.688.251</u>

- (1) The decrease corresponds to the payment of accounts payable to suppliers for services rendered within the framework of the fairs held in December 2019.
- (2) The decrease corresponds to the payment in 2020 of accounts payable to contractors for mainly advertising services rendered in December 2019.
- (3) The decrease mainly corresponds in the parent company to the payment in 2020 of audiovisual equipment rental services for the events held at the International Convention Center - Ágora in December 2019. Likewise, to the payment of profits from fairs in association carried out in the months of November and December 2019. Likewise, to the payment of profits from trade fairs in association held in the months of November and December 2019 and to the payment of part of the profits to investors of the International Convention Center - Agora Bogotá.
- (4) The balance corresponds mainly to the liability for contributions to pension funds for the month of September 2020, consigned to the respective funds in October. The variation mainly corresponds to the cancellation of the account payable to the Patrimonio Autónomo CICB Ágora for the concept of the profits resulting from its operation and for the decrease in contributions to pension funds due to the reduction of personnel by approximately 200 employees.
- (5) Corresponds to the balance of provisions for social benefits for wages so far in 2020.
- (6) The decrease corresponds mainly to the self-withholdings liquidated on the Corporation's income as a result of the operation, which, since it is practically suspended, does not generate income, additionally the execution of expenses only corresponds to fixed costs and expenses, therefore, the decrease is almost 100%

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**16. Anticipated income**

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Deposits received for fairs and events (1)	8.280.496	-
Deposits received for fairs and events (2)	<u>18.416.941</u>	<u>14.620.819</u>
	<u>\$ 26.697.437</u>	<u>\$ 14.620.819</u>

(1) Corresponds to advances received on May 15 and 18, 2020 for the sale of a premises located in the Hilton Bogotá Corferias Hotel building, to the Bogotá Chamber of Commerce for \$ 8,280,496, in accordance with the promise of sale of the December 4, 2019. Transaction legalized on October 23, 2020.

(2) Corresponds to deposits received from clients during the period for participation in the different fairs for \$ 5,271,477; 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 invoiced. As well as the income billed in advance of the different pending fairs to be executed such as Interzum Bogotá for \$ 1,567,435, International Industrial Fair of Bogotá for \$ 1,126,505, International Book Fair for \$ 1,057,297, Colombiaplast 2020 for \$ 1,032,010, Alimentec for \$ 961,660, and Alliances and Other Sponsorships for \$ 2,731,235, among others. For the Fairs that due to the Pandemic could not take place in 2020, Others were signed to the contracts, previously signed with the Exhibitors, agreeing to modify the dates of the fairs for the year 2021.

Due to the health emergency declared by the National Government where the main impacts are explained in detail in note 24; These fairs have not been canceled, they are scheduled to hold a fair during the fourth quarter of 2020 and the other fairs for the first half of 2021, in agreement with both the strategic partners of each one of them and the exhibitors.

**17. Employee benefits and other provisions**

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

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Retirement pension (1)	<u>\$ 2.225.931</u>	<u>2.198.931</u>

(1) The variation corresponds to the recognition of the provision for \$ 27,000 so far in 2020

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Estimated Liabilities and Provisions (2)	<u>\$ 5.582.435</u>	<u>5.582.435</u>

(2) Corresponds mainly to contingencies due to labor processes. During the period, there were no changes in the contingency claims due to ongoing labor processes, nor were there new processes against or in favor.

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**18. Contractual liability**

The following is the detail of the contractual liability:

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Contractual liability (1)	<u>198.119.659</u>	<u>192.075.645</u>

(1) The contractual liability is related to the anticipated consideration received by the parent company of the P.A. Pactia, for the construction of the Hotel Project. The increase corresponds to the financing component of the construction of the investment property as of 2018 and agreed until 2023, calculated at an IBR rate + 1.3% T.V.

The following table presents the composition of the contractual liability with P.A Pactia as of September 30, 2020 and December 31, 2019:

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Contractual liability - P.A. Pactia S.A.	175.199.312	174.549.354
Financing component (non-monetary item)	<u>22.920.347</u>	<u>17.526.291</u>
	<u>198.119.659</u>	<u>192.075.645</u>

**19. Reserves**

The following is the detail of the reserves:

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Legal Reserve	839.830	839.830
Occasional Reserves	<u>141.370.224</u>	<u>111.076.020</u>
	<u>\$ 142.210.054</u>	<u>111.915.850</u>

In the Shareholders' Meeting of the parent company held on March 31, 2020 recorded in Minute No. 94, it was determined to increase the amount of the occasional reserve by \$ 30,294,204.

**20. Revenue**

**a) Ordinary Incomes**

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

	<u>January 1 September 30, 2020</u>	<u>January 1 September 30, 2019</u>	<u>July 1 September 30, 2020</u>	<u>July 1 September 30, 2019</u>
Food and Beverages	1.655.975	8.678.538	18.819	3.059.240
Real Estate, Corporate and Leasing Activities (2)	3.258.809	9.627.368	560.574	4.045.957
Entertainment and leisure (1)	<u>6.878.345</u>	<u>106.827.073</u>	<u>-</u>	<u>56.866.343</u>
	<u>\$ 11.793.129</u>	<u>125.132.979</u>	<u>579.393</u>	<u>63.971.540</u>

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- (1) So far in 2020, the main income was received from the execution of the Vitrina Turística Anato and Leather Show fairs, the operation of parking lots and the income generated by the Agora Convention Center received in the first quarter of 2020. The absence of income in the third quarter from Fair Events is due to the situation generated by the health emergency declared by the National Government and for which massive events are prohibited; For this reason, the parent company and the subordinate company have not been able to hold the Annual Calendar Fairs since March 2020; However, a series of actions have been established based on a new customer relationship model in order to better serve commercially this transitory stage in which we work together with exhibitors and partners. These actions mainly comprise:
- Identification of customer interaction segments by communities to group several of the Fairs by the type of interest they generate in the community.
  - For the Fairs that were to be held in 2020 and were rescheduled for 2021, the Corporation creates a special discount policy for exhibitors who have signed a contract in 2020 and reconfirm their participation by maintaining a minimum payment of 30% of is.
  - A strategy focused on information and digitization is strengthened (structuring of physical and digital packages, scheduling and / or business appointments, sale of subscriptions for annual services, etc., among other measures that allow the reactivation of fairs, events and conventions.
- (2) So far in 2020, the main income from non-fair events and business activities was received in the parent company, due to the execution of the Tattoo Music Fest event and others, executed in the first quarter. Likewise, in the second quarter, income was received from the Contract signed with the Integrated Subnet of Health Services Centro Oriente E.S.E. and the District Mayor's Office of Barranquilla as a result of the adaptation of part of the fairgrounds for the expansion of the hospital network of the Capital District and the city of Barranquilla, where the parent company and the subordinate provide the logistics, production, assembly, disassembly service, adaptations, facilities and rental of sanitary batteries within the fair halls hired for this purpose.
- (3) With the economic reopening for the third quarter, Amerigo restaurant services are provided for clients in the sector, and some catering services.

**b) Other Incomes**

The following is the detail of the other income, for the periods of nine and three months ended:

	<u>January 1 September 30, 2020</u>	<u>January 1 September 30, 2019</u>	<u>July 1 September 30, 2020</u>	<u>July 1 September 30, 2019</u>
Dividends and Participations (1)	1.208.003	2.184.478	60.048	-
Commissions	16.171	22.478	4.565	7.220
Recoveries (2)	804.240	343.362	148.531	133.345
Compensations (3)	88.772	122.440	7.344	96.593
Utility for sale popiety plant and equipment	-	251	-	150
Others revenues (4)	1.452.845	483.667	934.335	49.731
	<u>\$ 3.570.031</u>	<u>3.156.425</u>	<u>1.154.823</u>	<u>286.889</u>

- (1) Corresponds to the dividends obtained by the parent company, derived from the investment registered in Alpopular Almacén de Depósito S.A.

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- (2) Corresponds to income from recovery of provision of accounts payable.
- (3) Corresponds to reimbursement for disability.
- (4) Corresponds mainly in the parent company to the transfers received by the government from the benefit for the Formal Employment Support Program (PAEF) for \$ 597,024, which the Corporation and its subordinate accessed when making the request under the terms established by the National Government for To this end, within the framework of the economic, social and ecological emergency caused by the COVID 19 pandemic. These resources were received in the months of June to September 2020 to support the payment of the payroll. And the reimbursement for the expenses of the Hotel Operator Pactia Corferias S.A.S. and the public services of the temporary hospital.

**c) Financial Income**

The following is the detail of financial income, for the periods of nine and three months ended:

	January 1 September 30, 2020	January 1 September 30, 2019	July 1 September 30, 2020	July 1 September 30, 2019
Interest	\$ 26.472	144.765	8.922	9.762
Savings account interest	609.837	552.036	178.902	265.989
Interest in funds	12.896	-	-	-
Exchange difference (1)	1.468.538	1.046.802	149.354	486.976
Discounts	24.335	115.487	3.228	36.557
Valuation gain on shares	32.433	37.733	21.130	15.644
	<u>\$ 2.174.511</u>	<u>\$ 1.896.823</u>	<u>\$ 361.536</u>	<u>\$ 814.928</u>

- (1) It corresponds to the exchange difference caused by the balances mainly of assets represented in cash and cash equivalents (bank accounts held abroad), as well as the updating of the value in national currency of accounts receivable from foreign customers. Finally, the parent company includes the exchange difference recognized for the payments of the sums owed as of December 31, 2019 to suppliers, contractors and strategic allies.

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**21. Expenses**

**a) Administrative expenses**

The following is the detail of the administration expenses, for the periods of nine and three months ended:

	January 1 September 30, 2020	January 1 September 30, 2019	July 1 September 30, 2020	July 1 September 30, 2019
Payroll (1)	\$ 14.477.753	18.323.837	4.188.588	6.576.292
Fees	656.564	1.484.334	265.118	940.483
Taxes (2)	3.342.917	5.424.719	2.551.865	1.000.136
Leases	73.297	314.124	13.455	115.196
Contributions and affiliations	521.246	726.846	66.552	108.834
Insurances	307.445	287.971	115.719	90.955
Services (3)	3.383.115	4.986.370	514.975	2.110.265
Legal Expenses	73.518	80.354	4.492	30.677
Maintenance and repairs (4)	1.451.270	2.078.617	406.645	821.307
Compliance and Installation (4)	461.025	1.438.987	98.441	508.021
Travels expenses	46.523	345.762	432	180.217
Depreciations	5.522.563	5.537.735	1.911.168	1.848.902
Amortizations	2.310.851	2.054.060	799.347	709.445
Sundry (5)	499.698	1.471.681	118.366	836.438
Other (6)	119.952	6.353.520	(2.103)	1.485.947
	<u>\$ 33.247.737</u>	<u>50.908.917</u>	<u>11.053.060</u>	<u>17.363.115</u>

- (1) The decrease corresponds to the measures taken by the parent company and the subordinate company to face the impact caused by the COVID 19 pandemic, so the fixed-term contracts that expired during the year were not renewed. Likewise, the decision was made not to make salary increases for 2020.
- (2) The balance is composed of property tax for \$ 2,422,796, financial tax for \$ 381,487, industry and commerce tax for \$ 207,732, VAT expense resulting from the calculation of proportionality for \$ 124,552, among others.
- (3) Corresponds mainly to cleaning and surveillance expenses for \$ 1,741,877 and public service expenses for \$ 1,487,200.
- (4) The expenses correspond mainly to the adjustments and assembly of the events carried out so far in 2020. The decrease is produced by the lower number of events carried out with respect to 2019.
- (5) It mainly consists of the decoration and signage elements used to carry out the events carried out in the first quarter. The movement of the second and third quarters corresponds mainly in the matrix to the reclassification of carpet consumption to operating expenses of sales to be charged to the respective fairs scheduled in the annual calendar, once the final destination of this element has been identified.
- (6) Corresponds mainly to the provision of expenses not invoiced by suppliers and contractors for the services performed.

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**b) Selling expenses**

The following is the detail of the sales expenses, for the periods of nine and six months:

	January 1 September 30, 2020	January 1 September 30, 2019	July 1 September 30, 2020	July 1 September 30, 2019
Payroll (1)	\$ 3.485.720	4.572.207	1.072.494	1.626.831
Taxes	553	72.329	-	67.013
Fees (2)	367.552	1.818.414	94.965	1.141.113
Leases (3)	2.209.721	3.847.739	943.926	1.584.741
Contributions and affiliations (4)	45.000	2.451.129	-	345.986
Insurances	40.651	22.430	2.350	18.447
Services (5)	3.032.010	13.517.198	1.101.486	7.560.407
Maintenance and repairs	89.453	319.901	-	221.276
Compliance and Installation (5)	1.191.075	8.857.213	93.830	6.345.544
Travels expenses	55.783	1.070.087	-	564.439
Sundry (6)	771.083	2.887.265	31.508	1.356.973
Other (7)	1.562.169	11.077.852	8.540	3.002.621
	<u>\$ 12.850.770</u>	<u>50.617.614</u>	<u>3.349.099</u>	<u>23.895.289</u>

The net variation in sales expenses corresponds to the decrease in the number of fairs held in 2020 compared to 2019, a situation caused by the health emergency declared at the national level.

- (1) The decrease corresponds to the measures taken by the parent company and the subordinate company to face the impact caused by the COVID 19 pandemic, which is why the fixed-term contracts that expire during the year were not renewed. Likewise, the decision was made not to make salary increases for 2020.
- (2) Corresponds mainly to technical advice for holding fairs. In the second quarter of 2020, it mainly corresponds to the external communications management consultancies necessary for the planning and execution of new customer loyalty projects.
- (3) So far in 2020, it corresponds mainly to the rental of sound and video equipment for the execution of fairs. In the second and third quarters it corresponds mainly to the rental of equipment for the installation of the hospital unit installed in the fairgrounds, and rental of sound equipment for the Ágora convention center.
- (4) It corresponds in 2019 to the liquidation of the International Book Fair, which was not carried out in 2020 due to the health emergency, and therefore the decrease in spending from one year to another
- (5) The balance is mainly made up of cleaning and surveillance expenses and the expenses of adjustments and electrical installations of the fairgrounds for the optimal execution of the fairs. In the second and third quarters of 2020, it corresponds to the expenses for material transport services, consumption of public services, assembly of the dividing system, electrical installations and signs of the hospital units installed in the fairgrounds. The decrease is due to the impossibility of holding the Fairs as a result of the closure of the fairgrounds caused by the Covid 19 pandemic.
- (6) Corresponds mainly to stationery, stamps and other expenses necessary for the execution of the fairs. For the second quarter corresponds to the elements for the installation of hospital projects and fairs rescheduled for the year 2021.



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- (7) Corresponds to the provision of expenses not invoiced by suppliers and contractors for the services performed for the hospital project installed in the Bogotá and Barranquilla campuses. As of September 2019, it corresponded to services provided by suppliers and contractors not billed for fairs held in 2019 that, due to the pandemic, could not be held in 2020 and this led to a decrease in the account.

**c) Other Expenses**

The following is the detail of the other expenses, for the periods of nine and three months ended:

	<u>January 1 September 30, 2020</u>	<u>January 1 September 30, 2019</u>	<u>July 1 September 30, 2020</u>	<u>July 1 September 30, 2019</u>
Loss on sale and withdrawal of property and equipment	\$ -	696	-	696
Other expenses (1)	348.226	537.310	44.714	15.055
	<u>\$ 348.226</u>	<u>538.006</u>	<u>44.714</u>	<u>15.751</u>

- (1) The balance corresponds to sanctions, assumed taxes and donations, the increase in the third quarter corresponds to a transaction contract for a claim for the services of the SOFA fair in 2018.

**d) Financial expenses**

The following is the detail of the financial expenses, for the periods of nine and three months ended:

	<u>January 1 September 30, 2020</u>	<u>January 1 September 30, 2019</u>	<u>July 1 September 30, 2020</u>	<u>July 1 September 30, 2019</u>
Bank charges	\$ 2.575	1.430	9	21
Commissions	51.304	314.763	10.856	167.360
Interest (1)	11.661.466	2.805.756	3.438.747	1.396.513
Exchange difference	693.043	760.874	130.251	213.340
Others	2.726	11.448	-	4.334
	<u>\$ 12.411.114</u>	<u>3.894.271</u>	<u>3.579.863</u>	<u>1.781.568</u>

- (1) The increase corresponds mainly to interest on contractual liabilities with Patrimonio Autónomo P.A. Pactia for \$5.394.056 so far in 2020, which are recognized with a charge to results considering the degree of completion of the construction. Likewise, to interest on bank loans for \$6.255.122 in 2020 and for \$2.792.330 in 2019, mainly derived from the new loans granted. Finally, it corresponds to interest for consumption through credit cards for \$25,508 in 2020 and for \$13.426 in 2019.

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**e) Income Tax Expense**

Income tax expense as of September 30, 2020 and 2019 comprises the following:

	<u>2020</u>	<u>2019</u>
Current income tax (1)	\$ 3.252	4.186.300
Current tax expense / (recovery) from previous periods	21.632	(150.989)
<b>Subtotal current tax</b>	<b>24.884</b>	<b>4.035.311</b>
Net deferred taxes for the period (2)	(3.526.137)	(7.357.975)
<b>Total income tax expense</b>	<b>\$ (3.501.253)</b>	<b>(3.322.664)</b>

- (1) As of September 30, the parent company and the subordinate show accounting and tax losses. The balance corresponds to the income tax of the subordinate, calculated by the presumptive income system. The parent company is excluded from calculating income tax due to the presumptive income system, as it is an events and conventions center in which its majority participation is the Bogotá Chamber of Commerce.
- (2) At the cutoff of September 30, 2020, an income of \$ 3,526,136 is presented, mostly originated as a result of the update of the deferred tax liability that is recognized in the parent company on the investment in the P.A. Autonomous International Convention Center Ágora Bogotá, and the Hotel Hilton Corferias in the free zone, the fiscal cost of these properties was updated in accordance with the last declared cadastral appraisal and as a consequence the deferred tax liability is reversed. Likewise, the deferred tax asset that will be generated by temporary differences due to portfolio impairment, intangibles and deposits received, among others, is updated.

**f) Loss (profit) in the equity method, net**

The following is the detail of the result of the period in entities, for the periods of nine and three months ended:

	January 1 September <u>30, 2020</u>	January 1 September <u>30, 2019</u>	July 1 September <u>30, 2020</u>	July 1 September <u>30, 2019</u>
Loss / (profit) participation method	\$ 266.915	(1.004.784)	108.337	(288.142)
	<u>266.915</u>	<u>(1.004.784)</u>	<u>108.337</u>	<u>288.142</u>

The balance so far in 2020 is represented by the loss of the application of the equity method in the Patrimonio Autónomo Centro Internacional CICB for \$266.915 and in 2019 by the profit of the equity method in the Patrimonio Autónomo Centro Internacional CICB for \$106.020; as well as a loss recognized in the subordinate Corferias Inversiones SAS in the Hotel Operator Pactia Corferias S.A.S. for \$1.110.804.

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**g) Impairment of accounts receivable, net**

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

	<u>1 de enero al 30 de septiembre de 2020</u>	<u>1 de enero al 30 de septiembre de 2019</u>	<u>1 de julio al 30 de septiembre de 2020</u>	<u>1 de julio al 30 de septiembre de 2019</u>
Ingresos por recuperación de deterioro	\$ 729.351	645.602	22.199	12.003
Pérdida por deterioro	1.679.809	1.150.601	994.897	25.173
	<u>\$ (950.458)</u>	<u>(504.999)</u>	<u>(972.698)</u>	<u>(13.170)</u>

**22. Related Parties**

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

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Controlling interest - Cámara de Comercio de Bogotá (1)	\$ 248.532	418.540
Key management personnel	117.350	130.752
Associate -Patrimonio Autónomo CICB (2)	3.271.744	3.086.669
Capital interest - Alpopular Almacén General de Depósitos S.A.	780.759	500.273
Shareholders (3)	1.269.588	153.690
Other related parties	432.771	371.291
	<u>\$ 6.120.744</u>	<u>\$ 4.661.215</u>

- (1) Corresponds to the account receivable for the settlement of the mandate contract of the Bogotá Madrid Fusión event for \$ 248,532.
- (2) The balance and the variation correspond to the account receivable for \$1.121.926 for the reimbursement of payments made by the Agora operation on behalf of the Patrimonio Autónomo Centro Internacional CICB such as property tax, property insurance, fiduciary commission and audit and the remuneration for \$ 2,150,771 that Corferias has as Operator of the International Convention Center.
- (3) Corresponds mainly to the account receivable from the Colombian Association of Plastic Industries for participation in the Colombiaplast 2020 event in March, as a result of the anticipated entry of the fair.

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

	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Controlling interest - Cámara de Comercio de Bogotá (1)	\$ 31.237.450	34.746.775
Associate -Patrimonio Autónomo CICB (2)	2.507.363	10.446.286
Capital interest - Alpopular Almacén General de Depósitos S.A.	-	25.197
Key management personnel	63.625	460.869
Directors	230	21.347
Shareholders	288.196	126.124
Other related parties	11.076	137.214
	<u>\$ 34.107.940</u>	<u>45.963.812</u>

- (1) Corresponds mainly to the loan from the Bogotá Chamber of Commerce with a balance as of June 30, 2020 for \$30.857.778 and as of December 31, 2019 for \$33,000,000.
- (2) It corresponds to the results of the development of the operation of the AGORA International Convention Center in 2019, which are registered by Corferias as its operator, these resources will be delivered to Fiduciaria Bogotá as administrator of the Autonomous Heritage. The decrease corresponds to the payment of part of the profits for the year 2019.

Expenses for services received, transactions with related parties:

	<u>January 1 September 30, 2020</u>	<u>January 1 September 30, 2019</u>	<u>July 1 September 30, 2020</u>	<u>July 1 September 30, 2019</u>
Controlling interest - Cámara de Comercio de Bogotá (1)	\$ 1.215.834	452.425	484.035	180.734
Associate -Patrimonio Autónomo CICB	266.915	-	183.990	-
Key management personnel (2)	2.201.676	2.238.814	692.400	756.534
Capital interest - Alpopular Almacén General de Depósitos S.A.	5.995	11.318	1.199	4.388
Directors	40.383	178.229	11.693	65.347
Shareholders (3)	362.384	1.507.375	53.927	419.582
Other related parties	15.068	40.480	3.707	29.361
	<u>\$ 4.108.255</u>	<u>4.428.641</u>	<u>1.430.951</u>	<u>1.455.946</u>

- (1) It corresponds to the financial interests caused by the loan owed.
- (2) It corresponds to the payroll expenses of the personnel belonging to the directors of the Corporation and the subordinate.
- (3) The decrease corresponds to the payment of profits to related parties who are strategic partners in fairs carried out in 2019 and not carried out in 2020.

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

	January 1 September 30, 2020	January 1 September 30, 2019	July 1 September 30, 2020	July 1 September 30, 2019
Controlling interest - Cámara de Comercio de Bogotá	\$ 37.965	2.749.654	-	2.128.496
Associate -Patrimonio Autónomo CICB	-	95.651	-	-
Key management personnel	6.817	8.260	2.185	2.642
Capital interest - Alpopular Almacén General de Depósitos S.A.	1.148.000	2.184.478	-	-
Shareholders (1)	1.361.621	2.741.869	3.920	291.589
Other related parties	366.860	831.061	39.009	256.341
	<u>\$ 2.921.263</u>	<u>8.610.973</u>	<u>45.114</u>	<u>2.679.068</u>

- (1) The decrease corresponds to participation in 2019 in the Bogotá Fashion Week event, which did not take place in 2020.
- (2) Corresponds in 2019 to the income generated by the recognition of the equity method.
- (3) Corresponds mainly to the participation of the Colombian Association of Travel and Tourism Agencies Anato in the Vitrina Turística Anato Fair.

Investments, with related parties:

	<u>September 30 2020</u>	<u>December 31, 2019</u>
Associate - Patrimonio Autonomo Centro Internacional CICB	\$ 77.814.787	78.081.702
Capital interest - Alpopular Almacén General de Depósitos S.A.	13.972.736	13.972.736
	<u>\$ 91.787.523</u>	<u>92.054.438</u>

### **23. Contingencies**

So far in 2020 there were no changes in contingencies.

As of September 30, 2020, the parent company has the following contingencies:

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

Due to legal and tax processes with the Directorate of National Taxes and Customs for Income Tax and Complementary Tax of the 2009 taxable year. The process on this matter is in the category of possible.

Finally, there are twenty-four labor processes currently underway in the judicial offices, through which the plaintiffs seek to declare that the link that existed between each of them and the parent company was governed by an employment contract and that, as a result of the foregoing, the parent company is ordered to pay the claims. They are cataloged within the category of probable and record provision.

The subordinate does not register contingencies as of September 30, 2020.

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**24. Relevant facts**

During the first quarter of 2020, Resolution No. 385 of March 12, 2020 was issued by the National Government, with which the health emergency due to Covid-19 was initially declared until May 30, 2020 and extended until November 30, 2020, in which the prohibition of holding events with a capacity of more than 500 people was established.

In addition to this risk, related and related to it, it was provided in the aforementioned Resolution that the district and departmental authorities should evaluate the issue with respect to meetings of less than 500 people, for which again the National Government and the Capital District ordered that Meetings or events of more than 50 people would not be held, they decreed the mandatory preventive quarantine, all these aspects began to limit Corferias in terms of:

- (i) Execution of the activities of its corporate purpose, such as the holding of trade fairs, conventions and events of various kinds, which involve the participation of a very considerable number of people, not only as visitors, but also as exhibitors;
- (ii) Rent their spaces to third parties for the holding of events or meetings of those public and private third parties.

As a consequence of these risks, it generates:

- A. Initially, until May 31, 2020 and currently extended until August 31, Corferias will not be able to develop the fairs that were scheduled for this period of the year, in accordance with the initially defined fair calendar, as well as the events that were programmed in Agora for said period by public and private third parties.
- B. Regarding Corferias' income, which comes mainly from the development of trade fairs, conventions and events of various kinds and from the leasing of their spaces, and by not being able to develop these activities throughout the year, their income will be reduced and therefore, there will be a decrease in the cash flow required to meet its recurring expenses and the indebtedness that has been acquired by Corferias to carry out large-scale projects, such as the adjustments and improvements to the infrastructure of the enclosure fair and its perimeter avenues, the investment in the Hotel Hilton Corferias project and at the time in Agora Bogotá.

Having identified this risk and its possible consequences, Corferias has carried out the following actions aimed at mitigating it:

- 1. Refraining from holding massive events of more than 50 people between the months in which the health emergency is declared, in attention to the issuance of legal provisions by the National Government. Starting with the rescheduling of the Fair for the year 2021.
- 2. Once the circulars have been issued by the Ministry of Labor and Health, regarding all alternatives to the management of personnel and based on the measures adopted regarding the management and prevention that must be given to COVID-19 and once the Free Zones are authorized, by order of the Ministry of Commerce, Industry and Tourism, so that its employees provide their services outside this area, Corferias aware of what this situation represents for the health of the entire Colombian population, decided that its employees would develop their activities through work at home, and had the means and electronic tools to maintain the continuity of Corferias services and the access of its staff to carry out their work.
- 3. Corferias was authorized by its Board of Directors to allocate the Corferias fairgrounds so that the hospital capacity of the Capital District could be expanded under the leadership of the National Government and in coordination with the territorial entities during the duration

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of the suspension by the Government regarding of events of more than 500 people, so the administration was authorized from now on to sign all the acts and contracts that were required to fulfill this task. The Board of Directors also authorized and empowered the Administration to request the credits and carry out all the activities aimed at obtaining them, in order to fulfill its corporate purpose, attending to all the needs and situations that need to be sorted out and assumed for its cash compliance.

4. The General Assembly of Shareholders decided not to distribute profits for the 2019 financial year, in order to support Corferias in the challenges and situations that lie ahead due to the declaration of the social, economic and health emergency, and that while there is a ban on events Large format limits income generation.
5. Faced with the study and analysis of the situation, a Shock Plan was adopted to reduce expenses given the measures adopted by the National Government in it so far this year and based on the conditions presented by the impact of COVID-19 in the country and In particular, due to the measures taken by the National Government regarding the cancellation of all types of events, the following activities were adopted:
  - (i) Failure to hire vacant positions.
  - (ii) Once the review of the plant that accompanies us under the fixed-term contract modality has been carried out, they will be fulfilled in accordance with the agreed maturities thereof.
  - (iii) The suspension of any trip by officials at all levels and to any destination.
1. As an internal measure, Corferias carried out an expense review process, for which it established a Shock Plan, with the purpose of generating the greatest possible savings in all areas of the company, as follows:
  - (i) The closure of facilities that are not in use,
  - (ii) The reduction of surveillance and cleaning services when applicable,
  - (iii) The renegotiation of suppliers and contractors to temporarily suspend their contracts if applicable,
  - (iv) The suspension of any investment that is planned to be made, except those investments that are totally necessary and indispensable for the continuity of the business.
2. Corferias has been developing a judicious process of reviewing the fair calendar in order to determine which fairs and events could be postponed and / or rescheduled and thus resume activities during the fourth quarter of 2020, in the event that health conditions public and the provisions of the National and District Government, so allow. This study of postponement and / or rescheduling of fairs and events is being carried out under relevant criteria such as contribution margin, country and / or sector importance of the event, institutional importance, international calendar, among others. Therefore, the publication of the respective fair calendar will be carried out once its final version is available and all the variables that are being studied have been harmonized.
3. Structuring of an initiative that involves the development of a virtual platform, through which the exhibitor could exhibit their products and / or services, through a virtual fair in which both exhibitors and visitors can exchange products or services and in this way satisfy your needs, without this involving physical contact. This pilot test will be carried out on some of the fairs scheduled for the fourth quarter of 2020, which is under study and validation, for which the stock market and public opinion will be informed.

Once the public health situation is overcome, the economy will initiate a reactivation process, for which Corferias will put all its efforts presenting itself as the propitious scenario so that both the supply and demand of products are in one place, that is why that it will increase its efforts regarding the promotion and commercialization of fairs and events at national and international level, carrying out the activities of its corporate purpose.

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During the third quarter of 2020, the National Government and the Bogotá Mayor's Office began the process of gradual opening of activities, and from September 1 the mandatory quarantines were ended, initiating a stage of selective isolation, with this measure also makes general opening of the economy including national air transport.

During this quarter, Corferias worked on the implementation and certification of its biosafety protocols for the assurance of its events, it also launched the virtual fair platform "Econexia", of which it is the operator. In the last days of September, Corferias presented to the Ministry of Health its pilot plan for holding business events, proposing the holding of the Home Fair for the month of November.

**25. Subsequent events**

There were no subsequent situations in the Corporation between June 30, 2020 and the date of the Statutory Auditor's interim report, which may have an impact on the separate condensed interim financial statements.

**26. Approval of Interim Condensed Consolidated Financial Statements**

The accompanying condensed interim financial statements as of September 30, 2020 were approved by the Legal Representative and the Chief Accountant on October 23, 2020.