

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

***Condensed Interim Consolidated Financial Statements***

***As of June 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 June 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 June a 30, 2020;
- The consolidated condensed interim statements of comprehensive income, three and six-months period ended June 30, 2020;
- The consolidated condensed interim statements of changes in equity for the period of six months ended June 30, 2020;
- The condensed interim consolidated cash flow statement for the period of six months ending on June 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 June 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.

August 14, 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 June 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 June a 30, 2020;
- The consolidated condensed interim statements of comprehensive income, three- and six-months period ended June 30, 2020;
- The consolidated condensed interim statements of changes in equity for the period of six months ended June 30, 2020;
- The condensed interim consolidated cash flow statement for the period of six months ending on June 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 March 31, 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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August 14, 2020

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

**Consolidated Interim Condensed Statements of Financial Position**

At June 30, 2020

(Figures in thousands of Colombian pesos )

	<u>Note</u>	<u>June 30, 2020</u>	<u>December 31, 2019</u>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalent	3	\$ 29.672.678	26.528.451
Joint venture investments	4	-	-
Accounts receivable	5 and 22	17.894.331	28.592.548
Tax assets	6	2274167	1518890
Inventories	7	1.036.198	1.185.600
Other non-financial assets	8 and 22	<u>2.384.075</u>	<u>271.489</u>
Total current assets		<u>53.261.449</u>	<u>58.096.978</u>
Non-current assets			
Other financial assets	9	15.056.499	15.047.992
Investments in associates	10	77.923.124	78.081.702
Intangibles	11	13.427.607	14.818.369
Property and equipment	12	492.108.470	492.224.272
Investment properties	13	271.333.165	270.852.910
Deferred Tax Assets		143.122	124.129
Total non-current assets		<u>869.991.987</u>	<u>871.149.374</u>
<b>Total assets</b>		<b>\$ <u>923.253.436</u></b>	<b><u>929.246.352</u></b>
<b>LIABILITIES</b>			
Current liabilities			
Financial debt	14	5.451.855	16.956.656
Accounts payable	15 and 22	22.908.005	49.688.251
Income received in advance	16	28.004.826	10.229.166
Total current liabilities		<u>56.367.224</u>	<u>76.874.073</u>
Non-current liabilities			
Financial debt	14	136.344.859	100.686.901
Employee benefits	17	2.216.931	2.198.931
Other provisions	17	5.582.435	5.582.435
Other non-financial liabilities	18	196.616.074	192.075.645
Deferred tax liability, net		31.872.142	34.596.292
Total non-current liabilities		<u>372.632.441</u>	<u>335.140.204</u>
<b>Total liabilities</b>		<b>\$ <u>428.999.665</u></b>	<b><u>412.014.277</u></b>
<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>(22.978.304)</u>	<u>30.294.204</u>
<b>Total equity</b>		<b>\$ <u>494.253.771</u></b>	<b><u>517.232.075</u></b>
<b>Total liabilities and equity</b>		<b>\$ <u>923.253.436</u></b>	<b><u>929.246.352</u></b>

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  
T.P. 199078 - T  
Member of KPMG S.A.S.  
(See my Report of August 14, 2020 )

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

	<u>Note</u>		1 January to June 30, 2020	1 January to June 30, 2019	1 April to June 30, 2020	1 April to June 30, 2019
Income from ordinary activities	20a) and 22	\$	11.213.736	61.161.439	1.837.390	50.505.011
Overhead	21a) and 22		22.194.677	33.545.802	9.242.685	20.620.790
Selling expenses	21b) and 22		9.501.671	26.722.325	5.097.958	22.247.412
Impairment of receivable	21g)		684.912	1.125.428	(158.218)	368.733
Recoveries of receivables	21g)		707.152	633.599	45.692	38.165
Other income	20b)		2.415.208	2.869.637	1.827.696	2.700.257
Cost of sales			346.419	1.352.552	32.274	1.039.927
Other expenses	21c)		303.512	522.951	(286.467)	122.109
<b>Profit on operating activities</b>			<b>(18.695.095)</b>	<b>1.395.617</b>	<b>(10.217.454)</b>	<b>8.844.462</b>
Financial income	20c)		1.812.975	1.084.986	459.388	656.308
Financial expenses	21d)		8.831.251	2.112.703	4.398.108	1.451.281
Entity Profit (loss) for the Period	21f)		158.578	716.642	75.653	530.721
<b>Profit before tax</b>			<b>(25.871.949)</b>	<b>(348.742)</b>	<b>(14.231.827)</b>	<b>7.518.768</b>
(Recovery) expense income tax	21e)		(2.893.645)	311.808	(2.267.996)	21.169
<b>Result for the period</b>		<b>\$</b>	<b>(22.978.304)</b>	<b>(660.550)</b>	<b>(11.963.831)</b>	<b>7.497.599</b>
Other Comprehensive Income			-	-	-	-
<b>Result for the period and other comprehensive income</b>		<b>\$</b>	<b>(22.978.304)</b>	<b>(660.550)</b>	<b>(11.963.831)</b>	<b>7.497.599</b>

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

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

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Juan Carlos Sánchez  
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Diego Alejandro Corredor Ortiz  
Statutory Auditor  
Corporación de Ferias y Exposiciones S.A.  
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(See my Report of August 14, 2020 )

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

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

For six months period ended June 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 19	-	-	13.274.678	-	-	(13.274.678)	-
Result for the period	-	-	-	-	-	(660.550)	(660.550)
<b>Balance as of June 30, 2019</b>	\$ <b>1.673.920</b>	<b>43.451.721</b>	<b>111.915.850</b>	<b>328.909.463</b>	<b>1.075.700</b>	<b>(660.550,00)</b>	<b>486.366.104</b>
<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 19	-	-	30294204	-	-	(30.294.204)	-
Result for the period	-	-	-	-	-	(22.978.304)	(22.978.304)
<b>Balance as of June 30, 2020</b>	\$ <b>1.673.920</b>	<b>43.451.721</b>	<b>142.210.054</b>	<b>328.909.463</b>	<b>986.917</b>	<b>(22.978.304,00)</b>	<b>494.253.771</b>

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 June 30, 2020  
(Figures expressed in thousands of Colombian pesos)

	<u>Note</u>	1 January to June 30, 2020	1 January to June 30, 2019
<b>Profit for the period</b>		<b>\$ (22.978.304)</b>	<b>(660.550)</b>
Adjustments to reconciliation between the profit for the period and net cash (used in) by operating activities:			
Depreciations	12 and 21a)	3.611.395	3.688.833
Amortization	11 and 21a)	1.511.504	1.344.615
Impairment accounts receivable	5 and 21ga)	684.912	1.125.428
Recoveries of receivables	5 and 21ga)	(707.152)	(633.599)
Loss on sale and withdrawals of property and equipment	20b)	-	595
Recovery of provision for accounts payable		(983.560)	(210.017)
Provision for contingencies		-	(5.563)
Implied interest contractual liability	18 and 21d)	3.918.245	-
Income tax	21e)	(2.893.645)	311.808
Loss equity method	21f)	158.578	716.642
		<u>(17.678.027)</u>	<u>5.678.192</u>
<b>Changes in assets and liabilities:</b>			
Accounts receivable		9.572.502	(13.224.619)
Inventories		149.402	(73.202)
Other non-financial assets		(2.112.586)	(1.199.734)
Net tax		(602.237)	(2.077.246)
Accounts payable		(25.794.740)	(3.237.950)
Employee benefits		18.000	18.001
Income received in advance		17.775.660	19.153.454
Interest paid financial obligations		(2.025.584)	(4.238.096)
Payment of income tax	14	-	(1.294.024)
<b>NET CASH (USED IN) OPERATING ACTIVITIES</b>		<u>(20.697.610)</u>	<u>(495.224)</u>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
Investments		(8.507)	(818.728)
Dividends received from investments in other financial assets	20b)	1.147.955	2.184.478
Purchase of intangibles	11	(120.742)	(248.198)
Investment properties	13	(480.255)	(17.049.356)
Purchase of property and equipment	12	(3.495.593)	(7.526.886)
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>		<u>(2.957.142)</u>	<u>(23.458.690)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Contractual liability	18	622.185	11.908.942
Financial Obligations	14	26.178.741	27.523.641
Cash dividends paid	15	(1.947)	(1.994.245)
<b>NET CASH PROVIDE IN FINANCING ACTIVITIES</b>		<u>26.798.979</u>	<u>37.438.338</u>
<b>INCREASE NET, IN CASH AND CASH EQUIVALENTS</b>		<b>3.144.227</b>	<b>13.484.424</b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIODO		26.528.451	10.987.417
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<u><b>\$ 29.672.678</b></u>	<u><b>24.471.841</b></u>

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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Diego Alejandro Corredor Ortiz  
Statutory Auditor  
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(See my Report of August 14, 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 June 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.

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

June 30, 2020

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

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

<b>Company</b>	<b>% held</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Equity</b>	<b>Profit</b>
Corferias Inversiones SAS	100%	\$ 10.633.282	\$ 11.221.409	\$ (588.127,00)	\$ (3.071.120,00)

December 31, 2019

<b>Company</b>	<b>% held</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Equity</b>	<b>Profit</b>
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.

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:

- 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**

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

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

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.

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**

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

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

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.
- 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.

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

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

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

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

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

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

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

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 Rio
- Level 2 Data other than quoted prices included in Level 1, observable for the asset or liability whether directly (as a price), or indirectly (as derived from prices)
- Level 3. Data from the asset or liability not based on observable market data (non-observable variables).

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

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

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

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

June 30, 2020

<b>Type of asset / liability</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Assessment techniques for Level 2 and 3</b>	<b>Main input data</b>
Other financial assets-Acerías Paz del Rio Shares	\$25	-	-		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	-	480.433	-	Valuation of the underlying assets of the Fund.	Unit value of the Fund provided by the Management Company.

December 31, 2019

<b>Type of asset / liability</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Assessment techniques for Level 2 and 3</b>	<b>Main input data</b>
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.

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 June 30, 2020 and December 31, 2019.

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

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

**OPERATING SEGMENTS**

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

	<b>June 2020</b>	<b>December 2019</b>
<b>Assets</b>	<b>923.253.436</b>	<b>929.246.352</b>
Cash and cash equivalent	29.672.678	26.528.451
Accounts receivable	17.894.331	28.592.548
Tax assets	2.274.167	1.518.890
Inventories	1.036.198	1.185.600
Other non-financial assets	2.384.075	271.489
Other financial assets	15.056.499	15.047.992
Investments in associates	77.923.124	78.081.702
Intangibles	13.427.607	14.818.369
Property and equipment	492.108.470	492.224.272
Investment property	271.333.165	270.852.910
Deferred tax assets	143.122	124.129
<b>Liabilities</b>	<b>428.999.665</b>	<b>412.014.277</b>
Financial debt	141.796.714	117.643.557
Accounts payable	22.908.005	49.688.251
Tax liabilities	2.538	-
Income received in advance	28.004.826	10.229.166
Employee benefits	2.216.931	2.198.931
Other provisions	5.582.435	5.582.435
Other non-financial liabilities	196.616.074	192.075.645
Deferred tax liability	31.872.142	34.596.292
<b>Equity</b>	<b>494.253.771</b>	<b>517.232.075</b>
	<b>June 2020</b>	<b>June 2019</b>
<b>Revenues from ordinary activities</b>	<b>11.213.736</b>	<b>61.161.439</b>
Activities in entertainment and leisure	6.878.345	49.960.730
Activities in real property, business and rentals	2.698.235	5.581.411
Food and beverages	1.637.156	5.619.298
Selling expenses	22.194.677	33.545.802
Overhead	9.501.671	26.722.325
Impairment of accounts receivable	684.912	1.125.428
Recoveries receivable	707.152	633.599
Other income	2.415.208	2.869.637
Cost of sales	346.419	1.352.552
Other expenses	303.512	522.951
<b>Profit from operating activities</b>	<b>(18.695.095)</b>	<b>1.395.617</b>
Financial income	1.812.975	1.084.986
Financial expense	8.831.251	2.112.703
Loss from equity method	158.578	716.642
<b>Profit before tax</b>	<b>(25.871.949)</b>	<b>(348.742)</b>
Income tax expense	(2.893.645)	311.808
<b>Result for the period</b>	<b>(22.978.304)</b>	<b>(660.550)</b>

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

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

**3. Cash and Cash Equivalents**

The following is the detail of cash and cash equivalents:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
Cash	69.463	27.953
Banks (1)	403.715	1.369.274
Savings accounts (2)	27.649.965	14.158.617
Fixed-term certificates of deposit (3)	-	5.044.853
Collective investment funds (4)	874.283	5.927.754
	<u>\$ 28.997.426</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 and contractors.

(2) The increase corresponds mainly to the disbursement of bank loans received, as a result of the negotiation with financial entities, also obtaining grace periods and longer terms for the payments of said loans. Within this amount, the balance of the resources of the investors of the Ágora International Convention Center for the operation of 2019 and the amount received by the Bogotá Chamber of Commerce for the advance payment of the sale of the premises is also found in the parent company company. located in the Hotel Hilton Corferias building.

(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.

As of June 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>June 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.

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

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

As of June 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 June 30, 2020 and December 31, 2019, respectively.

**5. Accounts receivable**

The following is the detail of accounts receivable:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
Customers (1)	10.165.178	21.280.952
Income receivable (2)	7.744.865	7.556.628
Receivable from employees	544.765	625.056
Doubtful accounts	2.715.095	2.427.724
Impairment (3)	<u>(3.275.572)</u>	<u>(3.297.812)</u>
	<u>\$ 17.894.331</u>	<u>28.592.548</u>

- (1) The decrease corresponds to the collection of accounts receivable from clients in the parent company for the Mayor Election events of Bogotá, Bogotá Madrid Fusión and the Expodefensa and Expoartesánias fairs held in November and December 2019. In the same way, for the National Congress of Public Accounting event and the Expoagrotuturo Medellín and Colombia 4.0 fairs executed by the subordinate.
- (2) The balance corresponds, mainly in the parent company company, to accounts receivable from the CICB Autonomous Heritage, managed by Fiduciaria Bogotá S.A. on behalf of the operation of the Ágora International Convention Center for \$ 1,279,444 and \$ 2,150,771
- (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:

		<u>2020</u>	<u>2019</u>
<b>Balance at December 31, 2019</b>	\$	3.297.812	2.215.512
Impairment of receivables		684.912	591.851
Recoveries		<u>(707.152)</u>	<u>(333.289)</u>
<b>Balance at June 30, 2020</b>	\$	<u>3.275.572</u>	<u>2.474.074</u>

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

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

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

**6. Current tax assets, net**

The following is the detail of the current tax asset:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
Tax advance (1)	\$ 600.358	-
Surplus in private tax settlement (2)	\$ 1.673.809	1.518.890
	<u>\$ 2.274.167</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 practiced in the year 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.

**7. Inventories**

The following is the detail of inventories:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
Raw materials (1)	38.821	44.644
Goods not made by the business	38.163	40.061
Materials, spares and accessories (2)	821.170	1.011.834
Packaging and filling	138.044	89.061
	<u>\$ 1.036.198</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.

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

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

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

**8. Other non-financial assets**

The following is the detail of other financial assets:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
Interest on employee loans	160.638	151.087
Surplus in VAT and ICA tax settlement (1)	867.350	-
Prepaid expenses (1)	1.356.087	961.196
	<u>\$ 2.384.075</u>	<u>1.112.283</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 variation corresponds to the transfer of advances to contractors for \$ 989,469, drawn mainly in the parent company in order to obtain a comprehensive solution of active connection equipment, as well as to update the closed-circuit television security system, among others. Likewise, advance payment of VAT and ICA taxes for \$ 72,446. Finally, the amortization of insurance for \$ 294,172.

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

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

	<u>June 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.	25	16
Fondo de Capital Privado (4)	480.433	471.935
	<u>\$ 15.056.499</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.

(3) This investment is measured at cost. As of June 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 June 30, 2020, and December 31, 2019, there are no restrictions on these investments.

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

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

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

**10. Investment in associates**

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
Investments in associates-CICB	<u>77.923.124</u>	<u>78.081.702</u>

As of June 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-ÁGORA International Convention Center. To date, the parent company has an 18.78% 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 June 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	11.471.307	406.936.540	3.199.024	-	34.652	(818.847)	(818.847)	-	(818.847)

**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

**11. Intangibles**

The following is the detail of intangibles:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
Intangibles-trademarks acquired	15.483.592	15.483.592
Software	6.270.137	6.149.393
Accumulated amortization	<u>(8.326.122)</u>	<u>(6.814.616)</u>
	<u>\$ 13.427.607</u>	<u>14.818.369</u>

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

Intangibles	Balance at 31/12/2019	Purchases	Amortization in period	Balance at 30/06/2020
Software licenses	3.510.860	120.742	(1.001.151)	2.630.451
Trademarks acquired	11.307.509	-	(510.353)	10.797.156
<b>Total Intangibles</b>	<b>14.818.369</b>	<b>120.742</b>	<b>(1.511.504)</b>	<b>13.427.607</b>

**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 movement of intangibles as of June 30, 2019:

<b>Intangibles</b>	<b>Balance at 31/12/2019</b>	<b>Purchases</b>	<b>Amortizarion in period</b>	<b>Balance at 30/06/2020</b>
Software licenses	3.510.860	120.742	(1.001.151)	2.630.451
Trademarks acquired	11.307.509	-	(510.353)	10.797.156
<b>Total Intangibles</b>	<b>14.818.369</b>	<b>120.742</b>	<b>(1.511.504)</b>	<b>13.427.607</b>

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

**11. Property and Equipment**

The following is the detail of property and equipment:

	<u>June 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)	39.390.423	37.284.127
Buildings	222.197.505	222.197.505
Machinery and equipment	10.038.103	10.025.605
Office equipment	9.601.885	8.409.582
Computer and communications equipment	10.188.283	10.003.785
Transport fleet and equipment	265.804	265.804
Accumulated depreciation	(33.091.827)	(29.480.430)
Impairment	(9.928)	(9.928)
	<u>\$ 492.108.470</u>	<u>\$ 492.224.272</u>

The construction in progress has an increase mainly in the subordinate in the acoustic conditioning project of the Carpa Américas for \$ 858,718. 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 June 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>Transfers</b>	<b>Balance at 30/06/2020</b>
Land	233.215.356	-	-	-		233.215.356
Improvement to third party property	297.223	-	-	-		297.223
Construction in progress	37.284.129	2.106.295	-	-		39.390.424
Construction and buildings	205.706.918	-	-	(1.788.560)		203.918.358
Computers and communications	4.712.094	184.498	-	(876.614)		4.019.978
Office equipment	5.145.080	1.192.303	-	(440.816)	(251)	5.896.316
Machinery and equipment	5.797.908	12.497	-	(497.210)	251	5.313.446
Transport fleet and equipment	65.564	-	-	(8.195)		57.369
<b>Total Property and equipment</b>	<b>492.224.272</b>	<b>3.495.593</b>	<b>-</b>	<b>(3.611.395)</b>		<b>492.108.470</b>

**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 detail of the movement of property and equipment as of June 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 30/06/2019</b>
Land	234.003.546	-	-	-	234.003.546
Improvement to third party property	312.325	-	-	(8.159)	304.166
Construction in progress	72.602.486	6.855.340	-	-	79.457.826
Construction and buildings	170.085.537	-	-	(1.523.245)	168.562.292
Machinery and equipment	7.724.746	335.022	-	(633.839)	7.425.929
Office equipment	6.344.442	249.003	-	(574.404)	6.019.041
Computers and communications	5.992.828	87.521	(595)	(940.990)	5.138.764
Transport fleet and equipment	81.954	-	-	(8.196)	73.758
<b>Total Property and equipment</b>	<b>497.147.864</b>	<b>7.526.886</b>	<b>(595)</b>	<b>(3.688.833)</b>	<b>500.985.322</b>

As of June 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 June 30, 2020 and December 31, 2019.

**13. Investment properties**

The following is the detail of the investment properties:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
Investment property - land construction in progress	<u>271.333.165</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 June 2020:

<b>Investment property</b>	<b>Balance at 31/12/2019</b>	<b>Additions</b>	<b>Balance at 30/06/2020</b>
Land and construction in progress	270.852.910	480.255	271.333.165

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

<b>Investment property</b>	<b>Balance at 31/12/2018</b>	<b>Purchases</b>	<b>Balance at 30/06/2019</b>
Land and construction in progress	223.891.941	17.049.356	240.941.297

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

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

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

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 June 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>June 30, 2020</u>	<u>December 31, 2019</u>
Short term, financial debt	5.451.855	16.956.656
Long-term financial debt	136.344.859	100.686.901
	<u>\$ 141.796.714</u>	<u>117.643.557</u>

(\*\*) Short-term financial obligations as of June 30, 2020 include the balance of interest for \$ 2,352,877 and principal for \$ 3,098,978 and as of December 31, 2019, interest for \$ 875,836 and 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:

ACCUMULATED TO ENTITY	DECEMBER 31, 2019				JUNE 30, 2020			
	BALANCE	RATE	TERM	PERIODO DE GRACIA DE CAPITAL	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 MESES
Banco Popular Bancoldex	-	-	-	-	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 YEARS	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.	10 YEARS	2 YEARS
Banco Davivienda - Bancoldex	3.300.000	DTF+1,85% E.A.	8 YEARS	1 YEAR	3.214.286	DTF+1,85% E.A.	10 YEARS	2 YEARS
Banco Davivienda	2.625.000	IBR+3.5% M.V.	5 YEARS	2 YEARS	2.250.000	IBR+3.5% M.V.	5 YEARS	1 YEAR
Banco Davivienda	-	-	-	-	-	-	-	-
Banco Davivienda	-	-	-	-	-	-	-	-
Banco Davivienda	500.000	IBR+3.5% M.V.	5 YEARS	2 YEARS	437.500	IBR+3.5% M.V.	5 YEARS	1 YEAR
Banco Davivienda	-	-	-	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	1 YEAR
Banco de Bogotá	22.576.434	IBR+4,40 T.V.	10 YEARS	2 YEARS	22.576.434	IBR+4,40 T.V.	10 YEARS	2 YEARS
Cáncolombia	-	-	-	-	2.500.000	IBR+4.50% S.V.	1 YEAR	-
Cámara de Comercio de Bogotá	33.000.000	IBR+1.30 T.V.	7 YEARS	1 YEAR	30.510.278	IBR+2.60 T.V.	10 YEARS	3 YEARS
<b>TOTAL</b>	<b>\$ 116.767.720</b>				<b>\$ 139.443.837</b>			

Note: For June 30, 2020 includes \$ 139,443,837 plus \$ 2,352,877 of interest = \$ 141,796,714  
For December 31, 2019 includes \$ 116,767,720 plus \$ 875,837 of interest = \$ 117,643,557

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

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

As of June 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 June 30, 2020 and 2019:

	June 30, 2020		31 de Diciembre de 2019	
	Capitalization	Expense	Capitalization	Expense
Banco Comercial AV Villas S.A	\$ -	1.361.705	837.129	321.241
Banco Davivienda S.A.	-	258.706	75.086	224.067
Banco Popular S.A.	-	959.660	836.853	295.973
Cámara de Comercio de Bogotá	-	728.144	702.790	267.565
Bancolombia	-	45.338	-	-
Banco de Bogotá	-	925.904	394.105	294.869
	<u>\$ -</u>	<u>4.279.457</u>	<u>2.845.963</u>	<u>1.403.715</u>

So far in 2020 and 2019, interest amounting to \$ 2,025,584 and \$ 4,238,096, respectively, was paid.

### 15. Accounts Payable

The following is the detail of accounts payable:

	June 30, 2020	December 31, 2019
Local (1)	42.375	985.597
Foreing	26.302	20.779
To Contractors (2)	2.003.776	6.751.897
Costs and Account Payables (3)	17.865.930	35.842.019
Dividends or Interests Payable	269.313	271.260
Final Tax Withheld at the Source	178.959	1.919.262
Withheld Sales Tax	13.845	-
Withheld Industry and Business Tax	52.453	127.809
Withholding and Payroll Contributions	190.546	682.123
Other Creditors (4)	198.934	899.261
Accrued Wages	2.129	10.280
Consolidated Unemployment Fund	56	1.081.610
Unemployment Fund Interests	770	128.481
Consolidated Vacations	154.353	436.335
Extra-Legal Benefits	157.737	161.968
Laboral Obligation (5)	1.271.862	-
Third-Party Retentions on Contracts	478.665	369.570
	<u>\$ 22.908.005</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.

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

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

(4) The balance corresponds mainly to the liability for contributions to pension funds for the month of June 2020, consigned to the respective funds in July.

(5) Corresponds to the balance of provisions for social benefits for wages so far in 2020.

**16. Anticipated income**

	<u>June 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)	19.724.330	14.620.819
	<u>\$ 28.004.826</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 4th December 2019.

(2) Corresponds to deposits received from clients during the period for participation in the different fairs for \$ 4,771,253; 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 \$ 2,165,598, International Book Fair for \$ 1,544,945, International Industrial Fair of Bogotá for \$ 1,185,541, Alimentec for \$ 1,111,992, Colombiaplast 2020 for \$ 1,032,010 and Alliances and Other Sponsorships for \$ 2,699,621, among others.

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 for the fourth quarter of 2020 and the first semester of 2021 in agreement with both the strategic partners of each one of them as well as the exhibitors.

**17. Employee benefits and other provisions**

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

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
Retirement pension (1)	<u>\$ 2.216.931</u>	<u>2.198.931</u>

(1) The variation corresponds to the recognition of the provision for \$ 18,000 so far in 2020.

	<u>June 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.

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

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

**18. Contractual liability**

The following is the detail of the contractual liability:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
Contractual liability (1)	<u>196.616.074</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 June 30, 2020 and December 31, 2019:

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
Contractual liability - P.A. Pactia S.A.	175.171.539	174.549.354
Financing component (non-monetary item)	<u>21.444.535</u>	<u>17.526.291</u>
	<u>196.616.074</u>	<u>192.075.645</u>

**19. Reserves**

The following is the detail of the reserves:

	<u>June 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 six- and three-month periods ended on:

	<u>January 1 June 30, 2020</u>	<u>January 1 June 30, 2019</u>	<u>April 1 June 30, 2020</u>	<u>April 1 June 30, 2019</u>
Food and Beverages	1.637.156	5.619.298	(193.730)	4.372.164
Real Estate, Corporate and Leasing Activities (1)	2.698.235	5.581.411	2.031.120	4.079.669
Entertainment and leisure (2)	6.878.345	49.960.730	-	42.053.178
	<u>\$ 11.213.736</u>	<u>61.161.439</u>	<u>1.837.390</u>	<u>50.505.011</u>

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

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

- (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 second 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 based on a new customer relationship model have been established 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 company, due to the execution of the Tatto 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) The movement in the second quarter of 2020 corresponds in the parent company to the cancellation of the Lacpec HSE event, which was scheduled to be carried out at the Ágora International Convention Center and which was canceled in response to the measures taken by the Government National due to the effect of the COVID 19 pandemic.

**b) Other Incomes**

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

	January 1 June 30, 2020	January 1 June 30, 2019	April 1 June 30, 2020	April 1 June 30, 2019
Commissions	11.606	15.258	4.199	7.289
Recoveries (1)	983.560	210.017	494.245	72.275
Compensations (2)	81.428	25.847	5.647	25.847
Others revenues	190.659	433.936	175.650	410.267
	<u>\$ 2.415.208</u>	<u>2.869.536</u>	<u>1.827.696</u>	<u>2.700.156</u>

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

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

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

(2) Corresponds to the income from the recovery of the provision of accounts payable and operating expenses of the Hotel Operator Pactia Corferias SAS.

(3) Corresponds to reimbursement for disability.

(4) Corresponds mainly in the parent company to the first draft received by the government from the benefit for the Formal Employment Support Program (PAEF) for \$ 158,301, which it agreed to when making the request under the terms established by the national government for that purpose, within the framework of the economic, social and ecological emergency caused by the COVID 19 pandemic. These resources were received in June in support of the May payroll.

**c) Financial Income**

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

	January 1 June 30, 2020	January 1 June 30, 2019	April 1 June 30, 2020	April 1 June 30, 2019
Interest	17.550	135.003	8.630	128.338
Savings account interest	430.935	286.047	257.579	182.040
Interest in funds	12.896	-	-	-
Exchange difference (1)	1.319.184	559.826	190.580	320.522
Discounts	21.107	78.930	2.599	9.764
Valuation gain on shares	11.303	25.180	-	15.644
	<u>\$ 1.812.975</u>	<u>\$ 1.084.986</u>	<u>\$ 459.388</u>	<u>\$ 656.308</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.

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

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

**21. Expenses**

**a) Administrative expenses**

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

	January 1 June 30, 2020	January 1 June 30, 2019	April 1 June 30, 2020	April 1 June 30, 2019
Payroll (1)	10.289.165	11.747.545	4.720.954	6.647.475
Fees	391.446	543.851	145.720	382.365
Taxes (2)	791.052	4.424.583	178.986	3.983.521
Leases	59.842	198.928	6.752	142.240
Contributions and affiliations	454.694	618.012	340.577	224.120
Insurances	191.726	197.016	105.912	98.973
Services (3)	2.868.140	2.876.105	1.544.326	1.705.665
Legal Expenses	69.026	49.677	7.925	16.647
Maintenance and repairs (4)	1.044.625	1.257.310	511.226	728.413
Compliance and Installation (4)	362.584	930.966	117.907	675.970
Travels expenses	46.091	165.545	6.630	115.650
Depreciations	3.611.395	3.688.833	1.834.169	1.840.633
Amortizations	1.511.504	1.344.615	773.748	688.424
Sundry (5)	381.332	635.243	(154.708)	351.977
Other (2)	122.055	4.867.573	(897.439)	3.018.717
	<u>\$ 22.194.677</u>	<u>33.545.802</u>	<u>9.242.685</u>	<u>20.620.790</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) Corresponds mainly to the financial assessment tax for \$ 281,289, industry and commerce tax for \$ 190,594, VAT expense resulting from the proportionality calculation for \$ 122,753, among others.
- (3) Corresponds mainly to cleaning and surveillance expenses for \$ 1,357,889 and public service expenses for \$ 1,247,162.
- (4) Corresponds mainly to the adjustments and set-ups of the events carried out so far in 2020. The decrease is produced by the lower number of events carried out compared to 2019.
- (5) Corresponds mainly to the decoration and signage elements used to carry out the events carried out in the first quarter. The movement of the second quarter corresponds mainly in the parent company 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 in the second quarter mainly to the reversal of the account receivable related to the loss in the operation of the Ágora International Convention Center which, as of June 30, is pending a meeting of the Investors Committee for its study and formalization.

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

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

**b) Selling expenses**

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

	January 1 June 30, 2020	January 1 June 30, 2019	April 1 June 30, 2020	April 1 June 30, 2019
Payroll	2.413.226	2.945.376	1.128.693	1.602.835
Taxes	553	5.316	29	5.092
Fees	272.587	677.301	84.226	492.533
Leases (1)	1.265.795	2.262.998	516.528	1.586.803
Contributions and affiliations	45.000	2.105.143	-	2.105.143
Insurances	38.301	3.983	5.368	3.332
Services (2)	1.930.524	5.956.791	786.544	4.930.503
Maintenance and repairs	89.453	98.625	74.439	82.988
Compliance and Installation (2)	1.097.245	2.511.669	861.762	2.217.430
Travels expenses	55.783	505.648	3.447	420.587
Sundry	739.575	1.530.292	540.096	974.528
Other (3)	1.553.629	8.075.231	1.096.826	7.781.686
	<u>\$ 9.501.671</u>	<u>26.722.325</u>	<u>5.097.958</u>	<u>22.247.412</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 quarter it corresponds to both the parent company and the subordinate to the rental of equipment for the installation of the hospital units installed in the fairgrounds.
- (4) Corresponds mainly in 2019 in the parent company to the liquidation of the International Book Fair, which was not executed in 2020 due to the health emergency.
- (5) Corresponds mainly to 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 quarter of 2020, it corresponds to the expenses for services of transport of materials, consumption of public services, assembly of the dividing system, electrical installations and signs of the hospital units installed in the fairgrounds.
- (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.
- (7) Corresponds mainly in the parent company to the provision of expenses not invoiced by suppliers and contractors for the services performed for the hospital project installed on the premises.

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

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

**c) Other Expenses**

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

	January 1 June 30, 2020	January 1 June 30, 2019	April 1 June 30, 2020	April 1 June 30, 2019
Loss on sale and withdrawal of property and equipment	-	696	-	696
Other Expenses (1)	303.512	522.255	(286.467)	121.413
	<u>\$ 303.512</u>	<u>522.951</u>	<u>(286.467)</u>	<u>122.109</u>

(1) The movement in the second quarter of 2020 corresponds in the parent company to the reclassification of expenses of contributions for \$ 250,000 to Bogotá and Cundinamarca Convention Bureau and to the reclassification of use of provisions for \$ 118,388 Likewise corresponds in the parent company and subordinate to the recognition of other expenses for \$ 81,921.

**d) Financial expenses**

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

	January 1 June 30, 2020	January 1 June 30, 2019	April 1 June 30, 2020	April 1 June 30, 2019
Bank charges	2.566	1.409	2.558	1.409
Commissions	40.448	147.403	14.178	118.897
Interest (1)	8.222.719	1.409.243	3.887.535	1.014.484
Exchange difference	562.792	547.534	493.808	311.905
Others	2.726	7.114	29	4.586
	<u>\$ 8.831.251</u>	<u>2.112.703</u>	<u>4.398.108</u>	<u>1.451.281</u>

(1) The increase corresponds mainly to interest on contractual liabilities with Patrimonio Autónomo P.A. Pactia for \$ 3,918,245 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 \$ 4,279,457 in 2020 and for \$ 1,403,715 in 2019, mainly derived from the new loans granted. Finally, it corresponds to interest for consumption through credit cards for \$ 25,017 in 2020 and for \$ 5,528 in 2019.

**e) Income Tax Expense**

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

	<u>2020</u>	<u>2019</u>
Current income tax (1)	<u>\$ 2.538</u>	<u>5.730</u>
Current tax recovery from previous periods	<u>(153.040)</u>	<u>(150.988)</u>
<b>Subtotal current tax</b>	<u><b>(150.502)</b></u>	<u><b>(145.258)</b></u>
Net deferred taxes for the period (2)	<u>(2.743.143)</u>	<u>457.066</u>
<b>Total income tax expense</b>	<u><b>\$ (2.893.645)</b></u>	<u><b>311.808</b></u>

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

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

- (1) As of June 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 June 30, 2020, an income of 2,743,143 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 Hilton Corferias Hotel 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.

**f) Profit for the Period in Entities**

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

	<u>1 de enero al 30 de junio de 2020</u>	<u>1 de enero al 30 de junio de 2019</u>	<u>1 de abril al 30 de junio de 2020</u>	<u>1 de abril al 30 de junio de 2019</u>
Pérdidas método de participación	158.578	716.642	75.653	530.721
	<u>\$ 158.578</u>	<u>716.642</u>	<u>75.653</u>	<u>530.721</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 \$ 158,578 and in 2019 by the profit of the equity method in the Patrimonio Autónomo Centro Internacional CICB for \$ 95,651; as well as a loss recognized in the subordinate Corferias Inversiones SAS in the Hotel Operator Pactia Corferias S.A.S. for \$ 812,293.

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

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

	<u>January 1 June 30, 2020</u>	<u>January 1 June 30, 2019</u>	<u>April 1 June 30, 2020</u>	<u>April 1 June 30, 2019</u>
Impairment recovery income	707.152	633.599	45.692	38.165
Impairment loss	684.912	1.125.428	(158.218)	368.733
	<u>\$ 22.240</u>	<u>\$ (491.829)</u>	<u>\$ 203.910</u>	<u>\$ (330.568)</u>

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

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

**22. Related Parties**

The following is the detail of accounts receivable from related parties

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
Controlling interest - Cámara de Comercio de Bogotá (1)	\$ 248.532	418.540
Key management personnel	121.610	130.752
Associate -Patrimonio Autónomo CICB (2)	3.430.214	3.086.669
Capital interest - Alpopular Almacén General de Depósitos S.A.	957.769	500.273
Shareholders (3)	1.268.924	153.690
Other related parties	390.142	371.291
	<u>\$ 6.417.192</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 \$ 1,279,444 for the reimbursement of payments made by the Ágora 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.

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

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
Controlling interest - Cámara de Comercio de Bogotá (1)	\$ 30.889.950	34.746.775
Associate -Patrimonio Autónomo CICB (2)	10.454.676	10.446.286
Capital interest - Alpopular Almacén General de Depósitos S.A.	-	25.197
Key management personnel	74.010	460.869
Directors	230	21.347
Shareholders	288.196	126.124
Other related parties	240	137.214
	<u>\$ 41.707.302</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 \$ 30,510,278 and as of December 31, 2019 for \$ 33,000,000.
- (2) Corresponds to the results of the development of the operation of the ÁGORA International Convention Center in 2019 and 2018, which are registered by Corferias as its operator, these resources will be delivered to Fiduciaria Bogotá as administrator of the Autonomous Heritage.

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

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

Expenses for services received, transactions with related parties:

	January 1 June 30, 2020	January 1 June 30, 2019	April 1 June 30, 2020	April 1 June 30, 2019
Controlling interest - Cámara de Comercio de Bogotá (1)	\$ 731.799	271.691	331.973	151.155
Associate -Patrimonio Autónomo CICB	82.925	-	82.925	-
Key management personnel (2)	1.509.276	1.482.280	746.006	787.660
Capital interest - Alpopular Almacén General de Depósitos S.A.	4.796	6.930	2.398	3.465
Directors	28.690	112.882	(8.702)	86.073
Shareholders (3)	308.457	1.087.793	82.450	898.746
Other related parties	11.361	11.119	523	11.119
	<u>\$ 2.677.304</u>	<u>2.972.695</u>	<u>1.237.573</u>	<u>1.938.218</u>

(1) Corresponds to the financial interests caused by the loan owed.

(2) Corresponds to the payroll expenses of the personnel belonging to the Corporation's steering committee.

(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.

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

	January 1 June 30, 2020	January 1 June 30, 2019	April 1 June 30, 2020	April 1 June 30, 2019
Controlling interest - Cámara de Comercio de Bogotá	\$ 37.964	621.158	-	621.158
Associate -Patrimonio Autónomo CICB	-	95.650	-	54.204
Key management personnel	4.632	5.618	2.340	3.417
Capital interest - Alpopular Almacén General de Depósitos S.A.	1.148.000	2.184.478	1.147.955	2.184.478
Shareholders (1)	1.357.701	2.450.280	106.053	2.420.005
Other related parties	327.851	574.720	244.554	574.720
	<u>\$ 2.876.148</u>	<u>5.931.904</u>	<u>1.500.902</u>	<u>5.857.982</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.

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

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

Investments, with related parties:

	<u>June 30 2020</u>	<u>December 31, 2019</u>
Associate - Patrimonio Autonomo Centro Internacional CICB	\$ 77.923.124	78.081.702
Capital interest - Alpopular Almacén General de Depósitos S.A.	13.972.736	13.972.736
	<u>\$ 91.895.860</u>	<u>92.054.438</u>

### **23. Contingencies**

So far in 2020 there were no changes in contingencies.

As of June 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 June 30, 2020.

### **24. Relevant facts**

During the first quarter of 2020, Resolution No. 385 of March 12, 2020 was issued by the National Government, which declared the health emergency due to Covid-19, which initially runs until May 30, 2020. 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 regarding meetings with capacities of less than 500 people, for which again the National Government and the Capital District ordered that no meetings or events of more than 50 people would be held and they decreed mandatory preventive quarantine, all of these aspects began to limit the parent company and subordinate 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:

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

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

A. Initially, until May 30, 2020 and extended until August 30, the parent company 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 the Ágora Convention Center for said period by public and private third parties. In the same way, in the subordinate for the fairs and events that were programmed at the Puerta de Oro fairgrounds in Barranquilla and the Gran Carpa Americas.

B. Regarding the income of the parent company and subordinate, which comes mainly from the development of the holding of fairs, conventions and events of various kinds and the leasing of their spaces, and not being able to develop these activities during several months of the first semester of the year, income will be reduced and therefore there will be a decrease in the cash flow required to meet their recurring expenses and the indebtedness that has been acquired by the two entities to carry out large-scale projects, such as adjustments and improvements to the infrastructure of the fairgrounds and its perimeter malls, investment in the Hotel Hilton Corferias project and in Ágora Bogotá; Therefore, the parent company established the following action plans:

Having identified this risk and its possible consequences, the parent company company, as well as its subordinate, have taken the following actions aimed at mitigating them:

1. Refraining from carrying out massive events of more than 50 people in the months in which the health emergency is declared, in attention to the issuance of legal provisions by the National Government, beginning with the reprogramming of both the parent company and the subordinate 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 authorized Free Zones, by order of the Ministry of Commerce, Industry and Tourism, so that their employees provide their services outside this area, the parent company and its subordinate, aware of what this situation represents for the health of the entire Colombian population, decided that its employees will carry out their activities through work at home, and it had the electronic means and tools to maintain the continuity of services and the access of its personnel to carry out its work.
3. The parent company and its subordinate were authorized by their control bodies to allocate both the Bogotá fairgrounds and the Puerta de Oro fairgrounds so that the country's hospital capacity could be expanded under the leadership of the national government and in coordination with territorial entities for the duration of the suspension by the Government with respect to massive events, which is why 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 of the parent company 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 are required to be sorted out and assume for its effective fulfillment.
4. The General Assembly of Shareholders decided not to distribute profits for the 2019 financial year, in order to support the parent company in the challenges and situations that lie ahead due to the declaration of the social, economic and health emergency, and that while the Large format event ban limits revenue generation.
5. Faced with the study and analysis of the situation, a Shock Plan is being adopted to reduce expenses, given the measures adopted by the National Government in the month of March and so far in April and based on the conditions presented. Due to the impact of COVID-19 in the

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

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

country and especially, due to the measures taken by the National Government regarding the cancellation of all types of events, the following activities will be 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.
6. The parent company and its subordinate have 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 the conditions of public health and the dispositions of the National and District Government, thus allow it. 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.
7. 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 second half 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.

**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 June 30, 2020 were approved by the Legal Representative and the Chief Accountant on July 22, 2020.