

CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA BENEFICIO E INTERÉS COLECTIVO Y SUBORDINADA
Consolidated Statement of Changes in Equity
(Figures expressed in thousands of colombian pesos)

ASSETS	<u>Notes</u>	<u>december 31st, 2021</u>	<u>december 31st, 2020</u>
Current Asset			
Cash and cash equivalent	8	\$ 36.592.626	17.490.960
Investments in joint ventures	9	-	-
Accounts receivable	10 y 38	22.340.582	6.914.513
Current tax assets, net	11	3.248.606	334.526
Inventories	12	616.024	998.143
Other non-financial assets	13	310.070	1.152.982
Total current assets		<u>63.107.908</u>	<u>26.891.124</u>
Activo no corriente			
Investments in other financial assets	14	6.109.829	9.264.723
Investments in associates	15	76.208.895	75.440.966
Intangibles	16	11.657.079	12.789.012
Properties and equipment	17	482.290.455	489.732.163
Investment properties	18	79.676.854	78.666.868
Deferred tax assets	37	235.496	324.669
Total non-current assets		<u>656.178.608</u>	<u>666.218.401</u>
Total assets		<u>\$ 719.286.516</u>	<u>693.109.525</u>
LIABILITY			
Current liability			
Financial obligations	19	11.783.461	7.700.347
Accounts payable	20 y 38	37.028.460	12.181.480
Current tax liability	21	-	227.212
Anticipated incomes	22	17.259.899	15.949.669
Contractual liability	23	354.686	-
Total current liabilities		<u>66.426.506</u>	<u>36.058.708</u>
Non-current liability			
Financial obligations	19	146.750.890	142.979.973
Employee benefits	24	1.611.330	1.872.848
Provisions	25	5.109.793	5.735.850
Contractual liability	23	-	184.832
Deferred tax liabilities, net	37	40.204.754	38.579.896
Total non-current liabilities		<u>193.676.767</u>	<u>189.353.399</u>
Total liabilities		<u>\$ 260.103.273</u>	<u>225.412.107</u>
WEALTH			
Subscribed and paid capital	26	1.673.920	1.673.920
Paid-in shares		43.451.721	43.451.721
Reserves	27	142.210.054	142.210.054
Retained earnings		283.088.341	328.909.463
Other equity interests - ORI	28	(7.919.607)	(4.807.429)
Annual Balance		(3.321.186)	(43.740.311)
Total wealth		<u>\$ 459.183.243</u>	<u>467.697.418</u>
Total liabilities and wealth		<u>\$ 719.286.516</u>	<u>693.109.525</u>

See the notes that are an integral part of the consolidated financial statements.

Andrés López Valderrama
CEO

Juan Carlos Sánchez
Public Accountant
T.P. 102419 - T

Diego Alejandro Corredor Ortiz
Fiscal Auditor
Corporación de Ferias y Exposiciones S.A.
Usuario Operador de Zona Franca
Beneficio e Interés Colectivo
T.P. 199078 - T
Member of KPMG S.A.S.
(See my report of March 10th, 2022)

CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA BENEFICIO E INTERÉS COLECTIVO Y SUBORDINADA
Consolidated Statements of Income and Other Comprehensive Income
(Figures expressed in thousands of colombian pesos)

	<u>Note</u>	<u>december 31st, 2021</u>	<u>december 31st, 2020</u>
Income from ordinary activities	29	\$ 90.838.396	18.982.919
Administrative expenses	31 y 38	44.288.106	43.792.003
Selling expenses	30 y 38	48.247.634	17.263.867
Impairment of accounts receivable	10	598.178	2.089.652
Accounts receivable impairment recovery	10	1.476.454	663.810
Other income	32	6.670.168	23.260.808
Selling costs		1.085.218	445.211
Other expenses	33	946.728	1.297.932
Profit from operational activities		3.819.154	(21.981.128)
Financial income	34	1.156.033	2.286.616
Financial expenses	35	9.066.182	16.039.914
Financial cost, net		(7.910.149)	(13.753.298)
Income (loss) under the equity method,net	36	767.928	(2.640.736)
Income before taxes		(3.323.067)	(38.375.162)
Income tax recovery (expense)	37	1.881	(5.365.149)
Annual Balance		(3.321.186)	(43.740.311)
Other Comprehensive Income	28	(3.112.178)	(5.794.346)
Profit for the period and other total comprehensive income		\$ (6.433.364)	(49.534.657)

See the notes that are an integral part of the consolidated financial statements.

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CORPORACIÓN DE FERIAS Y EXPOSICIONES S. A. USUARIO OPERADOR DE ZONA FRANCA BENEFICIO E INTERÉS COLECTIVO Y SUBORDINADA
Consolidated Statement of Changes in Stockholders' Equity
(Figures expressed in thousands of colombian pesos)

	<u>Note</u>	<u>Subscribed and paid capital</u>	<u>Additional paid-in capital</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Other equity interests</u>	<u>Annual balance</u>	<u>Total wealth</u>
Years ended December 31st, 2021 and 2020:								
Initial as of January 1st, 2020		\$ 1.673.920	43.451.721	111.915.850	328.909.463	986.917	30.294.204	517.232.075
Appropriation of legal and occasional reserve	27	-	-	30.294.204	-	-	(30.294.204)	-
Equity instruments at fair value	28	-	-	-	-	(5.794.346)	-	(5.794.346)
Profit for the year		-	-	-	-	-	(43.740.311)	(43.740.311)
Balance as of December 31st, 2020		\$ 1.673.920	43.451.721	142.210.054	328.909.463	(4.807.429)	(43.740.311)	467.697.418
Initial as of January 1st, 2021		\$ 1.673.920	43.451.721	142.210.054	328.909.463	(4.807.429)	(43.740.311)	467.697.418
Loss carryforward to accumulated losses		-	-	-	(43.740.311)	-	43.740.311	-
Withholding taxes applicable to shareholders		-	-	-	(136.557)	-	-	(136.557)
Deferred tax Law 2155/Decree 1311 of 2021	37	-	-	-	(1.944.254)	-	-	(1.944.254)
Equity instruments at fair value	28	-	-	-	-	(3.112.178)	-	(3.112.178)
Income for the year		-	-	-	-	-	(3.321.186)	(3.321.186)
Balance as of December 31st, 2021		\$ 1.673.920	43.451.721	142.210.054	283.088.341	(7.919.607)	(3.321.186)	459.183.243

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CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA BENEFICIO E INTERÉS COLECTIVO Y SUBORDINADA
Consolidated Statement of Cash Flow
(Cifras expresadas en miles de pesos colombianos)

Years ended December 31st,	<u>Note</u>	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Annual Balance		\$ (3.321.186)	(43.740.311)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation	17 y 31	8.196.877	7.385.331
Amortization of intangible assets	16 y 31	3.781.775	3.098.512
Impairment accounts receivable	10	598.178	2.089.652
Recovery of impairment accounts receivable	10	(1.476.454)	(663.810)
Impairment of investments in other financial assets	14	69.779	-
Loss on retirement of property and equipment, net	17 y 33	5.500	-
Recovery of provisions	32	(677.712)	(1.485.846)
Provisions for contingencies	33	-	153.415
(Income) loss equity method loss, net	36	(767.928)	2.640.736
Non-cash interest contractual liability	35	8.751	-
Valuation of investment property	18 y 32	(908.976)	(2.271.545)
Valuation gain on investments in other financial assets	14	(60.101)	(45.585)
(Recoverable) Income tax expense, net	37	(1.881)	5.365.149
Effect of changes in foreign exchange difference on cash held		(125.998)	(125.467)
		<u>5.320.624</u>	<u>(27.599.769)</u>
Changes in assets and liabilities:			
Accounts receivable		(18.196.661)	19.044.190
Inventories		382.119	187.457
Other non-financial assets		842.912	(881.494)
Taxes, net		(3.155.101)	(170.508)
Accounts payable		25.005.630	(36.018.222)
Employee benefits		(261.518)	(326.083)
Provisions		(106.995)	-
Prepaid income		1.310.230	5.720.503
Interest paid on financial obligations	19	(9.275.151)	(3.897.875)
Payment of income tax		(214.533)	-
		<u>1.651.556</u>	<u>(43.941.801)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
CASH FLOWS FROM INVESTING ACTIVITIES			
Redemptions of investments in other financial assets	14	33.037	34.508
Dividends received in cash from investments in other financial assets	32	3.512.311	1.208.003
Purchase of intangible assets	16	(2.649.842)	(1.069.155)
Additions to investment property	18	(101.010)	(12.440)
Purchase of property and equipment	17	(760.669)	(8.624.252)
Property and equipment derecognized through sale	17	-	3.731.030
		<u>33.827</u>	<u>(4.732.306)</u>
NET CASH (USED IN) INVESTMENT ACTIVITIES			
CASH FLOWS FROM FINANCING ACTIVITIES			
Contractual liabilities	23	161.103	2.579.214
Financial obligations	19	8.368.292	7.890.511
Disbursement of financial obligations	19	11.500.000	35.594.102
Capital payments of financial obligations	19	(2.739.110)	(6.549.975)
Dividends paid in cash		-	(2.703)
		<u>17.290.285</u>	<u>39.511.149</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES			
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
		18.975.668	(9.162.958)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD			
Effect of changes in the exchange difference on cash held for cash equivalents		17.490.960	26.528.451
		<u>125.998</u>	<u>125.467</u>
		<u>17.616.958</u>	<u>26.653.918</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD			
	8	\$ 36.592.626	17.490.960

See the notes that are an integral part of the consolidated financial statements.

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BENEFICIO E INTERÉS COLECTIVO Y SUBORDINADA
Notes to the Consolidated Financial Statements
as December 31, 2021
(Figures expressed in thousands of Colombian pesos)

1. Reporting entity

The Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca (now the parent Company) is a public limited company incorporated by Public Deed No. 3640 of July 18, 1955, of the Second Notary (2nd) of Bogotá DC, with a duration until July 2099. The consolidated financial statements as December 31, 2021 includes the parent company and its subordinate. The corporate purpose of the Parent Company is to promote industrial and commercial development in the region, national and international level and to strengthen Colombia's ties of friendship and cooperation with friendly nations, to organize trade shows, national and international exhibitions of an industrial, commercial, agricultural or scientist inside or outside their facilities, at home or abroad; as well as promoting and organizing the participation of Colombia in trade shows and exhibitions held abroad, directly or through its subordinate.

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

The consolidated financial statements include the Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca Beneficio e Interés Colectivo and its subordinate Corferias Inversiones S.A.S.

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

For 2021, the Parent Company adopted the worldwide practices of benefit and collective interest companies, changing its corporate name from Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca to Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca Beneficio e Interés Colectivo, through Public Deed No. 604 of May 6, 2021 of the 23rd Notary Office of Bogotá D.C., registration made under number 02704569 of Book IX on May 12, 2021.

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

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

As of December 31, 2021, the Subordinate Corferias Inversiones S.A.S. presented a positive result and reduced the gap of the loss generated in the year 2020 by 48%, in addition to this recovery, the National Government issued Law 2069 of 2020, which in its article 4° repealed numeral 7 of article

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34 of Law 1258 that established as a cause for dissolution the fact that a company presented losses of the fiscal year that reduced the net equity to less than 50% of the subscribed capital; and in exchange it subjected the cause for dissolution to the non-compliance of the going concern hypothesis.

The financial information of the subordinated company for the years 2021 and 2020 is presented below:

2021

Company	% Holding	Assets	Liabilities	Wealth	Utility
Corferias Inversiones S.A.S.	100%	\$ 18.867.012	19.408.278	(541.266)	2.778.435

2020

Company	% Holding	Assets	Liabilities	Wealth	Utility
Corferias Inversiones S.A.S.	100%	\$ 9.205.700	12.525.401	(3.319.701)	(5.802.694)

2. Basis of preparation

(a) Regulatory Technical Framework

The consolidated financial statements have been prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia (NCIF), established in Law 1314 of 2009, regulated by the Sole Regulatory Decree 2420 of 2015 as amended by Decrees 2496 of 2015, 2131 of 2016, 2170 of 2017, 2483 of 2018, 2270 of 2019, 1432 of 2020 and 938 of 2021. The NCIF applicable in 2021 are based on the International Financial Reporting Standards (IFRS), together with their interpretations, issued by the International Accounting Standards Board (IASB); the base standards correspond to those officially translated into Spanish and issued by the IASB as of the second half of 2020.

The Parent Company applies the following guidelines in accordance with laws and other regulations in force in Colombia:

- Book 2 of Decree 2420 of 2015, according to amendments included in Article 3 of Decree 2131 of 2016, applicable to Group 1 entities:

Interests in subsidiaries held by controlling entities must be recognized in the separate financial statements in accordance with the equity method (Article 35 of Law 222), as described in IAS 28. of Law 222), as described in IAS 28.

Likewise, the Parent Company adopted the alternative that allowed Decree 1311 of October 20, 2021 to recognize for accounting purposes, charged to the accumulated results in Equity and only for the year 2021, the variation in the deferred income tax derived from the increase in the income tax rate, as established in the Social Investment Law 2155.

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

(a.1) Going concern basis of accounting

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Management has a reasonable expectation that the Parent Company and its Subordinate has sufficient resources to continue as a going concern within our turnaround plan over the next 12 months and recovery as planned over the next five (5) years and that the going concern basis of accounting remains appropriate. The outbreak of the COVID-19 pandemic and the measures taken by the Government in Colombia to mitigate its spread have impacted the Parent Company and its Subordinate. These measures required the Parent Company and its Subordinate to reschedule some of its fairs during the period 2020 and the first half of 2021; however, since the third quarter of 2021 the scheduled trade shows were carried out without any novelty and in accordance with the annual fair calendar. The economic reopening and the realization of the different fairs and events during the second half of 2021, has positively impacted the financial performance of the Parent Company and its Subordinate, which has allowed it to maintain sufficient liquidity to meet its commitments to its employees, suppliers and financial obligations.

The suitability of the accounting basis of going concern depends on the continuity in the reactivation of the market, with the "opening" and return to normal activities, the demand for services by customers based on the offer of the Parent Company and its Subsidiary and that the business that the Parent Company and its Subsidiary are carrying out in general can be completed. As of the date of authorization of the financial statements, the Parent Company and its Subordinate had an adequate margin of maneuver in its facilities.

For the period ended December 31, 2021, the Parent Company recognized a net loss of \$3,321,186 and positive net operating cash flow of \$1,651,556. The net current assets of the Parent Company as of December 31, 2021 were \$63,107,908 and net current liabilities were \$66,426,506; working capital excluding current liabilities for income received in advance presents a positive indicator of \$13,941,301. The Parent Company and Subsidiaries have \$59,549,232 of resources comprising cash and cash equivalents, other highly liquid assets and unused lines of credit available at the date of authorization of these financial statements.

As an internal measure, the Parent Company and its subordinate company carried out an expense control process, for which they established a Shock Plan, with the purpose of generating the greatest possible savings in all areas of the company, in the adjustments of security and cleaning services when applicable, the renegotiation of suppliers and contractors considering stages of temporary suspension or reactivation of their contracts, if applicable, and the suspension and/or rescheduling of activities of the investment plan projected to be carried out, except for those investments that are absolutely necessary and indispensable for the continuity of the business.

In December 2021, the Ministry of Health has announced that 70,001,766 doses of biologicals have been applied and 28,323,837 people have completed the vaccination scheme against Covid-19; additionally, the arrival of new batches of vaccines to the country was confirmed, which will be destined for first, second and booster doses. Currently, the Government is in stage 5 of vaccination for ages between 3 and 11 years; on the other hand, through Decree 1408 of November 3, 2021, the National Government issued instructions on the presentation of the vaccination certificate as a requirement for activities and face-to-face events, which came into force on November 16, 2021; thus allowing the removal of the capacity restriction, a situation that favors the Parent Company and its Subordinate to carry out the scheduled fairs with a greater influx of visitors.

Based on these factors, management has a reasonable expectation that the Parent Company and its Subsidiary has adequate financial capacity to service the operation in the current situation.

(b) Basis of measurement

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

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

(c) Functional currency and presentation currency

The items included in the consolidated financial statements of the Parent Company and its Subsidiaries are expressed in the currency of the primary economic environment where the Parent Company and its Subsidiaries operate (Colombian pesos).

The performance of the Parent and the subordinate is measured and reported to the public in Colombian pesos. Due to the foregoing, the administration 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 consolidated financial statements are presented in Colombian pesos as its functional currency.

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

(d) Use of estimates and judgments

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

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

Reason

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

- Notes 3 (e) (i) and 10 - Allowance for impairment of accounts receivable.
- Notes 3, literal e, numeral (iv) and 25 - The estimate of allowances.
- Note 2a.1- Going concern: The entity has applied judgment to evaluate the existence of material uncertainties that may cast significant doubt on the ability of the Parent Company and Subsidiaries to continue as a going concern.

3. Significant accounting policies

The accounting policies set forth below have been consistently applied by the Parent Company and its Subsidiary to all periods, except for the increase in the income tax rate as from 2022, which impacts the calculation of the deferred tax for the year 2021 for the Parent Company, such exception was allowed by Decree 1311 of October 2021, therefore, this adjustment was recorded in equity and not in profit or loss. For all other aspects in the preparation of the consolidated financial statements in accordance with the Accounting and Financial Reporting Standards Accepted in Colombia (NCIF), unless otherwise indicated; and are applied on the consideration that it is a going concern.

(a) Basis of consolidation

Subordinate

It is considered subordinate that over which the Parent directly or indirectly, through subsidiaries, exercises control. The Parent controls a subordinate when, due to its involvement in it, it is exposed, or has the right, to variable returns from its involvement in the participation and can influence such returns through the power it exercises over it. The Parent has the power when it has substantive rights in force that provide it with the ability to direct the relevant activities.

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

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

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

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

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

Loss of control

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

(b) Transactions eliminated on consolidation.

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

(c) Investments in associates

Associated entities are those entities in which the Parent has significant influence, but not control or joint control, over financial and operating policies. One of the presumptions established by the

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standard indicates that there is significant influence when the Parent owns between 20% and 50% of the voting rights of another entity, however, significant influence should be reviewed.

The existence of significant influence by the Parent is usually evidenced through one or more of the following ways:

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

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

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

The share of the associate in the results of the period subsequent to its acquisition is recognized in profit or loss or directly in equity, depending on the origin of the transaction. When necessary to ensure uniformity with the policies adopted by the Parent Company, the accounting policies of the associates are reviewed, validated and aligned, since they comply with the policies of the Parent Company and in turn with those of the Bogotá Chamber of Commerce, as Parent Company of Corferias.

(d) Foreign currency

Transactions in foreign currency

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

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

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items that are measured at historical cost will be translated using the exchange rate at the date of the transaction. Foreign currency translation differences are generally recognized in income and presented in the financial statements.

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

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

Closing rates used expressed in pesos against the U.S. dollar:

Country	31-dec-21	31-dec-20
Colombia	3.981,16	3.432,50

(e) Financial Instruments

i. Financial assets

Recognition, initial measurement, subsequent measurement, and classification

Financial assets are classified at amortized cost or at fair value based on:

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

Financial assets at fair value

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

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

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

Cash and cash equivalents

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

Cash and cash equivalents can include:

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

Investments in joint ventures:

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

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

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

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

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

Investments in other financial assets

- **At fair value with effect on other comprehensive income:** The Parent Company records investments measured at fair value through other comprehensive income based on the discounted dividend flow methodology (Gordon Shapiro), in the following entities: Alpopular Almacén General de Deposito S.A. and La Previsora S.A. Compañía de Seguros, respectively.
- **At cost less impairment:** The recognition of impairment and its reversal are recorded and reversed in the income statement. The Parent Company has investments measured at cost less impairment.

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

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

Accounts receivable

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

Impairment of accounts receivable from customers

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

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

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

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

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

Financial Assets at amortized cost

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

Write-off of a financial asset

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

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

ii. Financial Liabilities

Initial and Subsequent Measurement

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

Financial obligations

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

Accounts Payable

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

Anticipated Incomes

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

Settlement of Liabilities

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

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

iii. Non-financial Assets

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

Properties and Equipment

Recognition, initial measurement, and classification

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

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

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

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

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

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

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

Subsequent Measurement

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

The cost model requires that, after initial recognition, property and equipment should be valued at cost less depreciation and accumulated impairment losses.

Subsequent Costs

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

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

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

Depreciation

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

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

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

- **Immovable Goods:**

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

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

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

- **Movable assets:**

- ✓ Office Equipment: 10 years
- ✓ Computer and communication equipment: 5 years
- ✓ Fleet and Transport equipment: 10 years
- ✓ Machinery and equipment: 10 years

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

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

Impairment loss

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

Derecognition of Properties and Equipment

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

Intangible Assets

Recognition, initial measurement, and Classification

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

An intangible asset is subject of recognition when:

- a) It is probable that the future economic benefits attributed flows to the parent and the subordinate.
- b) The cost of the asset can be reliably measured.

In addition, when meets the following features:

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

Acquisition

The cost of a separately acquired intangible asset comprises:

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

Subsequent measurement of Intangible Assets

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

Amortization

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

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

- Commercial Brands acquired 15-25 years
- Licenses-software 1-5 years

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

Derecognition

An intangible asset will be derecognized:

- a) By its disposition; or
- b) When the future economic benefits are not the expected for their use or disposition.

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

Impairment of value

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

Investment properties

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

For the measurement of investment properties in their initial recognition, it was carried out by the cost model (according to what is allowed in IAS 40.30). Cost includes expenses that are attributable to the acquisition or construction of investment properties.

The subsequent measurement of investment properties is by the fair value method, with changes in results.

Cost includes expenses that are directly attributable to the acquisition or construction of investment properties.

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

Inventories

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

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

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

Joint agreements

A joint arrangement establishes the conditions under which the parties to a contract or agreement must record their assets, liabilities, revenues, costs and expenses, generated through that relationship, on a control basis. The rights and obligations of the parties depend on their accounting records.

Two mechanisms are recognized to determine the type of agreement existing between the parties: operation and joint venture. In the joint operation, the parties generally record their assets, liabilities, revenues, costs and expenses in proportion to their contributions, different from the joint venture, where the participant recognizes its interest as an investment and records it using the equity method defined in IAS 28 Investments in Associates and Joint Ventures.

However, in accordance with the provisions and regulations of IFRS, the parties contained in the agreements may define specific activities regulated and agreed in the agreement, which may modify the general rules.

The Parent Company, under the agreements signed, acted as a joint operator, recording all assets, liabilities, income, costs and expenses generated on the occasion of the realization of fairs and events under this modality. Therefore, it does not generate modifications to the accounting information contained in the closing financial statements.

iv. Non-financial liabilities

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

Employee Benefits

Defined benefit plans

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

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

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

Termination benefits

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

Short-term employee benefits

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

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

Provisions

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

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

The accounting treatment of provisions is illustrated below:

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

Contractual liabilities

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

v. Share capital

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

Capital management

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

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

There are no externally imposed capital requirements.

vi. Revenue recognition

The measurement of income from ordinary activities must be made at the fair value of the counterpart, received or to be received, derived from these. The amount of income from ordinary activities derived from a transaction is normally determined by agreement between the Corporation and the user of the service. The income measurement will be made taking into account the amount of any discount, bonus or commercial rebate that the Corporation may grant.

Recognition: They are recognized when all the following conditions are satisfied:

- a) The value of income can be reliably measured.
- b) It is probable that the future economic benefits associated with the transaction will be received by the Corporation; and
- c) The costs incurred or to be incurred with respect to the transaction can be measured reliably.

The Corporation recognizes income from contracts with clients based on a five-step model established in IFRS 15:

Step 1. Identification of contracts with customers: A contract is defined as an agreement between two or more parties, which creates enforceable rights and obligations and establishes criteria that must be met for each contract. Contracts can be written, verbal, or implied through a company's customary business practices.

Step 2. Identification of performance obligations in the contract: A performance obligation is a promise to a customer for the transfer of a good or service to the latter.

Step 3. Determination of the transaction price: The transaction price is the amount of the payment to which the Entity expects to be entitled in exchange for the transfer of the goods or services promised to a client.

Step 4. Distribute the transaction price among the performance obligations; In a contract that has more than one performance obligation, the Entity distributes the transaction price among the performance obligations in amounts that represent the amount of consideration to which the Entity expects to be entitled in exchange for meeting each performance obligation.

Step 5. Revenue recognition when (or as) the Entity meets a performance obligation.

Provision of services

The Parent and its subordinate recognize their income when they transfer control over the goods or services to the client, based on the considerations established in the contracts with clients and carry out the following operations to develop their main activity:

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Type of service	Nature and opportunity of performance obligations, including significant payment terms	Rates
Trade Show Events	<p>The Corporation establishes an annual trade fair calendar that includes annual and biannual fairs, which are marketed through the sale of stands and related services through space lease agreements that are reserved, contracted, invoiced, and paid for in advance. The marketing stages begin one year prior to the fair. The performance obligation is fulfilled with the rendering of the service, which is the celebration of the fair and the delivery of the stand to the client's satisfaction. Revenue from ordinary activities is recognized with the commencement of the fair. There is no significant financing component, since the conditions of participation provide for payment of the contract in full prior to the beginning of the fair; in some particular cases, financing is granted in installments of a maximum of 90 days.</p>	<p>They are established by the Commercial Management of the Parent, according to the version of the trade show, based on the marketing analyzes, in conjunction with the Revenue area analyzing the trade shows with similar characteristics.</p>
Non-trade show events and corporate activities	<p>The Corporation meets its performance obligations when it renders the services agreed upon with the client. Payment is in advance in most cases, except with government entities. Invoicing for services is performed in accordance with the terms of the contract; generally an invoice is issued upon signing the contract. In the month in which the service is rendered (performance of the contracted event), the income is recognized in profit or loss. There is no significant financing component, since the conditions of participation provide for payment of the contract in full before the start of the event; in some particular cases, financing is granted in installments of a maximum of 90 days.</p>	<p>They are established by the Corporation's Events Department, evaluating variables such as: type of event, schedule and capacity; also taking into account market criteria.</p>
Food and beverage service	<p>Food and beverage services are provided in the form of table service, such as restaurant and bar services, and fast food and cafeteria services during trade shows and events.</p> <p>Invoicing and revenue recognition is performed at the time of sale of the product, through the delivery of the food or beverage, since it constitutes a definitive exchange operation with the buyer.</p> <p>The contracts with customers do not have a significant financing component since payment for the sale is received in cash.</p>	<p>Product prices are set according to the market. In the case of events as contracted with the client based on the required menu.</p>

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Parking administration	<p>Service provided by the Subordinate.</p> <p>The income for parking service is recognized at the time the service is rendered since it constitutes a definitive exchange operation with the client.</p> <p>This service does not have a significant financing component since the transaction payment is received in cash.</p>	<p>According to prices depending on the market and the sector.</p>
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vii. Expense Recognition

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

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

viii. Financial income and financial expenses

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

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

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

ix. Gain taxes

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

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

Current taxes

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

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

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

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

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

The Matrix Corporación de Ferias y Exposiciones was authorized as Special Permanent Free Trade Zone User Operator by resolution N° 5425 of June 20, 2008; therefore, Income Tax is calculated at the 20% rate, as of 2016, according to the provisions of Law 1819 of 2016, which remains in force after the issuance of Law 2010 of 2019.

With the start-up of the food and beverage business, the Matrix and the subordinate company started with the responsibility of the consumption tax, which is levied on the sale of food to the table provided by restaurants and bars. This tax is maintained after the issuance of Law 2010 of 2019.

Deferred tax

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

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

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

Taxable temporary differences acknowledgment

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

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

Deductible temporary differences acknowledgment

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

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

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

Measurement

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

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

Compensation and classification

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

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

During the year 2021 Law 2155 was issued, which increased the income tax rate expected for 2022 from 30% to 35%, such increase affects the calculation of the deferred tax of the Parent Company for the elements of property and equipment that have a useful life after the year 2053, the year in which the extension of the free trade zone ends, for such reason the temporary differences existing at that date must be adjusted to the existing general income tax rate, that is, 35%. However, the national government issued Decree 1311 of 2021, by means of which the possibility was given to record the increase in the income tax rate against the equity account result of previous years.

Tax of industry and commerce

In application of article 86 of Law 2010 of 2019, the Parent and its subordinate recognized the expense for the year for the entire tax and industry and commerce paid in the year.

Earnings per-share

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

x. Operating Segments

An operating segment is a component of the Parent Company and its subsidiary that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the chief operating decision maker of the Parent Company and the subsidiary to decide on the resources to be allocated to the segment, evaluate its performance and for which discrete financial information is available.

The factors used to identify the operating segment in the Parent Company took into account the infrastructure and the single command direction for the rendering of services that determine the generation of revenues from ordinary activities. Considering the above and that the lines of business that generate revenues have similar economic characteristics, the Group applied the aggregation criterion, after analyzing the following:

- a. The products and services nature.
- b. Services processes nature.
- c. The customers type or category of whom your products and services are intended.
- d. Methods used in the Services processes.

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

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

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

4. Non-effective issued norms

Below is a list of the amendments issued by the IASB during 2019 and 2020 that were adopted by Decree 938 of 2021 and will become effective as from January 1, 2023, with early application being voluntary as long as the standard allows it. These standards have not yet been adopted in Colombia and no significant impacts are expected for the Parent Company and its subsidiary.

Financial Information Norm	Norm or amendment Subject	Details
IAS 16 - Property, plant, and equipment.	It is modified in relation to products obtained before the intended use.	The modification deals with the costs directly attributable to the acquisition of the asset (which are part of the PPYE element) and refers to "the costs of

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Financial Information Norm	Norm or amendment Subject	Details
		<p>checking that the asset works properly (that is, if the technical and physical performance of the asset is such that it can be used in the production or supply of goods or services, to lease to third parties or for administrative purposes)”.</p> <p>Paragraph 20A states that the production of inventories, while the PPYE element is in the conditions foreseen by management, at the time of sale, will affect the profit or loss for the period, together with its corresponding cost.</p> <p>The amendment applies as of January 1, 2022 and its early application is allowed.</p> <p>Any effect on its application will be made retroactively, but only to the elements of PPYE that are brought to the place and conditions necessary for them to operate in the manner foreseen by management from the beginning of the first period presented in the financial statements in those that the entity applies the modifications for the first time. The accumulated effect of the initial application of the amendments will be recognized as an adjustment to the opening balance of retained earnings (or other component of equity as applicable) at the beginning of the first period presented.</p>
IAS 37 - Provisions, contingent liabilities, and contingent assets.	Onerous Contracts - Cost of Fulfillment of a Contract.	<p>It is clarified that the cost of fulfilling a contract includes the costs related to the contract (the costs of direct labor and materials, and the cost allocation related to the contract).</p> <p>The amendment applies as of January 1, 2022 and its early application is allowed.</p> <p>The effect of applying the amendment will not restate the comparative information. Instead, the cumulative</p>

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Financial Information Norm	Norm or amendment Subject	Details
		effect of the initial application of the amendments will be recognized as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, on the date of initial application.
Annual Improvements to IFRS Standards 2018-2020	Amendments to IFRS 1 - First-time Adoption of International Financial Reporting Standards, IFRS 9 - Financial Instruments and IAS 41 - Agriculture.	<p>Amendment to IFRS 1. Subsidiary that adopts IFRS for the first time. Paragraph D13A of IFRS 1 is added, incorporating an exemption for subsidiaries that adopt IFRS for the first time and take as balances in the opening statement of financial position the carrying amounts included in the financial statements of the parent company (paragraph D16(a) of IFRS 1) so that the cumulative translation differences can be measured at the carrying amount of such item in the consolidated financial statements of the parent company (also applies to associates and joint ventures).</p> <p>Amendment to IFRS 9. Commissions in the "10% test" with respect to the derecognition of financial liabilities. A text is added to paragraph B3.3.6 and B3.3.6A is added, especially to clarify the recognition of the commissions paid (to the result if it is a cancellation of the liability, or as a lower value of the liability if it is not a cancellation).</p> <p>Amendment to IAS 41. Taxes on fair value measurements. The phrase "nor cash flows for tax" is removed from paragraph 22 of IAS 41, the reason for the above is because "prior to Annual Improvements to IFRS Standards 2018-2020, IAS 41 had required an entity to use pre-tax cash flows when measuring fair value, but did not require the use of a pre-tax discount rate to discount those cash flows". This aligns the requirements of IAS 41 with those of IFRS 13.</p> <p>The amendment applies from January</p>

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Financial Information Norm	Norm or amendment Subject	Details
		1, 2022 and early application is permitted.
IAS 1 - Presentation of financial statements.	Modifications are made related to the classifications of liabilities as current or non-current.	<p>This amendment was issued in January 2020 and subsequently modified in July 2020.</p> <p>It modifies the requirement to classify a liability as current, by establishing that a liability is classified as current when “it does not have the right at the end of the reporting period to postpone the settlement of the liability for at least the twelve months following the date of the reporting period”.</p> <p>It clarifies in the added paragraph 72A that “an entity's right to defer the settlement of a liability for at least twelve months after the reporting period must be substantial and, as paragraphs 73 to 75 illustrate, must exist at the end of the reporting period”.</p> <p>The amendment applies as of January 1, 2023 and its early application is allowed. The effect of the application on the comparative information will be made retroactively.</p>

5. Determination of Fair Values

The fair value of financial assets and liabilities that are traded in active markets are based on quoted market prices at the close of trading on the closing date of the year. 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 and assumptions that are based on market conditions existing at the closing date of each year. The valuation techniques used for non-standardized financial instruments include the use of similar arm's length transactions, technical/commercial appraisals by reference to other instruments that are substantially the same and discounted dividend flow methodology analysis (Gordon Shapiro).

The fair value of an investment property is the price at which it could be exchanged between knowledgeable, willing parties in an arm's length transaction, and is measured by means of annual technical appraisals.

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Fair value hierarchy

The hierarchy of the fair value has the following levels:

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

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

The following table analyzes, within the fair value hierarchy, assets measured at fair value as of December 31st, 2021 and 2020 on a recurring basis:

December 31st, 2021

Type of asset / liability	Level 1	Level 2	Level 3	Assessment techniques for Level 2 and 3	Main input data
Other financial assets - Acciones Acerías Paz del Río	\$ 26	-	-		Market / share price.
Other financial assets (Alpopular y La Previsora)	-	\$ 5.495.069	-	Discounted dividend flow model (Alpopular) and Gordon Shapiro model (La Previsora).	Dividends paid, EMBI Colombia, Beta and Devaluation, projected dividend growth rates and required rates of return.
Real Estate Private Capital Fund	-	510.065	-	Valuation of the underlying of the Fund	Unit value of the Fund supplied by the Administrator Company
Investment Property	-	79.676.854	-	Technical appraisal	Current market prices of construction materials and labor.

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December 31st, 2020

Type of asset / liability	Level 1	Level 2	Level 3	Assessment techniques for Level 2 and 3	Main input data
Other financial assets - Acciones Acerías Paz del Rio	\$ 15	-	-		Market / share price.
Other financial assets (Alpopular y La Previsora)	-	\$ 8.607.247	-	Discounted dividend flow model (Alpopular) and Gordon Shapiro model (La Previsora).	Dividends paid, EMBI Colombia, Beta and Devaluation, projected dividend growth rates and required rates of return.
Real Estate Private Capital Fund	-	483.013	-	Valuation of the underlying of the Fund	Unit value of the Fund supplied by the Administrator Company
Investment Property	-	78.666.868	-	Technical appraisal	Current market prices of construction materials and labor.

The Parent Company does not present any reclassifications or transfers in the hierarchy levels between December 2021 and 2020.

Fair value of assets and liabilities not measured at fair value

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

	<u>December 31st, 2021</u>		<u>December 31st, 2020</u>	
	Value in books (*)	Fair value (*)	Value in books (*)	Fair value (*)
Cash and cash equivalents (1)	\$36.592.626	36.592.626	\$17.490.960	17.490.960
Accounts receivable (1)	22.340.582	22.340.582	7.049.533	7.049.533
Other financial assets (1)	104.669	104.669	174.448	174.448
Financial liabilities (2)	202.283.934	202.283.934	170.470.498	170.470.498

(*) The carrying amount is a very close approximation of the fair value as of December 31, 2021 and 2020.

(1) The fair value of financial assets is determined based on the amount at which the instrument could be exchanged in a transaction between interested parties, other than a forced or

liquidation sale. Fair values represent the cost of the transaction and interest, when applicable, is settled using the effective interest method. No impairment losses are evidenced. This other financial asset corresponds to the investment in the Bucaramanga Fair and Exhibition Center, which is measured at cost. As of December 31, 2021, as there was evidence of a relevant impact on the operation of the Center and its projections do not reflect a recovery in the short term, this investment was impaired by 40%; for 2020 there was no evidence of impairment for this investment.

- (2) Financial liabilities record amounts incurred and pending payment generated by the operation, including the following items: financial obligations, accounts payable and other financial liabilities such as employee benefits and provisions.

6. Administration and risk management

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

- Credit risk
- Liquidity risk
- Market risk
- Interest rate

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

(i) Risk management framework

The Parent Company and its subordinate have a Risk Management model in each of the Macro-processes, classifying them within the methodology approved by the Risk Committee, in which the probability of occurrence and the impact they may have on the objectives of the same, of the macro-process and of the product (fairs and events) are evaluated; the existing controls that allow minimizing the impact at the time of the occurrence of a risk are identified and evaluated and its residual risk is determined.

For this purpose, risks are qualified by identifying them as high, medium and low. In the risk assessment, the main information is analyzed and the actions to mitigate them are defined.

For this purpose, risks are prioritized through an assessment exercise identifying them as high, medium and low. With regard to the prioritization of risks, the Risk Committee analyzes the main information and defines the risks that Management must manage with the highest priority.

(ii) Credit risk

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

The following is the greatest exposure to credit risk:

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	Note	2021	2020
Accounts receivable	10	\$ 22.340.582	\$ 6.914.513
Other financial assets	14	6.109.829	9.264.723

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

Accounts receivable

Exposure to credit risk is mainly affected by the general characteristics of each customer. The Parent Company and the subordinated company have established an impairment policy based on the trade fair activity, on the type of customer (public entity/private company) and in accordance with the failure to pay on the established date.

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

Other financial assets

The Parent Company and the subsidiary limit their exposure to credit risk by investing only in liquid debt instruments and only with counterparties that have a credit rating of at least AA +. See detail in note 14.

(iii) Liquidity risk

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

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

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

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

Below is an analysis of the maturity profile of financial liabilities as of December 31, 2021 and 2020:

Term	Market value (thousands of pesos) 2021	%Part
Up to one month	\$ 64.180	0,04%
More than one month and not more than three months	674.562	0,43%
More than three months and not more than one year	8.049.412	5,08%
Between one and five years	93.185.649	58,78%
Over five years	56.560.548	35,68%

Term	Market value (thousands of pesos) 2020	%Part
Up to one month	\$ 106.626	0,07%
More than one month and not more than three months	1.191.981	0,78%
More than three months and not more than one year	5.216.310	3,39%
Between one and five years	88.657.611	57,66%
Over five years	55.507.792	38,10%

(iv) Market Risk

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

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

Faced with exchange rate risk, the Parent and the subordinate do not have great exposure, considering that what is agreed in currencies other than the Colombian peso is a minimum proportion of income and expenses; and when these transactions occur, they are collected and / or paid in a period not exceeding 60 days.

The bank loans of the Parent and the subordinate have been taken in the functional currency (Colombian peso COP) with a term of 10 years for the Parent and 5 years for the subordinate and the interests of the same agreed at indexed rates subject to the behavior of the market (DTF, IBR). The detail of the contractual terms of the financial obligations of the Parent and its subordinate are listed in note 19.

(v) Interest rate risk

Profile

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

Variable rate instruments	2021	2020
Financial assets subject to interest rate risk *	\$ 78.438	\$ 88.534
Financial liabilities subject to interest rate risk **	158.534.351	150.680.320

- Financial assets subject to interest rate risk correspond in the Parent Company to Fondo de Inversión Colectiva Interés Participación A, managed by Davivienda Corredores and Fondo de Inversión Colectiva Abierto Fiducuenta. And in the subordinated company to Fondo de Inversión Colectiva Interés Davivienda and Fondo de Inversión Colectiva Abierto Rentar managed by Corredores Davivienda and Fiduciaria Occidente S.A., respectively.
- ** Financial liabilities subject to interest rate risk correspond to financial obligations of the Parent and its subordinate Corferias Inversiones S.A.S., without considering the interest payable.

Sensitivity analysis for fixed rate instruments

At the end of December 2021 and 2020, the Parent and the subordinate do not have financial instruments at a fixed rate, the sensitivity analysis for this type of instruments is not disclosed, since that a variation in the interest rate at the end of the period on the being reported would not affect the result.

Sensitivity analysis for variable rate instruments

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Considering that all obligations with the financial system are indexed to variable rates, the Parent Company and the subordinated company are exposed to the variation of the DTF and IBR rates that correspond to the underlying of the intervention rate of Banco de la República, which as of 2021 were at 3.21% and 3.42%, and by the end of 2020, at 1.89% and 1.69%, respectively.

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

	IBR T.V	IBR T.V E.A.
VARIATION 2020-2021	60,91%	59,91%

The aforementioned variations generate an increase of 3.67% in the calculation of the estimate of interest on total consolidated indebtedness as of December 31, 2021.

7. Operating Segments

The following is the information related to the assets, liabilities and results for the only operating segment identified by the matrix and the subordinate, referring to the trade show operation, for the years ending December 31, 2021 and 2020:

	2021	2020
Asset	719.286.516	693.109.525
Cash and cash equivalents	36.592.626	17.490.960
Accounts Receivable	22.340.582	6.914.513
Assets by taxes	3.248.606	334.526
Inventory	616.024	998.143
Other non-financial assets	310.070	1.152.982
Other financial assets	6.109.829	9.264.723
Investments in associates and joint ventures	76.208.895	75.440.966
Intangibles	11.657.079	12.789.012
Properties and equipment	482.290.455	489.732.163
Investment properties	79.676.854	78.666.868
Deferred tax asset	235.496	324.669
Liabilities	260.103.273	225.412.107
Financial Obligations	158.534.351	150.680.320
Accounts payable	37.028.460	12.181.480
Current tax liability	-	227.212
Anticipated incomes	17.259.899	15.949.669
Employee benefits	1.611.330	1.872.848
Other provisions	5.109.793	5.735.850
Other non-financial liabilities	354.686	184.832

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Deferred tax liability	40.204.754	38.579.896
Equity	459.183.243	467.697.418
Income from ordinary activities	90.838.396	18.982.919
Entertainment and recreation activities	83.314.165	10.308.402
Real estate, business, and rental activities	2.264.311	6.141.374
Food and beverages	4.010.965	2.200.940
Parking Management	1.248.955	332.203
Selling expenses	48.247.634	17.263.867
Administrative expenses	32.309.454	33.308.160
Depreciation	8.196.877	7.385.331
Amortization	3.781.775	3.098.512
Impairment of accounts receivable	598.178	2.089.652
Recovery of impairment accounts receivable	1.476.454	663.810
Other income	6.670.168	23.260.808
Costs of sale	1.085.218	445.211
Other expenses	946.728	1.297.932
(Loss) Profit from operating activities	3.819.154	(21.981.128)
Financial income	1.156.033	2.286.616
Financial expenses	9.066.182	16.039.914
(Loss) by equity method	767.928	(2.640.736)
Loss before taxes	(3.323.067)	(38.375.162)
Expense (recovery) for income tax	(1.881)	5.365.149
Result of the exercise	(3.321.186)	(43.740.311)

8. Cash and cash equivalents

The following is the detail of cash and cash equivalents:

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Cash	\$ 51.481	27.943
Web Funds online payments (1)	196.469	87
Current accounts (1)	1.835.721	1.616.167
Savings Accounts (2)	34.404.963	15.732.651
Mutual funds	103.992	114.112
	<u>\$ 36.592.626</u>	<u>17.490.960</u>

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

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

As of December 31st, 2021, and 2020, the losses of the Hotel Operator 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 Subordinate, therefore, values associated with losses by the equity method are not recognized in the income statement. As mentioned in IAS 28.39, recognition of the profit-sharing method will resume when it equals the unrecognized loss.

The financial information of the Hotel Operator Pactia Corferias S.A.S. is summarized below, where the Subordinate registers the investment:

	Assets	Liabilities	Incomes	Expenses	(Loss)
2021	\$ 9.558.616	16.597.603	16.050.656	13.925.042	(59.664)
2020	9.086.516	16.065.839	8.811.348	13.166.022	(4.453.674)

The Parent does not register investments in joint ventures as of December 31, 2021 and 2020, respectively.

10. Accounts receivable

The following is the detail of accounts receivable:

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Customers (1)	\$ 19.593.564	6.157.066
Accounts receivable from economic related parties	3.777	464
Sundry accounts receivable (2)	2.455.843	1.003.046
Accounts receivable from employees	361.520	445.728
Bad debts (3)	3.759.486	4.020.093
Less Impairment (3)	<u>(3.833.608)</u>	<u>(4.711.884)</u>
	<u>\$ 22.340.582</u>	<u>6.914.513</u>

- (1) The increase corresponds to the reactivation of the fair and events operation in 2021 once the capacity restrictions caused by the pandemic were overcome; the balance corresponds mainly to invoices generated to customers who participated in the fairs Agroexpo \$1,250,179, Expoartesanas \$1,299,665, Expodefensa \$1,076,225 Sabor Barranquilla for \$346.866, World Law Congress 2021 for \$1,051,682 and Expoagrofuturo Medellín for \$981,756, Alianzas y Otros Patrocinios \$2,740,048, Econexia \$416,500, Semana Putumayo \$539,168, among others that took place in 2021 and for fairs to be held in 2022 such as Feria Internacional de Bogotá for \$450,366, Interzum Bogotá for \$1,258,802 and Alimentec for \$507,095.

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- (2) The balance for the year 2021 corresponds mainly to income pending invoicing for fairs and events held at the end of the year for \$1,480,396, participation in the Econexia project of the Governor's Office of Boyacá for \$141,771 and for the determination of the degree of progress in the execution of fairs in 2022 for \$415,010. For the year 2020 to dividends receivable for \$281,301, leases for \$358,577 and income pending invoicing for \$201,858.
- (3) The balance corresponds mainly to the transfer to doubtful accounts receivable, accounts receivable with a term of more than 365 days are 100% impaired.

The aging of impaired accounts receivable at the end of the reporting period is as follows:

	<u>2021</u>	<u>2020</u>
91 to 150 days	\$ 38.884	33.878
151 to 365 days	324.333	852.206
More than 365 days	<u>3.470.391</u>	<u>3.825.801</u>
	<u>\$ 3.833.608</u>	<u>4.711.884</u>

In 2020 an impairment of accounts receivable from employees was generated, which is in the legal process.

The changes in the allowance for impairment of accounts receivable were as follows:

	Impairment
Balance as of December 31, 2019	\$ 3.297.812
Impairment of accounts receivable	2.089.652
Recoveries	63.810)
Employee debt penalty	<u>(11.770)</u>
Balance as of December 31, 2020	<u>4.711.884</u>
Impairment of accounts receivable	598.178
Recoveries	<u>1.476.454)</u>
Balance as of December 31, 2021	\$ <u>3.833.608</u>

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

11. Current Tax Assets, net.

The following is the detail of Tax Assets:

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Surplus in private tax liquidation (1)	\$ <u>3.248.606</u>	<u>334.526</u>

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The increase in net current tax assets in the parent company and in its subsidiary Corferias Inversiones S.A.S. corresponds to:

- (1) In the parent company, the balance corresponds to the higher number of withholdings and self-withholdings made during the year and to the decrease in the taxable base for the calculation of income tax for that year. The balance as of 2021 of the subordinated company is mainly composed of a balance in favor of the Income and Complementary Tax Return for the taxable year 2020 for \$307,186. Additionally, the balance is composed by the self-withholdings practiced during 2021 for \$754,621; finally, \$27,339 corresponding to the tax discount for sales tax on acquisition of assets.

12. Inventories

The following is the inventories detail:

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Raw materials (1)	\$ 15.115	19.788
Merchandise non-manufactured by the company	29.757	25.064
Materials, spares, and accessories (2)	494.299	858.619
Containers and packaging	76.853	94.672
	<u>\$ 616.024</u>	<u>998.143</u>

- (1) Corresponds to food supplies that will be consumed in the development of the food and beverage business line.
- (2) The inventories maintained by the Parent Company and the subordinated company are high rotation elements and are part of the finished product of the points of sale, such as disposables, packaging, materials, spare parts, accessories and supplies. The decrease corresponds mainly in the Parent Company to the use of the carpet for the different pavilions for an amount of \$337,865, which is used in the assembly of the pavilions that are rented for the development of the different Fairs and/or events.

As of December 31, 2021 and 2020, there are no inventory restrictions.

13. Other non-financial assets

The following is the detail of other non-financial assets:

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Prepaid expenses (1)	\$ 279.170	412.760
Industry and Commerce Tax	30.900	53.676
Surplus of VAT tax liquidation (2)	-	686.546
	<u>\$ 310.070</u>	<u>1.152.982</u>

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- (1) This item corresponds to insurance purchased by the Parent Company such as life insurance, compliance insurance, property damage insurance, financial risk insurance and civil liability insurance and the advance payment for the contributions to the cooperation agreement No 140-2021 for \$152,320.
- (2) The balance in 2020 corresponds to the balance in favor of the Sales Tax, due to the decrease in income of the Parent Company and Subordinate during 2020, which was imputed in the returns for the year 2021.

14. Investments in other financial assets

The following is the detail of other financial assets

Investments in: (1)	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Alpopular Almacén General de Depósito S. A.	\$ 4.811.523	8.007.824
La Previsora S.A Compañía Seguros	683.546	599.423
Centro de Exposiciones y Convenciones de Bucaramanga	104.669	174.448
Acerías Paz del Río S. A.	26	15
Fondo de Capital Privado (2)	510.065	483.013
	<u>\$ 6.109.829</u>	<u>9.264.723</u>

- (1) These investments are financial instruments in which the Parent Company has no control or significant influence.
- (2) Corresponds to the investment made by the Parent Company in the Nexus Inmobiliario Private Equity Fund, managed by Fiduciaria Occidente for an original amount of \$468,745, generating daily returns, which at year-end amounted to \$60,101; additionally, during the periods 2021 and 2020, capital redemptions were made for \$33,037 and \$34,508,

As of December 31, 2021 and 2020, there is no evidence of impairment for these investments, except for the investment in Alpopular Almacén General de Depósito S.A., which presented a decrease in the fair value according to the applied methodology of discounted dividends flow, due to a drop in its profits in 2020, generating a lower fair value of the investment and the Centro de Exposiciones y Convenciones de Bucaramanga, which presents a decrease in its activities due to the impact of the Covid-19 pandemic in the trade fair activity.

As of December 31, 2021 and 2020, the Parent Company does not intend to sell these financial assets.

As of December 31, 2021 and 2020, there are no restrictions on these investments.

15. Associated investments

The following is the detail of associated investments

Investments in associated companies (1)	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
	\$ <u>76.208.895</u>	<u>75.440.966</u>

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- 1) Corresponds to the investment in the CICB International Center Autonomous Patrimony, which was created to manage the resources provided by the Bogotá Chamber of Commerce, the National Tourism Fund - FONTUR and Corferias, for the development of the Bogotá International Convention Center - ÁGORA. The increase in the value of the investment corresponds to the economic reactivation of the Convention Center, which in spite of the impacts of the Covid-19 delta and Omicron variants, which implied canceling or postponing important events, presented a profit of \$4,093,435.

The investment in this associate records an underlying investment property for \$397,168,000, which during 2010 recorded a recovery of \$6,690,000 as a result of the adjustment to fair value, also affected by the crisis generated by the pandemic, such adjustment is supported by a study of external experts through the discounted cash flow method.

The following is a summary of the financial information of this investment accounted for by the equity method, as of December 31, 2021 and 2020:

2021

Entity	% Participation	Address	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Income from ordinary activities	Income for the period before taxes	Profit for the period after taxes	Other comprehensive income	Total comprehensive income
Patrimonio Autónomo Centro Internacional CICB	18,76%	Calle 67 7 -37, Bogotá, Colombia	4.510.367	401.767.282	125.402	-	7.685.135	4.093.435	4.093.435	-	4.093.435

2020

Entity	% Participation	Address	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Income from ordinary activities	Income for the period before taxes	Profit for the period after taxes	Other comprehensive income	Total comprehensive income
Patrimonio Autónomo Centro Internacional CICB	18,78%	Calle 67 7 -37, Bogotá, Colombia	5.745.782	396.676.121	363.090	-	182.574	(13.968.857)	(13.968.857)	-	(13.968.857)

During 2021 and 2020, the Autonomous Patrimony of the CICB International Center recorded the following items:

- Cash and cash equivalents at December 31, 2021 and 2020 are \$108,849 and \$17,422, respectively.
- Current financial liabilities at December 31, 2021 and 2020 excluding trade accounts payable, other accounts payable and provisions is zero (0) for both years, respectively.
- Depreciation expense for property and equipment as of December 31, 2021 and 2020 is \$1,598,839 for both years.

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- Interest income and expense as of December 31, 2021 and 2020 is zero (0) for both years, respectively.

16. Intangible assets

The following is a detail of intangible assets:

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Commercial brands acquired (1)	\$ 16.026.428	15.483.592
Software licenses (2)	9.325.553	7.218.547
Accumulated amortization	<u>(13.694.902)</u>	<u>(9.913.127)</u>
	<u>\$ 11.657.079</u>	<u>12.789.012</u>

- (1) During 2021, the parent company acquired 33% of the Colombiaplast Fair from its partner Acoplásticos for \$542,836, within the framework of the contract signed with Acoplásticos and Messe Dusseldorf North America, for the execution of the Colombiaplast Fair, this agreement is framed within IFRS 11 Joint Arrangements - Joint Operations.
- (2) During 2021, the Parent Company and its subordinate made investments to optimize the technological tools for holding trade fairs and virtual events and renew the licensing of physical servers and Cloud Services.

The following is a detail of the movement in intangible assets as of December 31, 2021:

Intangible Assets	Balance to 31/12/2020	Purchases	Impairment	Amortization of the Period	Balance to 31/12/2021
Software licenses	\$ 2.502.211	2.107.006	-	(2.738.244)	1.870.973
Commercial brands acquired	10.286.801	542.836	-	(1.043.531)	9.786.106
Total Intangibles assets	\$ 12.789.012	2.649.842	-	(3.781.775)	11.657.079

The following is the detail of the movement in intangible assets as of December 31, 2020:

Intangible Assets	Balance to 31/12/2019	Purchases	Impairment	Amortization of the Period	Balance to 31/12/2020
Software licenses	\$ 3.510.861	1.069.155	-	(2.077.805)	2.502.211
Commercial brands acquired	11.307.508	-	-	(1.020.707)	10.286.801
Total Intangibles assets	\$ 14.818.369	1.069.155	-	(3.098.512)	12.789.012

The accumulated amortization as of December 31, 2021 and 2020 is \$13,694,902 and \$9,913,127, respectively.

For intangible assets, there is no evidence of impairment in the Parent Company and its subsidiary as of December 31, 2021 and 2020.

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17. Properties and equipment

The following is the detail of properties and net equipment:

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Land	\$ 232.954.789	232.954.789
Third-party betterment	312.866	312.866
Construction in progress (1)	3.880.225	3.577.505
Constructions and buildings (1)	255.658.727	255.658.727
Maquinery and equipment	12.334.894	12.312.696
Office equipment	10.036.204	9.931.072
Computer and communication equipment	11.460.784	11.455.229
Fleet and transportation equipment	265.804	265.804
Accumulated depreciation	(44.603.910)	(36.726.597)
Impairment	(9.928)	(9.928)
	<u>\$ 482.290.455</u>	<u>489.732.163</u>

(1) The increase in construction in progress corresponds mainly to improvements in the offices and basements of the food court for \$107,032.

The following is a detail of the movement in property and equipment in 2021:

Properties and equipment	Balance to 31/12/2020	Purchases	Depreciation for the period	Cancellations	Balance to 31/12/2021
Land	232.954.789	-	-	-	232.954.789
Third-party betterment	280.633	-	(16.455)	-	264.178
Construction in progress	3.577.505	302.720	-	-	3.880.225
Constructions and buildings	235.710.017	-	(4.162.731)	-	231.547.286
Maquinery and equipment	7.053.977	228.505	(1.390.034)	(110)	5.892.338
Office equipment	5.767.709	115.803	(968.393)	(582)	4.914.537
Computer and communication equipment	4.338.359	113.641	(1.642.874)	(4.808)	2.804.318
Fleet and transportation equipment	49.174	-	(16.390)	-	32.784
Total property and equipment	489.732.163	760.669	(8.196.877)	(5.500)	482.290.455

The following is a detail of the movement in property and equipment in 2020:

Properties and equipment	Balance to 31/12/2019	Purchases	Depreciation for the period	Transfers	Balance to 31/12/2020
Land	233.215.356	-	-	(260.567)	232.954.789
Third-party betterment	297.223	-	(16.590)	-	280.633
Construction in progress	37.284.129	5.475.001	-	(39.181.625)	3.577.505
Constructions and buildings	205.706.918	-	(3.570.685)	33.573.784	235.710.017
Maquinery and equipment	5.797.908	151.643	(1.033.203)	2.137.629	7.053.977
Office equipment	5.145.080	1.546.162	(923.282)	(251)	5.767.709
Computer and communication equipment	4.712.094	1.451.446	(1.825.181)	-	4.338.359
Fleet and transportation equipment	65.564	-	(16.390)	-	49.174
Total property and equipment	492.224.272	8.624.252	(7.385.331)	(3.731.030)	489.732.163

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The accumulated depreciation as of December 31, 2021 and 2020 is \$44,603,910 and \$36,726,597, respectively.

For property and equipment, there is no evidence of impairment for each type of asset for the Parent and its subordinate during 2021 and 2020.

Fully depreciated assets in use for the Parent Company and its subsidiary represent for 2021 1.09% and for 2020 0.64% of the total assets with book value.

The following is a detail of the fully depreciated assets in use for the years 2021 and 2020:

2021	Computer and communication equipment	3.230.699
	Office equipment	792.305
	Maquinery and equipment	1.302.071
	Buildings	17.186
	Transport	101.900
2020	Computer and communication equipment	3.253.072
	Office equipment	525.633
	Maquinery and equipment	1.464.554
	Buildings	17.186
	Transport	101.900

There are no items of Property and Equipment that are temporarily out of service (IAS 16.79 a).

There are no items of Property and Equipment retired from active use and not classified as available for sale (IAS 16.79 c).

As of December 31, 2021 and 2020, there are no restrictions on these assets.

18. Investment properties

The following is the detail of the investment property:

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Investment Properties - Land, construction and equipment (1)	\$ 79.676.854	78.666.868
	<u>\$ 79.676.854</u>	<u>78.666.868</u>

(1) The investment property corresponds to the Hotel Hilton Bogotá Corferias, located at Carrera 37 No. 24-29, of which the Parent owns 30% of the property.

The following is a detail of the movement in investment properties in 2021:

Investment property	Balance to 31/12/2020	Additions	Transfer	Capitalization financing component (non-cash item)	Valuation	Balance to 31/12/2021
Investment Properties - Land, construction and equipment	78.666.868	101.010	-	-	908.976	79.676.854

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The following is a detail of the movement in investment properties in 2020:

Investment property	Balance to 31/12/2019	Additions	Transfer	Capitalization financing component (non-cash item)	Valuation	Balance to 31/12/2020
Investment Properties - Land, construction and equipment	270.852.910	12.440	176.962.039	(17.507.988)	2.271.545	78.666.868

During 2021 and 2020 the investment property of the Parent Company presents increases of \$101,010 and \$12,440, respectively, as a result of the final settlement of the work contracts managed by the delegated administrator.

There is a remainder of contractual obligations that originated in the construction stage of the investment property (See note 19 Financial Obligations and note 23 Contractual Liabilities with PA Pactia).

As of December 31, 2021 and 2020, the part of the investment property - lot and real estate, which corresponds to the Parent Company, is as guarantee before the Banks of Bogotá and AV Villas S.A., in order to back up the loans received for the capital needed in the execution stage of the Hotel Project.

For the period 2021 and 2020, for the measurement of the investment property at fair value, the Firm Borrero Ochoa & Asociados was hired, an independent Firm with more than thirty years of experience, recognized in advisory services of this type of appraisals for private and state companies; active member of the National Registry of Appraisers and the Colombian Society of Appraisers. In the analysis, the Firm reviewed the Income, Market and Cost approach methodologies, determining that the scenario of less uncertainty for the measurement is by the Cost methodology; the result of the measurement was a valuation for \$908,976 and \$2,271,545 respectively.

The balance of the investment property as of December 31, 2021 is composed of: 30% of the Hotel, owned by the Parent Company Corferias S.A., including the effect of the valuation in the percentage of the Parent Company for \$79,308,507, and 100% of the investment property of a commercial premises, of which the transfer of 70% to Patrimonio Autónomo P.A. Pactia remains pending, in which the 30% of the valuation of the participation of Corferias for \$368,347 is included.

The investment property during the years ended December 31, 2021 and 2020 did not present impairment losses that would have affected the statement of income.

19. Financial Obligations

The following is the detail of the financial obligations:

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Short-term financial obligations(**)	\$ 11.783.461	7.700.347
Long-term financial obligations	146.750.890	142.979.973
	<u>\$ 158.534.351</u>	<u>150.680.320</u>

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(**) Short-term financial obligations for 2021 include the interest balance of \$1,060,840 and the current portion of principal of \$10,722,621 and for 2020 the interest balance of \$4,961,063 and the current portion of principal of \$2,739,284.

2021

Entity	Date	Expiration date	Initial value	Interest rate	Capital paid	Capital balance	Interest balance	Interest paid	Current portion	Non-current portion
Banco Popular S.A.	27/03/2020	27/03/2023	\$ 5.000.000	IBR + 1,50%	2.500.000	\$ 2.500.000	\$ 1.008	\$ 126.922	2.000.000	\$ 500.000
Banco Popular S.A.	15/04/2020	15/04/2025	\$ 30.000.000	IBR + 3,60%	-	\$ 30.000.000	381.562	\$ 2.843.175	5.000.000	25.000.000
Banco AV Villas	14/11/2017	14/11/2026	\$ 11.000.000	IBR + 2,70%	2.291.667	\$ 8.708.333	73.467	\$ 740.753	916.668	7.791.665
Banco AV Villas	20/12/2017	20/12/2026	\$ 6.000.000	IBR + 2,60%	1.255.236	\$ 4.744.764	11.408	\$ 395.700	750.000	3.994.764
Banco AV Villas	27/12/2017	27/12/2026	\$ 1.000.000	IBR + 2,60%	211.423	\$ 788.577	393	\$ 66.772	83.334	705.243
Banco AV Villas	27/12/2017	27/12/2026	\$ 7.000.000	IBR + 2,75%	-	\$ 7.000.000	163.001	\$ 532.951	875.000	6.125.000
Banco AV Villas	13/08/2019	30/12/2031	\$ 17.313.666	IBR+4,40 T.V.	-	\$ 17.313.666	164.058	\$ 1.402.251	-	17.313.666
Cámara de Comercio de Bogota	05/05/2020	05/05/2030	\$ 36.000.000	IBR +2,60%	6.000.000	\$ 32.702.825	-	\$ -	-	32.702.825
Cámara de Comercio de Bogota	18/05/2021	18/05/2031	\$ 2.500.000	IBR +2,60%	-	\$ 2.578.639	-	-	-	2.578.639
Cámara de Comercio de Bogota	24/06/2021	24/06/2031	\$ 2.000.000	IBR +2,60%	-	\$ 2.053.506	-	-	-	2.053.506
Cámara de Comercio de Bogota	16/07/2021	16/07/2031	\$ 4.000.000	IBR +2,60%	-	\$ 4.096.407	-	-	-	4.096.407
Cámara de Comercio de Bogota	13/08/2021	13/08/2031	\$ 3.000.000	IBR +2,60%	-	\$ 3.061.985	-	-	-	3.061.985
Banco Davivienda SA	25/05/2018	25/05/2026	\$ 3.600.000	DTF + 1,85%	1.114.085	\$ 2.485.915	-	\$ 189.824	514.285	1.971.630
Banco Davivienda SA	10/12/2020	10/12/2025	\$ 10.000.000	IBR + 4,00%	-	\$ 10.000.000	41.869	\$ 594.143	-	10.000.000
Banco de Bogota	20/08/2019	30/12/2031	\$ 22.576.434	IBR+4,40 T.V.	-	\$ 22.576.434	188.854	\$ 1.781.432	-	22.576.434
Banco Popular S.A.	17/03/2020	17/03/2025	\$ 1.200.000	IBR + 2,60% T.V.	\$ 225.000	\$ 975.000	\$ 2.738	\$ 50.855	300.000	\$ 675.000
Banco Popular S.A.	15/04/2020	15/04/2025	\$ 1.700.000	IBR + 3,60% T.V.	\$ -	\$ 1.700.000	21.347	\$ 159.702	283.334	1.416.666
Banco Davivienda SA	16/12/2020	16/12/2025	\$ 4.187.460	IBR + 3,50% T.V.	\$ -	\$ 4.187.460	11.135	\$ 420.985	-	4.187.460
			\$ 168.077.560		\$ 13.597.411	\$ 157.473.511	\$ 1.060.840	\$ 9.305.466	\$ 10.722.621	\$ 146.750.890

2020

Entity	Date	Expiration date	Initial value	Interest rate	Capital paid	Capital balance	Interest balance	Interest paid	Current portion	Non-current portion
Banco Popular S.A.	27/03/2020	27/03/2023	\$ 5.000.000	IBR + 1,50%	500.000	\$ 149.663	2.000.000	\$ 2.500.000	\$ 4.500.000	\$ 1.213
Banco Popular S.A.	15/04/2020	15/04/2025	\$ 30.000.000	IBR + 3,60%	-	667.792	-	30.000.000	30.000.000	1.285.813
Banco AV Villas	14/11/2017	14/11/2026	\$ 11.000.000	IBR + 2,70%	2.291.667	154.541	-	8.708.333	8.708.333	417.445
Banco AV Villas	20/12/2017	20/12/2026	\$ 6.000.000	IBR + 2,60%	1.255.236	85.672	-	4.744.764	4.744.764	197.002
Banco AV Villas	27/12/2017	27/12/2026	\$ 1.000.000	IBR + 2,60%	211.423	15.342	-	788.577	788.577	30.057
Banco AV Villas	27/12/2017	27/12/2026	\$ 7.000.000	IBR + 2,75%	-	-	-	7.000.000	7.000.000	375.976
Banco AV Villas	13/08/2019	30/12/2031	\$ 17.313.666	IBR+4,40 T.V.	-	850.115	-	17.313.666	17.313.666	524.571
Bancolombia S.A.	7/04/2020	7/04/2021	\$ 2.500.000	IBR+4,50 SV..	2.500.000	126.762	-	-	-	-
Cámara de Comercio de Bogota	05/05/2020	05/05/2030	\$ 36.000.000	IBR +2,60%	6.000.000	383.966	-	30.000.000	30.000.000	1.190.456
Banco Davivienda SA	25/05/2018	25/05/2026	\$ 3.600.000	DTF + 1,85%	599.975	88.713	514.284	2.485.739	3.000.023	78.464
Banco Davivienda SA	10/12/2020	10/12/2025	\$ 10.000.000	IBR + 4,00%	-	-	-	10.000.000	10.000.000	33.268
Banco de Bogota	20/08/2019	30/12/2031	\$ 22.576.434	IBR+4,40 T.V.	-	1.327.326	-	22.576.434	22.576.434	549.642
Banco Popular S.A.	17/03/2020	17/03/2025	\$ 1.200.000	IBR+2,60% T.V.	-	47.983	225.000	975.000	1.200.000	2.445
Banco Popular S.A.	15/04/2020	15/04/2025	\$ 1.700.000	IBR+3,60% T.V.	-	-	-	1.700.000	1.700.000	71.877
Banco Davivienda SA	16/12/2020	16/12/2025	\$ 4.187.460	IBR+3,50% T.V.	-	-	-	4.187.460	4.187.460	202.834
			\$ 159.077.560		\$ 13.358.301	\$ 3.897.875	\$ 2.739.284	\$ 142.979.973	\$ 145.719.257	\$ 4.961.063

The Parent Company in 2021 increased its short-term financial obligations, due to the end of the grace periods of the obligations, with which it had to start making capital payments, transferring the corresponding portion to the current portion; and increased its long-term obligations due to the cash needs for the reactivation of the fair activity, presenting credit disbursements of \$11,500,000 in 2021.

The following is the detail of the movement of the financial obligations to 2021 and 2020 for the Parent Company and its subordinate, respectively.

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2021

	Balance to 31/12/2020	DISBURSEMENTS	CAPITAL PAYMENTS	CURRENT INTEREST PAYABLE	NON- CURRENT INTEREST PAYABLE	INTEREST PAID	Balance to 31/12/2021
FINANCIAL OBLIGATIONS	150.680.320	11.500.000	(2.739.110)	1.060.840	7.307.452	(9.275.151)	158.534.351

2020

	Balance to 31/12/2019	DISBURSEMENTS	CAPITAL PAYMENTS	CURRENT INTEREST PAYABLE	NON- CURRENT INTEREST PAYABLE	INTEREST PAID	Balance to 31/12/2020
FINANCIAL OBLIGATIONS	117.643.557	35.594.102	(6.549.975)	4.961.063	2.929.448	(3.897.875)	150.680.320

As of December 31, 2021 and 2020, the obligations guaranteed in the Parent Company amount to \$22,576,434 with Banco de Bogotá and \$17,313,666 with Banco AV Villas.

20. Accounts payable

The following is the detail of accounts payable:

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
National	\$ 812.128	385.826
From abroad	398.797	7.335
To related companies	3.777	464
To contractors (1)	6.047.563	1.846.788
Costs and expenses to (3)	23.061.897	4.962.455
Sales tax payable	151.170	-
Trade and industry tax payable	440.261	74.176
Real estate tax payable (2)	2.687.550	-
Dividends or shares payable	268.557	268.556
Withholding tax	1.231.244	449.570
Industry and commerce tax withheld	87.936	27.919
Payroll withholdings and contributions	390.046	264.483
Various creditors	498.842	530.677
Salaries payable	-	6.129
Consolidated layoffs	601.661	624.872
Interest on layoffs	71.126	75.170
Consolidated vacation	189.974	224.840
Extralegal benefits	74.472	58.905
Payments for third parties (4)	811	1.985.523
Withholding to third parties on contracts	10.648	387.792
	<u>\$ 37.028.460</u>	<u>12.181.480</u>

The increase, in general, in accounts payable (obligations with suppliers, creditors and employees) is due to the reactivation of the fair and event operations of the Parent Company and its subordinate companies, thanks to the economic reactivation of the country in 2021 and to the supplier payment policy that went from 30 to 60 days, which will be adjusted to 45 days in 2022.

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- (1) The increase in the balance corresponds to invoices from contractors of trade fairs, especially in the third quarter, such as Andinapack, Expoconstrucción, Expodefensa and Agroexpo, among others, for temporary personnel, cleaning, assembly and digital services.
- (2) Corresponds to the value of the property tax for the year 2021, on which the Parent Company availed itself of the relief generated by the District Government for the sectors affected by the COVID-19 pandemic; payment of which will be made in installments in the year 2022.
- (3) Costs and expenses payable correspond to:

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Fee	\$ 759.285	990.177
Technical services	-	21.397
Maintenance services	739.035	783.882
Leases (*)	1.573.242	55.999
Public services	36.098	19.741
Transportation, freight and carrying	19.625	17.219
Insurance	67	67
Representation and public relations expenses	1.738	1.738
Returns to customers (**)	135.005	24.532
Others (***)	6.550.696	1.315.592
Other accounts payable (****)	13.247.106	1.732.111
	<u>\$ 23.061.897</u>	<u>4.962.455</u>

(*) The increase is due to the reactivation of events in 2021, mainly due to the rental of audiovisual equipment used during events held at the ÁGORA International Convention Center.

(**) The variation is mainly due to the refund of \$108,444 to be made for the Interzum Bogota fair.

(***) The increase corresponds mainly to accounts payable for the reactivation of fairs and events in the year 2021, which were concentrated in the last quarter and the application of the policy of payments to suppliers, among which we find advertising services, surveillance, cleaning, among others; for the development of fairs such as Expoconstrucción, Expodefensa, Agroexpo, Belleza y Salud, Expoagrofuturo Medellín, Comic Con Medellín, among others. And to the results of the development of the operation of the ÁGORA International Convention Center for the year 2021 for \$837,428, which are recorded by the Parent Company as operator thereof and delivered to Fiduciaria Bogotá as Administrator of the CICB Ágora Autonomous Patrimony. Finally, the balance is composed of the amount payable for the Tourism Contribution and the consumption tax for the last period.

(****) The balance is composed mainly in the Parent Company and its subordinate the accounts payable for advertising services in the amount of \$992,425, cleaning and surveillance, assembly in the amount of \$594,387, settlement of profits of partners in the amount of \$4,492,945, pending invoicing by suppliers, contractors and partners of the fairs held in the last quarter of 2021, among these are: Expoartesanas for \$1,805.25, Expoconstrucción for \$1,208,217, Expodefensa \$3,076,051 and Andinapack \$1,260,238, among others.

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	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Contractual liability - P.A Pactia	\$ 321.258	160.155
Financing component (non-cash items)	33.428	24.677
	\$ 354.686	184.832

24. Employee benefits

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

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Defined benefit obligation at beginning of period	\$ 1.872.848	2.198.931
Interest cost	88.482	107.917
Benefits paid directly by the company	(212.000)	(209.000)
Loss actuarial assumptions	(138.000)	(225.000)
Defined benefit obligation at end of period	\$ 1.611.330	1.872.848

The actuarial studies of pensions include the following assumptions:

	<u>2021</u>	<u>2020</u>
Discount rate	5,00%	5,50%
Rate of salary increase	3,00%	3,50%

Expected payments for the next 10 years (Figures in millions of pesos)

	<u>2021</u>	<u>2020</u>
Year 1	\$ 214	211
Year 2	211	210
Year 3	207	206
Year 4	201	202
Year 5	194	196
Next 5 years	\$ 813	846

The actuarial studies of pensions and the five years include the following actuarial assumptions:

Economic assumptions	December 31st, 2021	December 31st, 2020	December 31st, 2019
Discount rate	5,00%	5,50%	5,50%
Salary increase	3,00%	3,50%	3,50%
Social security increase	3,00%	3,50%	3,50%

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Increased cost of living	3,00%	3,50%	3,50%
Mortality	Tabla RV08. Ver Tabla de hipótesis demográficas	Tabla RV08. Ver Tabla de hipótesis demográficas	Tabla RV08. Ver Tabla de hipótesis demográficas
Disability	Ninguna	Ninguna	Ninguna
Rotation	Tabla rotación SOA 2003. Se asumió que no hay terminaciones de contrato sin justa causa	Tabla rotación SOA 2003. Se asumió que no hay terminaciones de contrato sin justa causa	Tabla rotación SOA 2003. Se asumió que no hay terminaciones de contrato sin justa causa
Retirement age	62 para hombres y 57 para mujeres	62 para hombres y 57 para mujeres	62 para hombres y 57 para mujeres
Asset valuation	Todos los activos son reserva en libros	Todos los activos son reserva en libros	Todos los activos son reserva en libros

The liability for defined benefit plans was calculated using the "Projected Unit Credit" method in accordance with IAS 19. This method consists of quantifying the benefits of each participant in the plan as they become entitled to them, taking into account future salary increases and the plan's formula for allocating benefits. The valuation is performed individually for each retiree. Through the application of actuarial assumptions, the projected benefit amount is calculated depending on the estimated date of separation, credited service and salary at the time of the causal event.

A single scenario of actuarial assumptions within a range of reasonable possibilities was used for the calculation; however, the future is uncertain and the future experience of the plan will differ from the assumptions to a lesser or greater extent. On the other hand, in order to comply with the provisions of Decree 1625 of October 11, 2016, with respect to actuarial calculations, the present value of the pension liability payable by the Corporation is determined annually based on actuarial studies in accordance with the rules of the Financial Superintendence of Colombia and according to Article 2 of Decree 2783 of December 20, 2001 of the Ministry of Finance and Public Credit.

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

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

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

2021

Staff	Group	People	Reserves
Shared Beneficiary	5	2	1.344.008
Shared Retiree	2	1	267.322
Total reserve as of December 31, 2021		3	1.611.330

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2020

Staff	Group	People	Reserves
Shared Beneficiary	5	2	1.560.032
Shared Retiree	2	1	312.816
Total reserve as of December 31, 2020		3	1.872.848

Under IAS 19, the assumptions used to determine the defined benefit obligations are: discount rate of 5.50%, pension increase rate and salary inflation rate of 3.0% and under Decree 4565 of December 7, 2010, the calculation of the pension liability uses the technical interest rate of 4.80%. Therefore, the difference between the calculation made under local government requirements and that established in the NCIF is \$70,387 and \$278,544 for 2021 and 2020, respectively.

25. Provisions

The following is the detail of the other provisions:

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Estimated liabilities and provisions	\$ <u>5.109.793</u>	\$ <u>5.735.850</u>

(1) As of December 31, 2021 and 2020, this relates mainly to contingencies in the Parent Company for 19 and 22 labor lawsuits, respectively. During the year 2021, 3 cases were ruled in favor of the Parent Company, which generated a recovery of \$519,061.

26. Subscribed and paid capital

As of December 31, 2021 and 2020, respectively, the authorized capital stock of the Parent Company included two hundred million (200,000,000) shares with a par value of ten pesos (\$10 - amount expressed in pesos) each, and the subscribed and paid-in capital as of those same dates, is comprised of 167,391,943 common shares for Ps. 1,673,920.

As of December 31, 2021 and 2020, the Parent Company holds 104,146 repurchased shares of its own stock, the inherent rights of which are suspended for as long as they remain in its possession.

All shares issued are fully paid. Shareholders holding common shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Parent Company.

Basic loss per share

As of December 31, 2021 and 2020, Basic Loss per Share is calculated by dividing the Loss / Income attributable to equity holders of the Parent Company by the number of common shares outstanding during the year.

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Concept	2021	2020
Net loss for the year	(6.099.621)	(40.420.612)
Shares outstanding	167.391.943	167.391.943
Basic loss per share	(36,44)	(241,47)

27. Reserves

The following is the detail of the reservations:

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Legal reserve (1)	839.707	839.707
Reserve for repurchase of own shares	1.164	1.164
Own shares repurchased	(1.041)	(1.041)
Occasional bookings (2)	<u>141.370.224</u>	<u>141.370.224</u>
	\$ <u><u>142.210.054</u></u>	\$ <u><u>142.210.054</u></u>

- (1) In accordance with legal provisions, every entity must establish a legal reserve appropriating ten percent (10%) of the net profits of each year until reaching fifty percent (50%) of the subscribed capital, the reserve may be reduced to less than fifty percent (50%) of the subscribed capital, when it is intended to wipe out excess losses of undistributed profits, the legal reserve may not be used to pay dividends or to cover expenses or losses during the time that the entity have undistributed profits.
- (2) At the Parent Company's Shareholders' Meetings held on March 30, 2021, no reserves were established due to the loss for the year at the end of 2020, and at the Meeting held on March 30, 2020, it was decided to establish an occasional reserve of \$30,294,204.

28. Other equity interests – ORI

The following is the detail of the balances of other comprehensive income accounts included in the Parent's equity during the periods ended December 31, 2021 and 2020:

Balance as of December 2019	\$ 986.917
Variation in equity instruments measured at fair value (Al Popular and La Previsora)	(5.794.346)
Balance as of December 2020	<u>(4.807.429)</u>
Variation in equity instruments measured at fair value (Al Popular y La Previsora)	(3.112.178)
Balance as of December 2021	<u><u>(7.919.607)</u></u>

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The variation in the balance of other equity investments for the period 2021 is due to the restatement of the fair value of the investments in Alpopular Almacén General de Depósito S.A. and La Previsora S.A. Compañía de Seguros, through the discounted dividend flow methodology (Gordon Shapiro) (See note 14).

29. Ordinary activities income

The following is the detail of income from ordinary activities:

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Trade show events (1)	\$ 81.972.184	10.640.605
Trade show events - for joint ventures (2)	2.457.164	-
Non-trade show events and corporate activities (3)	2.398.083	6.141.374
Food and Beverages (4)	<u>4.010.965</u>	<u>2.200.940</u>
	<u>\$ 90.838.396</u>	<u>18.982.919</u>

The increase in revenues from ordinary activities is due to the reactivation of the trade fair and events operations of the Parent Company and its subsidiaries, as a result of the economic recovery of the country in 2021.

- (1) It records the income obtained from the lease of spaces and provision of services in the organization and realization of fair events of the Parent Company and its subordinate. The fairs with the highest income in 2021 were: Agroexpo \$9,294,763, Feria del Hogar \$8,678,365, Expodefensa \$7,546,216, Expoartesánias \$5,002,513, Expoconstrucción & Expodiseño \$4,891,074, Andinapack \$3,747,847, Sofa \$3,647,044, Centro de vacunación for \$3. 459,000, Expoagrofuturo Medellín for \$2,548,191, Assembly BID 2021 for \$1,796,364, World Law Congress 2021 for \$1,468,949, "Centro de Vacunación Drive Thru Colsanit" for \$1,123,266 and Sabor Barranquilla for \$1,041,502, among others.
- (2) In the first quarter of 2021, income was recorded for the sale of the economic rights in the Colombiaplast fair for \$2,457,164 to Messe Dusseldorf North America, such transaction was carried out within the framework of the Joint Account Agreement signed between Corferias, Acoplásticos and Messe Dusseldorf North America for the Colombiaplast fair, this agreement is recorded as a joint operation.
- (3) It records the income originated in the leasing of spaces and rendering of services, directly related to the organization of non-trade fair events of the Parent Company and its subordinate. During 2021, the events that generated the highest income were: fixed non-fair events for \$1,367,726, parking lot rental for \$133,772, food court for \$740,910, among others. Additionally, the leasing of fixed points for \$1,014,470, parking tower located on Carrera 40 for \$158,855, green ecological parking for \$289,686, hotel parking for \$302,231 and Barranquilla parking for \$30,009.
- (4) Food and Beverages: It records the value of income obtained from the provision of food and beverage services. During 2021 mainly originated in fairs and events organized by the Parent Company and its subordinate such as: Anniversary Plas Innova 2021 \$82,865, Vaccination Center Colsanitas \$303,533, Training Day Registrar's Office 2021 \$112,158, Bingo Party Sub-officers \$82. 500, sale of food and beverages at coffee bars \$581,862, Vaccination Center Drive Thru Colsanit \$148,938, sale of food and beverages at other events \$500,731, sale of food and beverages at fixed points \$400,678, among others.

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30. Selling Expenses

The following Table details the Selling Expenses:

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Personnel expenses (1)	\$ 4.672.507	4.748.168
Fees (2)	1.464.908	583.340
Taxes	855	584
Leases (3)	3.552.380	2.422.194
Contributions and affiliations (4)	7.050.887	237.157
Insurance	60.636	62.941
Services (5)	17.642.444	6.252.932
Legal expenses	32.513	1.222
Maintenance and repairs	407.450	105.647
Suitability and installation (6)	9.666.573	1.836.986
Travel expenses	977.412	59.052
Diverse Costs (7)	2.719.069	953.644
	<u>\$ 48.247.634</u>	<u>17.263.867</u>

(1) The following Table details the Personnel Expenses:

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Salaries and other personnel expenses *	\$ 3.097.791	2.697.968
Parafiscal contributions and social benefits	911.523	994.642
Bonuses	152.198	485.641
Reliefs **	33.434	63.248
Pension fund contributions	393.303	407.360
E.P.S. and A.R.L. contributions.	64.442	58.271
Other labor expenses ***	19.816	41.038
	<u>\$ 4.672.507</u>	<u>4.748.168</u>

* Corresponds mainly to salaries, overtime, commissions and disabilities of employees in the administrative area. With regard to bonuses, these will decrease in 2021 due to the measures adopted for the retirement of personnel in 2020, as a result of the Covid 19 health emergency.

** Corresponds to employee allowances for transportation, connectivity, travel and prepaid medical assistance.

*** Represents concepts such as employee allowances, employee training, sports and recreational activities, incentives, among others.

(1) Corresponds mainly to technical advisory services for the realization of fairs in the Parent Company and Subordinate Company, for technical advisory services in external communications management necessary for the planning and execution of new customer loyalty projects.

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- (2) During 2021, it corresponds mainly to the rental of sound and video equipment for the execution of the fairs held during 2021 and the rental of sound equipment for the Agora convention center. The increase is due to the economic reactivation of fairs and events.
- (3) Corresponds to expenses for contributions paid to Associations for the development of the Parent Company's Fairs, such as Coges International, Cámara Regional de la Construcción, Codaltec, Artesanías de Colombia, Expodiseño, among others.
- (4) As in the previous item, it presents an increase due to the fair and events activity, in the Parent Company it corresponds specially to cleaning and security for \$2,031,055 and public services for \$2,097,931, in the subordinated company the balance corresponds mainly to expenses incurred for cleaning and security for \$935,928, public services for \$1,017,893, propaganda and advertising for \$578,292, internet service for \$68,907, among others.
- (5) Corresponds to special assemblies, signage and other services for the assembly and disassembly of the Corporation's trade fair events. The balance as of December 31, 2021 corresponds to expenses for services for transportation of materials, assembly of the dividing system, electrical installations, utilities, and signage for events held during 2021. The increase is due to the opening of events, which were suspended during 2020 due to the effects of the Covid-19 pandemic.
- (6) Corresponds to concepts such as stationery, decoration and signage elements, food and beverage services generated by the events and fairs, publications in specialized media, among others; necessary for the realization of the trade shows, increasing from one period to another due to the possibility of holding events in 2021 with biosafety controls, as a consequence of the economic reactivation.

31. Administrative expenses

The following is the detail of administrative expenses:

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Personnel expenses (1)	\$ 15.175.282	18.443.215
Fees	1.528.513	907.087
Taxes (2)	4.126.390	3.571.713
Leases	142.303	136.612
Contributions and affiliations	458.594	586.638
Insurance	487.139	422.473
Services (3)	5.975.065	5.081.792
Legal expenses	61.069	346.956
Maintenance and repairs (4)	2.531.454	2.201.066
Suitability and installation (4)	589.578	713.361
Travel expenses	105.257	50.835
Impairments	8.196.877	7.385.331
Amortizations	3.781.775	3.098.512
Diverse Costs (5)	1.128.810	845.967
Others	-	445
	\$ <u>44.288.106</u>	<u>43.792.003</u>

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The following is the detail of personnel expenses:

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Comprehensive salary	\$ 4.311.871	4.740.111
Pensions	3.890	216.750
Salaries and other personnel expenses *	5.671.289	6.735.497
Parafiscal contributions and social benefits	2.340.378	3.069.474
Bonuses	583.507	1.009.298
Reliefs **	77.302	117.809
Pension fund contributions	1.127.119	1.444.859
E.P.S. and A.R.L. contributions.	433.625	464.829
Other labor expenses ***	626.301	644.588
	<u>\$ 15.175.282</u>	<u>18.443.215</u>

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

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

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

- (2) Represents mainly in the Parent Company the taxes for: industry and commerce, real estate, vehicles, entertainment, consumption, and tax on financial transactions. The increase in this item corresponds to the reactivation of the trade fair and events activity, which generated higher revenues.
- (3) The balance corresponds mainly in the Parent Company and the Subsidiaries to services such as cleaning, security, temporary personnel, technical assistance, utilities and others incurred for administrative operations.
- (4) Expenses correspond to maintenance and repairs of machinery and equipment and communication and computer equipment.
- (5) The balance is mainly comprised in the Parent Company and the subsidiary of stationery, cleaning and cafeteria items, supplies and representation and public relations expenses, as well as the delivery of recognitions to the company's personnel.

32. Other Income

The following Table details Other Income:

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	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Dividends and participations (1)	\$ 3.512.311	1.208.003
Asset Valuation (2)	908.976	2.271.545
Commissions	21.005	21.588
Utility on sale of property, plant and equipment (3)	-	7.336.630
Recoveries (4)	677.712	1.485.846
Implicit interests (5)	-	6.751.015
Compensations	104.350	115.274
Income from use of COVID fund (6)	684.324	1.838.036
Other income (7)	761.490	2.232.871
	<u>\$ 6.670.168</u>	<u>23.260.808</u>

- (1) For the period 2021 corresponds to the dividends obtained by the Parent Company, derived from the investments recorded in Al Popular Almacén General de Depósito S.A. for \$3,458,776 and La Previsora S.A. for \$53,535 and for 2020 the dividends received for \$1,147,955 from Al Popular and \$60,048 from La Previsora S.A.; which are valued at fair value with changes in the ORI.
- (2) Corresponds to the valuation of the Parent Company's investment property (see note 18).
- (3) In 2020, corresponds to the profit on the sale of commercial premises, located on the hotel property, to the Bogota Chamber of Commerce.
- (4) Corresponds mainly to the recovery in the updating of the actuarial calculation in the amount of \$49,700, and the recovery of the provision for labor lawsuits in the amount of \$519,061. During 2020, other income was generated for concepts such as reimbursement of provisions for accounts payable for \$771,061, recovery for updating the actuarial calculation for \$326,083, among others.
- (5) Corresponds in the Parent Company in 2020 to the recovery of implicit interest calculated as a financing component on the contractual liability.
- (6) Corresponds in the Parent Company to the value received from the investors of the International Convention Center of Bogota - Agora, to cover the necessary expenses in the operation of the Events Center, incurred by Corferias in its capacity as operator; where in Investors' Meeting No. 3 of August 31, 2020 a fund called Covid Fund was created, due to the impossibility of generating income as a result of the pandemic.
- (7) Corresponds mainly to the PAEF payroll subsidy granted by the National Government for the years 2021 and 2020 for \$485,674 and \$1,068,215 respectively. Additionally, to the sale of fully depreciated assets for \$198,852 in the year 2021. For the year 2020 the most representative income is the PAEF payroll subsidy for \$984,045 and public service reimbursement for \$618,938, during the contract for the transitory hospital.

33. Other Expenses

The following Table details Other Expenses:

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	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Loss on retirement of property and equipment	\$ 5.500	-
Assumed taxes (1)	411.980	64.136
Other expenses (2)	529.248	1.233.796
	\$ 946.728	1.297.932

- 1) Corresponds mainly to the withholding at the source destined to the final beneficiary of the dividends paid by Alpopular and La Previsora, which, since it cannot be transferred to the Parent Company's investors due to losses and the absence of a tax framework that allows it, must be assumed.
- 2) In 2021, represent expenses corresponding to asset retirement, fines, donations and other non-operating expenses incurred in the course of the operation. In 2020, they were mainly related to the provision for litigation contingencies and hotel construction expenses not recognized as investment property.

34. Financial Income

The following Table details Financial Income:

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Interest on savings accounts (1)	\$ 195.731	702.992
Exchange difference (2)	844.461	1.499.416
Conditional trade discounts	55.740	38.623
Investment Return (3)	60.101	45.585
	\$ 1.156.033	2.286.616

- (1) Corresponds in the Parent Company to the interest obtained in 2021 and 2020 for yields in savings accounts for \$155,589 and 643,339 respectively; in the subordinated company to the interest obtained in savings accounts and Collective Investment Funds for \$14,697 and \$26,684.
- (2) Corresponds in the Parent Company and the subordinated company to the difference recorded in the payment of obligations in foreign currency with customers, suppliers and contractors in the translation to local currency.
- (3) Corresponds in 2021 and 2020 to the returns generated by the Parent Company's investment in the Nexus Real Estate Capital Fund of \$60,101 and \$45,585, respectively.

35. Financial Expenses

The following Table details the Financial Expenses:

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Banking Expenses	\$ 1.166	2.581
Commissions	287.245	90.594
Interests (1)	8.405.551	8.096.883
Exchange difference	350.089	1.090.095
Implicit interests (2)	8.751	6.757.389
Others	13.380	2.372
	\$ 9.066.182	16.039.914

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- (1) Corresponds to interest accrued on bank loans of \$8,405,551 and \$8,096,883 for obtaining new loans to meet the operating expenses of the Parent Company and its subsidiary during 2021 and in 2020.
- (2) Corresponds in the Parent Company to the interest generated by the contractual liability with Patrimonio Autónomo P.A. Pactia during 2021, which, starting in 2020, were recorded in income.

36. Equity Profit

	December 31st, 2021	December 31st, 2020
(Loss) Profit in the equity method	\$ 767.928	(2.640.736)

For the year 2021, there is a profit in the application of the equity method of the associate Patrimonio Autónomo Centro Internacional de Convenciones Ágora, on the positive results for \$4,093,435 (See note 15). For the period 2020, the effect was a loss.

37. Income Tax Expense

(a) Components of Income Tax Expense

The Income Tax Expense for the years 2021 and 2020, ending on the 31st of December, include the following:

	2021	2020
Current income tax (1)	\$ -	\$ (3.810)
Income tax expense (recovery) for prior years	17.374	(21.632)
Occasional income tax (2)	(245.716)	(1.556.642)
Subtotal current tax	(228.342)	(1.582.084)
Deferred tax for the year	230.223	2.276.086
Prior period adjustments (3)	-	(6.059.151)
Total income tax	1.881	(5.365.149)

(1) For the year 2021 and 2022 the Parent Company presents accounting and tax loss and is excluded to determine the income tax by the presumptive income system, for being an events and conventions center in which its majority shareholding is the Bogotá Chamber of Commerce. In accordance with current tax regulations, the Subordinated Company is subject to income tax and complementary taxes. The applicable rate for the years 2020, 2021 and 2022 was 32%, 31% and 35% respectively.

(2) The income tax expense is mainly generated in 2021 from the sale of the rights to participate in the Colombiaplast fair and in 2020 from the occasional gain from the sale of the premises to the Bogotá Chamber of Commerce and the transfer of 70% of the Hotel property to Patrimonio Autónomo P.A. Pactia.

(3) Corresponds to the update of the deferred tax with the projection of the 35% rate on temporary items that will be reversed upon the termination of the Free Trade Zone.

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

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

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- The Corporation was authorized as a Special Permanent Free Trade Zone user operator by resolution No. 5425 of June 20, 2008 and in accordance with Law 1819 of 2016, the income tax is calculated at a 20% rate.
- According to the Economic Growth Law 2010 of 2019, the income tax rate for the years 2020, 2021 and 2022 and following years is 32%, 31% and 30% respectively. For financial institutions that obtain in the period an income equal or higher than 120,000 UVT apply additional percentage points of income tax of 4% for the year 2020 and 3% for the years 2020 and 2021.
- The Economic Growth Act 2010 of 2019 reduces the presumptive income to 0.5% of the net worth on the last day of the immediately preceding taxable year for the year 2020, and to 0% as of the year 2021 and subsequent years.
- The Economic Growth Law 2010 of 2019 maintains the possibility of taking as income tax discount 50% of the industry and commerce tax, notices and boards effectively paid in the taxable year or period, which as of 2022 will be 100%.
- With the Economic Growth Act 2010 of 2019, for taxable years 2020 and 2021 the audit benefit is extended for taxpayers who increase their net income tax for the taxable year in relation to the net income tax for the immediately preceding year by at least 30% or 20%, whereby the income tax return will become final within 6 or 12 months from the date of filing, respectively.
- With the Economic Growth Act 2010 of 2019, the term of firmness of the income tax and supplementary tax returns of taxpayers who determine or offset tax losses or are subject to the transfer pricing regime, shall be 5 years.
- The tax losses may be offset against ordinary taxable income obtained in the following 12 taxable periods.
- The excess presumptive income can be compensated in the following 5 taxable periods.
- The occasional income tax is taxed at the rate of 10%
- In September 2021, Law 2155 was issued, called the Social Investment Law, by means of which regulations were adopted in order to strengthen social spending, as well as to contribute to the economic reactivation, employment generation and fiscal stability of the country. Among the tax measures contemplated and which would have an impact on the Parent Company and its Subordinate are the following:
- Increased the general income tax rate to 35%, increasing the rate by 5 points for the years 2022 onwards.
- The 50% of the industry and commerce tax may be treated as a tax discount in the income tax in the taxable year in which it is effectively paid and to the extent that it has a causal relationship with its economic activity, and the provision that extends the discount to 100% as of 2022 is repealed.
- The audit benefit is extended for the years 2022 and 2023 when the net income tax is increased by 35% or 25%, with which the income tax return will become final within 6 and 12 months respectively.
- Subsequently, Decree 1311 was issued, which allowed recording the impacts of the change in the income tax rate generated in the calculation of the deferred tax against the income statement of previous years, which is included in the equity, the parent company proceeded to update the deferred tax asset and liability on the long-term temporary differences that exceed the term of permanence in the Free Trade Zone, using the new rates, going from 30% to 35%. Consequently, it recognized a deferred income tax expense of \$1,944,254, which in application of Decree 1311 of October 20, 2021, it opted to recognize against retained earnings in equity.

In accordance with paragraph 81 (c) of IAS 12, a reconciliation will be made between the total income tax expense of the Parent Company and its subsidiary calculated at current tax rates and the tax

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expense effectively recorded in income for the years ended December 31, 2021 and 2020, no reconciliation of the effective tax rate is made, considering that the Parent Company and its Subsidiary present both accounting and tax loss.

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

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

The temporary differences for the items indicated as of December 31, 2021 and 2020, amounted to \$0 and \$2.350.714, respectively.

c) Movement of deferred taxes:

The differences between the bases of assets and liabilities for NCIF purposes and the tax bases of the same assets and liabilities for tax purposes give rise to temporary differences that generate deferred tax calculated and recorded as of December 31, 2021 and 2020 based on the tax rates currently in effect for the years in which such temporary differences will be reversed.

Tax Effects of deductible tax differences	Balance as of December 31, 2020	Credited against results	Balance as of December 31, 2021
Exchange rate difference in available	5.347	(5.347)	-
Portfolio impairment and accounts receivable	546.833	(196.538)	350.295
Brand Amortization	1.976.655	(1.043.382)	933.273
Property and equipment	6.137.953	(496.223)	5.641.730
Prepaid expenses	1.946	191	2.137
Costs and expenses payable	4.411	159.990	164.401
Labor Obligations	681	3.167	3.848
Employee benefits	61.109	(45.232)	15.877
Deposits received for trade shows and events	5.396	(5.396)	-
Subtotal tax effects from taxable temporary differences	\$ 8.740.331	(1.628.770)	7.111.561

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Tax effects of taxable tax differences	Balance as of December 31, 2020	Credited against results	Balance as of December 31, 2021
Exchange rate difference in available	-	(8.706)	(8.706)
Investment in trust law (Agora)	(2.235.576)	27.780	(2.207.796)
Inventory of spare parts and accessories	(1.463)	1.463	-
Brands	(1.549.237)	1.549.237	-
Land	(19.610.924)	22.448	(19.588.476)
Accumulated depreciation	(16.285.971)	(7.410.971)	(23.696.942)
Licenses	(681.222)	(435.028)	(1.116.250)
Investment properties	(440.952)	2.749	(438.203)
Deposits received for trade shows and events	(110.080)	103.113	(6.967)
Difference in exchange	(417)	417	-
Currency correction	(20.565)	3.086	(17.479)
Adjustment to restate deferred tax due to permanence in free trade zone	(6.059.151)	6.059.151	-
Subtotal tax effects from taxable temporary differences	(46.995.558)	(85.261)	(47.080.819)
Total	(38.255.227)	(1.714.031)	(39.969.258)

Tax Effects of deductible tax differences	Balance as of December 31, 2020	Credited against results	Balance as of December 31, 2021
Exchange rate difference in available	5.347	(5.347)	-
Portfolio impairment and accounts receivable	546.833	(196.538)	350.295
Brand Amortization	1.976.655	(1.043.382)	933.273
Property and equipment	6.137.953	(496.223)	5.641.730
Prepaid expenses	1.946	191	2.137
Costs and expenses payable	4.411	159.990	164.401
Labor Obligations	681	3.167	3.848
Employee benefits	61.109	(45.232)	15.877
Deposits received for trade shows and events	5.396	(5.396)	-
Subtotal tax effects from taxable temporary differences	\$ 8.740.331	(1.628.770)	7.111.561

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Tax effects of taxable tax differences	Balance as of December 31, 2020	Credited against results	Balance as of December 31, 2021
Exchange rate difference in available	-	(8.706)	(8.706)
Investment in trust law (Agora)	(2.235.576)	27.780	(2.207.796)
Inventory of spare parts and accessories	(1.463)	1.463	-
Brands	(1.549.237)	1.549.237	-
Land	(19.610.924)	22.448	(19.588.476)
Accumulated depreciation	(16.285.971)	(7.410.971)	(23.696.942)
Licenses	(681.222)	(435.028)	(1.116.250)
Investment properties	(440.952)	2.749	(438.203)
Deposits received for trade shows and events	(110.080)	103.113	(6.967)
Difference in exchange	(417)	417	-
Currency correction	(20.565)	3.086	(17.479)
Adjustment to restate deferred tax due to permanence in free trade zone	(6.059.151)	6.059.151	-
Subtotal tax effects from taxable temporary differences	(46.995.558)	(85.261)	(47.080.819)
Total	(38.255.227)	(1.714.031)	(39.969.258)

d) Uncertainties in tax positions - IFRIC 23

As of December 31, 2021 and 2020, the Corporation does not present fiscal uncertainties that generate a provision for this concept, considering that the income and complementary tax process is regulated under the current tax framework. Consequently, there are no risks that could imply an additional tax liability.

38. Related parties

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

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

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

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

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

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The most representative balances by 31 December 2021 and 2020, with related parties, are included in the following accounts:

Related Parties Receivables

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

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Controller- Bogotá Chamber of Commerce (1) \$	1.092.558	-
Participant - Alpopular Almacén General de Depositos (2)	84.360	221.252
Key management personnel	102.283	105.852
Associate - Autonomous Patrimony CICB	58.543	302.133
Minority stockholders (3)	329.546	13.968
Other related parties	89.038	262.757
\$	<u>1.756.328</u>	<u>905.962</u>

(1) The increase for the year 2021 is due to the participation of the controlling company in events such as Recognition of CCB entrepreneurs for \$215,227, Reencuentro CCB for \$253,672 and Bogotá Madrid Fusión for \$313,584, which were held in the facilities of the Agora Convention Center.

(2) The decrease corresponds to the change in the frequency of payment of dividends in accordance with the profit distribution project decreed at the General Meeting of Alpopular S.A.

(3) The balance as of December 31, 2021 corresponds mainly to the purchase of tickets and tickets to the minority shareholder Agencia de viajes y turismo Aviatur S.A. for \$134,634 and dividends payable to minority shareholders for \$261,790.

Related Parties Payable

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

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Controller- Bogotá Chamber of Commerce (1) \$	44.508.033	31.190.456
Associate - Autonomous Patrimony CICB (2)	837.428	475.612
Participant-Alpopular Almacen General de Depositos S.A.	7.250	-
Key management personnel	75.092	93.068
Board of Directors	8.650	230
Minority stockholders (3)	519.272	291.805
Other related parties	108.524	34.087
\$	<u>46.064.249</u>	<u>32.085.258</u>

(1) The balance as of December 31, 2021 corresponds mainly to the loan from the Bogota Chamber of Commerce.

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- (2) Corresponds to the results of the development of the operation of the ÁGORA International Convention Center for the year 2021 and 2020, which are recorded by Corferias as its operator; these resources will be delivered to Fiduciaria Bogotá as administrator of the Autonomous Patrimony.
- (3) The balance as of December 31, 2021 corresponds mainly to the purchase of tickets and tickets to the minority shareholder Agencia de viajes y turismo Aviatur S.A. for \$134,634 and dividends payable to minority shareholders for \$261,790.

Income and expenses

Bogotá Chamber of Commerce

Income	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Hotels and Restaurants	\$ 180.613	8.211
Real estate, business and rental activities	-	89.275
Entertainment and leisure (1)	2.034.795	315.620
	<u>\$ 2.215.408</u>	<u>413.106</u>
Administrative expenses		
Personnel expenses - staff training		
Insurance	\$ 21.566	8.873
Legal expenses	8.506	5.072
Other	-	20
	<u>\$ 30.072</u>	<u>13.965</u>
Financial expenses	<u>\$ 1.802.905</u>	<u>1.408.322</u>

- 1) The balance as of December 31, 2021 corresponds to the active participation of the Bogota Chamber of Commerce in fairs and events developed by the Parent Company, such as the Home Fair for \$429,846, Expoartesanas for \$144,570, AgroExpo for \$151. 806, Microentrepreneurs virtual fairs for \$199,500, and Bogotá Madrid Fusión for \$256,254, in addition \$289,516 correspond to events carried out by this entity in the facilities of the Head Office, among them, Reencuentro CCB for \$159,223 and Reconocimiento empresarios CCB \$118,671.

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Alpopular Almacén General de Depósitos

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Investments	\$ <u>4.811.523</u>	<u>8.007.824</u>
Income		
Real estate, business and rental activities	3.637	46
Dividends and equity	3.458.776	1.147.955
	\$ <u>3.462.413</u>	<u>1.148.001</u>
Administrative expenses		
Leases	14.623	8.393
	\$ <u>14.623</u>	<u>8.393</u>

Key management personnel

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Income		
Hotels and Restaurants	130	121
Financial - interest on loans	7.032	9.399
	<u>7.162</u>	<u>9.520</u>
Administrative expenses		
Personnel expenses	\$ 3.238.563	2.904.983
Legal expenses	111	-
Expenses and travel	25.367	394
Others	7.231	191
	\$ <u>3.271.272</u>	<u>2.905.568</u>
Selling expenses		
Travel expenses	\$ 118.552	15.649
Legal expenses	570	1.071
	<u>119.122</u>	<u>16.720</u>

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Board of directors

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Administrative expenses		
Fees	337.176	34.944
Travel expenses	5.222	-
	<u>\$ 342.398</u>	<u>34.944</u>

Minority stockholders (*)

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Incomes		
Hotels and restaurants	\$ 161.725	880
Real estate, business and rental activities	215	46.873
Entertainment and leisure	1.519.016	1.358.260
	<u>\$ 1.680.956</u>	<u>1.406.013</u>
Administrative expenses		
Personnel expenses	\$ 91.527	129.101
Legal Expenses	20	6
Travel expenses	27.859	25.058
Amortizations	190.668	167.844
Other expenses	2.229	2.605
	<u>\$ 312.303</u>	<u>324.614</u>
Selling expenses		
Fees	\$ 79.340	76.040
Services	16.672	12.597
Adequacy and installation	-	22.962
	<u>\$ 96.012</u>	<u>111.599</u>

1) Corresponds to income from leasing trade show events such as Anato for \$757,956, Expopartes for \$348,249, and the national businessmen's congress for \$210,223, among others.

(*) Among the minority shareholders of the Corporation are some employees.

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Autonomous Heritage International Centre CICB

	<u>December 31st, 2021</u>	<u>December 31st, 2020</u>
Investments	\$ <u>76.208.895</u>	<u>75.440.966</u>
Income		
Income equity method	767.928	-
Revenues Fund Covid Utilization	<u>684.324</u>	<u>1.838.036</u>
	\$ <u>1.452.252</u>	<u>1.838.036</u>
Expenses		
Contributions and Affiliations	837.428	62.463
Loss from equity method	\$ -	<u>2.640.736</u>
	<u>837.428</u>	<u>2.703.199</u>

39. Contingencies

As of December 31, 2021 and 2020, the Parent Company records contingencies as follows:

For 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 National Tax and Customs Directorate for Income Tax and Complementary Taxes for the 2009 taxable year. At the beginning of 2021, this process was ruled in second instance in favor of the Parent Company, generating the success commission for the lawyer of the process.

Finally, twenty-four labor lawsuits are currently in progress in the courts, through which the plaintiffs seek a declaration that the relationship that existed between each one of them and the Parent Company was governed by an employment contract and as a consequence of the foregoing, the Parent Company is ordered to pay the claims. The lawyers representing the Parent Company estimate the value of these lawsuits at \$5,109,973, and classify them in the probable category; for these lawsuits a provision is recorded as of December 31, 2021 and 2020 for \$5,109,793 and \$5,735,850, respectively (see note 25).

The Subordinated Company has no contingencies as of December 31, 2021 and 2020.

40. Relevant events of the period

For the first semester of 2021, a gradual return to normality was expected with the control of the second peak of the pandemic generated by Covid-19, however, with the appearance of new strains in other countries, there were again increases in infections and deaths, which led the National and District Governments to issue new Decrees ordering confinements and other restrictions, which prevented the full resumption of the fair operation. With the appearance of a third peak of the pandemic, the economic reactivation indexes for the end of the first semester of the year 2021 had a deceleration and some fairs and events of the annual fair calendar had to be rescheduled.

Contrary to the above, for the third quarter of 2021 the total opening of the economy began, thus allowing to reduce several of the restrictions and start the fair activity in person, complying with the

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Biosafety and capacity protocols. Due to the total opening of the economy, the great progress of the Government in the vaccination process; as a consequence, the opportunity to start the fair operation in person was given and the Parent Company and its Subordinate decided to reestablish the full-time working day for all its collaborators as from August 2021.

With the issuance of Decree 278 of 2021, through which the National Government establishes new provisions for free trade zones, especially the strengthening of concepts related to free trade zones for services, important opportunities for the development of services that incorporate technologies that generate value to customers from free trade zones are envisioned. Additionally, it unifies the extension period of the free zones of services to the free zones of goods in 30 years.

On September 14, 2021, Law 2155, known as the Social Investment Law, was enacted, in which the National Government adopted a series of fiscal policies, some of which have a great impact on the Corporation, such as: Increase in the general income tax rate as of 2022 to 35%, extend until December 31, 2022 the transitory VAT exemption for the provision of hotel and tourism services to residents in Colombia by those who are registered in the National Tourism Registry and provide services associated with this activity, maintain at 50% the tax discount limit for the industry and commerce tax, notices and boards, and incentivize the creation of new jobs that benefit young people between 18 and 28 years of age (25% SMLV).

On November 30, 2021, the National Government issued Decree 1615, which lifted the restriction on the capacity for mass events, as long as the corresponding biosecurity protocols were generated; it also determined the mandatory presentation of a vaccination card for people interested in attending events with crowds. The Parent Company and its Subordinate adopted such regulations and request the vaccination card as of December 2021.

41. Subsequent events

No subsequent events were presented in the Parent and Subordinate between December 31, 2020 and the date of the Statutory Auditor's report.

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

On February 23, 2022, the Board of Directors of the Parent Company and its Subsidiaries recommended that management present the consolidated financial statements and accompanying notes to the General Shareholders' Meeting at its ordinary meeting in March 2022, in order to be approved by said body, which may approve or modify them.