

*This report was prepared on the basis of Construcciones El Cóndor S.A. financial statements, and in accordance with the International Financial Reporting Standards (IFRS) and their respective interpretations (CINIFF) published by the International Accounting Standards Board (IASB).*

## **Executive Summary**

The year 2021 completes a business cycle which dates back to 2016. During this 4-year period, the Company has structured, bid and built the works of four 4G concession contracts, managing both of its Investment and Construction business lines. As investors, we have contributed equity adding up to 1 billion pesos, and have been sponsors to finance these concessions for the sum of 6 billion. As builders, we entered EPC contracts amounting to 4.4 billion, based on our share in the execution thereof.

After consolidating the results of these years, the Company has generated an accumulated EBITDA of 0.7 billion, a net profit of 0.59 billion, while it has capitalized 0.47 billion from this profit. The Company's equity climbed from 0.75 billion in 2015 to 1.08 billion in 2020. Indeed, it's been a successful cycle which has led to the professional growth of our fantastic team – while adding very valuable experiences to execute new projects and to create value for all of our stakeholders.

This 2021 kicks-off projects, structures and bids of new contracts either under concessions, public works and private EPCs. This implies that we will have during the completion and beginning of projects profits which are below average – something entirely normal in project cycles.

On January 5, 2021 Construcciones El Cóndor S.A. (the seller) entered a sales agreement with West Valley JL Holdco Limited (the buyer), which belongs to the John Laing Group plc group. The purpose is to sell its share of 21.15% (equivalent to 8,490,799 common shares) of Concesión La Pintada S.A.S. plus to transfer the position as accreditor in the subordinated debt contracts, and other rights derived thereof, for the sum of COP \$151.000.000.000.

In the public hearing held on March 30th, INVIAS (the National Institute of Roads of Colombia) awarded to CONSTRUCCIONES EL CONDOR S.A. module 1 of Bid No. LP-DT-061- 2020. The purpose of this bid is the construction, land management, social and environmental sustainability of the access roads to the Guillermo Gaviria Echeverri Tunnel Project, sector 01 (or Toyo Tunnel), in the department of Antioquia. The amount of the contract rising from the award is \$418.252.529.558, with an execution term of thirty-seven (37) months.

During a public hearing held on March 31st, INVIAS (the National Institute of Roads of Colombia) awarded to CONSORCIO CM PUTUMAYO – which is comprised 50/50 each by CONSTRUCCIONES EL CONDOR S.A. and CONSTRUCTORA MECO S.A SUCURSAL COLOMBIA – modules 1 and 2 of Bid No. LP-DT-062-2020. The purpose of this bid is the construction, improvement and maintenance, land management, social and environmental sustainability of bypass or alternate road San Francisco Mocoa, section 2 and 3 for the sum of COP \$1.151.851.315.885, and an execution term of 114 months.

## Performance of the Infrastructure Sector

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Market analysts forecast that Colombia's Gross Domestic Product in Q1 2021 could reach -0.4% compared to the same period of 2020. The sectors of trade, construction and recreation are expected to drive this indicator during this quarter. To date, DANE has not published any information about the economic growth of Q1 of 2021; this information will be presented in our teleconference of results.

## Reports – Separated accrued at March 2021

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### ■ Income Statement

*Operating results are expressed according to the IFRS, and comparisons are made for January – March 2021 versus January – March 2020, based on provisions of IAS – 1 and IAS – 34.*

- At March 2021, revenue from ordinary activities amounted to \$147.839 million, sliding 20.78% compared to the same period of 2020. This revenue decrease is explained since in Q1 of 2021 the Company completed the execution of EPC contracts entered with 4G concessionaires – successfully meeting the works that lack Events Exempt from Responsibility. The year 2021 is when the Company will complete the execution of EPC contracts of 4G Concessions; contracts that met the expected profitability. This year also launches the execution of new Contracts, including the EPC of Consorcio Mag2 plus the public work contracts awarded by INVIAS in March. The foregoing naturally meets the economic cycle that the companies of this sector are exposed to. By joining the end and the beginning of projects, this fiscal year is joined by moments of lower invoicing and profitability of projects.
- Operating costs at March 2021 were \$144.658 million, representing 97.85% of the revenue rising from ordinary activities; administrative expenses reached 4.19% of the revenue. The decreased gross margin is due to lower profitability margins and to surcharges to execute the final works of the construction contracts, which end during the first half of 2021.
- The operating margin at March 2021 is 1.10% while the EBITDA reached \$10.337 million, which is equivalent to an EBITDA margin of 6.99%, decreasing compared to the construction EBITDA margin of 14.14% observed in 2020. As mentioned in the analysis of revenue, the impact of the EBITDA margin is the result of the transition that the Company is experiencing in 2021 to the completion of EPC contracts with 4G Concessionaires, and due to the beginning of new construction contracts. We can add the effects faced by the Niña climate phenomenon declared by IDEAM, which has increased rainfall levels from 10% to 60% above normal levels.
- Net loss was COP \$7.581 million, equivalent to -5.13% of the period's revenue from ordinary activities. This loss is mainly due to the including the results of Concesión Vías de Las Américas using the equity method. This is a non-recurring effect, solely accounting and does not generate an effect on the Company's cash flow. Consequently, it does not affect the Company's financial situation. Without this effect, net profit would be \$4.786 million.

## ■ Financial Situation Statement

*Figures of the financial situation are expressed under IFRS and comparisons are made between the months of March 2021 and December 2020, in accordance with IAS 1 and IAS 34.*

- As of March 2021, total assets added up to \$2.31 billion pesos; 46% are current assets and 54% are non-current assets.
- Liabilities closed at \$1.24 billion pesos; 74% are current liabilities and 26% are non-current liabilities. The increased current liabilities are due to the maturity of the bonds issued in the market, which shifts from long-term to short-term.
- The Company's debt increased 15.77% compared to the end of December 2020 given the delay to meet the preconditions for the definite sale of Concesión La Pintada, and the corresponding payment thereof initially scheduled for February 2021. As of the end of March, the debt is distributed as follows (figures in millions of pesos): financial obligations of el Cóndor \$327.875, financial obligations of joint operations \$44.947, bonds \$318.000 and leasing \$145.142.
- Equity of Construcciones El Cóndor S.A. at March 2021 was \$1.07 billion pesos.
- At March 2021, the current ratio of the Company was 1.17x, decreasing compared to December 2020, which had an indicator of 1.3x, as a result of the change in current liabilities.

## Reports – Consolidated accrued at March 2021

*Operating results are expressed under IFRS and comparisons are made for the period of January – March 2021 versus January – March 2020, in accordance with IAS – 1 and IAS – 34.*

## ■ Income Statement

- At March 2021, revenue from ordinary activities added up to \$153.859 million pesos, which are distributed as follows:

REVENUE	As of March 2021
Construcciones El Cóndor S.A.	\$ 147.839
Concesión César Guajira S.A.S.	\$ 0
Concesión Vías de las Américas S.A.S.	\$ 0
Condor Investments USA Inc	\$ 6.059
Elimination of revenue invoiced by Cóndor to Vías De Las Américas	(\$ 39)
<b>Consolidated of Construction Services Provided</b>	<b>\$153.859</b>

*Figures in millions of pesos*

- The consolidated net loss is \$51.344 million. This loss is derived by the negative results reported by Concesión Vías de las Américas for the sum of \$56.130 million; as a result of the higher costs for the execution of the work invoiced by the EPC derived from events which created an economic unbalance in the contract. This unbalance was presented to ANI with the tools used to settle conflicts. To date, there are two favorable awards that add up to \$59.392 million, and an additional claim is underway. The sum of these claims exceeds the consolidated loss presented. It is important to clarify that this revenue derived from awards and claims can only be accounted once the payment is received, and are not included in the result presented.
- This is a non-recurrent effect, solely accounting and does not create an effect on the Company's financial situation. Excluding this effect, the consolidated results would have been \$4.786 million. On the other hand, once the Company is paid the awards and these amounts can be accounted in the Concessionaire, a positive effect may be shown in the cash flow.

## ■ Financial Situation Statement

*The figures in the financial situation statement are expressed under IFRS and comparisons are made between the months of March 2021 and December 2020, in accordance with IAS – 1 and IAS – 34.*

- As of March 2021, total assets added up to \$2.37 billion; 48% are current assets and 52% are non-current assets.
- Total liabilities added up to \$1.34 billion; 75% are current liabilities and 25% are non-current liabilities.
- The consolidated financial deb of Q1 2021 closed at \$835.964 million pesos; this corresponds to the same debt in the separate financial statements.
- The consolidated financial debt is distributed as listed below:

<b>Financial Liability</b>	<b>As of March 2021</b>
CONSTRUCCIONES EL CÓNDOR S.A.	\$ 835.964
CONCESIÓN VIAS DE LAS AMERCIAS S.A.S.	\$ 0
CONCESIÓN CESAR GUAJIRA S.A.S.	\$ 0
CONDOR INVESTMENTS USA, Inc.	\$ 0
<b>Total Financial Liability</b>	<b>\$ 835.964</b>

*Figures in millions of pesos*

- As of March 2021, the equity attributed to the controllers was \$1.04 billion pesos.
- At the end of Q1, our work capital indicator (calculated by subtracting current liabilities from current liabilities) was \$130.290 million pesos. The current ratio of the consolidated is 1.13x.

## Backlog

As of March 2021, the Backlog, which is understood as the balance of works hired and to be executed, was set at \$1.976.109 million pesos. This calculation keeps in mind \$144.053 million

**SUMMARY NOTE**  
to the FINANCIAL STATEMENTS  
of Q1 2021



pesos of the invoicing executed during the quarter, and the addition of the backlog from the award made by INVIAS to execute the works of the access roads to Toyo Tunnel, and 50% of the amount of the contract from the award of INVIAS of modules 1 and 2 of bypass or alternate road San Francisco Mocoa, section 2 and 3:

<b>BACKLOG</b>	<b>At March 2021</b>
Backlog (4Q 2020)	1.125.984
Cancellation or Completion of Contracts	0
Backlog Adjustments	0
Services Provided	(144.053)
New Contracts	994.178
<b>Total Backlog</b>	<b>1.976.109</b>

*Figures in millions of pesos*

Construcciones El C3ndor S.A. invites you to its Teleconference of Results that will take place this coming **Thursday, May 20, 2021 at 3:00 PM COT**. Instructions to join the conference will be posted on the Company's website: [www.elcondor.com](http://www.elcondor.com)