

## Financial Statements Results Summary – Fourth Quarter 2018

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This report was prepared based on the individual financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations (IFRIC) issued by the International Accounting Standards Board (IASB).

### Executive Summary

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*Through the work realized by the administration, during the quarter we formalized an alliance with ISA, which will allow for the creation of a platform for concessions in Colombia and Perú, that will accentuate each company's strengths.*

*Simultaneously, we continued work on compliance with our EPC contracts where in order to advance with our projects, it has been necessary to manage different risks inherent to construction as well as maximize efficiencies and innovations and articulate all of the parties involved.*

### Infrastructure Sector Performance

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According to Banco de la Republica, the GDP reflected a growth of 2,8% for 2018 confirming that the economy has resumed the growth trend. During this quarter and in general during 2018, infrastructure continued to be the main engine for development in the country, without ignoring that there are plenty challenges to overcome. None the less, the investment realized by the concessions which have been able to sign long term credit contracts and achieved their corresponding disbursements, permitted several significant milestones to be reached in construction, generating a positive impact on the economy in the regions which already begins to be perceived.

### Performance Report – Individual Financial Statements (as of December 2018)

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#### Accumulated Income Statement

*Operating results are expressed under IFRS and comparative periods are performed for January-December 2018 and compared to January-December 2017 in accordance with NIC – 1 and NIC – 34.*

- Operating revenues as of December 2018 were COP\$905.369 million, with an increase of 50% over the same period of 2017. These revenues were made up by construction revenues in the different projects. These are the highest levels of revenue generation in the history of the company.

- Operating costs as of December 2018 were COP\$724.734 million, corresponding to 82% of operating revenues while administration expenses represented 4% of income which results in a 124% operational margin which is aligned with the profitability expectations of the Company.
- As of December 2018, EBITDA was COP\$171.353 million versus which is not comparable as it includes the profit from sale of investments during 2017.
- Net income as of the fourth quarter of 2018 was COP\$115.155 million versus COP\$184.909 million registered as of December 2017. This figure also includes profits from the non-recurring divestment event.

## □ Balance Sheet

*Balance figures are stated under IFRS and comparison is made between December 2018 and December 2017 in accordance with NIC – 1 y NIC – 34.*

- As of December 30, 2018, total assets totaled COP\$2.33 billion and their composition was divided into 46% current assets and 54% non-current assets.
- It is important to highlight that, as of December 2018, the Company administers an investment portfolio with infrastructure projects which have a book value of approximately COP\$851.376 million.
- Total liabilities were COP\$1.29 billion and are made up of 79% current assets, and 21% non-current assets. Total liabilities increased 20,3% compared to December 2017, tied primarily to the need for working capital due to the larger construction execution presented in the projects as well as the delay in the liquidation of the Cesar-Guajira project which has substantial funds trapped and which the company expected to receive during the first quarter of 2018 in accordance with the contractual stipulations.
- Short and long-term financial obligations rose to 30.6% compared to December 2017, closing the quarter at COP\$684.029 million.
- Financial leasing obligations, for purchase of machinery, closed at COP\$188.045 million, with a higher concentration in the long term.
- Debt ratio calculated over total assets, closed at 29,3%
- Net equity of Construcciones El Condor S.A. as of December 31, 2018 was COP\$1.04 billion presenting 13,3% growth compared to December 2017.
- As of December 2018, The Company's liquidity RATIO is 1.04.

## **Performance Report – Quarterly individual results (4Q18)**

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### □ 4Q2018 Income statement

*Operating results are expressed under IFRS and comparative periods are performed for October-December 2018 and compared to October-December 2017 in accordance with NIC – 1 y NIC – 34.*

- Fourth quarter operating revenues were COP\$229.380 million, with an increase of 52,2% over the same period in 2017. This positive variation is generated by an increase in construction revenues (services rendered) and, considering the main projects are in their construction stage, this positive trend is due to meeting the schedules for investment.

- Operating costs in the fourth quarter were COP\$191.703 million, representing 83,6% of operating income.
- Fourth quarter EBITDA was COP\$45.229 versus COP\$9m250 million registered during the same quarter of the previous year presenting an increase of almost 4x, the EBITDA margin for the quarter was 20.2% as a result of the efficient execution of the work.
- This EBITDA is aligned with historical quarterly levels, product of the efficient use of resources and the execution of activities in the projects.
- Net income for the Fourth quarter for 2018 was COP\$31,372 million against COP\$10,650 million registered during the same period of 2017.

## Performance Report – Consolidated reports as of December 2018

*Beginning in 2015, Construcciones El Condor S.A. included in its consolidated financial statements the following societies' information: Vías de las Américas S.A.S., Cesar Guajira S.A.S. y Ruta al Mar S.A.S., and beginning in 2016 also included consolidated information for Condor Investments USA Inc. Beginning in 2018, as a product of the sale of 50% of participation in Ruta al Mar S.A.S Concession, Construcciones El Condor S.A. will no longer consolidate financial statements with Ruta al Mar S.A.S.*

### □ Accumulated Income Statement

*Operating results are expressed under IFRS and comparative periods are performed for January- December 2018 and compared to January- December 2017 in accordance with NIC – 1 and NIC –34.*

- Operational revenues include COP\$11,410 million from the sale of assets and Construction revenues of COP\$1,056 billion, which are distributed as follows:

<b>Operating Revenues</b>	<b>as of December 2018</b>
CONSTRUCCIONES EL CÓNDROR S.A.	893,957,982
CONCESIÓN VIAS DE LAS AMERICAS S.A.S	140,356,772
CONCESION CESAR GUAJIRA S.A.S.	16,163,570
CONDOR INVESTMENTS USA INC.	5,591,455
<b>Total Operating Revenues</b>	<b>1,056,069,779</b>

- As of December 2018, operating costs were COP\$894,382 million, which represent 84% of operating revenues and increased 14.3% with respect to the fourth quarter of 2017.
- EBITDA as of December 2018, was COP\$176,266 million and the EBITDA margin was 16.5%. This EBITDA is not comparable with the 2017 figure due to non-recurrent events
- Net income as of December 2018 was COP\$112.577 million, compared to COP\$183,494 million presented as of December 2017, this number is also not comparable as it includes the result of a non-recurring event tied to the sale of investments.

## □ Balance Sheet

*Balance figures are stated under IFRS and comparison is made between December 2018 and December 2017 in accordance with NIC – 1 y NIC – 34.*

- As of December 2018, total assets were COP\$2.56 billion, which decreased 5.24% with respect to December 2017. They were composed of 54% current assets and 46% non-current assets. This is due to the impact generated by the non-consolidation of the Ruta al Mar Concession as of 2018 due to the sale of participation in this asset.
- Total liabilities were COP\$1.47 billion and presented a decrease of 25%, composed of 82% current liabilities and 18% non-current liabilities.
- Short and long-term financial debts (banking obligations plus financial leasing) reached COP\$693,704 million and decreased 28.9% with respect to December 2017.

The financial debt composition is as follows:

<b>Financial Debt</b>	<b>as of December 2018</b>
CONSTRUCCIONES EL CÓNDROR S.A.	684,029,235
CONCESIÓN VIAS DE LAS AMERICAS S.A.S	9,675,003
CONCESION CESAR GUAJIRA S.A.S.	-
CONDOR INVESTMENTS USA INC.	-
<b>Total Financial Debt</b>	<b>693,704,238</b>

- Net equity as of December 2018 was COP\$1.087 billion and presents a marginal variation with respect to December 2017.
- As of December 2018, Working Capital, calculated by subtracting current liabilities from current assets was COP\$172,294 million. The Company's liquidity ratio is 1.14

## Performance Report – Quarterly consolidated reports (4Q18)

*Beginning in 2015, Construcciones El Condor S.A. included in its consolidated financial statements the following societies' information: Vías de las Americas S.A.S., Cesar Guajira S.A.S. y Ruta al Mar S.A.S., and beginning in 2016 also included consolidated information for Condor Investments USA Inc. Beginning in 2018, as a product of the sale of 50% of participation in Ruta al Mar S.A.S Concession, Construcciones El Condor S.A. will no longer consolidate financial statements with Ruta al Mar S.A.S.*

## □ 4Q2018 Income Statement

*Operating results are expressed under IFRS and comparative periods are performed for January-December 2018 and compared to January-December 2017 in accordance with NIC – 1 and NIC – 34*

- Fourth quarter operating revenues totaled COP\$283,752 million, which presented an increase of 56.9% compared to the fourth quarter of 2017.

- Operating costs during the quarter were COP\$244,395 million, representing 86.1% of the operating revenues.
- In the Fourth quarter, EBITDA was COP\$46.006 million against COP\$9,724 million registered during the same period of the previous year.
- Net income during the quarter was COP\$29.900 million against COP\$9,224 million registered during the same period of 2017. This is an increase over 200%.

### Backlog – Balance of Works hired and Works to be executed – 4Q18

As of December 2018, the Backlog – balance of Works hired and works to be implemented – COP\$1.82 billion. This calculation considers the operating revenues (net of dividends and revenues not associated to construction) as of December 2018, which were COP\$893,958 million. Additionally, it considers COP\$197,573 million of new backlog which corresponds primarily to an addition to an existing contract with Prodeco and the signing of a new contract with the Santa Marta – Paraguachón S.A.S. concession, finally there are some adjustments for COP\$38,505. The aforementioned is detailed below.

<b>Total Backlog (December 2017)</b>	<b>2,476,485</b>
Contracts termination (-)	-
Backlog adjustments (as of Dec 2018)	38,505
Services Provided (as of Dec 2018)	(893,958)
New contracts (as of Dec 2018)	197,573
<b>Total Backlog (as of Dec 2018)</b>	<b>1,818,605</b>

Construcciones El Condor S.A. will hold a conference call, in spanish, to present the fourth quarter 2018 results on **Wednesday March 6<sup>th</sup>, 2019 at 3:00 p.m. Colombia time**. Connection details will be posted on El Condor's website [www.elcondor.com](http://www.elcondor.com). Additionally, a translation and a recording will be posted on the website.