

This report was prepared on the basis of the financial statements of Construcciones El Cóndor S.A., according to the International Financial Reporting Standards (IFRS) and the respective interpretations (CINIIF) published by the International Accounting Standards Board (IASB).

Executive Summary

Major milestones for Q1 2023

In March, during the ordinary shareholders' assembly, the Segregation project was approved, which modifies the corporate structure. In this project, Construcciones El Cóndor, as the Segregating part, transfers 100% of its ownership to a subsidiary that will be established for this purpose. The subsidiary's purpose will encompass investment, operation, and management of infrastructure businesses, particularly concessions ("Beneficiary"). The following assets are the subject of the Segregation: Concesión Pacifico Tres SAS, Concesión Ruta al Mar SAS ("RAM"), and Concesión Vías del Nus SAS ("VINUS"). Similarly, it was proposed to transfer the liabilities associated with the investments. The purpose of this project is to generate value and competitiveness by separating the Construction business line from the investment business line. After the Segregation project was approved by the General Shareholders' Assembly, Construcciones El Cóndor will initiate the necessary procedures to obtain the required authorizations and carry out other necessary actions to complete the Segregation.

As mentioned in the previous teleconference, concessions in Colombia, in compliance with IFRIC 12 Service Concession Arrangements, must recognize in their financial results 100% of the financial expenses generated by their borrowing from the delivery of each functional unit. For a significant period of time, the revenues generated by the concessions are not sufficient to cover these expenses, resulting in net losses for each concession. This financial effect is known as the liquidity trap, which affects all long-term investment projects. It is important to note that these losses do not mean that the concessions fail to meet their profitability margins. Rather, due to the nature of Project Finance, profitability is constructed financially over the entire life of the contract. In its financial statements, Construcciones El Cóndor incorporates the results of the concessions using the equity method, meaning that it includes the accounting losses from its shareholdings in the concessions. However, this accounting treatment does not have an impact on the company's cash flow. Therefore, the report will present adjusted figures without this effect in order to reflect the operational reality of the company.

Performance of the Infrastructure Sector

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Market analysts project that the variation in the Gross Domestic Product (GDP) for the first quarter of 2023 compared to the same period in 2022 would be 9.0%.

This growth would be mainly driven by the agriculture and real estate sectors. The construction sector is projected to have a stable performance for this quarter.

As of now, the National Administrative Department of Statistics (DANE) has not released the information on the economic growth for the first quarter of 2023. This information will be presented in our results teleconference.

Separate Accumulated Reports as of March 2023

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■ Income Statement

The operational results are presented in accordance with IFRS, and the comparative analysis is conducted for the periods January-September 2022 against January-September 2021, as stipulated by IAS 1 and IAS 34.

- Ordinary revenue amounted to COP 219,527 million, representing a 36% increase compared to the year 2022. This growth reflects the upward trend in the execution of the following projects: EPC with Autopista Rio Magdalena Concessions, El Toyo and Putumayo public works with Invias. The Company surpassed the billing for the first quarter of 2022, reported at COP 160,985 million.
- Operating costs amounted to COP 222,834 million, increasing by 67% compared to the first quarter of 2022. This resulted in a gross loss of COP (3,307) million, equivalent to a gross margin of -1.51%, which is lower than the gross margin in 2022. This negative result in 2023 is mainly due to losses incurred in projects in the final stage, such as Consorcio Farallones, Pacifico 3, Consorcio Aburra Norte, Irra, Antioquia Bolivar, and San Onofre. Administrative expenses accounted for 3.86% of the revenues.
- The operating profit amounted to COP 356 million, with an operating margin of 0.16%. The EBITDA reached COP 12,651 million, equivalent to an EBITDA margin of 5.76%, which decreased compared to the EBITDA margin in the first quarter of 2022, which was 20.76%.
- Interest expenses increased by 147.39% compared to the first quarters of 2022. This increase is mainly due to higher interest rates, as the financial debt balance decreased during the quarter.
- The results recognized by the equity method and the unrealized net exchange difference generated a net result of COP (\$17,206) million. These items have accounting effects but do not impact the company's cash flow. If we exclude this effect, the net result is COP (\$19,020) million, with a net margin of -8.66%. The aforementioned effect associated with the equity method will continue for several periods as the concessions begin to generate accounting profit. This behavior is in line with the normal cycle of concessions that are entering into operation.

■ Financial Situation Statement

The figures in the financial situation statement are expressed according to the IFRS and the comparison is made between the months of September 2022 and December 2021, as provided by IAS 1 and IAS 34.

- Total assets amount to COP 2.42 trillion, of which our investment portfolio at book value is \$1 trillion. The ratio of current assets to total assets is 61%, while non-current assets account for 39%.
- Cash and cash equivalents amount to COP 9.612 billion, representing an 82% decrease compared to the first quarter of 2022. This decrease is due to the repayment of debt amounting to COP 32.140 billion.
- Liabilities closed at COP 1.46 trillion, with current liabilities accounting for 86% and non-current liabilities for 14%. The increase in current liabilities is attributed to the structured credit facility of the investment business, which matures within one year. However, the source of payment for this liability is the sale of the stake in Concesión Pacifico 3, which has been classified as an asset held for sale.
- The company's debt decreased by -3.11% compared to the end of the first quarter of 2022, mainly due to debt repayments. As of the end of March, the debt was distributed as follows (figures in millions of pesos): debt backed by investment portfolio-related income COP 433,355, working capital construction debt COP 227,892, machinery and equipment leasing COP 151,713, and financial obligations and leasing from joint operations COP 32,670.
- The equity of Construcciones El Cóndor S.A. amounted to COP 1 trillion.
- The company's current ratio was 0.76x, maintaining the same proportion as in the first quarter of 2022, where the indicator was also 0.76x.

Consolidated Accumulated Reports as of March 2023

Operating results are expressed under IFRS and the comparison is made for the periods of January-September 2022 against January - September 2021, as provided in IAS – 1 and IAS – 34.

■ Income Statement

Ordinary revenue amounted to COP 230,045 million, representing a 40% increase compared to the first quarter of 2022. The operating profit amounted to COP 1,197 million, equivalent to an operating margin of 0.5%.

The consolidated results do not show significant variations compared to the separate income statement.

■ Financial Situation Statement

Figures on the financial situation statement are expressed according to IFRS and the comparison is made between the months of September 2022 and December 2021, as provided in IAS – 1 and IAS – 34.

- Total assets amounted to COP 2.4 trillion, with 61% classified as current assets and 39% as non-current assets.
- Total liabilities amounted to COP 1.47 trillion. The consolidated financial debt for the first quarter of 2023 corresponds to the same debt as reported in the separate financial statements.
- Equity attributable to the controlling interests was COP 1 trillion.

Backlog

As of March 31, 2023, the Backlog, understood as the balance of contracted and yet-to-be-executed projects, stood at COP 2,780,550 million, calculated as follows:

BACKLOG	A Mazo 31 de 2023
Backlog (Q4 2022)	2.939.171
Cancellation or termination of agreements	0
Backlog adjustments	56.210
Services provided	(214.831)
New agreements	0
Total Backlog	2.780.550

Figures in millions of Colombian Pesos

Construcciones El Cóndor S.A. invites you to the teleconference of results held on **Friday, May 19, 2023, at 3:00 PM COT.** Instructions to join the teleconference will be published on: www.elcondor.com