

Summary note to the financial statements – First quarter 2019

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

Executive summary

During the first quarter of 2019, Construcciones El Cóndor renewed the commercial papers issued in the Colombian Stock Exchange (Bolsa de Valores de Colombia) for the amount of \$250.000 million, and the second functional unit (UF1) of the Pacifico 2 project, which includes the double lane between La Pintada and Puente Iglesias, was officially handed over. In addition, there were continued advances with ISA (Interconexión Eléctrica S.A. E.S.P) on the main agreements to set up an investment vehicle, under the framework investment agreement signed in December 2018 between both companies.

At the same time, the company worked to fulfill our EPC (Engineering, Procurement and Construction Management) contracts where, in order to move forward with the implementation of our projects, it has been necessary to manage different risks inherent to the construction of the works, maximize efficiencies and innovations, an articulate all the parties involved.

Behavior of the infrastructures sector

As of the date of issue of this report, Dane has not published the GDP data for the first quarter of 2019.

During the first quarter of the year, analysts who follow the economy's performance agree that the country's growth will have an average GDP of 3.2% projected for 2019, with investment (which includes 4G projects) the main factor in the economic recovery. A more balanced growth is expected across the other sectors of the economy, with special acceleration in sectors such as industry, trade, construction, public administration, and the financial sector, which will reap direct benefits from an increased internal demand. As indicated in other reports, as the financial periods for projects come to a close, the civil works sub sector of the construction sector will continue to lead a large part of the growth for that part of the economy.

Reports – Separate accumulated as of March 2019

□ Statement of results

Operating results are expressed according to IFRS, and the comparison is made for the periods January – March 2019 vs. January – March 2018, as provided by NIC – 1 and NIC – 34.

- Revenue from ordinary activities as of March 2019 were \$232.424 million pesos, which represent a 16.07% increase over 2018. This revenue consisted mainly on construction revenue (service provision) from the various projects. The projects with the highest contribution of Revenue from construction services during the quarter were: Ruta al Mar (112.201 million), Pacífico 2 (46.518 million) and Pacífico 3 (28.849 million).
- Operating costs as of March 2019 were \$182.997 million, which represent 78.73% of the revenue from ordinary activities, while administrative expenses were 3.12% of the revenue from ordinary activities. This results in an operating margin (not including other revenue, expenses, profits, or losses) of 18.15%, which exceeds the company's average historic operating margin. This margin is associated with the kinds of activities carried out during the quarter, mainly the contribution to profits from placing the asphalt mix for the Ruta al Mar project. As we move forward in 2019 and other lower return activities are completed, the accumulated operating margin is expected to come into alignment with the company's historical percentages.
- EBITDA for the first quarter of 2019 was \$50.375 million pesos, equivalent to 21.67% of the revenue from ordinary activities. This, compared to the EBITDA for the first quarter of 2018 which was \$26.559 million, represents an increase of 90% approximately, explained by the increase in construction revenue over the last two quarters of the previous year, and the contribution to profits from the activities carried out during the quarter. It is important to note that, the same as with the operating margin, the EBITDA margin is expected to come into alignment with the margin for ordinary revenue during 2019.
- Net profits as of March 31, 2019 were \$31.192 million, equivalent to 13.49% of the ordinary revenue, and is in line with the net general results for 2018, which was 8.75% for the first quarter, and 12.72% for the entire 2018.

□ General balance sheet

Figures in the balance sheet are expressed according to the IFRS, and the comparison is between March 2019 and December de 2018, according to the provisions of la NIC – 1 and NIC – 34.

- As of March 2019 total assets were \$2.45 billion and consisted 45.2% of current assets and 54.8% by non-current assets.
- It is important to note that, as of March 2019, the value of the portfolio of investments in infrastructure and related projects managed by the company was \$917.643 million, with an increase of \$66.267 million during the quarter.
- Total liabilities were \$1.41 billion, and they consisted 77.6% of current liabilities and 22.4% non-current liabilities. Compared to December 2018, there was a 10% increase in total liabilities,

mostly associated to the financing of accounts receivable with projects (mainly Ruta al Mar) and Cesar Guajira, a project undergoing liquidation, which is before an arbitration court, with an outstanding balance on the recognized amount.

- Short- and long-term financial obligations with banks increased 11.58% compared to December 2018, and closed the quarter at \$553.439 million. It is important to note that the company has started to increase its long-term debt to reduce the pressure of liquidity on the balance sheet.
- Financial leasing obligations for machinery purchases closed at \$179.479 million, representing a 4.5% decrease during the quarter.
- Total financial debt (banks plus financial leasing), estimated on the basis of total assets, closed at 29%, maintaining this level since December 2018. The company continues to take actions to free the cash trapped in projects such as Ruta al Mar and Transversal de las Américas. In addition, the company will move ahead with a plan to cede participations in its projects as part of the investment agreement with ISA (Interconexión Eléctrica S.A. E.S.P). The plan is to use the resources obtained by freeing cash and ceding participations to amortize the short-term credits used to this date. This is expected to start a trend to reduce financial liabilities during 2019.
- Construcciones El Cóndor S.A. net equity as of March 2019 was \$1.04 billion. This does not show any changes due to the causation of the profit distribution proposal approved by the Board, which was in alignment with the net profits for the period.
- As of March 2019, the company's current ratio was 1.013.

Reports – Consolidated accumulated as of March 2019

Operating results are expressed according to IFRS, and the comparison is for the periods January – March 2019 vs. January - March 2018, according to the provisions of NIC – 1 and NIC – 34.

□ Statement of results

- Operating revenue includes \$1.268 from asset sales, and \$242.450 million from services rendered up to March 2019. These services were distributed as follows:

Revenue from services rendered up to March 2019	
CONSTRUCCIONES EL CONDOR S.A.	232,424,641
CONCESION VIAS DE LAS AMERICAS S.A.S.	6.461.151
CONCESION CESAR GUAJIRA S.A.S.	2.289.159
CONDOR INVESTMENTS USA INC.	2.543.898
Total income from services provided	243.716.049

- Operating costs as of March 2019 were \$222.509 million, representing 91% of the operating revenue, a decrease of -5.65% with respect to the same period in 2018.

- Ebitda as of March 2019 was \$20.714 million, and the Ebitda margin was 8.5%. This Ebitda was significantly impacted by the consolidation of the financial statements for the Transversal de las Américas project, which is in its final stage.
- Net profits as of March 2019 were \$20.665 million, compared to \$17.349 for March 2018, which represents an annual increase of 19.12%.

□ General balance sheet

The figures for the balance sheet are expressed according to the IFRS, and the comparison is between March 2019 and December 2018, in accordance to the provisions of NIC – 1 and NIC – 34.

- As of March 2019, total assets came to \$2.72 billion, a 6.24% increase compared to December 2018. The composition was 53% current assets and 47% by non-current assets.
- Total liabilities amounted to \$1.64 billion and increased by 12%. They were 81% current liabilities and 19% non-current liabilities.
- Short- and long-term financial obligations (bank loans plus financial leasing operations) came to \$748.324 million, increasing 7.8% compared to December 2018.

The composition of the short- and long-term financial obligations was as follows:

Financial liabilities as of March 2019	
CONSTRUCCIONES EL CONDOR S.A.	732.918.850
CONCESION VIAS DE LAS AMERICAS S.A.S.	15.405.741
CONCESION CESAR GUAJIRA S.A.S.	
CONDOR INVESTMENTS USA INC.	
Total financial liabilities	748.324.591

- Net equity as of March 2019 was \$1.043.567 million, and showed a marginal change compared to December 2018.
- As of March 2019, our working capital indicator, calculated by subtracting current liabilities from current assets, was \$121.386 million. The company's current ratio is 1.09.

Backlog – balance of works under contract and pending implementation – 1Q19

As of March 2019, the backlog -balance of works under contract and pending implementation, was \$1.67 billion. This figure takes into account the amounts invoiced during the quarter (minus dividends and revenue not associated with construction services) for \$232.425 million. The \$81.922 million in adjustments to the backlog are corrections for inflation or greater scope of work in the Transversal de las Américas, Hatovial and Agregados San Javier projects.

Total backlog (December 2018)	1.808.605
Contract cancellation or termination	-
Adjustments to the backlog (as of March 2019)	81.922
Service provision (as of March 2019)	232.425
New contracts (as of March 2019)	-
Total backlog (as of March 2019)	1.668.102

Construcciones El Cóndor S.A. invites you to the teleconference of results that will take place Friday, **May 17, 2019 at 2:30 PM COT**. Instructions to access the teleconference will be posted at www.elcondor.com