

*This report was prepared on the basis of the financial statements for 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**

### **Significant milestones for the second quarter 2022**

On April 27, INVIAS approved the assignment of contract No. 964 of 2021, disclosed to the market on May 11, 2021, whose objective is: "SUSTAINABLE CONSTRUCTION, IMPROVEMENT, MAINTENANCE, LAND, SOCIAL, AND ENVIRONMENTAL MANAGEMENT OF THE SAN FRANCISCO – MOCOIA SECTION 3 (MOCOIA) FRONT ALTERNATE ROUTE. Through this approval, the contract in reference, originally signed between CONSORCIO CM PUTUMAYO consisting of CONSTRUCCIONES EL CONDOR S.A. and y CONSTRUCTORA MECO S.A SUCCURSAL COLOMBIA (each with a 50% share), is assigned in its entirety to CONSTRUCCIONES EL CONDOR S.A., without changing any of the conditions initially agreed upon. The cost of the contract is \$541.389.953.817.

In April, INVIAS approved the assignment of contract No. 1111 of 2021, awarded on March 31, 2021, and whose objective is "SUSTAINABLE CONSTRUCTION, IMPROVEMENT, MAINTENANCE, LAND, SOCIAL, AND ENVIRONMENTAL MANAGEMENT OF THE SAN FRANCISCO – MOCOIA SECTION 2 (SAN FRANCISCO) FRONT. Through this approval, the contract in reference was originally signed between CONSORCIO CM PUTUMAYO consisting of CONSTRUCCIONES EL CÓNDOR S.A. and CONSTRUCTORA MECO S.A SUCURSAL COLOMBIA (each with a 50% share) is assigned in its entirety to CONSORCIO SAN FRANCISCO. The cost of the contract is \$ 610.461.362.068.

On June 30, the market was informed about a significant change in the company's share composition as a result of the acquisition, by Vince Business Colombia S.A.S (a corporation related to Grupo Colpatria) of 61.157.768 shares which, added to the 6.229 that the company already had, represents 10.6% of the company's shares.

As indicated in the previous teleconference, the concessions in Colombia, to comply with IFRIC 12 Service Concession Agreements, must recognize in their results 100% of the financial expenses resulting from their debt starting with the delivery of its functional unit. During a significant time, the revenue produced by the concessions did not cover the expense and thus, each concession shows net losses. This does not mean that the concessions do not achieve their profit margins but given the nature of the Project Finance, THIS IS FINANCIALLY built throughout the entire life of the contract.

In its financial statements, Construcciones El Cóndor includes the method of participation of the results from the concessions and, for this reason, the company will start to include accounting losses from its participation in the concessions. This produces accounting effects but does not impact the company's cash. Therefore, the reports will show the adjusted figures without that effect to reflect the company's operational reality.

## Performance of the infrastructure sector

Market analysis project that the change in the GDP for the second quarter of 2022, compared to the same period in 2021, would be 12.3%. This growth would be driven mostly by the retail, industry, commutations, financial, and real estate sectors. They also project that the construction sector will show a stable behavior this quarter.

To date, the DANE has not published any information about economic growth for the second quarter of 2022. That information will be provided during our teleconference on results.

## Separate accumulated reports as of June 2022

### Statement of results

*Operating results are expressed according to the IFRS, and the comparison is to the period between June and July 2022 vis-à-vis the period between June and July 2021, as provided by IAS – 1 and IAS – 34.*

- Revenue from ordinary activities amounted to \$351.479 million, an increase of 25.34% compared to the second part of 2021. This increase reflects the rising curve in the levels of execution of works for the company's contracts: EPC with the Autopista Rio Magdalena, Ruta al Mar and Pacífico Tres concessions, and the El Toyo public works contract with Invias.
- Operating costs were \$302.307 million, an increase of 16.04% compared to the same period in 2021. Gross profits were \$49.173 million, equivalent to a gross margin of 13.99%. Administrative expenses were 4.34% of the revenue.
- Operational profits were \$41.889 million, equivalent to 11.92% of revenue. The EBITDA came to \$66.702 million, equivalent to an EBITDA margin of 18.98%, and an increase compared to the EBITDA margin for 2021, which was 14.93%.
- The results recognized through the participation method, and the net difference in rate of other exchanges did not produce a net result of (\$17.520) million, which led the company to show a -4.98% net margin. These sums represent accounting effects, but they do not impact the company's cash position. If this effect is discounted, net profits are \$9.574 million, and the net margin is 2.72%.

This effect has been seen and will continue to be seen for several periods until the concessions begin to show accounting profits, which is the normal performance for concessions due to the nature of the Project Finance.

### Statement of financial situation

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

- As of June 2022, total assets amounted to \$2.47 billion which, according to the book value of our investment portfolio, is \$ 1.04 billion. The ratio of current to non-current assets is 43% and 57%, respectively .
- Cash in cash equivalents amounted to \$72.026 million, a 206% increase compared to December 2021. The increase in cash is due to the materialization of the liquidity event that the company has been managing.
- Liabilities closed at \$1.43 billion. Current liabilities increased because the expiration of the structured credit will take place in less than one year.
- The company's debt increased by 7% compared to the close in December 2021, as a result of the disbursement of a loan for 20 million dollars. As of June 30, the company's financial debt was distributed as follows (used in millions of pesos): date for which the source of payment is the revenue related to the investment portfolio, \$423.401, that for working capital for construction, \$276.087, machinery and equipment leasing \$99.985, and financial obligations and leasing for joint operations, \$59.978.
- Construcciones El Cóndor S.A. equity closed at \$ 1.04 billion pesos.
- The company's current ratio was 0.88x, a decrease compared to December 2021 for which the index was 1.38x. The decreases explained a reclassification as non-current liability of the structured credit which matures in June 2023 and for which the source of payment is the revenue from the investment portfolio.

### Consolidated accumulated reports as of June 2022

*Operational results are expressed according to the IFRS, and the comparison is for the period January through June 2022 vis-à-vis January through June 2021 as provided by IAS – 1 and IAS – 34.*

### Statement of results

- Revenue from ordinary activities came to \$358.047 million, a 22.87% increase compared to the second quarter of 2021. Operating profits were \$41.347 million, equivalent to an operating margin of 11.55% of revenue.

Consolidated results did not have any significant changes compared to the separate statement of results.

### Statement of financial results

*The figures in the statement of financial results are expressed according to IFRS and the comparison is for the months between June 2022 and December 2021, as provided by the IAS – 1 and IAS – 34.*

- Total assets amounted to \$2.48 billion, 43% of which are current assets and 57% are non-current assets.
- Total liabilities amounted to \$1.44 billion. The consolidated financial debt for the second quarter of 2022 is the same as the date shown in the separate financial statements.
- The equity attributable to the controllers was \$1.04 billion pesos.

### Backlog

As of June 2022, the backlog, defined as the balance of works that have been contracted for and pending execution, was \$3.263.725 million, according to the following calculation:

<b>BACKLOG</b>	<b>As of June 2022</b>
Backlog (Q1 2022)	3.473.937
Contract cancellation or termination	0
Backlog adjustments	(34.536)
Services provided	(175.676)
New contracts	0
<b>Total Backlog</b>	<b>3.263.725</b>

*Figures in millions of Colombian Pesos*

Construcciones El Cóndor S.A. invites you to the teleconference on results that shall be held on Tuesday, August 16, at **3:00 PM COT**. Instructions to join the conference shall be published on: [www.elcondor.com](http://www.elcondor.com)