

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 Q3 2022

On August 26, 2022, Concesión Vías del Nus S.A.S signed a refinancing agreement that totaled \$1.339.500.000.000, which expired on July 15, 2030. The Loan Agreement was entered under syndicated loan format with Bancolombia S.A., Banco de Bogotá S.A. Banco de Occidente S.A. and IDEA. Using the resources disbursed, the Concession refinanced the debt held during the Construction stage while shareholders are paid the interests of the subordinate debt, and the remaining amount was paid to the debt capital with partners. As a result of this operation, El Cóndor received \$75.031 million, which was used for the advanced payment of loans and working capital.

During the quarter, a request was presented to the Financial Superintendence of Colombia for the renovation and expansion of the term for the public bid of bonds and/or marketable papers for the Program of Issues and Placement of Ordinary Bonds and Marketable Papers in the second market, for five (5) additional years.

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 effect is financially known as liquidity trap, which hinders every long-term investment project. This does not mean that the concessions do not achieve their profit margins but given the nature of the Project Finance, but instead, this profitability is financially built during the entire term of the Agreement. In its financial statements, Construcciones El Cóndor includes the equity method 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 third quarter of 2022, compared to the same period in 2021, would be 7%. This growth would be driven mostly by the retail, power, recreation, industrial and communications sectors. The construction sector is projected to display a stable performance this quarter.

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

Separate Accumulated Reports as of September 2022

■ Income Statement

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

- Revenue from ordinary activities totaled \$638.419 million, up 57.86% compared to the third quarter of 2021. This increase reflects the rising curve in the execution of the following works: EPC with Concesiones Autopista Rio Magdalena, Ruta al Mar and Pacifico Tres, public work El Toyo and Putumayo with Invias and the standardization agreement with Concesión Ruta al Sur. As of September, the Company invoiced \$566.393 million more than in the entire year of 2021.
- Operating costs were \$564.338 million, up 46.88% compared to the same period in 2021. Gross profit was \$74.082 million, equivalent to a gross margin of 11.60%, which is higher than the gross margin displayed in 2021, while new projects gain relevance in revenues over the EPC of 4G. Administrative expenses reached 3.96% of revenue.
- Operating profit climbed to \$55.769 million, with an operating margin of 8.74%. The EBITDA reached \$102.140 million, equivalent to an EBITDA margin of 16%, higher than the EBITDA margin of 2021 of 12.62%.
- Expense for interests increased 56.71% compared to the third quarter of 2021. From this figure, 51.86% is due to higher interest rates while 4.85% is explained by the Company's increased indebtedness.
- The results recognized through the equity method, and the net difference in the rate of other exchanges did not produce a net result of (\$57.136) million. These items present accounting effects but have no impact whatsoever on the cash position of the Company. If this effect is discounted, net profit is \$4.178 million and net margin is 0.65%.

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 Project Finance.

■ 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 were \$2.41 billion which, according to the book value of our investment portfolio, is \$1 billion. The ratio of current and non-current assets is 62% and 38%, respectively.
- Cash and cash equivalent climbed to \$36.291 million, up 54% compared with December 2021. This increased cash is due to the liquidity events that the Company has been managing.

- Liabilities closed at \$1.41 billion, with current liabilities at 85% and non-current at 15%. Current liabilities increased due to the expiration of the structured loan that takes place in less than one year. This does not create a negative effect on the liquidity of the Company and Concesión Pacífico 3 was rated as an asset kept for sale and a source of payment for the structured loan.
- At the end of Q3, the indebtedness of the Company remained at the same levels of December 2021, reaching a 6.27% reduction compared to the June 2022 figure. The financial debt was distributed as follows (figures in millions of pesos): Debt with a source of payment of revenue related to the investments portfolio of \$429.387, working capital debt in construction of \$243.506, leasing of machinery and equipment of \$88.074, and financial obligations and leasing of joint operations of \$44.629.
- The equity of Construcciones El Cóndor S.A. closed at \$1 billion pesos.
- The current ratio of the Company was 1.25x, slightly decreasing compared to December 2021, which displayed 1.38x.

Consolidated Accumulated Reports as of September 2022

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

- Revenue from ordinary activities totaled \$650.709 million, up 55.56% compared to Q3 of 2021. Operating profits climbed to \$55.774 million, equivalent to an operating margin of 8.57%.

Consolidated results did not display significant changes 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 were \$2.42 billion – 62% are current assets and 38% are non-current.
- Total liabilities were \$1.41 billion. The consolidated financial indebtedness for Q3 2022 corresponds to the same indebtedness of the separate financial statements.

- The equity attributable to the controllers was \$1 billion pesos.

Backlog

As of September 2022, the Backlog, defined as the balance of works that have been contracted for and pending execution, was \$2.991.199 million, according to the following calculation:

BACKLOG	As of September 2022
Backlog (Q2 2022)	3.263.725
Cancellation or termination of agreements	0
Backlog adjustments	0
Services provided	(272.526)
New agreements	0
Total Backlog	2,991,199

Figures in millions of Colombian Pesos

Construcciones El Cóndor S.A. invites you to the teleconference of results held on **Wednesday, November 16, 2022, at 2:00 PM COT**. Instructions to join the teleconference will be published on: www.elcondor.com