

*This report is based on the financial statements of Construcciones El Condor S.A., prepared in accordance with International Financial Reporting Standards (IFRS) and their corresponding interpretations (IFRIC) issued by the International Accounting Standards Board (IASB).*

## **Executive summary**

### **First Quarter 2024 milestones**

On January 15, 2024, El Condor S.A. (the "Company") entered into an amendment to the Credit Agreement by which Machinery Corporation of America Inc. granted a credit quota in the amount of USD 21,852,200; the aforementioned document was signed in order to: (1). (1) Modify the terms of the loan and extend the maturity date of the obligation originally scheduled for May 20, 2024, establishing June 30, 2027 as the new maturity date. (2) Inclusion of Corporación Financiera Colombiana S.A. - Corficolombiana as a second priority secured creditor under the Guarantee Documents to guarantee the payment that the Company will eventually have to make under the hedging contracts signed with the aforementioned company. This modification is part of the debt reprofiling plan that the Company has undertaken with the financial creditors in order to strengthen its financial position and guarantee the fulfillment of its obligations.

On February 28, 2024, Construcciones El Condor S.A. ("the Company") and Aleatica S.A.S. entered into a reciprocal agreement for the exclusive use of working capital for the Magdalena 2 Project and to pay the Company's suppliers. The said credit agreement was entered into for an amount of eighty billion pesos (Cop \$80,000,000,000,000) and with a term until the termination of the EPC contract. Aleatica S.A.S, is one of the shareholders of Concesión Autopista Rio Magdalena S.A.S, which is the contractor of the EPC Contract for the construction of Functional Units 1 and 2 of the Autopista al Río Magdalena 2 Road Concession Project, in which the Company is the contractor. This credit operation will be paid with the benefits that the Company has under the EPC Contract on occasion of the recognition of its economic rights charged to the payment of the optimization of the designs (value engineering), as it is regulated in the said EPC Contract. The funds received from the mutual contract will contribute to the liquidity necessary for the execution of the EPC Contract, and also allow the Company to comply with the payment obligations of the value chain, all of the above within the framework of the plan to achieve the stabilization of the current EPC projects.

## **Performance of the Infrastructure Sector**

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According to market analysts, Colombia's GDP for the first quarter of 2024 is estimated to be only 0.2% and could reach 0.9% by the end of 2024. Despite the impending economic slowdown, inflation has been gradually declining.

Considering that Colombia's GDP closed at 0.6% in 2023, the outlook for 2024 is not as bleak compared to the previous year. This, coupled with the reduction in interest rates, which is stimulating Colombian consumption, could mitigate the slowdown.

As for the construction sector, people have not yet shown much interest in investing in real estate due to high interest rates. This situation is expected to improve with the upcoming cuts, and although this sector has been affected by excessive price increases, it could enter a recovery phase.

On the other hand, there is some uncertainty regarding road infrastructure projects due to the lack of interest by the national government in completing and launching new projects. This is evidenced by the fact that after almost two years of government, no new public-private partnership (PPP) contract has been signed.

## **Reports – Accumulated Separate as of December 2024**

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### **Income Statement**

*The operating results are expressed in accordance with IFRS and their comparison is made for the periods January - March 2024 versus January - March 2023 in accordance with the provisions of IAS - 1 and IAS - 34.*

- Income from ordinary activities reached COP\$303,702 million, representing an increase of 38% compared to 2023. This figure is related to an increase in billings of COP\$84 million. This result is associated with the increase in billings from the construction contracts for the Magdalena 2 and Ruta al Sur projects.
- Operating expenses were COP\$245,128 million, an increase of 10% compared to the first quarter of the year 2023. Gross profit was COP \$58,573 million, representing a gross margin of 19%. This result is mainly due to the profits contributed with the execution of San Agustín Zona Norte and Zona Sur (Ruta al Sur), as well as the beginning of the massive placement of asphalt mix in the Magdalena 2 project. Administrative expenses were 2.5% of revenues, a decrease of 2% from the previous year.
- Operating income amounted to COP\$48,964 million, representing an operating margin of 16%. EBITDA reached COP\$59,966 million, representing an EBITDA margin of 19%. This result reflects an increase compared to the EBITDA margin of 6% in the first quarter of 2023.
- Interest expenses increased by 8% compared to the first quarter of the year 2023, of which 23.02% corresponds to the increase in interest rates, and 9.21% to the increase in indebtedness, this being the main variable generating the net loss. The Company expects that the evolution of

inflation will allow a reduction in interest rates to decrease in the medium term, and a reduction in debt, with the positive results already observed in the first quarter of the year.

- The results accounted for under the equity method generated a negative result of COP(\$10,836) million. These items have an accounting impact but do not affect the Company's cash flow. Taking into account the above, the Company's net result was COP(\$12,494) million, if this consolidation effect is discounted, the net result changes to COP(\$1,658) million and the net margin of -1%.

#### ■ **Statement of Financial Position (Balance Sheet)**

*The figures in the statement of financial position are expressed per IFRS and their comparison is made between March 2024 and December 2023, by the provisions of IAS 1 and IAS 34.*

- Total assets amounted to COP\$2.45 trillion, of which our investment portfolio at book value is \$954,861 million. The ratio of current and non-current assets over total assets is 63% and 37% respectively.
- Cash and cash equivalents amounted to COP\$42,925 million. It is important to emphasize that in December 2023, the revenue of November and December of the same year were received for the 2 public works projects contracted with the Instituto Nacional de Vías, allowing the Company to comply with the budget execution for the year.
- Liabilities closed at COP\$1.735 trillion, of which 81% were short-term and 19% long-term. The high proportion of current liabilities over total liabilities is due to the maturity of the structured credit of the investment business, which is less than one year (May 2024), but whose source of payment is the sale of the participation of the Pacifico 3 Concession, which was classified in the short term as an asset held for sale. As an alternative to the sale, the Company has the completion of the reprofiling of its long-term debt, which is expected to be completed during May 2024.
- The Company's debt increased by 6.62% with respect to December 2023, the financial debt was distributed as follows (figures in millions of pesos):
  - o Debt whose source of payment is the income related to the investment portfolio COP\$465,277
  - o Debt for working capital in construction COP\$472,699
  - o Lease of machinery and equipment COP\$90.865
  - o Financial obligations and leasing of joint ventures COP\$14,033
  - o Other non-bank liabilities for COP\$18,280.
- The shareholder's equity of Construcciones El Condor S.A. closed at COP\$720,376 million pesos.
- The Company's current ratio was 1.10x, an increase compared to December 2023, when the indicator was 1.04x.

#### **Reports – Accumulated Consolidated as of March 2024**

*The operating results are presented in accordance with IFRS and their comparison is made for the periods January - March 2024 versus January - March 2024 in accordance with the provisions of IAS - 1 and IAS - 34.*

■ **Income Statement**

Revenues from ordinary activities amounted to COP\$310,713 million, representing an increase of 35% compared to the first quarter of 2023. The Company recorded an operating income of COP\$49 million, equivalent to an operating margin of 16%.

The consolidated results do not show any significant differences with respect to the separate statements of income.

■ **Statement of Financial Situation (Balance Sheet)**

*The figures in the statement of financial position are expressed in accordance with IFRS and their comparison is made between March 2024 and December 2023 in accordance with the provisions of IAS - 1 and IAS - 34.*

- Total assets amounted to COP\$2.5 trillion, of which 63% were current assets and 37% were non-current assets.
- Total liabilities amounted to COP\$1.7 billion. The consolidated financial debt for the first quarter of 2024 corresponds to the same debt of the individual financial statements.
- Equity attributable to controlling shareholders amounted to COP\$720.3 million pesos.

**Backlog**

As of March 31, 2024, the Backlog, understood as the balance of works contracted and to be executed, amounted to COP\$2,045,086 million, according to the following calculation:

<b>BACKLOG</b>	<b>As of December 31, 2023</b>
Backlog (4Q 2023)	\$2.267.786
Cancellation or Termination of Contracts	0
Backlog Adjustments	0
Provision of Services	-\$222.700
<b>Total Backlog</b>	<b>\$2.045.086</b>

*Figures in millions of Colombian Pesos*

Construcciones El Condor S.A. invites you to the earnings webcast to be held next Wednesday, May 17, 2023 at 3:00 PM COT. Instructions for accessing the webcast will be posted on [www.elcondor.com](http://www.elcondor.com).