

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

## **Executive Summary**

During the second quarter the Company has been working on the legalization of the contracts awarded by Invias and carrying out preliminary activities on the design and environmental licenses for the new projects that will begin during the second semester. The Company has also been implementing actions to participate in new contracts that will allow it to increase the backlog.

The General Assembly of Shareholders which was held on April 2, 2021, approved the profit distribution project as follows: Distribution of cash dividends at the rate of twenty-four pesos and twenty-seven cents (\$24.27) per share, payable in cash, in three equal installments of eight pesos and nine cents (\$8.09) each.

On May 13, 2021, all conditions precedent to complete to the purchase-sale of shares and assignment of the subordinate debt related to the Concesión La Pintada S.A.S, between Construcciones El Cóndor S.A. (the seller) and West Valley JL Holdco Limited (the buyer). El Cóndor received 100% of the agreed price, the amount of COP \$151.000.000.000. Of these resources, \$142.000.000.000 were used to decrease the leverage by prepaying credits, and \$9.000.000.000 were assigned to working capital for new projects.

In June 2021, Construcciones El Cóndor paid on time the bond series issued on December 10, 2019, as part of its Ordinary Bond and Commercial Paper Issue and Placement Program in the issuer's secondary market. Total payments, of capital and interest, were COP \$204,572,969,005.

## **Performance of the Infrastructure Sector**

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Market analysts are projecting that the variation in the Gross Domestic Product for the second quarter of 2021 would be 19% compared to the same period in 2020. This is due to the fact that the basis for comparison is low because of the Covid-19 pandemic, and the economy has improved with the gradual reactivation of all sectors and the lifting of restrictions to mobility. So far, the DANE has not published information about economic growth during the second quarter of 2021. That information will be presented during our teleconference on results.

## Reports - Separate accrued as of June 2021

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### ■ Income Statement

*Operating results are expressed according to the IFRS, and comparisons are made for the periods between January - June 2021, versus January - June 2020 according to IAS – 1 and IAS – 34.*

- As of June 2021, revenue from ordinary activities in 2021 were \$258.432, 25.59% lower compared to the same period in 2020. This result has to do with the completion of the projects that were implemented during previous years, with significant amounts billed, the suspension of some projects that are waiting on environmental and real property decisions, and the fact that the Magdalena 2 project is in the initial stages. In addition, the unrest that began at the end of April which also affected the speed of the works due to physical safety considerations for our employees in some areas, and the lack of the major supplies for the projects. As we indicated in our report for the first quarter, during 2021 the Company is completing the profitable implementation of the 4G contracts, and starting the implementation of new contracts which include the EPC contract for Consorcio Mag 2 and the public works contracts awarded by Invias during March. By combining the completion and beginning of several projects, this fiscal year combines the times of the projects' lowest billing and profits, which is a completely natural cycle for the companies in this sector.
- Operating costs as of June 2021 were \$257.836 million, and represent 99.77% of revenue from ordinary activities, while administrative expenses represent 4.87% of the revenue. The decrease in gross margin is due to the lower profit margins and productivity during the phases of those projects that will be completed in 2021 and 2022, and the nonproductive costs caused by the National Strike.
- Operating margin as of June 2021 to present, and the EBITDA is \$22.536 million, equivalent to an EBITDA margin 8.72%, a decrease compared to the EBITDA for 2020 which was 14.91%. As we indicated during the revenue analysis, the impact on the EBITDA is due to the company's transition during 2021 with the end of the EPC contracts with the 4G Concessionaries, and the start of the new construction contracts. In addition, as external effects which impact the result, we have the loss of productivity and profits associated with the La Niña phenomenon declared by the IDEAM due to which rainfall increased between 10% and 60% compared to the normal levels, and to the effects of the national strike.
- Net losses were \$7.676 million, equivalent to -2.97% of the revenue from ordinary activities for the period. These losses are caused mainly by including the results for Concesión Vías de las Américas using the participation method. This is a nonrecurring effect recognize at the end of March 2021, it is only an accounting effect, does impact the cash and, therefore, does not affect the company's financial situation. Without this effect, net profits would be \$4.691 million.

### ■ Financial Situation Statement

*The figures for the financial situation are expressed according to IFRS and the comparison is between June 2021 - December 2020, as provided according to IAS – 1 and IAS – 34.*

- As of June 2021, total assets are \$2.22 billion pesos, with the book value for our INVESTMENT portfolio is \$1.09 billion. The ratio of current to noncurrent assets is 44% and 56% respectively.
- Liabilities closed at \$1.57 billion pesos; 56% of these liabilities are current, and 44% are noncurrent. After paying for the bond series issued in December 2019 for \$200.000 million, and the new funds from the structure credit extended by Bancolombia with a 24-month maturity, the current liability structure is again modified to range between 50% and 60%.
- The companies that remained at the same levels reported at the end of December 2020 because the \$142.000 received from the sale Concesión La Pintada were used to prepay financial obligations. At the end of June, debts are distributed as follows (figures in millions of pesos): those that are supported by the investment portfolio of construction working capital of \$207.287, financial obligations by joint operations of \$47.568, equipment leasing of \$137.383.
- Construcciones El Cóndor S.A. equity as of June 2021 was \$ 1.07 billion pesos.
- As of June 2021, the Company's current ratio was 1.49x, and increase compared to December 2020 when the indicator was 1.3x, as a result of changing the debt structure from current liabilities to noncurrent liabilities.

#### **Reports - Consolidated accrued as of June 2021**

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*Operating results are expressed according to IFRS and comparisons are made for the period of January – June 2021 versus January – June 2020 as provided according to IAS – 1 and IAS – 34.*

#### **■ Income Statement**

- As of June 2021, revenue from ordinary activities amounted to \$269.403 million pesos.
- By the end of the quarter, the investment in Concesión Vías de las Américas was not consolidated because the Company is being reorganized under the Superintendence of Corporations (Superintendencia de Sociedades). In addition, Concession Contract 008 of 2010 is being liquidated and, due to its single objective and the contractual restrictions to the availability of the project's resources - has led to a loss of control by El Cóndor S.A. due to the following two reasons: (i) credit obligations prior to the bankruptcy process being accepted are dependent on the superintendence of corporations' approval of the restructuring agreement, and (ii) payment obligations after the bankruptcy process was approved, according to the terms of the Concession Contract depends on approval by the ANI. Therefore, it can be concluded that the majority shareholder does not have the control to order or guarantee normal operations or those of the normal course of business. According to IFRS standards, Construcciones El Cóndor S.A., does not exercise or have the ability to decide and guarantee the ordinary course of business. Therefore, the neck consolidated result is identical to the results of the separate financial statements.

## ■ Financial Situation Statement

*The figures for the financial situation are expressed according to IFRS and comparisons are made between June 2021 and December 2020, as provided according to IAS – 1 and IAS – 34*

- As of June 2021, total assets were \$2.23 billion, of which 44% are current assets and 56% are noncurrent assets.
- Total liabilities were \$1.16 billion, of which 56% are current liabilities and 44% are noncurrent liabilities.
- Consolidated financial debt for the second quarter of 2021 closed at \$734.238 million, which is the same that as the separate financial statements.
- The consolidated financial debts are divided as follows:

<b>Financial Liabilities</b>	<b>As of June 2021</b>
CONSTRUCCIONES EL CÓNDROR S.A.	\$ 734.238
CONCESIÓN CESAR GUAJIRA S.A.S.	\$ 0
CONDOR INVESTMENTS USA, Inc	\$ 0
<b>Total financial liabilities</b>	<b>\$ 734.238</b>

*Figures in millions of pesos*

- As of June 2021, the controllers' equity was \$1.07 billion pesos.
- At the end of Q2, the hour working capital indicator, calculated by subtracting current liabilities from current assets, was \$331.390 million pesos. The current consolidated ratio is 1.51x.

Over the past five years, the Company has produced net profits for accumulated total of 590.532, and in keeping with the policy of capitalizing most of those profits, 473.929 million have been capitalized. This capitalization makes our equity stronger and because we cannot measure the profitability of the projects per fiscal year, enable us to phase fiscal years were profits decrease due to the project cycle. For the above reasons, the company's profit for 2021 will be less than the average for the past several years, which is normal when carrying out infrastructure projects, and we have a renewed backlog which will enable us to recover our profits starting in 2022.

## Backlog

As of June 2021, the backlog, understood as the balance of works contracted and still pending, was set at \$1.869.385 million. This figure includes \$106.724 million built during the quarter:

<b>BACKLOG</b>	<b>As of June 2021</b>
Backlog (1Q 2021)	1.976.109
Contract cancellation or completion	0
Backlog adjustments	0
Services provided	(106.724)
NEW contracts	0
<b>Total Backlog</b>	<b>1.869.385</b>
Projected backlog for the Santana-Mocoa-Neiva contract	1.051.270
<b>Total Projected Backlog</b>	<b>2.920.655</b>

*Figures in millions of pesos*

Construcciones El Cóndor S.A. would like to invite you to its Teleconference of Results to be held on **August 19, 2021**, at **3:00 PM COT**. Instructions to join the teleconference will be posted on the Company's website [www.elcondor.com](http://www.elcondor.com)