Grupo Argos S.A.
and subsidiaries

Consolidated financial statements
as at 31 December 2020 and 2019

Certification of the Legal Representative of the Company

Medellin, 24 February 2021

To the shareholders of Grupo Argos S.A.

In my capacity as Legal Representative, I hereby certify that the consolidated financial statements as of the closing date of 31 December 2020 that are being disclosed do not contain defects, inaccuracies or material errors that would prevent knowing the true financial position or the transactions performed by Grupo Argos S.A. during the corresponding period.

Jorge Mario Velásquez Jaramillo
CEO
Legal representative
(See attached certification)

Certification
of the Legal Representative and the accountant of the Company

Medellin, 24 February 2021

To the shareholders of Grupo Argos S.A.

The undersigned Legal Representative and the Accountant of Grupo Argos S.A. (hereinafter the Company), certify that the consolidated financial statements of the Company as at 31 December 2020 and 2019, before making them available to you and third parties, the following statements contained therein have been verified:

a) Assets and liabilities included in the Company's financial statements as at 31 December 2020 and 2019 exist and all transactions included in said statements have been made during the years ended on those dates.

b) The economic events completed by the Company during the years ended 31 December 2020 and 2019 have been recognized in the financial statements.

c) Assets represent probable future economic benefits (rights) and liabilities represent probable future economic sacrifices (obligations), obtained or at the expense of the Company as at 31 December 2020 and 2019.

d) All items have been recognized at their appropriate values in accordance with the Accounting and Financial Reporting Standards accepted in Colombia.

e) All economic events affecting the Company have been correctly classified, described and disclosed in the financial statements.

Jorge Mario Velásquez Jaramillo
CEO
Legal representative
(See attached certification)

Claudia Patricia Álvarez Agudelo
Accountant
Registration No. 69447-T
(See attached certification)

KPMG S.A.S.
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(FREE TRANSLATION OF THE REPORT ISSUED IN SPANISH)
STATUTORY AUDITOR'S REPORT

To the Shareholders
Grupo Argos S.A.:

Opinion

I have audited the consolidated financial statements of Grupo Argos S.A. and Subsidiaries (the Group), which comprise the consolidated statement of financial position at December 31, 2020 and the consolidated statements of income and other comprehensive income, changes in equity and cash flows for the year then ended and their respective notes that include the summary of significant accounting policies and other explanatory notes.

In my opinion, the above mentioned consolidated financial statements, attached to this report, present fairly, in all material aspects, the consolidated financial position of the Group at December 31, 2020, the consolidated results of its operations, and its consolidated cash flows for the year then ended, in conformity with Accounting and Financial Reporting Standards accepted in Colombia, applied on a consistent basis with previous year.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs) accepted in Colombia. My responsibilities under those standards are further described in the "Statutory Auditor' Responsibilities for the Audit of the Consolidated Financial Statements" section of my report. I am independent of the Group in accordance with the Code of Ethics for Accounting Professionals issued by the International Ethics Standards Board for Accountants (IESBA Code), included in the Information Assurance Standards accepted in Colombia together with the ethical requirements established in Colombia that are relevant to my audit of the consolidated financial statements and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code mentioned. I believe that the audit evidence I have obtained is enough and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements, considered as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

<table>
<tr><th colspan="2">Assessment of Goodwill impairment (See note 14 to the consolidated financial statements)</th></tr>
<tr><th>The key audit matter</th><th>How our audit addressed this matter</th></tr>
<tr><td>The Group's consolidated statement of financial position includes goodwill for $3,139,063 million, derived from acquisitions made in previous years, on which an annual impairment assessment is required in accordance with IAS 36 - Impairment of Assets.

The foregoing represents a key audit matter due to the materiality of the goodwill balance, and because it involves the determination of complex and subjective judgments made by the Group regarding long-term sales growth, operating costs and margins. projected in the different countries where the Group operates, as well as in the determination of the rates used to discount future cash flows.</td><td>My audit procedures for assessing the Goodwill impairment included, among others, the following:

• Involvement of professionals with relevant knowledge and experience in the industry who assisted me in: 1) evaluating the key assumptions used in the impairment tests carried out by the Group, including input data; 2) carry out independent recalculations supported with information obtained from external sources on the discount rates and the macroeconomic variables used; 3) compare the result of the calculations obtained with those made by the Group; and 4) perform a sensitivity analysis including a possible reasonable reduction in key variables.

• Comparison of budget for the previous year with the real data, to verify the degree of compliance and, consequently, the accuracy of the projections made by the Group's management.

• Assessment of whether the disclosures included in the notes to the financial statements are appropriate in accordance with IAS 36.</td></tr>
</table>

Assessment of the valuation of the service concession agreements (See notes 8, 15 and 44 to the consolidated financial statements)	
The key audit matter	**How our audit addressed this matter**
The Group has signed concession agreements for the construction, operation and transfer of infrastructures, which are within the scope of IFRIC 12 - Service Concession Agreements. The remuneration of these agreements depends on the terms and conditions of each contract; some incorporate certain mechanisms that grant the Group the unconditional right to receive a guaranteed minimum income (financial asset), while other agreements create exposure of the investment in the underlying assets to the traffic risk of the operation (intangible asset). As of December 31, 2020, the Group's consolidated statement of financial position includes financial assets for $2,390,160 million, and intangible assets for $3,552,374 million, derived from the concession contracts signed, mainly from its subsidiaries Odinsa S.A. and Opain S.A. The foregoing represents a key audit matter due to the materiality of the balances related to said agreements, and because their valuation requires significant judgments by the Group in determining the discount rates and selecting the key input data such as the projections of capital investments and operating expenses, incorporated in the financial models used as the basis for the valuation of the amounts derived from each concession contract.	My audit procedures for assessing the valuation of the service concession agreements included the involvement of professionals with relevant knowledge and experience in the industry who assisted me in: 1) analyzing the methodology used in the valuation of assets derived from the concession contracts, and if it is consistent with IFRIC 12 and with the valuation practices usually used in the market; 2) the identification of the key hypotheses included in the financial models and the evaluation of the economic merits of each relevant hypothesis; 3) comparison of key assumptions with market data, if available; and 4) the recalculation of the financial asset / intangible asset, as well as the discount rates used and comparison of the results with those obtained by the Group.

<table>
<tr><th colspan="2">Assessment of the recoverability of assets related to airport concession agreements (See note 15 to the consolidated financial statements)</th></tr>
<tr><th>The key audit matter</th><th>How our audit addressed this matter</th></tr>
<tr><td>The Group’s consolidated statement of financial position as of December 31, 2020 includes in the captions Intangibles, net, and Investments in associates and joint ventures, assets related to airport concession agreements for a value of $1,868,195 million and $524,244 million, respectively, whose values represent 5% of the Group's total consolidated assets.

I identified the assessment of the recoverability of assets related to airport concession agreements as a key audit matter, because it involves a significant judgment in the evaluation of the key hypotheses associated with the most relevant input data of the future cash flow estimate and the discount rate used to determine the recoverable value of said assets.</td><td>My audit procedures for assessing the recoverability of assets related to airport concession agreements included, among others, the following:

• Identification of events, facts and / or circumstances that indicate the existence of impairment objective evidence.

• For the value recognized as Investments in associates and joint ventures, I evaluated the work performed by the investee's audit team, in relation to the procedures performed in the impairment test of the intangible asset associated with the concession agreement.

• Professionals with relevant knowledge and experience in the industry assisted me in: (1) evaluating the key assumptions used in the impairment tests carried out by the Group on intangible assets, including input data and sensitivity to changes in key assumptions; (2) carry out independent recalculations supported by information obtained from external sources on the discount rate and the macroeconomic variables used; and (3) compare the results of the calculations obtained as of December 31, 2020, with those made by the Group.</td></tr>
</table>

Assessment of the valuation of investment properties in accordance with the provisions of IAS 40 - Investment Properties (See note 17 to the consolidated financial statements)	
The key audit matter	**How our audit addressed this matter**
The Company's consolidated statement of financial position as of December 31, 2020 includes a significant amount of investment properties for $2,280,815 million, mainly represented in land measured at fair value with changes in income. The Group hires qualified external experts to periodically determine the fair value of its investment properties, who use significant judgments in determining key valuation hypotheses such as: the use of comparable in the market, the estimation of future cash flows, the discount rates applied and the expected growth of the market. The main reasons for considering this a key audit matter are: (1) there was significant judgment by the Group to determine the key hypothesis for the valuation of the investment properties; and (2) there was significant judgment and an audit effort to evaluate the evidence obtained related to the appraisals performed, as well as the audit effort that involves the use of professionals with specialized knowledge and skills in property valuation.	My audit procedures for assessing the valuation of investment properties in accordance with the provisions of IAS 40 included, among others, the following: • Evaluation of design, implementation and operational effectiveness of the key control established by the Group to determine and recognize in accounting the investment properties fair value, specifically in the review and approval by the Real Estate Strategy Direction of the appraisals carried out by external professionals with specialized knowledge in real estate valuation hired by the Group. • Evaluation of the competence and capacity of the external professionals hired by the Group, who determined the investment properties fair value. • Involvement of a professional with relevant knowledge and experience in real estate valuation, who assisted me in evaluating the key hypothesis used by external professionals hired by the Group to determine the investment properties fair value, and if the procedures and techniques applied are in accordance with IFRS 13 - Fair Value Measurement, and with International Valuation Standards.

Other matters

The consolidated financial statements at and for the year ending December 31, 2019 are submitted only for comparison purposes, were audited by me and in my report dated February 26, 2020 I expressed an unqualified opinion thereon".

Other information

The responsibility for the other information rests with Management. The other information comprises the information included in the Integrated Report but does not include the consolidated financial statements or my corresponding audit report.

My opinion on the consolidated financial statements does not cover the other information and I do not express any assurance conclusion on it.

Regarding my audit of the consolidated financial statements, my responsibility is to read the other information and, in doing so, consider whether there is a material inconsistency between that information and the consolidated financial statements or my knowledge obtained in the audit, or whether in any way , it appears that there is a material misstatement.

If, based on the work that I have done, I conclude that there is a material misstatement in this other information, it is mandatory for me to report this fact. I have nothing to report in this regard.

Responsibilities of Management and those in charge with the Group's governance for the consolidated financial statements

Management is responsible for the fair preparation and presentation of these consolidated financial statements in accordance with Accounting and Financial Reporting Standards accepted in Colombia. This responsibility includes: designing, implementing and maintaining the internal control relevant that management considers necessary for the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to the continuity of the Group and using the going concern accounting basis unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those in charge with corporate government are responsible for overseeing the Group's financial reporting process.

Statutory Auditor's responsibilities for the audit of the consolidated financial statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements, considered as a whole, are free from material misstatement, whether due to fraud or error, and to issue an audit report that include my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the users' economic decisions taken based on these consolidated financial statements.

As part of an audit conducted in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is enough and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant for the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriate use of the going concern hypothesis by management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I would conclude that a material uncertainty exists, I am required to draw attention in my statutory auditor's report to the related disclosure in the consolidated financial statements or, if such disclosure is inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Group ceases to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain enough and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible by the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

I communicate to those in charge with the Group's government, among other matters, regarding the planned scope and timing for the audit, as well as significant audit findings, including any significant deficiency in internal control that I identify during my audit.

I also provide those in charge with corporate government with a statement that I have complied with relevant ethical requirements regarding independence and communicate them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those in charge with corporate government, I determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and therefore they are the key audit matters. I describe these matters in my statutory auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Original version issued in Spanish and signed by)
Johana Novoa Cucunubá
Statutory Auditor of Grupo Argos S.A.
Registration 166943 - T
Member of KPMG S.A.S.

February 24, 2021

CONTENTS

Grupo Argos S.A. and subsidiaries

Consolidated statement of financial position

As at 31 December | Figures stated in millions of Colombian pesos

	Notes	2020	2019
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	2,701,096	2,474,008
Derivative financial instruments	7	6,354	5,786
Trade and other receivables	8	2,050,392	2,653,211
Inventories, net	9	1,237,080	1,252,938
Tax assets	10	205,495	335,744
Biological assets	20	5,634	9,157
Other financial assets	11	-	123,626
Prepaid expenses and other non-financial assets	12	212,046	195,625
CURRENT ASSETS		**6,418,097**	**7,050,095**
Non-current assets held for sale	13	247,954	76,744
TOTAL CURRENT ASSETS		**6,666,051**	**7,126,839**
NON-CURRENT ASSETS			
Trade and other receivables	8	2,828,008	2,493,612
Inventories, net	9	-	37,204
Goodwill	14	3,139,063	3,011,272
Right-of-use assets (property, plant and equipment), net	22	813,037	1,071,329
Intangible assets, net	15	4,574,574	4,974,447
Property, plant and equipment, net	16	19,659,963	19,082,640
Investment property	17	2,280,815	2,317,216
Investments in associates and joint Ventures	18	9,029,377	8,919,368
Derivative financial instruments	7	-	3,675
Deferred tax	10	388,664	332,321
Biological assets	20	53,721	48,444
Other financial assets	11	1,234,403	1,286,634
Prepaid expenses and other non-financial assets	12	105,891	120,140
TOTAL NON-CURRENT ASSETS		**44,107,516**	**43,698,302**
TOTAL ASSETS		**50,773,567**	**50,825,141**

Grupo Argos S.A. and subsidiaries

Consolidated statement of financial position

As at 31 December | Figures stated in millions of Colombian pesos

	Notes	2020	2019
LIABILITIES			
CURRENT LIABILITIES			
Borrowings	21	1,741,257	1,587,714
Lease liabilities	22	132,103	164,605
Employee benefits liabilities	23	208,396	250,091
Provisions	24	430,062	336,153
Trade and other payables	25	2,353,159	2,734,393
Tax liabilities	10	183,414	242,697
Derivative financial instruments	7	65,085	16,353
Bonds and compound financial instruments	26	643,567	951,924
Other financial liabilities		3,811	16,030
Other non-financial liabilities	27	407,731	460,758
CURRENT LIABILITIES		**6,168,585**	**6,760,718**
Liabilities associated with non-current assets held for sale	13	455,564	-
TOTAL CURRENT LIABILITIES		**6,624,149**	**6,760,718**
NON-CURRENT LIABILITIES			
Borrowings	21	5,386,230	5,118,140
Lease liabilities	22	685,001	898,276
Deferred tax	10	1,112,850	1,211,760
Employee benefits liabilities	23	445,591	441,254
Provisions	24	236,086	238,392
Trade and other payables	25	408,744	268,515
Derivative financial instruments	7	95,940	48,719
Bonds and compound financial instruments	26	8,974,024	8,838,335
Other non-financial liabilities	27	575,101	510,775
TOTAL NON-CURRENT LIABILITIES		**17,919,567**	**17,574,166**
TOTAL LIABILITIES		**24,543,716**	**24,334,884**

Grupo Argos S.A. and subsidiaries

Consolidated statement of financial position

As at 31 December | Figures stated in millions of Colombian pesos

	Notes	2020	2019
EQUITY			
Share capital	28	53,933	53,933
Additional paid-in capital	28	1,354,759	1,354,759
Retained earnings		9,218,462	9,022,034
Reserves	29	3,673,583	3,513,161
Profit for the year		(100,013)	689,565
Other components of equity	30	(143,779)	(165,142)
Other comprehensive income	29	2,591,296	2,364,976
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**16,648,241**	**16,833,286**
Non-controlling interests	32	9,581,610	9,656,971
TOTAL EQUITY		**26,229,851**	**26,490,257**
TOTAL LIABILITIES AND EQUITY		**50,773,567**	**50,825,141**

The accompanying notes are an integral part of the consolidated financial statements.

Jorge Mario Velásquez Jaramillo
CEO
Legal representative
(See attached certification)

Claudia Patricia Álvarez Agudelo
Accountant
Registration No. 69447-T
(See attached certification)

Original version issued in Spanish and signed by Johana Novoa Cucunubá
Statutory auditor of Grupo Argos S.A.
Registration No. 166943-T
Member of KPMG S.A.S.
(See report of 24 February 2021)

Grupo Argos S.A. and subsidiaries

Consolidated statement of income

Years ended as at 31 December | Figures stated in millions of Colombian pesos, except earnings per share

	Notes	2020	2019
Revenue	33	13,241,095	14,247,611
Interest income calculated using the effective interest method	33	209,887	195,931
Equity method for associates and joint ventures	33	30,360	488,763
Other revenue	33	509,181	1,866,283
TOTAL REVENUE		**13,990,523**	**16,798,588**
Cost of ordinary activities	34	(10,631,924)	(12,265,012)
GROSS PROFIT		**3,358,599**	**4,533,576**
Administrative expenses	35	(1,425,248)	(1,572,758)
Selling expenses	36	(262,865)	(280,020)
STRUCTURE EXPENSES		**(1,688,113)**	**(1,852,778)**
Other income, net	37	(32,359)	395,675
PROFIT FROM OPERATING ACTIVITIES		**1,638,127**	**3,076,473**
Financial income	38	147,307	126,553
Financial expenses	38	(1,385,739)	(1,400,862)
Foreign exchange difference, net	38	6,347	61,268
PROFIT BEFORE TAX		**406,042**	**1,863,432**
Income tax	10.3	(252,097)	(607,295)
NET PROFIT		**153,945**	**1,256,137**
Attributable to:			
CONTROLLING INTERESTS		**(100,013)**	**689,565**
Non-controlling interests		253,958	566,572
EARNINGS PER SHARE FROM CONTINUING OPERATIONS (*)			
Attributable to common shareholders of the owner company:	39		
Basic (*)		(116,67)	804,41
Diluted (*)		(116,67)	804,41

(*) Figures stated in Colombian pesos.

The accompanying notes are an integral part of the consolidated financial statements.

Jorge Mario Velásquez Jaramillo
CEO
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(See report of 24 February 2021)

Grupo Argos S.A. and subsidiaries

Consolidated statement of other comprehensive income

Years ended as at 31 December | Figures stated in millions of Colombian pesos

	2020	2019
NET INCOME	**153,945**	**1,256,137**
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	**(61,868)**	**81,980**
Gains or losses of equity investments	(48,897)	83,847
Deferred tax on equity investment	(5)	219
Remeasurement of defined benefit liabilities	(22,525)	(19,969)
Defined benefit deferred tax	5,231	5,274
Gains or losses on property, plant and equipment revaluation	111	(487)
Deferred tax on property, plant and equipment revaluation	81	93
Share in associates and joint ventures	4,136	13,003
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	**570,426**	**(71,863)**
Net profit from instruments under cash flow hedges	(54,147)	12,011
Deferred tax on cash flow hedges	9,578	9,305
Exchange differences on translating foreign operations	506,825	(25,164)
Deferred tax on translating foreign operations	1,770	(1,029)
Share in associates and joint ventures	106,400	(66,986)
OTHER COMPREHENSIVE INCOME, NET OF TAX	**508,558**	**10,117**
TOTAL COMPREHENSIVE INCOME	**662,503**	**1,266,254**
Attributable to:		
CONTROLLING INTERESTS	**150,807**	**688,668**
Non-controlling interests	511,696	577,586

The accompanying notes are an integral part of the consolidated financial statements.

Jorge Mario Velásquez Jaramillo
CEO
Legal representative
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(See report of 24 February 2021)

Grupo Argos S.A. and subsidiaries

Consolidated statement of changes in equity

Years ended as at 31 December | Figures stated in millions of Colombian pesos

	Share capital and additional paid-in capital	Legal Reserve	Other Reserves	Other Comprehensive Income	Retained earnings and profit for the year	Other components of equity	Attributable to owners of the controlling company	Non-controlling interests	Total Equity
Balance disclosed as at 31 December 2018	**1,408,692**	**29,665**	**2,971,850**	**2,375,778**	**9,818,556**	**(178,650)**	**16,425,891**	**9,146,846**	**25,572,737**
Accumulated effect of the adoption of new standards (Note 3.1.2)	-	-	-	-	5,595	-	5,595	5,928	11,523
Adjusted balance as at 1 January 2019	**1,408,692**	**29,665**	**2,971,850**	**2,375,778**	**9,824,151**	**(178,650)**	**16,431,486**	**9,152,774**	**25,584,260**
Profit for the period	-	-	-	-	689,565	-	689,565	566,572	1,256,137
Other comprehensive income for the period, net of tax	-	-	-	(897)	-	-	(897)	11,014	10,117
Comprehensive income for the period	**-**	**-**	**-**	**(897)**	**689,565**	**-**	**688,668**	**577,586**	**1,266,254**
Issuance of shares and convertible instruments	-	-	-	-	-	-	-	164,496	164,496
Ordinary cash dividends declared	-	-	-	-	(225,890)	-	(225,890)	(520,243)	(746,133)
Preferred cash dividends declared	-	-	-	-	(74,140)	-	(74,140)	(24,638)	(98,778)
Appropriation of reserves	-	-	511,646	-	(511,646)	-	-	-	-
Equity method for associates and joint ventures	-	-	-	-	-	53,039	53,039	5,313	58,352
Transfer from other comprehensive income to retained earnings	-	-	-	(9,797)	9,797	-	-	-	-
Purchases and sales to non-controlling interests	-	-	-	-	-	(36,789)	(36,789)	(99,522)	(136,311)
Business combinations	-	-	-	-	-	-	-	446,220	446,220
Other variations	-	-	-	(108)	(238)	(2,742)	(3,088)	(45,015)	(48,103)
Balance as at 31 December 2019	**1,408,692**	**29,665**	**3,483,496**	**2,364,976**	**9,711,599**	**(165,142)**	**16,833,286**	**9,656,971**	**26,490,257**

Grupo Argos S.A. and subsidiaries

Consolidated statement of changes in equity

Years ended as at 31 December | Figures stated in millions of Colombian pesos

	Share capital and additional paid-in capital	Legal Reserve	Other Reserves	Other Comprehensive Income	Retained earnings and profit for the year	Other components of equity	Attributable to owners of the controlling company	Non-controlling interests	Total Equity
Balance disclosed as at 31 December 2019	**1,408,692**	**29,665**	**3,483,496**	**2,364,976**	**9,711,599**	**(165,142)**	**16,833,286**	**9,656,971**	**26,490,257**
Accumulated effect of the adoption of new standards (Note 3.1.2)	-	-	-	-	(34,569)	-	(34,569)	(16,553)	(51,122)
Accumulated effect of the adoption of new standards by the equity method for associates and joint ventures	-	-	-	-	(647)	-	(647)	(14)	(661)
Adjusted balance as at 1 January 2020	**1,408,692**	**29,665**	**3,483,496**	**2,364,976**	**9,676,383**	**(165,142)**	**16,798,070**	**9,640,404**	**26,438,474**
Profit for the period	-	-	-	-	(100,013)	-	(100,013)	253,958	153,945
Other comprehensive income for the period, net of tax	-	-	-	250,820	-	-	250,820	257,738	508,558
Comprehensive income for the period	**-**	**-**	**-**	**250,820**	**(100,013)**	**-**	**150,807**	**511,696**	**662,503**
Issuance of shares and convertible instruments	-	-	-	-	-	-	-	24,351	24,351
Ordinary cash dividends declared	-	-	-	-	(242,670)	-	(242,670)	(524,849)	(767,519)
Preferred cash dividends declared	-	-	-	-	(79,647)	-	(79,647)	(24,416)	(104,063)
Appropriation of reserves	-	-	160,422	-	(160,422)	-	-	(3)	(3)
Equity method for associates and joint ventures	-	-	-	-	-	20,511	20,511	2,047	22,558
Transfer from other comprehensive income to retained earnings	-	-	-	(24,500)	24,500	-	-	-	-
Purchases and sales to non-controlling interests	-	-	-	-	-	3,981	3,981	(23,870)	(19,889)
Business combinations	-	-	-	-	-	-	-	-	-
Other variations	-	-	-	-	318	(3,129)	(2,811)	(23,750)	(26,561)
Balance as at 31 December 2020	**1,408,692**	**29,665**	**3,643,918**	**2,591,296**	**9,118,449**	**(143,779)**	**16,648,241**	**9,581,610**	**26,229,851**

The accompanying notes are an integral part of the consolidated financial statements.

Jorge Mario Velásquez Jaramillo
CEO
Legal representative
(See attached certification)

Claudia Patricia Álvarez Agudelo
Accountant
Registration No. 69447-T
(See attached certification)

Original version issued in Spanish and signed by Johana Novoa Cucunubá
Statutory auditor of Grupo Argos S.A.
Registration No. 166943-T
Member of KPMG S.A.S.
(See report of 24 February 2021)

Grupo Argos S.A. and subsidiaries

Consolidated statement of cash flows

Years ended as at 31 December | Figures stated in millions of Colombian pesos

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
NET PROFIT	**153,945**	**1,256,137**
Adjustments by:		
Dividend and interest income	(38,698)	(49,033)
Income tax expense recognized through profit or loss	252,097	607,295
Share in results of associates and joint ventures	(30,360)	(488,763)
Financial expense, net recognized through profit for the period	866,004	977,001
Expenses recognized in respect to employee benefits and provisions	282,127	93,241
Loss (gain) on disposal of non-current assets	19,431	(723,013)
Gain on fair value measurement	(1,222)	(105,887)
Gain on acquisition on advantageous terms	-	(40,411)
Impairment, net of financial assets	45,195	38,539
Impairment, net of non-current assets and inventory	9,379	124,503
Depreciation and amortization of non-current assets	1,716,688	1,711,055
Unrealized foreign exchange gains and losses on financial instruments	(11,532)	(85,510)
Other adjustments to reconcile profit for the year	(22,087)	(11,953)
	3,240,967	**3,303,201**
CHANGES IN WORKING CAPITAL OF:		
Trade and other receivables	463,224	111,558
Inventories	79,391	1,045
Other assets	(2,414)	25,668
Trade and other payables	(750,827)	(148,493)
Other liabilities	(39,252)	(53,014)
CASH GENERATED BY OPERATIONS	**2,991,089**	**3,239,965**
Income tax paid	(341,469)	(483,962)
Dividends and interests received	167,600	561,408
NET CASH FLOW FROM OPERATING ACTIVITIES	**2,817,220**	**3,317,411**
CASH FLOW FROM INVESTING ACTIVITIES		
Financial interest received	70,819	60,218
Acquisition of property, plant and equipment	(1,288,396)	(1,370,868)
Proceeds from the sale of property, plant and equipment	106,093	805,395
Acquisition of investment properties	(2,213)	(15,739)
Proceeds from the sale of investment properties	12,789	60,821
Acquisition of intangible assets	(52,388)	(114,603)
Proceeds from the sale of intangible assets	820	214
Acquisition of other non-current assets	(5,157)	(50)
Proceeds from the sale of other non-current assets	6,985	8,044
Acquisition of control of subsidiaries and other businesses	(30,000)	(1,706,883)
Sale of businesses with loss of control	11,500	1,233,221
Acquisition and/or contributions to interests in associates and joint ventures	(100,933)	(289,143)
Proceeds from the sale of investments in associates and joint ventures	36,575	142,005
Acquisition of financial assets	(225,961)	(335,624)
Proceeds from the sale of financial assets	454,440	278,490
Loans granted to third parties	(12,950)	(85,355)
Proceeds from the repayment of loans granted to third parties	12,876	-
Payments for financial derivative arrangements	(25,842)	-
Other cash inflows / outflows	(347)	5,857
NET CASH FLOW USED IN INVESTING ACTIVITIES	**(1,031,290)**	**(1,324,000)**

Grupo Argos S.A. and subsidiaries

Consolidated statement of cash flows

Years ended as at 31 December | Figures stated in millions of Colombian pesos

CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares and other capital instruments	24,351	118,910
Issue of bonds and structured notes	737,361	2,964,277
Payment of bonds, structured notes and commercial papers	(777,344)	(663,168)
Acquisition of other financing instruments	4,590,425	5,131,832
Payment of other financing instruments	(4,140,438)	(7,479,846)
Payment of lease liabilities	(160,873)	(200,467)
Acquisition of non-controlling interests in subsidiaries	(15,446)	(136,231)
Proceeds from the sale of non-controlling interests in subsidiaries	39,813	-
Restitution of subordinated debt	-	(82,875)
Payments for financial derivative arrangements	(127,807)	(25,327)
Proceedings from financial derivative arrangements	105,497	51,663
Dividends paid on ordinary shares	(689,756)	(686,029)
Dividends paid on preferred shares	(125,114)	(122,008)
Interest paid	(1,056,163)	(1,116,773)
Other cash inflows / outflows	9,226	39,463
NET CASH FLOW GENERATED BY FINANCING ACTIVITIES	**(1,586,268)**	**(2,206,579)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**199,662**	**(213,168)**
Cash and cash equivalents at the beginning of the period	2,474,008	2,647,532
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies	39,688	39,644
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (Note 6)	**2,713,358**	**2,474,008**
Less cash and banks included in a group of assets held for distribution to shareholders	12,262	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD WITHOUT CASH AND BANKS INCLUDED IN A GROUP OF ASSETS HELD FOR DISTRIBUTION TO SHAREHOLDERS (Note 6)	**2,701,096**	**2,474,008**

The accompanying notes are an integral part of the consolidated financial statements.

Jorge Mario Velásquez Jaramillo
CEO
Legal representative
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Grupo Argos S.A. and subsidiaries

Notes to the **consolidated financial statements**

As at 31 December 2020 and 2019.
In millions of Colombian pesos, except where otherwise indicated

NOTE 1: **OVERVIEW**

Grupo Argos S.A. (hereinafter the company), is a Colombian company incorporated by public deed N°472 of 27 February 1934, of the Second Notary of Medellín. Its main domicile is in the city of Medellin (Colombia), with address carrera 43A 1A sur 143. Its term expires on 27 February 2033, extendable.

The purpose of the Company is to invest in all types of movable and immovable property, and especially in shares, quotas or parts of interest or any other kind of participation in companies, bodies, organizations, funds, or any other legal entity that permits investment of resources. It may also invest in fixed or variable income papers or documents, whether or not they are registered on the public securities market. In any case, the issuers and/or receivers of the investment may be public, private, or mixed, national or foreign. The Company can form civil or commercial companies of any kind or join as a partner to those already established. The association permitted by this provision may include companies whose activity is different from its own, provided that it is convenient for its interests.

In addition, the company has sufficient capacity to act as a promoter, investor, structurer or developer of real estate projects of any kind, for which it may acquire movable or immovable assets necessary for the development of the corporate business, which may have the character of fixed or movable assets according to their purpose.

Grupo Argos S.A. is the parent company of Grupo Empresarial Argos and, through its subsidiaries, it participates in strategic sectors of the economy: cement, energy, concessions and large-scale infrastructure, coal, and real estate.

Its legal status corresponds to an anonymous company, registered in the Colombian Stock Exchange with a solid investment portfolio. The company has strategic investments in companies whose shares and bonds are listed on the stock exchange, such as Cementos Argos S.A. and Celsia S.A. as well as in companies with bonds listed in the stock market as Odinsa S.A. (whose shares were listed in the Colombian Stock Market until 13 March 2018) and other companies not listed. In the Colombian stock market, Grupo Argos S.A. is an issuer of ordinary and preferential shares, targeting the public represented by strategic investors, private investment funds, pension funds, brokerage firms and investors in general (individuals and companies), interested in participating in the country's stock market.

These consolidated financial statements present the financial information of Grupo Argos S.A., Cementos Argos S.A., Celsia S.A., Odinsa S.A., with their respective subsidiaries, Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. and other minor subsidiaries (hereinafter the Group), and have been prepared by applying uniformly or by standardization for all companies the basis of presentation and significant accounting policies described in Note 2 Basis of preparation and significant accounting policies.

On 24 February 2021 the Board of Directors authorized the issuance of the Consolidated Financial Statements of the Group for the year ended 31 December 2020 and their respective comparatives.

NOTE 2: **BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

2.1 Compliance status

The consolidated financial statements for the years ended 31 December 2020 and 31 December 2019 have been prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia NCIF, which are based on International Financial Reporting Standards (IFRS), together with their interpretations, translated into Spanish and issued by the International Accounting Standards Board (IASB), as of the second half of 2018 and the endorsement of the amendment to IFRS 16 Leases: COVID-19-Related Rent Concessions issued in 2020. The NCIF were established by Law 1314 of 2009, regulated by Decree 2420 of 2015, amended on 23 December 2015 by Regulatory Decree 2496, on 22 December 2016 by Regulatory Decree 2131, on 22 December 2017 by Regulatory Decree 2170, on 28 December 2018 by Regulatory Decree 2483, on 13 December 2019 by Regulatory Decree 2270, and on 5 November 2020 by Decree 1432.

Additionally, in compliance with laws, decrees, and other regulations in force, applies the following accounting criteria issued specifically for Colombia by the regulatory entities:

- External Circular Letter 36 of 2014 of the Superintendence of Finance of Colombia by means of which it indicates the accounting treatment of positive net differences generated in the first application of the NCIF (Colombian Financial Reporting Standards), may not be distributed to wipe out losses, make capitalization processes, distribute profits and/or dividends, or be recognized as reserves and may only be available when they have been effectively made with third parties, different from those who are related parties, according with the principles of the NCIF. Negative net differences shall not count towards the legal controls applicable to preparers of financial information issuing securities subject to control.

- Decree 2496 of 23 December 2015, which determines that the parameters for establishing post-employment benefits in accordance with IAS 19, Employee Benefits, should correspond to Decree 2783 of 2001 as the best market approximation; for the year 2016, Decree 2131 of 22 December 2016, eliminated the obligation to apply these assumptions for the measurement of post-employment benefits, and continues to be applicable only for financial disclosure purposes. Decree 1625 of 2016 determines that the calculation of pension liabilities must be disclosed in accordance with the parameters established in that standard and in the case of partial pension commutations in accordance with Decree 1833 of 2016 and the differences with the calculation made in accordance with IAS 19 Employee Benefits.

2.2 Going concern basis

The consolidated financial statements have been prepared on a going concern basis. On 17 March 2020, the Colombian government declared a state of health emergency due to the COVID-19 coronavirus and, in turn, the governments of the other countries where we operate have been taking governmental measures that affect the operations of Grupo Argos and its subsidiaries; for this, the Group has been implementing mitigation plans to address the impacts produced by the declaration of emergency, which allow us to conclude that even in the current situation, the Group's ability to continue as a going concern is not affected (see Note 47 Significant events).

2.3 Basis of preparation

The Group has defined in its bylaws to make an audit of its accounts, prepare, and distribute general purpose financial statements once a year, as of 31 December of each period. The Consolidated Financial Statements are expressed in Colombian pesos which is the functional currency, and that corresponds to the currency of the main economic environment in which the company operates, and the presentation currency of the parent company for all purposes, rounded to the nearest million, unless otherwise indicated.

For legal purposes in Colombia, the Separate Financial Statements are the basis for the distribution of dividends and other appropriations.

The Group's Consolidated Financial Statements as of 31 December 2020 and 2019, have been prepared on an accrual basis of accounting, except for the cash flow statement. The measurement basis is historical cost; however, some financial instruments, associates considered as investment entities, investment property and biological assets are measured at fair value at the end of each reporting period, the land and buildings component of property, plant and equipment for administrative use is measured at revalued cost every four years as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration given in the exchange of goods and services in the initial measurement.

The Group must make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue, costs and expenses, and their respective disclosures at the date of the consolidated financial statements. Note 4 Significant accounting judgments and key sources of estimates provides details of the significant accounting judgments and key sources of estimates.

Fair value measurements:

Fair value is the price that would be received for selling an asset or paid for transferring a liability in an orderly transaction between market participants at the measurement date. The fair value of some financial assets and liabilities, investment property and biological assets is determined at a date near the date of presentation of the financial statements for recognition and disclosure.

Judgments include inputs such as liquidity risk, credit risk, and volatility. Changes in assumptions about these factors could affect the reported fair value of the financial instruments.

In estimating fair value, the Group considers the characteristics of the asset or liability if market participants take those characteristics into account when making the valuation at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on that basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment; if any, lease transactions, within the scope of IFRS 16 Leases and measurements that have certain similarities to fair value but are not, such as net realizable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

Fair value measurements are categorized into Level 1, 2 or 3 based on the extent to which the inputs to those measurements are observable, and in accordance with the significance of those inputs to the measurements as a whole, which are described below:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities for which the entity has access at the measurement date.

- Level 2 inputs are those other than the quoted prices included in Level 1 that are observable for an asset or liability, either directly or indirectly.

- Level 3 inputs are unobservable data for an asset or liability that reflects the assumptions that market participants would use in pricing the asset or liability including the assumption of risk.

The Group has applied the accounting policies, judgements, estimates and significant accounting assumptions described in Note 2 Basis of preparation and significant accounting policies and Note 4 Significant accounting judgements and key sources of estimates. The judgements include data such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Consolidation principles:

The investments over which the Group has control are consolidated by means of the full integration method, in which all assets, liabilities, equity, income, costs and expenses of the subsidiaries are added to the financial statements of the parent or controlling company, after elimination in the parent or controlling company of the investment made by the latter in the equity of the subsidiaries, as well as the reciprocal operations and balances existing at the date of preparation of the consolidated financial statements and the standardization of the subsidiaries' accounting policies to those of the Group.

An investee is controlled when the Group has power over it, is exposed to or is entitled to variable returns from its involvement in the investee and has the capacity to influence those returns through its power over the investee. In determining whether or not to control an investee, an assessment is made of whether facts and circumstances indicate that there are changes in one or more of the three elements of control mentioned above. In assessing control, consideration is given to, among other things, existing substantive voting rights, contractual arrangements between the entity and other parties for relevant activities, and the rights and ability to appoint and remove key management personnel, among other aspects.

When a majority of the voting rights of an investee is not held, power over the investee is determined when the voting rights are sufficient to give the investee the practical ability to manage the relevant activities of the investee. The Group considers all relevant facts and circumstances in assessing whether or not voting rights in an investee are sufficient to give it power, including:

- The size of the percentage of voting rights relative to the size and dispersion of the percentages of other voting rights holders.
- Potential direct and indirect voting rights held by the Group, other shareholders or other parties.
- Rights arising from contractual arrangements.
- Any additional facts or circumstances indicating that the Group has, or does not have, the current ability to direct the relevant activities at the time decisions need to be made, including voting patterns at previous shareholders' meetings.

The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date on which the Group obtains control over the subsidiary until the date on which control is lost. Revenue and expenses of a subsidiary acquired or sold during the year are included in the consolidated statement of income and other comprehensive income covering the period from the date on which the Group obtains control until the date on which control over the subsidiary is relinquished.

Changes in a parent's ownership interest in a subsidiary that do not result in loss of control are accounted for as equity transactions. The carrying amounts of Group and non-controlling interests are adjusted to reflect changes in its relative share of the subsidiary. Any difference between the amount by which the non-controlling interests were adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the controlling interest.

When control of a subsidiary is lost, assets and liabilities of the subsidiary, any related non-controlling interest and other components of equity are derecognized. The resulting gain or loss is recognized in the statement of income for the period and is calculated as the difference between:

- The aggregate of the fair value of the consideration received and the fair value of the retained interest, and

- The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest.

Amounts previously recognized through other comprehensive income in relation to that subsidiary are recorded as if the Group had sold the relevant assets directly (i.e. reclassified to profit or loss or transferred to another category of equity as specified and/or permitted by the applicable IFRS).

The fair value of the investment retained in the former subsidiary, at the date when control was lost, shall be considered as the fair value for the purposes of the initial recognition of a financial asset in accordance with IFRS 9 Financial Instruments, or where applicable the cost of the initial recognition of an investment in an associate or joint venture. If the retained interest in the former subsidiary is accounted for using the equity method, the portion of the gain or loss arising from the remeasurement at fair value is recognized through profit or loss for the period only to the extent of the interest in the new associate; if the retained interest is accounted for in accordance with IFRS 9 Financial Instruments, the portion of the gain or loss is recognized in full in profit (or loss) for the period.

Non-controlling interests in the net assets of consolidated subsidiaries are presented separately from Group equity. Profit (or loss) for the period and other comprehensive income are also attributed to non-controlling and controlling interests. The total comprehensive income of the subsidiaries is attributed to the owners and to the non-controlling interests even if the results in the non-controlling interests have a negative balance.

Management should make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues, costs and expenses, as well as the disclosures of assets and liabilities at the date of the consolidated financial statements. Note 4 provides details of significant accounting judgments and key sources of estimates made by management.

A structured entity is one that is designed so that voting and similar rights are not the primary factor in deciding who controls the entity, for example, if any voting rights relate solely to administrative tasks and the relevant activities are governed by contractual arrangements.

2.4 Significant accounting policies

Below are the significant accounting policies applied by the Group in the preparation of its consolidated financial statements:

2.4.1 Business combinations and goodwill

Business combinations are accounted for using the acquisition method when control is transferred to the group. The consideration transferred and the identifiable assets acquired, liabilities and contingent liabilities assumed of the acquiree are generally recognized at fair value at the acquisition date, the acquisition costs are recognized in the statement of income for the period and goodwill is recognized as an asset in the consolidated statement of financial position.

The consideration transferred is measured as the sum of the acquisition-date fair values of the assets delivered, liabilities assumed, and equity instruments issued by the Group, including the fair value of any contingent consideration, to obtain control of the acquiree. The consideration transferred does not include amounts related to the settlement of preexisting relationships. Such amounts are generally recognized through profit or loss.

The identifiable assets acquired, liabilities and contingent liabilities assumed are recognized at their fair value at the acquisition date, except:

- Deferred tax assets or liabilities and assets or liabilities relating to employee benefit arrangements recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively.

- Assets or groups of assets for disposal that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Goodwill is measured as the excess of the sum of the consideration transferred, the value of any non-controlling interest and, when applicable, the fair value of any previously held interest in the acquiree over the net value of the assets acquired. When the consideration transferred is less than the fair value of the net assets of the acquiree, the corresponding gain is recognized through profit or loss at the acquisition date.

Non-controlling interests that represent ownership interests and guarantee their holders a proportionate share of the entity's net assets in the event of liquidation may be measured initially at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The selection of the measurement model is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities that result from a contingent consideration arrangement, the contingent consideration is measured at fair value at the acquisition date and is included as part of the consideration transferred in a business combination. Changes in the fair value of contingent consideration that qualify as an adjustment to the measurement period are adjusted retrospectively against goodwill. Measurement period adjustments are adjustments arising from additional information obtained during the measurement period, which may not exceed one year from the acquisition date, about facts and circumstances that existed at the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners). Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments to goodwill are made and no gain or loss is recognized through profit or loss.

The subsequent recognition of changes in the fair value of contingent consideration that do not qualify as adjustments of the measurement period depends on how the contingent consideration is classified:

- Contingent consideration that is classified as equity is not discounted to subsequent reporting dates and its subsequent settlement is recorded within equity.
- Other contingent consideration that is within the scope of IFRS 9 Financial Instruments shall be measured at fair value at the reporting date and changes in fair value shall be recognized through profit or loss in accordance with this IFRS.
- Other contingent consideration that is not within the scope of IFRS 9 Financial Instruments shall be measured at fair value at the reporting date and changes in fair value shall be recognized through profit or loss in accordance with this IFRS.

In the case of business combinations achieved in stages, the Group's equity interest in the acquiree is restated to its fair value at the acquisition date (i.e. the date on which the Group obtained control) and the resulting gain or loss, if any, is recognized through profit or loss for the period. Amounts resulting from the interest in the acquiree before the acquisition date that had previously been recognized through other comprehensive income are reclassified to profit or loss for the period, provided that such treatment is appropriate, as if the interest had been disposed of.

If the initial accounting for a business combination is not completed by the end of the financial period in which the combination occurs, the Group reports the provisional amounts of the items for which the accounting is incomplete. During the measurement period, the acquirer recognizes adjustments to the provisional amounts or recognizes additional assets or liabilities needed to reflect new information obtained about facts and circumstances that existed at the acquisition date and, if known, would have affected the measurement of the amounts recognized at that date, which are disclosed.

Goodwill acquired in a business combination is allocated at the acquisition date to the cash-generating units expected to benefit from the combination, regardless of whether other assets or liabilities of the acquiree are allocated to those units.

Goodwill is not amortized; it is measured at cost less any accumulated impairment losses.

The cash-generating units to which goodwill is allocated are tested for impairment annually, or more frequently, if there is an indication that the unit may be impaired.

If the cash-generating unit's recoverable amount is less than the unit's carrying amount, the impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the unit and then to the unit's other assets, on a pro rata basis, based on the carrying amount of each asset in the unit.

Impairment losses are recognized in the statement of income. An impairment loss recognized for goodwill purposes may not be reversed.

In the event of disposal of a cash-generating unit, the attributable amount of goodwill is included in the calculation of the withdrawal gain or loss.

2.4.2 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position and the consolidated statement of cash flows include cash and cash equivalents and highly liquid investments that are readily convertible to a specified amount of cash and are subject to an insignificant risk of changes in value, with a maturity of three months or less from the date of acquisition.

2.4.3 Financial assets

Upon initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income - debt instruments; fair value through other comprehensive income - equity instruments; or fair value through profit or loss.

Financial assets are initially recognized at fair value; for financial assets measured at amortized cost, directly attributable transaction costs are included. Financial assets are not reclassified after initial recognition, unless the

Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group subsequently measures financial assets at amortized cost or fair value, depending on the business model for managing the financial assets and the characteristics of the contractual cash flows of the instrument.

A financial asset is subsequently measured at amortized cost, using the effective interest rate, if the asset is held within a business model whose objective is to hold it to obtain the contractual cash flows and the terms of the business model give rise on specific dates to cash flows that are solely payments of principal and interest on the value of the outstanding principal.

Financial assets other than those at amortized cost are subsequently measured at a) fair value through other comprehensive income (OCI), if they are debt instruments that are held within a business model whose objective is achieved through the collection of contractual cash flows and the sale of financial assets, and the contractual terms of the asset give rise on specific dates to cash flows that are solely payments of principal and interest on the amount of principal; and b) fair value through profit or loss, being these all other financial assets that do not meet the criteria for classification at amortized cost or at fair value through other comprehensive income (OCI). This category includes all derivative financial assets. However, the Group may elect at initial recognition and on an irrevocable basis, to present gains or losses from measuring financial assets at fair value through other comprehensive income (OCI), for investments in equity instruments that are not held for trading purposes, on an investment-by-investment basis.

The Group has chosen to measure some of its investments in equity instruments at fair value through other comprehensive income (OCI). In the disposal of investments at fair value through other comprehensive income (OCI), the accumulated value of the gains or losses is transferred directly to retained earnings, not reclassified to profit or loss. Dividends received in cash from these investments are recognized in the statement of income.

The Group recognizes concession arrangements that represent an unconditional contractual entitlement to receive a State-guaranteed cash flow as a financial asset (receivable) within the scope of IFRIC 12 Service Concession Arrangements. This interpretation requires the investment in public infrastructure be recognized as a financial asset and is measured at the present value of the respective guaranteed cash flows discounted at the interest rate determined in the concession arrangement.

2.4.3.1. Impairment of financial assets

The Group records expected credit losses on its debt securities, trade receivables, contract assets and lease receivables at the end of the reporting period. In the calculation of expected credit losses under IFRS 9 Financial Instruments, the Group applies a simplified approach on a collective basis for the Cement and Energy segments, which allows it not to track changes in credit risk, but rather to recognize a loss provision based on expected credit losses over the lifespan of the asset at each reporting date, i.e., to recognize expected credit losses resulting from possible events of default over the expected lifespan of the financial instrument. For the Concessions segment, the general approach is used to calculate the expected credit losses of financial assets measured at amortized cost; therefore, expected credit losses are recognized over the lifespan of the asset or over the next twelve months, if there has not been a significant increase in risk, evaluated on a collective or individual basis.

Where there is objective evidence that a financial asset is impaired, the Group recognizes an individual impairment loss provision and excludes the item from collective evaluation under the expected credit loss model.

To determine expected credit losses, the Group has used a methodology in accordance with the nature and characteristics of each of its businesses, namely:

- **Cement:** to determine expected credit losses, the cement segment uses a provision matrix based on the number of days a trade receivable is past due, i.e., by grouping the portfolio by default days ranges and applying to the current balance of receivables at the measurement date for each default range an expected default percentage. The percentage of default given the days of default of the portfolio was determined using the transition matrix methodology according to the Markov chain theory. The portfolio of each subsidiary is segmented into two homogeneous groups, industrial business and mass business.

- **Energy:** when monitoring credit risk in this segment, clients are grouped according to their characteristics, including business segment, type of market and type of service. Loss rates are based on the historical behavior of collections through averages per month and per class of service. Trade and other receivables relate mainly to energy customers in the regulated and unregulated market, in the residential, commercial, industrial and official sectors.

Due to the conditions prevailing in the wholesale market (energy exchange and bilateral arrangements with third parties), an individual analysis of impairment is performed on the associated receivable, ranging from a preliminary study of the third parties to the coverage of the portfolio with collateral or promissory notes, the latter only in the case of well-qualified third parties.

- Concessions: for receivables with sovereign states, in which a public entity is the debtor, the following risk parameters are taken:
    - The probability of default assigned to the receivable corresponds to the average probability of default of the country where the counterparty is located, according to the rating of the sovereign risk of the counterparty.
    - The standards of the Basel Committee on Banking Supervision are used to estimate the loss given default, which assigns a loss of 45% to debts with sovereign States.
    - The loss is calculated for the entire unsecured amount exposed.

  For receivable in the concession segment with related parties or other receivables, where no historical recovery data exists, the following estimate is made to obtain the risk parameters:
    - The probability of default is estimated by applying Altman's financial stress test for an emerging market company, considering the ratios of working capital, retained earnings, earnings before taxes and interests (EBIT) and total assets, as well as the debt-to-equity ratio.
    - The standards of the Basel Committee on Banking Supervision are used to estimate the loss given default, which assign a loss of 75% to debt with related parties or other receivables.
    - Loss is calculated for the entire unsecured amount exposed.

  In the case of airport concessions, the estimation of expected credit losses on commercial and non-commercial receivable is made using historical data to estimate the loss rate, based on the average migration rate of the portfolio between 30-day age ranges.

Loss is recognized through administrative and selling expenses in the Group's consolidated statement of income. When there is confirmation that the receivable will not be collectible, the gross carrying amount of the account is derecognized against the associated provision.

Financial assets - Subsequent measurement and profit and loss

Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized through profit or loss. Any gain or loss from derecognition is recognized through profit or loss.
Debt investments at fair value through other comprehensive income (OCI)	These assets are subsequently measured at fair value. Interest income is calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized through profit or loss. Other net gains and losses are recognized through other comprehensive income (OCI). On disposal of these assets, the accumulated gains and losses in OCI are reclassified to profit or loss.
Equity investments at fair value through other comprehensive income (OCI)	These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of income unless the dividend clearly represents a recovery of a portion for the investment cost. Other net gains and losses are recognized through other comprehensive

	income OCI and are never reclassified to income for the period.
Financial assets at fair value through profit or loss	These assets are subsequently measured at fair value. Net gains and losses, including interest or dividend income, are recognized through profit or loss.

2.4.3.2. Derecognition of financial assets

A financial asset, or a part of it, is derecognized from the consolidated statement of financial position when the contractual rights to the cash flows from the financial asset expire or when the financial asset is transferred, and the transfer qualifies for derecognition.

A financial asset is transferred if the contractual entitlements to receive the cash flows of an asset have been transferred or if the contractual rights to receive the cash flows of the financial asset are retained but the entity assumes a contractual obligation to pay them to one or more recipients. When the Group transfers a financial asset, it shall assess the extent to which it retains the risks and rewards of ownership of the asset.

When a financial asset or part of it is derecognized, the difference between its carrying amount and the sum of the consideration received (including any new asset obtained less any liability assumed) must be recognized through profit or loss. The accumulated gain or loss that has been recognized directly through equity within other comprehensive income (OCI), and is related to financial assets derecognized, must be reclassified to retained earnings.

2.4.4 Inventories

Are classified as inventories those goods acquired with the intention of selling them in the ordinary course of business or of consuming them in the process of providing services, or those that were classified as investment property in the acquisition and are then intended for sale in the ordinary course of business.

The inventory of raw materials, work in process, finished product, unmanufactured merchandise for sale, and real estate inventory is initially measured at cost of acquisition plus expenses and disbursements necessary to place the asset in condition to be sold. The Group recognizes a decrease in the value of inventories if the cost is higher than the net realizable value. When a real estate inventory is transferred from investment property to inventories, the transfer is made at fair value, which corresponds to the new cost of the inventory for purposes of applying IAS 2 Inventories.

The Group classifies real estate inventories into current and non-current according to their business cycle. That is, according to the time that elapses from the purchase or classification of a real estate property as an inventory through its realization. Generally, inventory items are realized within the financial year when sale conditions do not require prior execution of development work by the Group and delivery of the property is agreed over periods of up to one year. In this case, they are classified as current inventories. Otherwise, they are classified as non-current inventories.

Net realizable value is the estimated selling price in the normal course of business, less estimated costs of completion and estimated costs necessary to make the sale. Inventories include goods in stock that do not require transformation, materials such as minor spare parts and accessories for the rendering of services, and goods in transit and held by third parties.

The Group recognizes inventories when sold, at book value, as costs in the period in which the corresponding income is recognized. In the case of inventories used in the rendering of services (operation and maintenance), this is recognized as a cost or expense in the results of the period in which they are consumed.

Disbursements for the maintenance of real estate inventories are presented as operating expenses.

Property tax corresponding to inventories of real estate for sale will be recognised in full as an operating expense at the beginning of each year, in accordance with the legal causation of this tax in Colombia.

2.4.5 Intangible assets

Intangible assets are recorded at cost in accordance with IAS 38 Intangible Assets; those with indefinite lifespans are not amortized and those with defined lifespans are amortized based on the straight-line method over their estimated lifespans, or the unit-of-production method. The estimated lifespan and the method of amortization are reviewed at the end of each reporting period, with the effect of any changes in the estimate recorded on a prospective basis. At the end of each period, the Group assesses intangibles with definite lifespans to determine whether they exhibit impairment signs and performs impairment test for intangibles with indefinite lifespans.

Subsequent expenditures on intangible assets are capitalized only when future economic benefits increase, incorporated into the specific asset related to these expenditures. All other expenditures, including expenditures to generate goodwill and trademarks internally, are recognized through profit or loss when incurred.

Amortization begins when the asset is available for use, it is calculated on the basis of the cost of the asset less its residual value on a straight-line basis or by the unit-of-production method over the asset's estimated lifespan, and is recognized in the consolidated statement of income in the item selling cost and administrative and selling expenses, as appropriate, and impairment is recognized in the statement of income in the other expenses item.

Estimated lifespan and amortization methods, for the current and comparative period, of the Group's intangible assets are as follows:

Intangible	Lifespan ranges in years	Depreciation method
Concessions (1)	4 and 75	unit-of-production / straight-line
Rights	4 and 35	Straight-line
Brands	2 and 20	Straight-line
Customer lists and customer-related intangibles	5 and 15	Straight-line
Licenses, patents and *software*	1 and 10	Straight-line
Other intangible assets	1 and 50	Straight-line

(1) The term of concessions and licenses is established in accordance with the concession arrangement. The estimated lifespan of an intangible asset in a service concession agreement corresponds to the period from the start of the infrastructure operation stage by the Group until the end of the concession period.

a. a. **Intangible assets from service concession arrangements.** The Group recognizes an intangible asset arising from a service concession arrangement, within the scope of IFRIC 12 Service Concession Arrangements, when it has the right to charge for the use of the concession infrastructure. On initial recognition, an intangible asset under a service concession arrangement is recognized at cost. After initial recognition, the intangible asset measured at cost includes capitalized borrowing costs, less amortization and accumulated impairment. Costs are capitalized until the concession is put into service.

b. b. **Separately acquired intangible assets.** The cost of separately acquired intangible assets comprises their purchase price, including non-recoverable indirect taxes, after deduction of any discount or markdown, and also includes any costs directly attributable to preparing the asset for its intended use.

   When payment for an intangible asset is deferred beyond normal credit terms, its cost is the equivalent of the cash price, and the difference between the amount and total payments is recognized as interest expense over the period of the credit unless it is capitalized in accordance with IAS 23 Borrowing Costs.

c. **Internally generated intangible assets.** Disbursements arising from research activities are recognized as an expense in the period in which they are incurred.

   An internally generated intangible asset resulting from development activities, or from the development phase of an internal project, is recognized if and only if the following conditions are met:

   - It is technically possible to complete production of the intangible asset so that it can be made available for use or sale.
   - The intention is to complete the intangible asset, for use or sale.
   - There is capacity to use or sell the intangible asset.
   - The intangible asset will generate probable future economic benefits.

- Availability of adequate technical, financial or other resources to complete the development and to use or sell the intangible asset.
- That the expenditure attributable to the intangible asset during its development can be measured reliably.

The amount initially recognized for an internally generated intangible asset is the sum of the expenditure incurred from the time the asset meets the conditions for recognition. When an internally generated intangible asset cannot be recognized, development expenditure is charged to profit or loss the period in which it is incurred.

d. **Intangible assets acquired in a business combination.** When an intangible asset is acquired in a business combination and recognized separately from goodwill, its cost is its fair value at the acquisition date.

e. **Exploration and evaluation expenditures.** The Group recognizes as expenses those disbursements incurred before demonstrating the technical feasibility and commercial viability of the exploitation project, and which are directly related or associated with the activity of exploration and evaluation of the mineral resource.

After the technical feasibility and commercial viability of the exploitation project has been demonstrated, exploration-related expenditure is recognized at cost as incurred and is classified in a separate category called "assets for the exploration and evaluation of mineral resources", separating tangible or intangible assets, depending on the nature of the assets acquired, and applying this classification consistently.

The Group ceases to classify an asset for exploration and evaluation when the technical reliability and commercial viability of extracting a mineral resource are demonstrable.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from the derecognition of an intangible asset, measured as the difference between the net proceeds from the sale and the carrying amount of the asset, are recognized through income at the time the asset is derecognized.

2.4.6 Impairment of tangible and intangible assets

At the end of each reporting period, the Group assesses the carrying amounts of its tangible and intangible assets to determine whether there is any indication that these assets have suffered any impairment. If so, the recoverable amount of the asset is calculated to determine the extent of the impairment (if any). When it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. When a reasonable and consistent basis for allocation is identified, common assets are also allocated to the individual cash-generating units or allocated to the smallest group of cash-generating units for which a reasonable and consistent basis for allocation can be identified.

Intangible assets with an indefinite lifespan or not yet available for use should be tested for impairment annually, or with a higher frequently if there is any indication that they may be impaired.

The Group determines the recoverable amount of an asset or cash-generating unit by comparing the higher between:

- Its fair value less selling costs.
- Its value in use.

If either of these two values exceeds the book value of the asset under analysis, no impairment is considered, and it is not necessary to estimate the other.

Sometimes it is not possible to determine the fair value of the asset less selling costs. In this case the entity could use the asset's value in use as its recoverable amount. If there is no reason to believe that an asset's value in use significantly exceeds its fair value less costs to sell, the latter is considered to be its recoverable amount.

The recoverable amount of an individual asset cannot be determined when:

- The asset's value in use cannot be estimated to be close to its fair value less selling costs (for example, when future cash flows from continuing use of the asset cannot be determined because they are negligible).

- The asset does not generate cash inflows that are largely independent of those from other assets.

In such cases, the value in use and, therefore, the recoverable amount, may be determined only for the cash-generating unit.

Criteria for estimating fair value

The Group uses an appropriate valuation model, or an indicator of the fair value of assets, to determine fair value and must take into account the following criteria, with evidence supporting those estimates:

- The existence of a price within a formal commitment to sell, in a transaction carried out under conditions of mutual independence, adjusted by the incremental costs directly attributable to the sale or disposal of the asset.

- If there is no formal commitment to sell, but the asset is traded in an active market, fair value is the market price less selling or disposal costs.

- If there is neither a firm sale agreement nor an active market, fair value is calculated based on the best information available to reflect the value that the Group can obtain (such as replacement cost at new less impairment) at the date of the statement of financial position, in an arm's length transaction between knowledgeable, willing parties, after deducting selling or disposal costs. To determine this value, the Group considers the results of recent transactions with similar assets in the same sector.

For cases in which it is not possible to estimate the fair value reliably, the recoverable value is the value in use.

Criteria for estimating value in use

The following elements should be reflected in the calculation of the value in use:

- The estimated future cash flows of the asset or cash-generating unit, based on the time the Group expects to use the asset or the period of the cash-generating unit, if defined.
- The expectations about possible variations in the amount or timing of those future cash flows.
- The time value of money.
- The price for the uncertainty inherent in the asset.
- Other factors, such as the illiquidity that market participants would reflect in pricing the future cash flows that the Group expects to derive from the asset.

The following variables should be excluded from the estimate of future cash flows that the Group expects to obtain:

- Cash outflows relating to obligations recorded as liabilities or costs and expenses generated during construction of the asset.
- Future cash inflows or outflows that are expected to arise from a future restructuring in which the Group is not yet committed; or the improvement or increase in the asset's performance.
- Flows related to tax payments or payments related to the financing of the asset.
- Cash inflows from other assets that are largely independent of the cash inflows from the asset in question.

Future cash flows are discounted to their present value using a pre-tax discount rate corresponding to current market rates and that reflects the time value of money and the risks specific to the cash-generating unit or group of cash-generating units.

If the recoverable amount of an asset or a cash-generating unit is less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized immediately through profit or loss, except if the asset is recorded under the revaluation model, in which case the impairment loss must be considered as a decrease in the revaluation, until it is completely exhausted if necessary, and any outstanding impairment must be recorded against profit or loss.

The Group assesses whether previously recognized impairment losses no longer exist or have decreased; in this case, the carrying amount of the cash-generating unit or groups of cash-generating units is increased to the revised estimate of the recoverable amount to the extent that it does not exceed the carrying amount that would have been determined had no impairment been previously recognized. This reversal is recognized as income in the statement of income for the period, except for goodwill, the impairment of which is not reversed under any circumstance.

2.4.7 Property, plant and equipment, net

Property, plant and equipment includes the value of land, buildings and constructions, machinery, furniture and office equipment, computer, communications and transportation equipment and other facilities owned by the Group, which are used in the operation of the entity.

The Group recognizes an item of property, plant and equipment when it is probable that the asset will generate future economic benefits, it is expected to be used over a period of more than one year, all risks and rewards inherent to the asset have been received and its value can be reliably measured.

The initial recognition of property, plant and equipment is recorded at acquisition cost, which includes professional fees, direct dismantling and removal costs (when applicable) and, in the case of qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy, as well as any other directly attributable expenses, less trade discounts, rebates and other similar items. Such properties are classified in the appropriate categories of property, plant and equipment upon completion and when they are ready for their intended use. Spare parts and permanent maintenance equipment are recognized as an item of property, plant and equipment when they meet the recognition criteria.

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment, if any, except for the homogeneous group of land and buildings for administrative use, which are measured by the revaluation model, which is applied every four years. Properties under construction for production or service provision purposes are recorded at cost, less any recognized impairment loss.

Depreciation begins when the asset is available for use, and is calculated on a straight-line basis over the estimated technical lifespan of the asset as follows:

• Constructions and buildings	40 to 80 years
• Generation Plants	20 to 100 years
• Communication routes	20 to 40 years
• Machinery and equipment	15 to 30 years
• Substations, lines and networks	40 to 50 years
• Furniture and office, computing and communications equipment	2 to 10 years
• Transport equipment	3 to 10 years
• Furniture, vehicles and tools	2 to 10 years

An item of property, plant and equipment shall be derecognized on disposal or when future economic benefits are no longer expected to arise from the continuing use of the asset. The gain or loss arising from the decommissioning or disposal of a property, plant and equipment asset is calculated as the difference between the gain or loss on the sale of the asset and the asset's carrying amount and recognized through profit or loss.

Estimates of the residual values, lifespans and depreciation methods of assets are reviewed and adjusted prospectively at each financial year end, if required.

Provisions for decommissioning, restoration and rehabilitation

The Group recognizes a provision as part of the cost of an item of property, plant and equipment when there is a legal or implicit obligation to dismantle an asset or restore the site where it was built or operated, equivalent to the present value of the estimated future costs that are expected to be incurred to perform the dismantlement or restoration.

The provision for dismantling or restoration is recognized at the present value of estimated future expenditures to settle the obligation. Cash flows are discounted at a risk-free pre-tax rate when the inherent risks have already been incorporated in the cash flow.

The estimate of future cash flows for dismantling or restoration are reviewed periodically. Changes in the estimate, expected dates of disbursements or in the discount rate used to discount the flows are recognized as an increase or decrease in the cost of decommissioning included in the property, plant and equipment item. The change in the value of the provision associated with the passing of time is recognized as a financial expense in the statement of income.

2.4.8 Investment property

Investment property are those real estate properties held to generate value and/or to lease, but not for sale in the normal course of business, use in the production or supply of goods or services, or for administrative purposes.

An investment property is initially measured at cost, which comprises: the purchase price and all costs directly attributable to the investment property. The cost of investment property built by the Group includes: materials, direct labor and other directly attributable costs to bring the asset to its intended use by management, including capitalizable borrowing costs.

Costs arising from the maintenance of the asset are excluded from the initial recognition of an investment property. Such costs should be recognized through profit or loss of the period in which they are incurred. Also should be excluded:

- Commissioning costs (unless necessary to bring the investment property into use conditions).
- Operating losses incurred before the investment property achieves the planned level of occupancy.
- Abnormal amounts of waste materials, labor, or other resources incurred in the construction or development of the property.

In its subsequent measurement, the Group measures investment property under the fair value model, i.e. taking as a reference the price that will be received upon disposal of the asset in a market transaction, at a given measurement date.

To determine fair value, the Group engages independent experts with recognized professional capacity and experience in the valuation of real estate.

Changes in the fair value of investment property is recognized through profit or loss in the period in which they arise.

Investment property may be transferred to property, plant and equipment or inventories; at the time of transfer they are reclassified to their fair value, which becomes the cost for accounting purposes.

An investment property is withdrawn or derecognized from the statement of financial position at the time of its disposal or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Disposal of investment property may occur either by sale or by incorporation into a financial lease. Any gain or loss on the sale of investment property (calculated as the difference between the consideration obtained on disposal and the carrying amount of the asset) is recognized through profit or loss in the period in which the withdrawal or disposal occurs. When an investment property that was previously classified as property, plant and equipment is sold, any amount included in the revaluation reserve in other comprehensive income (OCI) is transferred to accumulated profit.

Property tax corresponding to the Group's investment property will be recognized in its entirety as an operating expense at the beginning of each year, in accordance with the legal causation of this tax in Colombia, or when the event giving rise to the legal or implicit obligation materializes accordance to each country's legislation.

Disbursements for maintenance of investment properties are presented as operating expenses.

2.4.9 Investment in associates and joint arrangements

An associate is an entity over which the Group exercises significant influence, i.e. the power to participate in the financial policy and operating decisions of the investee without having control or joint control over it.

A joint arrangement is one in which there is joint control, i.e. decisions on relevant activities require the unanimous consent of the parties sharing control and may be a joint venture or operation.

A joint venture is an arrangement whereby the parties involved are entitled to the net assets.

A joint operation is an arrangement whereby the parties involved are entitled to assets and income and obligations in respect of liabilities and expenses relating to the terms of the arrangement.

Profit and net assets of the associate or joint venture are included in the consolidated financial statements using the equity method, unless the investment or a portion of it is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations or associates considered to be investment entities, which are accounted for at fair value using the exception in IAS 28 Investments in Associates and Joint Ventures, paragraph 19.

Under the equity method, the investment is initially recorded at cost, then adjusted for changes in the Group's share of the associate's or joint venture's results and other comprehensive income (OCI).

When the equity method is applicable, the necessary adjustments are made to bring the accounting policies of the associate or joint venture into line with those of the Group and the Group's share of the unrealized gains or losses arising from transactions between the Group and the associate or joint venture is not included, except for losses that evidence impairment. The equity method is applied from the date on which the investee becomes an associate or joint venture. Any resulting excess value between the price paid and the equity value of the associate or joint venture acquired is included in the carrying amount of the investment and is not amortized or tested individually for impairment.

When the Group's share of the losses of an associate or joint venture exceeds the value of the investment, which includes any long-term interest that, in substance, is part of the Group's net investment in the associate or joint venture, its share of future losses is no longer recognized. Additional losses are recognized provided that a legal or implicit obligation has been incurred or payments made on behalf of the associate or joint venture.

The Group impairs a net investment in an associate or joint venture if, and only if, objective evidence indicates that one or more events, which occurred after initial recognition, have had an impact on the future cash flows of the net investment and that impact can be reliably estimated. The following events allow to establish whether there is objective evidence that these investments may be impaired:

- Significant financial difficulties of the associate or joint Venture
- Breaches of the contract, such as defaults or delays in payment by the associate or joint Venture
- The granting of concessions to associates and joint ventures that would not have been granted in other circumstances
- It becomes probable that the associate or joint venture will enter bankruptcy or other form of financial reorganization
- The disappearance of an active market for the net investment due to the associate's or joint venture's financial difficulties
- Significant changes with adverse effect that have taken place in the technological, market, economic or legal environment in which the associate or joint venture operates; or
- A significant and prolonged decline in the fair value of an investment in an associate or joint venture that is an equity instrument below its cost

The Group recognizes a joint operation, when the contractual arrangement is structured through a separate vehicle or otherwise, by assessing the entitlements granted to the Group over the assets and obligations with respect to the liabilities relating to the arrangement and does not grant rights to the net assets of the arrangement.

In recognizing a joint operation, the Group considers aspects such as the legal form of the separate vehicle, the terms of the contractual arrangement and, where appropriate, other factors and circumstances.

The contractual arrangement in which the Group participates should establish the entitlements of the parties to the assets and the obligations with respect to the liabilities relating to the arrangement, the entitlements to income and the obligations with respect to the expenses corresponding to the parties.

The Group should recognize the following in its financial statements in relation to its participation in a joint operation:

- Its assets, including its interest in jointly held assets.
- Its liabilities, including its share of jointly incurred liabilities.
- Its income, including its share of jointly earned income.
- It expenses, including its share of jointly incurred expenses.

The Group must account for the assets, liabilities, income and expenses relating to its participation in a joint operation, in accordance with the applicable policies and the terms of the arrangement.

When the Group is a joint operator and performs sales transactions or contributions of assets to a joint operation, it should account for the transaction as follows:

- Recognize gains and losses from this transaction only to the extent of the other parties' interests in the joint operation.
- If the transaction provides evidence of a reduction in the net realizable value of the assets or of impairment, the Group recognizes all losses.

When the Group is a joint operator and enters into a transaction to purchase assets from a joint operation, it must account for the transaction as follows:

- It recognizes its share of the profits and losses only when it resells those assets to a third party.
- If the transaction provides evidence of a reduction in the net realizable value of the assets or of impairment, its share of those losses must be recognized.

When the Group is a party to a joint operation, but does not have joint control over it, it should account for its interest in the joint venture in the manner described above only if it is entitled to the assets and obligations in respect of the liabilities relating to the joint operation.

2.4.10 Borrowing costs

Borrowing costs attributed directly to the acquisition, construction or production of qualifying assets, which are assets that require a substantial time span before they are ready to use or sale (more than one year), are added to the cost of these assets until such time as they are ready to use or sale. The Group considers that a substantial time span is one that is greater than one year.

Income received from the temporary investment of resources pending use in the construction or production of qualifying assets is deducted from the cost of loans to be capitalized as an increase in the cost of the asset.

All other borrowing costs are recognized in profit or loss during the period in which they are incurred.

2.4.11 Non-current Assets Held for Sale and Discontinued Operations

Non-current assets and disposal groups are classified as held for sale if their carrying amount is recovered through a sale transaction rather than through continuing use. These assets or groups of assets are presented separately as current assets and liabilities in the statement of financial position at the lower of carrying amount or fair value less costs to sell and are not depreciated or amortized from the date of classification.

Any impairment loss recognized on a group of assets for disposal is allocated first to the goodwill associated with that group of assets, when applicable, and then to the other assigned assets pro rata on the basis of their book value. This loss is not distributed to financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment on the initial classification of assets as held for sale and subsequent gains and losses arising from the new measurements are recognized through profit or loss.

The condition for the classification of an asset as a non-current asset held for sale (or disposal group) is considered to be met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its current state subject only to terms that are customary and adapted for sales of such assets (or disposal group).

Management must be committed to the sale, which should be recognized as a completed sale within one year of the date of classification.

When there is a sales plan involving the loss of control in a subsidiary, all assets and liabilities of that subsidiary are classified as held for sale provided that the above described criteria are met, regardless of whether a non-controlling interest in its former subsidiary will be retained after the sale.

When the Group is committed to a sales plan that involves the sale of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment to be sold is classified as held for sale when the above described criteria are met.

The Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or joint venture that is not classified as held for sale continues to be accounted for under the equity method; if at the time of sale of the retained portion of the associate or joint venture there is a loss of significant influence or joint control, the use of the equity method is discontinued and any retained interest in the associate or joint venture is recognized in accordance with the applicable regulations following its classification.

Where the Group commits to distribute an asset (or disposal group) to the owners, that non-current asset (or disposal group) is classified as held for distribution to the owners. For this to be the case, the assets must be available for immediate distribution in their current condition, and the distribution must be highly probable, i.e. activities to complete the distribution must have commenced and be expected to be completed within one year from the date of classification.

The measurement criteria of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are not applicable to investment property measured at fair value, financial assets within the scope of IFRS 9 Financial Instruments, deferred tax assets, assets arising from employee benefits, among others indicated by this IFRS.

Income, costs and expenses from a discontinued operation are presented separately from those from continuing operations, in a single item after income tax, in the consolidated statement of comprehensive income for the current and comparative periods of the previous year, even if the Group retains a non-controlling interest in the subsidiary after the sale.

2.4.12 Biological assets

The Group recognizes a biological asset or agricultural produce when it controls it as a result of past events, it is probable that future economic benefits will be generated, and the cost of the biological asset or agricultural produce can be measured reliably.

The Group measures biological assets, both at the beginning and at the end of the period, at fair value less selling costs. The fair value of a biological asset is given by the quoted price in an active market. If there are different active markets for the same biological asset, the fair value of the asset will be the price given in the most relevant active market.

If no active market exists, the Group uses the following information to determine fair value, provided it is available and it will select the most reliable one:

- The price of the most recent market transaction, assuming there is no significant change in economic circumstances between the date of the transaction and the end of the reporting period,
- The market price of similar assets, adjusted to reflect existing differences,
- Industry benchmarks, such as the value of plantations expressed in terms of areas, units of capacity, weight or volume.

Gains or losses arising from the initial recognition of a biological asset or agricultural produce at fair value less selling costs and from a change in this value are included in profit or loss for the consolidated period when they arise.

2.4.13 Leases

The Group recognizes leases, subleases and contracts with similar characteristics and circumstances taking into account the capacity of the lessor or lessee, the underlying asset and the term of the arrangement.

At the beginning of an arrangement, the Group assesses whether a contract is, or contains, a lease. A contract is or contains a lease if the contract transfers the right to control the use of an identified asset for a period of time in exchange of a consideration. To assess whether a contract transfers the right to control the use of identified assets, the Group uses the definition of a lease in IFRS 16 Leases.

a. **The Group as a lessee.** As the lessee, at the commencement or amendment of a contract containing a lease component, the Group assigns the consideration in the contract to each lease component on the basis of its relative independent prices.

   The Group initially recognizes at the commencement date of the lease a right-of-use asset representing the right to use the underlying asset of the contract and a lease liability representing its obligation to make the payments agreed in the contract.

   Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and are adjusted with the remeasurements of the lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made before the inception date of the contract less any lease incentives received.

   Unless the Group is reasonably confident of obtaining ownership of the leased asset at the end of the lease term, assets recognized for the right of use are amortized on a straight-line basis over the lease term. Right-of-use assets are subject to impairment. Right-of-use assets associated with investment property are measured initially at cost, and subsequently at fair value, in accordance with the Group's accounting policy for subsequent measurement of investment property.

   At the commencement date of the lease, the Group recognizes lease liabilities measured at present value of the lease payments to be made over the term of the lease. Lease payments include fixed payments (including essentially fixed payments) less lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees. Lease payments include the exercise price of a purchase option when the Group has reasonable assurance that it will be exercised and penalties for cancellation of the lease, if the term of the lease reflects that the Group will exercise an option to terminate the lease. Variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

   In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the commencement date of the lease if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the value of the lease liabilities is increased to reflect the accumulation of interest and is reduced by the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the term of the lease, a change in the fixed payments in substance of the lease, or a change in assessment to acquire the underlying asset.

   The Group recognizes the depreciation expense for right-of-use assets and allocates the lease payments between the finance expense and the reduction of the lease obligations. Interest expense is charged directly to income, unless it is directly attributable to qualifying assets, in which case it is capitalized in accordance with the general policy for borrowing costs.

   The Group presents the leased assets and liabilities separately in the consolidated statement of financial position. Right-of-use assets that meet the definition of investment property are presented within the investment property item.

   The Group presents interest expense on lease liabilities separately from the depreciation charge on the leased asset. Interest expense on the lease liability is a component of finance costs, which are presented separately in the consolidated statement of comprehensive income.

In the consolidated statement of cash flows, the Group classifies cash payments for principal and interest on lease payments as financing activities and payments for short-term leases and low-value asset leases as operating activities.

Short-term leases and low-value asset leases.
The Group recognizes lease payments for contracts with a lease term of 12 months or less and without a purchasing option, or contracts with an underlying asset of low value (i.e., assets with a new value of USD 3,500 or less for operating assets and USD 5,000 or less for administrative assets) as lease expense less related lease incentives on a straight-line basis over the lease term, unless another systematic basis of allocation is more representative of the time pattern of the lessee's benefit.

b. **The Group as a lessor.**
At the commencement or amendment of a contract containing a lease component, the Group assigns the consideration in the contract to each lease component on the basis of its relative independent prices.

As the lessor, at the commencement of the lease, the Group classifies the leases as finance or operating leases, assessing the extent to which risks and rewards of ownership of the asset affect it. The Group classifies a lease as a finance lease when substantially all the risks and rewards of ownership are transferred, and as an operating lease when substantially all the risks and rewards of ownership are not transferred.

The Group recognizes amounts owed by lessees under finance leases as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated over the accounting periods to reflect a consistent and regular rate of return on the company's net investment in the leases.

Lease income under operating leases is recognized using the straight-line method over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the term of the lease.

2.4.14 Financial liabilities and equity instruments

a. **Classification as debt or equity.** Debt and equity instruments are classified as financial liabilities or equity, in accordance with the substance of the contractual arrangement and the definitions of financial liability and equity instrument.

b. **Equity instruments.** An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognized at the value received, net of direct issue costs.

   Repurchase of the Group's own equity instruments is recognized and deducted directly from equity. No gain or loss is recognized in the results of the purchase, sale, issue or cancellation of own equity instruments.

c. **Compound instruments.** Components of compound instruments, such as mandatory convertible bonds issued by the Group, are classified separately as financial liabilities and equity, depending on the substance of the contractual arrangement and the definitions of financial liability and equity instrument. A conversion option that will be cancelled through the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's equity instruments is considered an equity instrument.

   At the date of issue, the fair value of the liability component is calculated using the prevailing market interest rate for similar non-convertible debt. This amount is recorded as a liability on an amortized cost basis, using the effective interest method, until it is extinguished upon conversion or upon maturity of the instrument.

   The portion classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument. This value is recognized and included in equity, net of income tax effects, and cannot be re-measured subsequently. Additionally, the portion classified as equity remains in equity until it has been exercised, in which case, the balance recognized through equity is transferred to additional paid-in capital. When the conversion option remains unexercised at the maturity date of the convertible instrument, the balance recognized through equity is transferred to retained earnings. No gain or loss should be recognized through profit or loss upon conversion or expiration of the conversion option.

Transaction costs related to the issuance of convertible instruments are allocated to the liability and equity components, in proportion to the distribution of the gross amounts received. Transaction costs related to the equity component are recognized directly in equity. Transaction costs related to the liability component are included in the book value of the liability and are amortized over the life of the convertible instruments using the effective interest rate method.

Financial liabilities. Are classified at fair value through profit or loss or at amortized cost, using the effective interest method. The Group determines the classification of financial liabilities at initial recognition.

i. Financial liabilities at fair value through profit or loss:

A financial liability is classified as held for negotiation if:

- It has been acquired primarily for the purpose of short-term repurchase.
- At initial recognition it forms part of a portfolio of financial instruments managed by the Group and there is evidence of a recent current pattern of short-term profits.
- It is a derivative that has not been designated as a hedging instrument or as financial guarantee.
- It is an embedded derivative that is recognized separately, unless it is designated as an effective hedging instrument.

A financial liability that is not held for negotiation could also be designated as a financial liability at fair value through profit or loss at initial recognition, if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that may arise.
- The financial liability forms part of a group of financial assets or liabilities, or both, which is managed - and its performance is evaluated - on the fair value basis, in accordance with the risk management documented by the Group in its investment strategy, with the information provided internally on that basis.
- It is part of an arrangement that contains one or more embedded instruments. IFRS 9 Financial Instruments allows the entire combined contract to be designated at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are recorded at fair value, with any gain or loss arising from the remeasurement recognized through the results of the period. The net gain or loss recognized through profit or loss incorporates any interest paid on the financial liability. The fair value is determined in the manner described in the fair value measurement policy, described in paragraph 2.

ii. Other financial liabilities. Other financial liabilities (including borrowings, trade payables and others) are subsequently measured at amortized cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating the financial expense over the term. The effective interest rate is the discount rate that exactly matches the cash flows receivable or payable (including all fees and points paid or received that are part of the effective interest rate, transaction costs and other premiums or discounts) estimated over the expected life of the financial liability, or when appropriate, a shorter period, with the net carrying amount at initial recognition.

iii. Financial derivatives. The Group holds financial derivative instruments to cover its exposures to foreign currency and interest rate risk. Financial derivatives are measured at fair value through profit or loss. Some derivatives embedded in other financial instruments or contracts (embedded derivatives) are treated as separate derivatives when their risk and characteristics are not closely related to those of the host contract and are not recorded at fair value.

Certain transactions with derivatives that do not qualify for hedge accounting are treated and reported as derivatives held for negotiating, even though they provide an effective hedge for managing risk positions.

Derecognition of financial liabilities. The Group derecognizes a financial liability if, and only if, the obligations expire, are cancelled, or fulfilled. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such replacement or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized through the statement of income. In the opposite case, where there is no substantial change in the terms of the liability, such replacement or modification is not treated as a derecognition of the original liability but as a modification of the existing liability, and it is necessary to calculate the present value of the future contractual cash flows under the new conditions discounted at the effective interest rate of the original liability. The difference between the carrying amount of the original liability and the current value of the modified cash flows is recognized in the statement of income.

The terms will be materially different if the present value of the discounted cash flows under the new terms, including any fees paid net of any fees received, and using the original effective interest rate for discounting, differs by at least 10 percent from the discounted present value of the cash flows still remaining on the original financial liability.

For replacements or modifications of liabilities that are not accounted for as a derecognition, the costs and fees paid by the Group will adjust the carrying amount of the liability and will be amortized over the remaining life of the modified liability.

2.4.15 Hedge accounting

The Group continues applying the hedge accounting requirements of IAS 39 Financial Instruments: Recognition and Measurement, in accordance with the exceptions permitted by the adoption of IFRS 9 Financial Instruments.

For derivatives that qualify for hedge accounting, at the inception of the hedging relationship, the Group designates and formally documents the relationship, the risk management objective and the strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the fair value of the hedging instrument in offsetting the exposure to changes in the fair value of the hedged item or in the cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine whether they have been effective over the reporting periods for which they were designated.

For hedge accounting purposes and those applicable to the Group, hedges are classified and accounted for as follows, once the criteria for hedge accounting are met:

a. **Fair value hedge.** When hedging exposure to changes in the fair value of recognized assets or liabilities or unrecognized firm commitments.

   Change in the fair value of a derivative that is a hedging instrument is recognized in the statement of comprehensive income in the statement of income section, as finance cost or income. The change in the fair value of the hedged item attributable to the hedged risk is recorded as part of the book value of the hedged item and is also recognized in the statement of comprehensive income in the statement of income section as finance cost or finance income.

b. **Cash flow hedge.** When hedging exposure to changes in cash flows attributed either to a particular risk associated with a recognized asset or liability or to a highly probable forecast transaction, or to foreign exchange risk in an unrecognized firm commitment.

   The purpose of cash flow hedge accounting is to recognize in other comprehensive income (OCI), the changes in fair value of the hedging instrument in order to apply them to the statement of income when and at the rate that the hedged item affects them.

   The effective portion of the gain or loss on the measurement of the hedging instrument is immediately recognized through other comprehensive income (OCI), while the ineffective portion is recognized in the statement of income as finance cost.

   The amounts recognized through other comprehensive income (OCI) are reclassified to income when the hedged transaction affects income, as well as when the hedged finance income or expense is recognized, or when the forecasted transaction takes place. When the hedged item constitutes the cost of a non-financial asset or liability, the values recognized through other comprehensive income (OCI) are reclassified to the initial book value of the non-financial asset or liability. If the forecasted transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognized through other comprehensive income is reclassified to profit or loss.

If the hedging instrument expires or is sold, terminated, or exercised without a successive replacement or renewal of a hedging instrument by another hedging instrument, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized through other comprehensive income (OCI) remains there until the forecast transaction or firm commitment affects profit or loss.

c. **Hedge of net investment in a foreign operation.** When hedging differences in foreign currency arising between the functional currency of the foreign operation and the functional currency of the parent company, regardless of whether the net investment is held directly or through an intermediate parent company.

Foreign currency differences arising on the translation of a financial liability designated as a hedge of a net investment in a foreign operation are recognized through other comprehensive income (OCI) to the extent that the hedge is effective and presented in the equity translation reserve. To the extent that the hedge is not effective, such differences are recognized through profit or loss. When part of the hedge of a net investment is eliminated, the corresponding amount recognized through other comprehensive income (OCI) is transferred to income as part of the gain or loss on disposal.

2.4.16 Employee benefits

Post-employment benefit and defined contribution plans. The Group recognizes liabilities for pension, pension securities and bonds, retirement premiums and other post-employment benefits in accordance with the requirements of IAS 19 Employee Benefits.

The Group recognizes benefit plans classified as contribution plans in consolidated statement of income as an administrative, sales or cost of goods sold as the related service is rendered. Contributions paid in advance are recognized as an asset, to the extent that a cash refund or reduction in future payments is available.

The Group recognizes benefit plans classified as defined benefit plans as an asset or liability in the statement of financial position. This is done by the difference between the fair value of the plan assets and the present value of the plan obligation, using the Projected credit unit Method to determine the present value of its defined benefit obligation and the related current service cost, and where applicable, past service cost, at least annually. Plan assets are measured at fair value, which is based on market price information and, in the case of listed securities, is the published market price.

The Projected Credit Unit treats each period of service as generating an additional unit of benefit entitlement and measures each unit separately to conform to the final liability. The Group discounts the total value of the obligation for post-employment benefits, even if a portion of the obligation is to be paid within 12 months of the reporting period.

Actuarial gains or losses, returns on plan assets and changes in the effect of the asset ceiling, excluding amounts included in net interest on net defined benefit liabilities (assets), are recognized through other comprehensive income (OCI). Actuarial gains or losses include the effects of changes in actuarial assumptions as well as experience adjustments. The net interest on the net defined benefit liability (asset) comprises interest income on the plan assets, interest costs on the defined benefit obligation and interest expense on the effect of the asset ceiling.

Current service cost, past service cost, any settlement or curtailment of the plan are recognized in the statement of income in the period in which they arise.

The estimate of the post-employment benefit liability is made by an independent actuary.

Short-term benefits. Short-term benefits are those that the company intends to pay to employees within 12 months after the end of the period in which the employee has rendered services, some examples are salaries, wages, bonuses, vacations, paid absences, among others.

The Group records short-term benefits in the reporting period based on the undiscounted amount of the balances expected to be paid in consideration of the work performed by the employee.

Termination benefits. These are benefits granted to employees when it is decided to terminate the employment contract before the normal retirement date, or when the employee accepts an offer of benefits in exchange for the termination of the employment contract. Termination benefits are recognized as an expense in the results of the period when the Group cannot withdraw the offer related to the benefits or when the Group recognizes the costs for a restructuring, whichever occurs first. If the benefits are not expected to be settled in full within 12 months after the end of the reporting period, they are discounted.

2.4.17 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of a past event and it is probable that resources will be required to settle the obligation and a reliable estimate can be made of the value of the obligation. In cases where the provision is expected to be partially or fully reimbursed, the reimbursement is recognized as a separate asset only in cases where such reimbursement is practically certain, and the amount of the receivable can be reliably measured.

Provisions are measured by management's best estimate of future expenditures required to settle the present obligation and are discounted using a risk-free rate. The provision expense is presented in the statement of income, net of any reimbursement. The increase in the provision due to the passing of time is recognized as a financial expense in the statement of income.

The Group recognizes present obligations arising from an onerous contract as provisions for the lesser of expected costs to terminate the contract or the expected net cost to continue with the contract. An onerous contract is one in which the unavoidable costs of fulfilling the obligations involved exceed the economic benefits expected to be received from the contract. The Group recognizes any impairment loss on the assets associated with the contract.

A restructuring provision is recognized when the Group has approved a detailed and formal restructuring plan and the restructuring itself has commenced or has been publicly announced. Future operating costs are not provisioned.

Contingent liabilities

Possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Group's control are not recognized in the statement of financial position but are disclosed as contingent liabilities.

Contingent liabilities acquired in a business combination are initially recognized at their fair values at the acquisition date. At the end of subsequent reporting periods, these contingent liabilities are measured at the higher of the amount that would have been recognized in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognized less any accumulated amortization recognized in accordance with IFRS 15 Revenue from Contracts with Customers.

2.4.18 Taxes

Income tax expense represents the sum of current and deferred tax.

a. **Current income tax.** Current income tax assets and liabilities for the period are measured at amounts expected to be recovered or paid to the tax authority. The tax expense is recognized as current, in accordance with the comparison made between the taxable income and the accounting profit or loss affected by the income tax rate for the current year and in accordance with the provisions of the country's tax regulations. The current tax expense includes at least the amount settled by the presumptive income system in those periods in which there is no taxable income, which is zero or less than 0.5% of the taxable equity (1.5% for year 2019 and 0.5% for year 2020 and 0% from 2021 and onward) for companies located in Colombia. The tax rates and regulations used to compute such values are those enacted or approved at the end of the reporting period and that generate taxable income.

Current tax assets and liabilities are offset for presentation purposes at the closing of each annual period, provided that they are related to the same tax authority, there is a legal right to do so and the Group intends to settle them simultaneously.

b. **Deferred tax.** Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities included in the financial statements and the corresponding tax bases used to determine taxable income. The deferred tax liability is generally recognized for all temporary tax differences. The deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the entity can charge the deductible temporary differences. These assets and liabilities are not recognized if the temporary differences arise from the initial recognition of assets and liabilities in a transaction that does not affect either taxable profit or accounting profit.

   The Group must recognize a deferred tax liability for taxable temporary differences relating to investments in associates and interests in joint ventures, except where it is able to control the reversal of the temporary difference and where there is a possibility that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilized and that there is a possibility that the temporary difference will reverse in the foreseeable future.

   The carrying amount of a deferred tax asset should be reviewed at the end of each reporting period and reduced, if the Group considers it probable that sufficient taxable profit will not be available in the future to allow the asset to be recovered in full or in part.

   Deferred tax assets and liabilities should be measured using the tax rates expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted at the end of the reporting period.

   Measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

   Deferred tax arising from the initial accounting for a business combination is treated as a net identifiable asset associated with the application of purchase accounting.

   Deferred tax assets and liabilities are offset for presentation purposes at the closing of each period, provided that they are related to the same tax authority, there is a legal right to do so and the Group intends to settle them simultaneously.

2.4.19 Foreign currency

a. **Foreign currency transactions.** Transactions in currencies other than the entity's functional currency (foreign currency) are recorded using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rates prevailing at the date the fair value was determined. Non-monetary items that are measured at historical cost are not retranslated.

   Exchange differences on monetary items are recognized in the results of operations in the period in which they arise, except for:

   - Exchange differences arising from loans denominated in foreign currencies related to assets under construction for future productive use, which are included in the cost of such assets as an adjustment to interest costs on such loans denominated in foreign currencies, provided they do not exceed the borrowing costs of a liability with similar characteristics in the functional currency
   - Exchange rate differences arising from transactions related to exchange rate risk hedges

- Equity instruments measured at fair value through other comprehensive income (except in the case of impairment when foreign currency differences that have been recognized through other comprehensive income are reclassified to income)
- A financial liability designated as a hedge of the net investment in a foreign operation provided that the hedging is effective
- Cash flow hedges provided the hedging is effective, which are recognized through other comprehensive income OCI.

b. **Translation of a foreign business.** Financial statements of subsidiaries that present a different functional currency are translated into Colombian pesos. Transactions and balances of a foreign operation are translated into the parent company's functional currency as follows:

- Assets and liabilities are translated into Colombian pesos at the closing rate,
- Profit or loss items are translated into Colombian pesos based on the average rate for the period, and,
- Equity transactions in foreign currency are converted to Colombian pesos at the exchange rate of the day of the transaction.

Exchange differences arising from the translation are recognized directly in other comprehensive income (OCI) in equity and are reclassified to the statement of income when the investment is sold:

- On disposal of the Group's interest in a foreign operation, which involves a partial sale of an interest in a joint venture or an associate that includes a foreign operation of which the retained interest is converted into a financial asset, all accumulated exchange differences in equity related to that operation attributable to the Group's owners are reclassified to profit or loss.

- On partial disposal of a subsidiary (which includes a foreign operation), the entity reattributes the proportionate share of the cumulative amount of the exchange differences to the non-controlling interests and they are not recognized through profit or loss for the period.

Goodwill and net identifiable assets and liabilities acquired in a foreign business combination are treated as assets and liabilities of a foreign operation and are translated at the exchange rate prevailing at the end of each reporting period. Any exchange differences arising are recognized through other comprehensive income (OCI).

2.4.20 Income recognition

The Group's income arises mainly from the sale of goods, the rendering of services, returns on investments and the equity method of investments with a recognition of income at a given time. The majority of the Group's revenue arise from fixed-price contracts and, therefore, the value of revenue to be obtained from each contract is determined by reference to those fixed prices.

a. **Sale of goods.** A single performance obligation is established for the sale of goods. The Group recognizes revenue when the obligation is satisfied, i.e. when control of the goods or services underlying the performance obligation has been transferred to the customer, at some point in time. This performance obligation is fulfilled at the time of delivery of the asset to the customer. There is no significant financing component associated with the sale of goods. Revenue is reduced by discounts or rebates and other similar allowances estimated for the customers.

The Group sells developed property with revenue generally recognized over time, since the customer receives the benefits of the performance obligation as the asset is partially delivered. In these cases, the Group recognizes revenue based on the progress of the percentage of the asset delivered, which is estimated by comparing the costs executed at the date of the project with the total budgeted costs.

b. **Rendering of services.** The Group provides certain services that are sold on their own under contracts with customers or grouped together with the sale of goods to a customer. In both scenarios, revenue from service contracts is recognized by reference to the stage of completion of the contract, which is determined as follows:

- Installation fees are recognized as revenue by reference to the stage of completion of the installation, determined as the proportion of the total estimated installation period that has elapsed at the end of the reporting period.

- Fees for services included in the price of products sold are recognized by reference to the proportion of the total cost of the service provided for the product sold.

c. **Income from dividends and interests.** Dividend income from investments is recognized once the rights to receive said payment have been established. In the case of associates and joint ventures, it is recorded as a reduction in value of the investment. For all other equity investments, it is recorded through profit or loss.

   Interest income on a financial asset is recognized when it is probable that the Group will receive the economic benefits associated with the transaction and the value of the income from ordinary activities can be measured reliably. Interest income is recorded on a time basis, with reference to the principal outstanding and the applicable effective interest rate.

d. **Income from equity method.** Corresponds to the recognition of the participation in the results of associated companies and joint ventures. This is recognized at the end of the reporting period taking into account the percentage of equity interest and the profits or losses obtained by the associates and joint ventures.

e. **Lease income.** The policy for recognition of income from investment property under operating leases is described in the lease policy.

f. **Toll income.** Toll income is recognized at the time of collection from users who use the concessioned road. The Group deducts from its income the portion associated with the financial asset for the projected income of the model determined in accordance with IFRIC 12, Service Concession Arrangements.

g. **Income from sales of energy and natural gas.** Income is recognized through profit for the year through the causation system when an increase in future economic benefits, related to an increase in assets or a decrease in liabilities, has arisen and its value is reliably measurable. When income is recognized, all costs and expenses associated with it are recognized.

   Income from the energy generation activity is derived mainly from sales of energy through bilateral contracts to the regulated and unregulated market, the Stock Exchange, the secondary frequency regulation service (AGC) and the Reliability Charge. Through Resolution CREG 071 of 2006, the current methodology for the remuneration of the Reliability Charge to the generators of the Wholesale Energy Market (MEM) was approved.

   The methodology for remuneration of the transmission activity is known as regulated income, through which the maximum annual income that remunerates each transmitter is established, in accordance with the assets that they effectively possess in the National Transmission System (STN). This income is collected through charges for the use of the STN, which are paid by the marketers (demand) of the National Interconnected System (SIN). The collection and recovery resulting from the application of charges for use of the STN is handled centrally through the STN's Liquidator and Account Manager, who invoices and settles the charges for use.

   For the purposes of remuneration of the distribution activity, the CREG defines the remuneration to be applied, which is reviewed every five years in accordance with the provisions of the regulations. The methodology established for remuneration has an associated quality scheme.

   The marketer's income comes from buying energy from the Wholesale Energy Market (MEM) and selling it to end users, for which it carries out billing, measurement, collection, portfolio management and customer service activities, among others.

   Income from the sale of energy in the regulated and unregulated market is recognized based on the kilowatts consumed by customers, both billed and unbilled; the sale of related services is recognized when billed. Energy not invoiced at the end of the month is estimated on the basis of internal and external information, the latter supplied by the energy market regulator.

   Income from natural gas sales is recognized on the basis of the nominations established in the gas resale agreements.

   In the case of foreign subsidiaries, energy sales are recognized when the energy produced is delivered to customers in accordance with the monthly settlements prepared by the National Dispatch Center (CND) and based on the prices and quantities of kilowatt-hours contracted or sold in the occasional market. Capacity income is recognized monthly based on contracts with electricity distribution companies or sold on the occasional market or the reserve market.

Energy not invoiced at the end of the month is estimated based on internal and external information, the latter supplied by the energy market regulator National Dispatch Center (CND). Relevant estimates and assumptions are reviewed regularly. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected.

h. **Construction contracts.** The Group performs construction activities with revenue generally recognized over time, since the customer receives the benefits of the performance obligation as the activity is performed. When the outcome of a construction contract can be estimated with sufficient reliability, revenue and costs associated with the contract should be recognized by reference to the stage of completion of the activity produced by the contract at the end of the reporting period, measured based on the proportion that contract costs incurred in the work performed at that date represent to the total estimated contract costs, except where such proportion is not representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that value can be reliably measured, and their reception is considered probable.

When the outcome of a construction contract cannot be estimated with sufficient reliability, revenue should be recognized only to the extent that it is probable that costs incurred under the contract will be recovered. Contract costs should be recognized as an expense in the period in which they are incurred.

When there is a possibility that total contract costs exceed total revenue, the estimated loss is immediately recognized as an expense.

For contracts where invoices based on the progress of work exceed contract costs incurred to date plus recognized gains less recognized losses, the excess is shown as amounts owed by the Group to customers for the work contract. Amounts received before related work is performed are included in the consolidated statement of financial position as a liability. Amounts billed for work performed, but not yet settled by the customer, are included in the consolidated statement of financial position under trade and other receivables.

The Group estimates revenue in the reporting period that have not yet been billed, assessing the degree of progress of construction projects that can be reliably measured and whose economic benefits are likely to be achieved. The cost method is that used to determine the degree of progress of construction projects in progress.

i. **Government subsidies.** Government subsidies should not be recognized until there is reasonable assurance that the Group will comply with the conditions attached; and that the subsidies will be received. Government subsidies are initially recognized at fair value.

Government subsidies whose main condition is that the Group buys, builds or otherwise acquires non-current assets are recognized as deferred income through the statement of financial position and are transferred to income on a systematic basis over the lifespan of the assets. Government subsidies must be recognized as income or loss on a systematic basis over the periods necessary to match them with the related costs.

Any government subsidies to be received as compensation for expenses or losses already incurred, or for the purpose of providing immediate financial support to the Group, without related subsequent costs, are recognized through profit as other income when they become receivable.

The benefit of a government loan at a below-market interest rate is treated as a subsidy, measured as the difference between the benefit received and the fair value of the loan based on the market interest rate in effect at the date.

j. **Contract balances**

a. **Contract assets:** a contract asset is the right to receive consideration in exchange for goods or services transferred to the customer, when that right is conditional on a different variable being present over time. If the Group transfers control of goods or services to a customer before the customer pays the consideration, a contract asset is recognized for the consideration earned that is conditional on the performance of one or more variables.

b. **Trade receivables:** a receivable represents the Group's unconditional right to a consideration for the transfer of goods or services to a customer. It is unconditional because only the passing of time is required for payment of the consideration.

c. **Contract liabilities:** a contract liability is the obligation to transfer goods or services to a customer for which the Group has previously received consideration from the customer. The payment of a consideration by a customer before the Group transfers goods or services to the customer is recognized as a contract liability at the time the payment is made or when the payment is due (whichever occurs first). Contract liabilities are recognized as income once the Group transfers the goods or services to the customer.

2.4.21 Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur in expenses, whose operating results are regularly reviewed by the Group's highest operating decision maker to make decisions about resources to be allocated to the segment, assess its performance and for which differentiated financial information is available.

Management has determined its operating segments based on the financial information provided to the Group's steering committees, whose members are used to make operating decisions for the purpose of allocating resources and evaluating their performance. The Steering Committee evaluates the performance of the operating segments based on each segment's net sales, operating income, EBITDA and net income. Total assets and liabilities by operating segment are not evaluated internally for management purposes and are not disclosed by the Group.

2.4.22 Related parties

For the purposes of IAS 24 Related Party Disclosures, the Group considers as related parties its associates and joint ventures, the entities that exercise joint control or significant influence over Grupo Argos S.A., its subsidiaries and the key management personnel, which includes members of the Board of Directors, Nomination and Remuneration Committee, Audit and Finance Committee, Sustainability and Corporate Governance Committee, Steering Committee (formed by the President and Vice Presidents), and any Committee that reports directly to the Boards of Directors of Grupo Argos S.A. and its subsidiaries, as well as corporate business managers who have the capacity to direct, plan and control activities.

Transactions between related parties are considered to be any transfer of resources, services and obligations between the Group and a related party, as well as outstanding balances between them at the date of preparation of the consolidated financial statements, including any commitments and guarantees given or received between them.

Related party disclosures are provided according to the categories established by IAS 24 Related Party Disclosures, which correspond to transactions with: (a) the parent, (b) entities with joint control or significant influence over the entity, (c) subsidiaries, (d) associates, (e) joint ventures, (f) key management personnel and (g) other related parties. Likewise, items of a similar nature are grouped together for disclosure purposes.

The characteristics of transactions with related parties do not differ from those with third parties and do not imply differences between market prices for similar transactions.

2.4.23 Materiality

In accordance with IAS 1 Presentation of Financial Statements, the Group considers information to be material if its omission or inappropriate expression could influence the decisions of users of the consolidated financial information.

2.4.24 Statement of cash flow

The Group prepares the statement of cash flows using the indirect method based on net profit (loss), broken down into three sections:

a. **Cash flows from operating activities:** flows from operations that constitute the company's main source of revenue, and from those activities that cannot be classified as investing or financing activities. These flows include, among others, taxes, transaction costs for acquisitions of subsidiaries, dividends received from associates, joint ventures and financial instruments and interest received on service concession arrangements recognized as financial assets.

b. **Cash flows from investing activities:** flows from the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents. These flows include, among others, flows related to the acquisition of subsidiaries, associates and joint ventures (excluding for subsidiaries, transaction costs that are presented as cash flows from operating activities), contingent considerations paid for business combinations during the measurement period and up to the amount of the identified liability, cash flows from sales of subsidiaries with loss of control, associates and joint ventures; acquisitions and disposals of intangible assets and property, plant and equipment (including transaction costs and deferred payments at the time of receipt or delivery of the flows), interest received from investments, except for interest received under service concession arrangements recognized as financial assets that are presented as operating activities.

c. **Cash flows from financing activities:** flows from activities that result in a change in the company's capital structure, whether from own resources or from third parties. These flows include, among others, issues of equity instruments, repayment of contributions and payments of subordinated debt classified as equity instruments, obtaining and repaying loans, issuing bonds and commercial papers and cancelling them, transactions between shareholders that do not involve obtaining and/or losing control (including transaction costs and any deferred payment at the effective time of receipt or delivery of the flows), repayment of principal on leases, interest paid associated with financing costs (including withholding taxes assumed and paid on loans entered into with foreign entities and except for interest that is capitalized as part of the cost of an asset that is presented as investing activities), derivatives that hedge financial liabilities and dividend payments.

NOTA 3: STANDARDS ISSUED BY THE IASB

3.1. Incorporated in Colombia

3.1.1 Incorporated in Colombia as of 1 January 2019 – Decree 2170 of 2017 and Decree 2483 of 2018

Financial Reporting Standard	Subject of the amendment	Detail
Amendment to IAS 40 Investment Property	Investment property transfers	A property is required to be transferred to (or from) investment property only when there is a change in its use. The amendment clarifies that a change in management's intentions for the use of a property does not, in isolation, provide evidence of a change in use.
IFRS 16 Leases	Issuance of new standard	Establishes the principles for the recognition, measurement, presentation and disclosure of leases, with the objective of establishing a single model for the recognition of leases for lessees and lessors, providing relevant information that faithfully represents such transactions. IFRS 16 Leases replaces the following standards and interpretations: • IAS 17 Leases • IFRIC 4 Determining whether an Arrangement contains a Lease • SIC 15 Operating Leases - Incentives. • SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 Leases was issued by the IASB in January 2016 and is effective for annual periods beginning on or after 1 January 2019. Lessor accounting under IFRS 16 Leases remains substantially unchanged from accounting under IAS 17 Leases. Lessors will continue to classify leases using the same classification principle of IAS 17 Leases and distinguishing between two types of leases: operating and finance leases. IFRS 16 Leases also requires lessees and lessors to make more extensive disclosures than required by IAS 17 Leases.

Financial Reporting Standard	Subject of the amendment	Detail
		A lessee may choose to apply the standard using full retrospective application or a modified retrospective approach.
IFRS 2 Share-based Payment	Classification and Measurement of Share-based Payment Transactions	IFRS 2 Share-based Payment did not contain any guidance on how the conditions of profit consolidation affect the fair value of cash-settled share-based payment liabilities. The IASB has added a guide that introduces the accounting requirements for cash-settled share-based payments, which follow the same approach used for share-based payments.
IFRS 4 Insurance Contracts	Possibility of applying exceptions	The amendment allows companies that issue insurance contracts two options for the application of the standard in relation to designated financial assets: • Reclassify from profit or loss to other comprehensive income OCI some of the income and/or expenses of designated financial assets. • The provisional application of IFRS 9 Financial Instruments until the effective date of IFRS 17 Insurance Contracts
Annual Improvements to the Standards Cycle 2014-2016	Amendments adopted by the IASB	IFRS 1 First-time Adoption of International Financial Reporting Standards: this amendment eliminates short-term exemptions in relation to comparative information of first-time adopters, information to be disclosed in transfers of financial assets, information to be disclosed on financial instruments, information to be disclosed on employee benefits, among others, and some short-term improvements of the 2012-2014 cycle, since in practice, they only applied in the year in which they became effective in the past. IFRS 12 Disclosures of Interests in Other Entities: this improvement clarifies the scope of interaction of this IFRS with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in that it does not require the breakdown of summary financial information for interests in entities held for sale (or classified as discontinued operations). IAS 28 Investments in Associates and Joint Ventures: the amendment offers an extension to the option of recognizing at fair value investments in associates or joint ventures carried out by or through a venture capital entity by stating that this choice can be made separately for each associate or joint venture at initial recognition.
Amendment to IAS 28 Investments in Associates and Joint Ventures	Requirement for the treatment of long-term interests	Clarifies that the requirements of IFRS 9 Financial Instruments are applicable to long-term interests in associates and joint ventures, including impairment requirements.
Amendment to IFRS 9 Financial Instruments	Modifies the requirements for the treatment of early contract cancellation rights	allows the measurement at amortized cost (or at fair value through other comprehensive income OCI, depending on the business model) of rights for the early termination contracts or instruments even if they present negative compensation payments.
Annual Improvements to the Standards Cycle 2015-2017	Amendments adopted by the IASB	IFRS 3 Business Combinations: clarifies that when an entity acquires control over a business that was previously recognized as a joint operation, it must consider the requirements of a business combination achieved in stages, including the remeasurement of the previous interest.

Financial Reporting Standard	Subject of the amendment	Detail
		IFRS 11 Joint Arrangements: states that if an entity obtains joint control over a joint operation in which it had an interest, but did not control it, the entity shall not remeasure its previous interest. IAS 12 Income Taxes: this improvement describes how an entity should account for the effects of tax payments on financial instruments classified as equity in the statement of income for the period. IAS 23 Borrowing Costs: the amendment clarifies that if an entity obtained a loan specifically to finance an asset and the loan remains outstanding when the qualifying asset is ready for use or sale, the outstanding amount becomes part of the funds the entity took as a generic loan and will be part of the amount for determining the capitalization rate.
Practice Paper No. 2	Making Judgments of Materiality or Relative Importance	The purpose of the document is to provide reporting entities with guidelines on making judgments of materiality or relative importance when preparing general purpose financial statements in compliance with International Financial Reporting Standards.
IFRIC 22 Foreign Currency Transactions and Advance Consideration	Specify the concept of transaction date	The interpretation specifies that: • The transaction date for determining the applicable exchange rate is that of initial recognition of the asset in the case of advance payments and of the liability in the case of deferred income. • If there are multiple payments or receipts of income, the transaction date will be determined for each of them.

Grupo Argos and its subsidiaries applied IFRS 16 Leases from 1 January 2019. The Group applied the change in accounting policy using the modified retrospective approach, in accordance with the transitional provisions allowed in the standard, under which the cumulative effect of the initial application of the standard is recognized directly through consolidated equity in consolidated retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 was not restated.

On transition to IFRS 16 Leases, the Group chose to apply the practical solution of not reassessing whether an arrangement is, or contains, a lease at the date of initial application. Instead, the standard allows IFRS 16 Leases to be applied only to contracts previously identified as leases. Contracts that were not identified as leases under IAS 17 Leases and IFRIC 4 Determining Whether an Arrangement Contains a Lease were not reassessed to determine whether a lease exists under IFRS 16 Leases. Therefore, the definition of a lease under IFRS was applied only to leases entered into or amended on or after 1 January 2019.

a. The Group as lessee: as a lessee, the Group leases a significant number of assets, including property, production equipment, including heavy machinery, vehicles, including concrete mixer trucks and equipment, and riverine fleet. The Group recognizes right-of-use assets in leases and lease liabilities for the majority of these leases.

On initial recognition, the Group recognized a lease liability equal to the present value of the minimum lease payments payable discounted at the lessee's incremental borrowing rate at the transition date, 1 January 2019, and an asset equal to the lease liability adjusted for any prepaid expenses or payable liabilities recognized in the consolidated statement of financial position under IAS 17 Leases.

Grupo Argos and its subsidiaries opted to apply the following practical solutions available under IFRS 16 Leases:

- Not to apply the recognition requirements, at the inception date, to contracts with a lease term equal to or less than 12 months and without a purchase option or to contracts whose underlying asset is of low value (i.e., assets whose new value is equal to or less than USD 3,500 for operating assets and USD 5,000 for administrative assets).
- Exclude initial direct costs of measuring right-of-use assets at the initial date.

- Use retrospective reasoning if the contract contains extension or termination options.
- Not to reassess whether an arrangement is or contains a lease and use the analyses under IAS 17 Leases and IFRIC 4 Determining Whether an Arrangement Contains a Lease.

At the date of transition to IFRS 16 Leases, the Group had leases classified as finance leases under IAS 17 Leases.

For these finance leases, the carrying amount of the right-of-use asset and the lease liability at 1 January 2019 were determined by the carrying amount of the asset and lease liability under IAS 17 Leases immediately before that date.

b. The Group as lessor: the Group is not required to make any adjustments on transition to IFRS 16 Leases for leases in which it acts as lessor, except for subleases.

Impact of applying IFRS 16 Leases

On transition to IFRS 16 Leases, on 1 January 2019, the Group recognized additional right-of-use assets in leases, including investment property and additional lease liabilities in its consolidated financial statements, recognizing the difference in consolidated retained earnings. The impact on the transition is summarized below:

	2019
Right-of-use assets at 31 December 2018, property, plant and equipment	-
Right-of-use assets under lease (increase of 2.3% of assets) (1)	1,126,862
Less, onerous contracts reclassified as a reduction of Right-of-use assets	(69,053)
Prepaid expenses reclassified as an increase in the right-of-use assets	274
Improvements to third-party property reclassified as increase in right-of-use assets	61,664
Finance lease assets under IAS 17 reclassified as an increase in right-of-use assets	120,669
Right-of-use assets at 1 January 2019, property, plant and equipment	**1,240,416**
Lease liabilities at 31 December 2018, property, plant and equipment	-
Lease liabilities (4.9% increase of liabilities) (1)	1,126,862
Finance lease liabilities under IAS 17 reclassified as increase in lease liabilities	107,445
Lease liabilities at 1 January 2019, property, plant and equipment	**1,234,307**
Deferred tax liability recognized through retained earnings	(3,177)
Intangible assets and liabilities under favorable and unfavorable lease arrangements, net	2,020
Onerous contracts recognized as a reduction in retained earnings	12,666
Other adjustments	14
Effect of the transition to IFRS 16 on retained earnings	**11,523**
Controlling interests	5,595
Non-controlling interests	5,928
Deferred tax liability recognized with a charge to retained earnings, controlling interests	(1,603)
Deferred tax liability recognized with a charge to retained earnings, non-controlling interests	(1,574)

(1) Compared to figures reported as of 31 December 2018.

Given the choice not to restate the Group's comparative information due to the first-time adoption of IFRS 16 Leases, it should be considered that:

- The consolidated statement of income at 31 December 2018 presents lease expenses of $261,481, of which $213,021 was included as selling costs and $48,460 as selling and administrative expenses. In this period, no expenses or costs are presented for depreciation of right-of-use assets, nor interest expenses associated with lease liabilities that under IAS 17 Leases were classified as operating leases.
- The consolidated statement of income at 31 December 2019 presents depreciation of right-of-use assets for $195,687, of which $157,508 was included as selling costs and $38,179 as selling and administrative expenses. Also included are interest expenses associated with lease liabilities for $59,951.

The adoption of IFRS 16 Leases has a positive impact on operating income, offset by an increase in interest expense which leads to a near-neutral result in net profit.

When measuring lease liabilities that were classified as operating leases, the Group discounted the lease payments using its incremental interest rate at 1 January 2019.

The weighted average rate applied is 4.31% for dollar-denominated contracts and 7.35% for Colombian peso-denominated contracts.

	1 January 2019
Total minimum lease payments in non-cancellable operating leases	**1,431,845**
Effect of rebate using the incremental interest rate as of January 1, 2019	(297,403)
Plus, finance lease liabilities under IAS 17 reclassified as an increase in lease liability	107,445
(less) Exemption from recognition for leases of low value assets	(4,247)
(less) Exemption from recognition for leases with less than 12 months duration	(3,333)
(plus) Reasonably certain renewal options to be exercised	-
Lease liabilities recognized at 1 January 2019	**1,234,307**

Other standards incorporated in Colombia as of 1 January 2019 did not generate significant impacts on the Group's consolidated financial statements.

3.1.2. Incorporated in Colombia as of 1 January 2020 - Decree 2270 of December 2019 and Decree 1432 of November 2020.

Financial Reporting Standard	Subject of the amendment	Detail
Amendment to IAS 19 Employee Benefits	Posting changes, reductions and settlements to a plan	The amendment requires entities to use updated assumptions to calculate current service cost and net interest for the remainder of the period from the modification, curtailment or settlement of a plan. It also requires entities to recognize any reduction in surplus as part of past service cost or settlement gain or loss.
Amendment to IFRS 3 Business Combinations	Improve the definition of the concept of "Business"	The amendment clarifies that in order to consider the set of activities and assets acquired as a business, they must include at least one input element and a substantive process that together with the input is capable of creating outputs or results. To do so, an entity must: • Determine whether the fair value of the assets acquired is concentrated in a single identifiable asset or in a group of identifiable assets of a similar nature. • Determine whether that asset or group of assets includes a substantial process and in company, can generate a result.
Amendment to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	Definition of Materiality	The information is material if its omission, deviation or concealment has the potential to influence the decisions that users of general-purpose financial statements make about those financial statements .
IFRIC 23 Uncertainty over Income Tax Treatments	Accounting for uncertain tax treatments	This interpretation explains how to recognize current and deferred tax assets and liabilities if there is uncertainty about a tax treatment. An entity manages uncertainties in accordance with: • The available basis for supporting its position • The approach that the tax authority is expected to take in an audit of the matter.
Conceptual Framework	General update	It updates definitions of concepts related to: • Measurement: to include factors to be taken into account when selecting measurement bases. • Presentation and disclosure: to determine events in which an income or expense is classified in other comprehensive income OCI.

Financial Reporting Standard	Subject of the amendment	Detail
		• Non-recognition: to determine when assets or liabilities should be removed from the financial statements. Additionally, it renews the definitions of assets and liabilities and the criteria for including them in the financial statements. Likewise, it adds or clarifies the meaning of other concepts such as "controlled resource", "economic resource" and "expected flow", among others.
Amendment to IFRS 16 Leases	COVID-19 Related Rent Concessions	This amendment incorporates a practical expedient for the accounting treatment of rent concessions granted to lessees because of the COVID-19 pandemic, provided that the following conditions are met: a) the change in lease payments results in revised lease consideration that is substantially equal to or less than the lease consideration immediately preceding the change, b) any reduction in lease payments affects only payments due on or before 30 June 2021, and c) there is no material change to other terms and conditions of the lease. This practical expedient is that lessees may elect to account for rent reductions in the same manner as they would if they were not lease modifications. Those applying this exemption should disclose this fact, as well as the amount recognized in income for the period arising from COVID-19 related rent reductions. As well as applying this practical expedient consistently to all leases with similar characteristics and circumstances. Voluntary application of this amendment in Colombia may be made early on financial statements beginning on or after January 1, 2020. Lessees are not required to restate prior period figures or provide the disclosures required by paragraph 28(f) of this standard. The Group opted not to apply this amendment in its consolidated financial statements.

IFRIC 23 Uncertainty over Income Tax Treatments

In order to provide greater clarity in the accounting treatment of income taxes, in June 2017 the IASB issued IFRIC 23 Uncertainty over Income Tax Treatments, which clarifies how to apply the recognition and measurement requirements of IAS 12 Income Taxes when there is uncertainty in the treatments of this tax. An entity shall recognize and measure its current or deferred tax asset or liability by applying the requirements of IAS 12 Income Taxes on the basis of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and the tax rates determined by applying this Interpretation. In Colombia, this IFRIC is effective from 1 January 2020.

IFRIC 23 Uncertainty over Income Tax Treatments requires the assumption that the tax authority having the right to examine, and challenge tax treatments will examine the treatment and will have full knowledge of all related information.

If Grupo Argos or any of its subsidiaries concludes that it is not likely that an uncertain tax treatment will be accepted by the tax authority, it must reflect the effect of the uncertainty on its accounting, adjust income tax expense, and current and deferred tax assets and liabilities.

The impact of the uncertain tax position should be measured using either the most likely amount method or the expected value method depending on whether the Group believes that the uncertain position will be resolved. This IFRIC allows for its initial application with retrospective effect, impacting retained earnings (or another component of equity, as appropriate). The Group opted for application in these terms.

It is required to continue disclosing, in accordance with IAS 1 Presentation of Financial Statements, the judgments and estimates made in determining uncertain tax treatments.

According to the analysis performed by the management, uncertain tax positions that are likely to be rejected by the tax authority were recognized in the Group's Consolidated Financial Statements, affecting the Group's equity by ($51,783), of which ($35,216) correspond to a decrease in the controlling equity and ($16,567) to a decrease in the non-controlling interest. This value corresponds mainly to the following uncertain tax positions:

Tax on Assets ("ISA") for the fiscal periods 2011 - 2018 in Autopistas del Nordeste S.A. ADN and tax on Assets ("ISA") for the fiscal periods 2011 - 2015 in Boulevard Turístico del Atlántico S.A. – BTA

The company Autopistas del Nordeste S.A. and the company Boulevard Turístico del Atlántico S.A. requested before the Ministry of Finance to be exempted from the payment of the Tax on Assets for the periods 2011 to 2018, and 2011 to 2015, respectively. Despite having obtained no objection from the Ministry in all cases, these requests were subsequently rejected by the General Directorate of Internal Taxes. The request was based on the fact that the concession contract dated 18 July 2001, was approved by the National Congress of the Republic through a resolution published on 22 March 2002; subsequently, through Law 557-05 dated 13 December 2005, the Tax on Assets was introduced to the tax system, which, according to the provisions of the concession contract, represents an adverse change in the tax legislation that may affect the economic balance of the Contract and that would oblige the grantor to reestablish it in favor of Autopistas del Nordeste S. A and Boulevard Turístico del Atlántico S.A. at its sole cost.

For the company Autopistas del Nordeste S.A. on 14 February 2020 the Supreme Court of Justice notified the ruling 001-033-2018-RECA-00769 by which it rejected the appeal filed by the company. In view of this decision, an appeal was filed before the Constitutional Court, also requesting the suspension of the SCJ ruling. In the case of Boulevard Turístico del Atlántico S.A., in view of the rejection by the General Directorate of Internal Taxes, the company initiated proceedings before the Superior Administrative Court (TSA) who rejected the arguments for the recognition of exemptions with respect to some of the periods under analysis, however, as an ordinary appeal against the decisions of the TSA, there are actions before the Supreme Court of Justice whose decisions in turn could be subject to actions before the Constitutional Court.

Regardless of the legal actions described above, the companies may formally request the grantor to reestablish the economic equilibrium according to the procedure provided for in the contract, which also foresees a dispute resolution phase, direct settlement and conciliation prior to the authorization of actions before an arbitration court based in New York.

In the Dominican Republic concessions, the value recognized as a liability as of 31 December 2020 for the asset tax amounts to $43,235. The asset tax liability corresponds mainly to the balance of liabilities recognized at the consolidated financial statement for uncertain tax positions.

The other standards incorporated in Colombia as of 1 January 2020 did not generate significant impacts on the Group's consolidated financial statements.

3.2. Issued by the IASB not incorporated in Colombia

The following standards have been issued by the IASB, but have not yet been incorporated by Decree in Colombia:

Financial Reporting Standard	Subject of the amendment	Detail
IFRS 17 Insurance Contracts	It seeks to unify the delivery of results from insurance sector entities around the world.	They combine features of a financial instrument and a service contract. In addition, many insurance contracts generate cash flows with substantial variability over a long period. To provide useful information on these features, IFRS 17 Insurance Contracts: • Combines current measurement of future cash flows with recognition of benefits over the period in which the services are provided under the contract. • Presents the results of the insurance service (including the presentation of insurance income) separately from the income or expense of the insurance finance; and

Financial Reporting Standard	Subject of the amendment	Detail
		• Requires an entity to make an accounting policy choice to recognize all insurance finance income or expense through profit or loss, or to recognize part of that income or expense in other comprehensive income (OCI). In June 2020, the International Accounting Standards Board (IASB) issued the amendment to IFRS 17 Insurance Contracts which is intended to assist companies in the implementation of this standard and make it easier for them to explain their financial performance. The fundamental principles of the standard issued in May 2017 remain unaffected. The amendments, which respond to stakeholder comments, are designed to: a) reduce costs by simplifying some requirements of the standard, b) make financial performance easier to explain, and c) ease the transition as it defers the effective date to 2023 and provides additional relief by reducing the effort required for first-time application. As of the amendment issued in June 2020, IFRS 17 Insurance Contracts is effective as of 1 January 2023, allowing its early application, provided that IFRS 9 is also applied. If it were to be applied early, this fact must be disclosed.
Amendment to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures	Reform of the Reference Interest Rate	The amendment is intended to provide relief from the potential effects of the substitution of existing benchmark interest rates, such as the Interbank Offered Rate - (IBOR). The amendment modifies certain hedge accounting requirements. According to the IASB schedule, this amendment is effective from 1 January 2020 retrospectively. Earlier application is allowed, in which case this fact must be disclosed.
Amendment to IAS 1 Presentation of Financial Statements	Classification of Liabilities as Current or Non-Current	This amendment seeks to clarify the existing requirements in IAS 1 Presentation of Financial Statements on the classification in the statement of financial position as "current" and "non-current" of liabilities with an uncertain settlement date. The amendment includes clarification of the classification requirements for liabilities that the company could settle by transferring the entity's own equity instruments. In July 2020, the deadline for implementation of the amendment to IAS 1 Presentation of Financial Statements is extended from 1 January 2023, retroactively in accordance with IAS 8. Earlier application is allowed, in which case this fact must be disclosed.
Amendment to IAS 16 Property, Plant and Equipment	Products obtained prior to intended use	This amendment establishes that proceeds from the sale and related costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management may no longer be deducted from the cost of an item of property, plant and equipment, but must be recognized in profit or loss for the period, in accordance with the applicable standards. These amounts must be disclosed in the financial statements, indicating in which line item (or items) of the statement of comprehensive income they are included. According to the IASB schedule, this amendment is effective as of 1 January 2022 retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for

Financial Reporting Standard	Subject of the amendment	Detail
		them to be capable of operating in the manner intended by the management as of the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is allowed, in which case this fact must be disclosed.
Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets	Onerous contracts: cost of fulfilling a contract	This amendment clarifies the meaning of "costs of fulfilling a contract", a term associated with the definition of unavoidable costs, which corresponds to the lower of the net cost of exiting the contract and the costs to perform the contract. It is explained that the direct cost of fulfilling a contract comprises: a) the incremental costs of fulfilling that contract, and b) an allocation of other costs that are directly related to the fulfillment of the contracts. It also indicates that before establishing a separate provision for an onerous contract, an entity must recognize any impairment loss on assets used to fulfill the contract. The amendments will apply for annual periods beginning on or after 1 January 2022 to contracts for which it has not yet fulfilled all of its obligations. Restatement of comparative information is not required. Earlier application is allowed, in which case this fact must be disclosed.
Amendment to IFRS 3 Business Combinations	Reference to the Conceptual Framework	This amendment updates the references in IFRS 3 Business Combinations to the Conceptual Framework for Financial Reporting 2018, to determine what constitutes an asset or a liability in a business combination. Prior to the amendment, IFRS 3 referred to the Conceptual Framework for Financial Reporting 2001. In addition, the amendment added a new exception in IFRS 3 Business Combinations for liabilities and contingent liabilities, which specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 Business Combinations should refer to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, or IFRIC 21 Levies instead of the Conceptual Framework 2018. The amendments will be applied prospectively to business combinations from 1 January 2022. Earlier application is allowed if at the same time or earlier, all amendments made by " Amendments to References to the Conceptual Framework of IFRS Standards " issued in March 2018 are also applied, in which case this fact must be disclosed.
Annual improvements to IFRS standards 2018-2020 cycle	Amendments approved by the IASB	IFRS 9 Financial Instruments: the amendment addresses which costs or fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to third parties or to the lender. It establishes that costs or fees paid to third parties will not be included in the 10% test. IFRS 16 Leases: Illustrative Example 13 accompanying this standard is amended to eliminate the illustration of lessor payments in connection with leasehold improvements. The objective of the amendment is to eliminate any possible confusion about the treatment of lease incentives. IFRS 1 First-time Adoption of International Financial Reporting Standards: this standard is amended to allow subsidiaries, associates and joint ventures that have taken the exemption to measure their assets and liabilities at the carrying amounts that were included in their

Financial Reporting Standard	Subject of the amendment	Detail
		parent's consolidated financial statements, based on the parent's date of transition to IFRS, to also measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary, associate or joint Venture. IAS 41 Agriculture: the requirement for entities to exclude tax cash flows when measuring the fair value of biological assets or agricultural products is eliminated. The amendments will be applied from 1 January 2022. Earlier application is allowed, in which case this fact must be disclosed.
Amendment to IFRS 4 Insurance Contracts	Extension of the temporary exemption from application of IFRS 9 Financial Instruments	For insurance companies that meet certain criteria established in IFRS 4 Insurance Contracts, this standard provides a temporary exemption that allows, but does not require, the insurer to apply IAS 39 Financial Instruments: Recognition and Measurement instead of IFRS 9 Financial Instruments for periods beginning on or after 1 January 2023. This amendment extends the deadlines since prior to its issuance the established date was 2021.
Benchmark interest rate reform - Phase 2	Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, supplement those made in 2019 in response to the ongoing reform of interbank offered rates (IBOR) and other interest rates, and focus on the effects on organizations' financial statements when the previous benchmark interest rate is replaced by an alternative benchmark interest rate as a result of the reform. The amendments are effective for annual periods beginning on or after 1 January 2021, with early adoption allowed.

The Group will quantify the impact on the consolidated financial statements in a timely manner, so that once the Decree incorporating this standard into the Colombian Technical Regulations Framework is issued, all the necessary activities for its implementation are being carried out.

During 2020 the Group has not adopted any standards or improvements to standards in advance.

NOTE 4: **SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATES**

In applying the Group's accounting policies, which are described in Note 2 Basis of preparation and significant accounting policies, management must make judgements and estimates that affect the amounts reported in the financial statements. The estimates and associated assumptions are based on historical experience and other factors considered relevant. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed regularly by the management. Revisions to accounting estimates are recognized in the period of revision, if the revision only affects that period, or in future periods if the revision affects both the current period and subsequent periods.

4.1. Significant judgements and estimates when applying accounting policies that do not present a significant risk of significantly affecting the subsequent period

In accordance with paragraph 122 of IAS 1 Presentation of Financial Statements, the following are the judgements and significant estimates made by the management in the process of applying the Group's accounting policies that have a significant effect on the amounts recognized in the consolidated financial statements. These judgements and estimates differ from the estimates referred to in paragraph 125 of the same IFRS, since in the management's opinion they are not identified as presenting a significant risk of causing significant adjustments in the subsequent accounting period.

4.1.1 Interests in other entities

The Group has equity investments in companies that under IFRS are classified as subsidiaries, associates, joint ventures and financial instruments, according to the degree of relationship with the investee: control, significant influence and the type of joint venture. The degree of relationship was determined in accordance with IFRS 10 Consolidated Financial Statements, IAS 28 Investments in Associates and Joint Ventures and IFRS 11 Joint Arrangements.

The significant judgements and assumptions applied in making this classification are described below:

Subsidiaries - Entities over which the Group has control

In determining control, the Group assesses the existence of power over the entity, exposure, or entitlement, to variable returns from its involvement with the entity and the ability to use its power over the entity to influence the value of the returns. Judgement is applied in determining the relevant activities of each entity and the capacity to make decisions about these activities; for this, the purpose and design of the entity is assessed, the activities that most impact its performance are identified and how decisions about the relevant activities are made. The assessment of decision-making considers existing voting rights, potential voting rights, contractual arrangements between the entity and other parties, and the rights and ability to appoint and remove key management personnel, among other aspects. Judgement is also applied in identifying variable returns and exposure to them. Variable returns include, but are not limited to, dividends and other distributions of economic benefits from the entity, remuneration for managing the entity's assets or liabilities, fees and exposure to loss from providing credit or liquidity support. The judgements and assumptions made to determine that the Group controls a company even when less than half the voting rights are retained are:

(a) Investment in SURCOL HOUDSTERMAATSCHAPPIJ N.V. Management has assessed the degree of influence that the Group has over SURCOL HOUDSTERMAATSCHAPPIJ N.V. and determined that it exercises control over the entity even though it maintains an indirect percentage of ownership, through the subsidiary Cementos Argos, equal to 50%, given the representation on the Board of Directors and the contractual terms of the arrangement, which establish that the Group has the current capacity to decide on the activities that most impact the performance of the entity in accordance with the terms.

(b) Investment in P.A. Ganadería Rio Grande. Management has evaluated the degree of influence that the Group has over this entity and determined that it exercises control over the entity even though it maintains a percentage of ownership equal to 13.39%, given that the Group is exposed to the variable returns from this investment and has the capacity to influence them through the exercise of its power by making relevant decisions.

The judgements and assumptions made to determine that the Group does not control a company even though it holds more than half of the voting rights are:

(a) Investment in Corporación de Cemento Andino C. A. and its subsidiaries Andino Trading Corporation, Comercializadora Dicemento C. A. and Depoan S. A.; and the companies Intership Agency Venezuela C.A. and Surandina de Puertos C.A. Management has evaluated the degree of influence that the Group has over the above-mentioned entities located in Venezuela and determined that it does not exercise control over the entities even though it maintains a percentage of ownership in excess of 50%, given the divestment of assets of Corporación de Cemento Andino, which was declared of public utility and social interest by the Venezuelan government on 13 March 2006. The Group is in the process of litigating to recover the companies.

(b) Investment in La Pintada S.A.S. Management has assessed the degree of influence that the Group has over La Pintada S.A.S. and determined that it does not exercise control over the entity, even though it holds more than 50% of the shares, since making relevant business decisions requires a special decision-making majority of 80% of the shares subscribed, thus forming a relationship of significant influence.

(c) Consorcio Constructor Nuevo Dorado (in the process of liquidation) and Consorcio Mantenimiento Opain (in the process of liquidation) and PA contingencias consorcio Nuevo Dorado. Management has assessed the degree of influence that the Group has over these consortiums and determined that it does not exercise control over them even though it holds a percentage of more than 50%, given that the quorum for financial and administrative decisions requires the favorable vote of all the consortiums, giving rise to a relationship of joint control.

(d) Patrimonio Autónomo (autonomous equity) Hacienda Niquía. Management assessed the degree of influence that the Group has over this entity and determined that it does not exercise control over it even though it holds an interest of over 50%, since the Group does not have the current capacity to decide on the activities that most impact the entity's performance.

(e) Caoba Inversiones S.A.S. Due to the mechanisms of joint governance established in the establishing of the company, management determined that it does not exercise control over the company even though it maintains a percentage of participation greater than 50%.

(f) Alianza Fiduciaria Hotel Calablanca Barú. In the evaluation of the degree of influence that the Group has over Alianza Fiduciaria Hotel Calablanca Barú, it was determined that the contractual conditions of the Autonomous Equity generate a relationship of joint control in which the two participants make the decisions of the relevant activities, even when the Group maintains a percentage of participation higher than 50%.

Associates - Entities over which the Group has significant influence

Judgment is applied in assessing significant influence. The Group is deemed to have significant influence over an associate when it has the power to intervene in the associate's financial and operating policy decisions. To this end, the Group considers the existence and effect of potential voting rights that may be exercised or converted at that time, including potential voting rights held by other companies, in order to assess whether it exercises significant influence over an investment. It should not consider those that cannot be exercised or converted until a future date, or until a future event has occurred.

The Group classifies its interests in Concesión la Pintada S.A.S., Caoba Inversiones S.A.S. and Patrimonio Autónomo Hacienda Niquía as an investment in an associate even though it maintains a percentage of participation of more than 50% because the percentage of participation maintained allows the Group to intervene in the financial and operating policy decisions of these companies without having control or joint control over them.

Joint arrangements as a joint operation or a joint Venture

Once the existence of a joint arrangement is determined by assessing the contractual arrangement in which two or more parties exercise joint control in an arrangement, the Group applies significant judgements and assumptions to determine whether the arrangement is a joint venture or a joint operation; That is, (i) if a joint operation exists despite having a separate vehicle, for example, if the Group is granted rights to the assets and obligations in respect of the liabilities relating to the arrangement and not rights to the net assets of the arrangement; or (ii) if a joint venture exists, through a contractual arrangement that is structured through a separate vehicle or not and grants rights to the net assets of the arrangement but not rights to the assets and obligations relating to the arrangement.

The Group should consider the following in recognizing a joint venture when it is formed through a separate vehicle: (i) the legal form of the separate vehicle; (ii) the terms of the contractual arrangement; and (iii) where appropriate, other factors and circumstances.

The Group classifies its interests in Consorcio Constructor Nuevo Dorado (in process of liquidation), Consorcio Mantenimiento Opain (in process of liquidation) and PA Contingencias Consorcio Nuevo Dorado as an investment in a joint venture, even though a percentage of participation of more than 50% is maintained, since the quorum for making financial and administrative decisions requires the favorable vote of all the consortium members.

4.1.2 Functional currency

Management uses its judgment in determining its functional currency. The determination of the Parent Company's functional currency and each of its investments in subsidiaries, associates and joint ventures is determined by evaluating the principle and indicators set forth in IAS 21 The Effects of Changes in Foreign Exchange Rates.

4.1.3 Cash generating units

In performing impairment tests on non-financial assets, assets that do not individually generate cash inflows that are largely independent of the cash flows generated by the other assets or groups of assets must be grouped to the cash-generating unit to which the asset belongs, which is the smallest identifiable group of assets that generates cash inflows for the company, which are largely independent of the cash flows derived from the other assets or groups of assets. Management uses its judgement in determining cash-generating units for the purposes of impairment testing in accordance with IAS 36 Impairment of Assets.

The determination of cash generating units - CGUs - was made based on the company's strategic definition as an infrastructure holding company engaged in the cement, energy, real estate, investment, coal and concession businesses, regardless of where they operate or have assets to perform corporate purpose. Considering the relevance of each business and its capacity to generate cash flows, the CGUs are associated with each company which groups together the various investments of each business. In order to strengthen its businesses, the Group determines the allocation of capital to be invested by industry and carries out its return on investment capacity analysis from the same perspective. For the purposes of the analysis of permanence in a business, it always considers the sector in which it participates and not the assets individually. However, each business analyzes its CGU's independently, according to the grouping of assets or businesses that synergistically contribute to the business.

4.1.4 Hedge accounting

Management applies its judgment to establish whether a hedging relationship meets the requirements of IAS 39 Financial Instruments: Recognition and Measurement for hedge accounting, as well as the assessment of hedge effectiveness and sources of ineffectiveness. The Group applies fair value and cash flow hedge accounting in its financial statements to hedge primarily foreign currency and interest rate risk. The decision to apply hedge accounting may have a significant impact on the Group's financial statements.

4.1.5 Determination of the term of the lease with renewal options and leases whose term is automatically extended at the end of the original term.

Under certain leases, the Group has the option to lease the assets for additional periods. The Group applies its judgement in assessing whether it is reasonably safe to exercise the renewal option, i.e. it considers all the relevant factors that create an economic incentive to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in the circumstances under its control that affect its ability to exercise (or not exercise) the renewal option. In addition, the Group enters into leases contracts that are automatically renewed at the end of the original lease term for another term of the same duration, or on a month-to-month basis, without any action being taken by the Group or the lessor. The Group also enters into leases that are automatically extended at the end of each year or on the original termination date for another full term. For these contracts, the Group estimates the term of the lease based on the existence of economic incentives, past experience, the expectation of use of the asset and the intention to continue the lease, without prejudice to the lessor's ability to exercise its legal rights and terminate the lease at any time. This judgment has a significant impact on the consolidated financial statements.

4.1.6 Distinction between investment property and inventories

The Group requires the application of professional judgment to determine whether a property meets the requirements to be classified as investment property or to be classified as inventory. Given the nature of the assets currently held by the Group, this classification may be difficult. Therefore, the parent has developed criteria to exercise such judgment in a manner consistent with the standard, such as:

- The separation of whether the property is held for income or capital appreciation or for sale in the ordinary course of operations.
- Land held for undetermined future use is considered to be held for capital appreciation and, therefore, is held as investment property.
- The commencement of a development with intent to sell it in the ordinary course of business is considered a change in use and therefore involves the transfer of investment property to inventory.
- When the Group decides to dispose of an investment property without carrying out a specific development, it maintains the asset in investment property until it is derecognized and does not treat it as an inventory item.

4.1.7 Current income tax

The Group recognizes current income tax amounts in the consolidated financial statements given the volume of transactions. The determination of current tax is based on management's best interpretation of current and applicable laws and best practices in the jurisdictions in which it operates. The reasonableness of this estimate depends on management's ability to integrate complex tax and accounting standards and to consider changes in applicable laws.

An uncertain tax treatment is a tax treatment for which there is uncertainty as to whether the tax authority will accept the tax treatment under the tax law. The Group may have uncertain tax positions mainly because of the deductibility of certain expenses, or because of the differential treatment of certain profits in tax returns. For current active legal proceedings, a provision is recognized only for those proceedings classified as probable and not for those classified as remote or possible. The probability analysis is based on expert opinions and on the interpretation of the tax regulations in force in the applicable jurisdiction.

4.1.8 Provision for expected credit losses on trade receivables

To calculate expected credit losses, the Group applies the parameters established in the policy on impairment of financial assets to each operating segment (see Note 2.4.3.1 Impairment of financial assets).

The assessment of the key assumptions observed for each business, projections of economic conditions and expected credit losses constitute significant estimates. The value of expected credit losses is sensitive to changes in circumstances and the economic environment. The Group's historical information on credit losses and its economic projections may not be representative of the risk of default by a current customer in the future. Information on the Group's expected credit losses is disclosed in Note 8 on trade and other receivables, net.

4.1.9 Pension plans and other post-employment defined benefit plans

The liability for pension plans and other post-employment benefits is estimated using the projected credit unit technique, which requires the use of financial and demographic assumptions, including, but not limited to, discount rates, inflation rates, expected salary increases, life expectancy and employee turnover rates. The estimate of the liability, as well as the determination of the values of the assumptions used in the valuation, is made by an independent external actuary, considering the market conditions existing at the measurement date.

Given the long-term horizon of these benefit plans, the estimates are subject to a degree of uncertainty. Any change in actuarial assumptions directly impacts the value of the pension obligation and other post-employment benefits.

4.1.10 Decommissioning, retirement or rehabilitation liabilities

The provision for decommissioning, retirement or restoration is recognized at the present value of the expected costs to settle the obligation using estimated cash flows. In the process of measuring the present value of the obligation, management makes estimates of future disbursements to perform the decommissioning, retirement or rehabilitation activities, the estimated dates on which the disbursements will be made and the estimation of financial assumptions such as the inflation rate and the discount rate. Given the long-term horizon of the decommissioning obligations, estimates are subject to a significant degree of uncertainty and could affect the amounts reported in the consolidated financial statements.

4.1.11 Recognition of revenue and costs from construction activities

Since the causation of revenue and costs from construction activities that have not yet been invoiced is related to the execution of contracts, the estimate of the proportion that corresponds to the reporting period is assigned by evaluating the degree of progress of the construction projects through the cost method.

4.1.12 Estimation of lifespan, depreciation method and residual values of property, plant and equipment and intangible assets

As described in Note 2 Basis of preparation and significant accounting policies, the Group reviews at least annually the estimated lifespans, the depreciation or amortization method, and residual values of property, plant and equipment and intangible assets. When there is evidence of changes in the conditions or expected use of an item of property, plant and equipment or intangible assets, involving a change in the pattern of consumption of the future economic benefits embodied in the asset, management makes an evaluation of the appropriateness of the depreciation or amortization method used and a new estimate of the lifespan of the item. The definition of the depreciation or amortization method, and the estimate of lifespans of property, plant and equipment and intangible assets is determined based on the asset's historical performance, management's expectation of use of the asset and existing legal restrictions on use. The estimation of lifespans requires management judgment.

The accounting policy for property, plant and equipment and intangible assets the estimation pf lifespan is indicated.

As mentioned in paragraph 2.4.5 Intangible assets in note 2 Basis of preparation and significant accounting policies, for the reporting period there was a change in the amortization method of the intangible assets of the El Dorado International Airport concession and the intangible assets of the Concession Túnel Aburra Oriente S.A. based on the consumption pattern of these assets.

As mentioned in Note 15 Intangible assets, during the period the Group reviewed and changed the amortization method of the intangible assets associated with the concession of El Dorado International Airport and the concession of Túnel Aburra Oriente S.A.

4.1.13 Revalued value of land and buildings for administrative use classified as property, plant and equipment

For determining the revalued value, the Group opted to hire independent experts with recognized professional capacity and experience in real estate valuation.

For the valuation process, these experts select one of the three approaches mentioned in IFRS 13 Fair Value Measurement according to the characteristics of the property and its use:

- Market approach
- Cost approach
- Income approach

4.2. Key data on uncertainty in estimates that present a significant risk of significantly affecting the following period

Following are the assumptions made about the future and other sources of uncertainty used in applying the accounting policies for the preparation of the financial statements for the reporting period, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the following accounting period:

4.2.1 Provisions, contingent assets and liabilities

Certain contingent conditions may exist at the date the financial statements are issued, which may result in a loss for the Group and, in the case of contingent assets, an income for the Group, but will only be resolved in the future when one or more events occur or may occur.

The Group considers that a past event has given rise to a present obligation if, taking into account all the evidence available at the reporting date, it is probable that a present obligation exists, independent of future events. A provision is recognized when it is more likely than not that an event will occur. Possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Group's control are not recognized in the statement of financial position, but are disclosed as contingent liabilities; the occurrence of events that are estimated to be remote is not recorded or disclosed. The occurrence of events giving rise to contingent assets is not recorded but disclosed (Note 24 Provisions and Note 43 Contingent assets and liabilities).

To determine the possibility of the occurrence of a present obligation, the professional judgment of internal and external specialist lawyers is involved. In estimating the provision, management considers assumptions such as, but not limited to, inflation rates, attorneys' fees, estimated duration of the lawsuit, statistical information of processes with similar characteristics, among others.

Further details on the Group's provisions, contingent assets and liabilities are provided in Note 24 Provisions and Note 43 Contingent assets and liabilities, including their amount at the end of the reporting period.

4.2.2 Assessment of goodwill impairment

The Group performs goodwill impairment tests at least annually or whenever market or business conditions present significant changes that indicate impairment. The impairment assessment of goodwill requires the estimation of the recoverable amount of the cash-generating unit or group of cash-generating units to which the goodwill has been allocated. Estimating the recoverable amount requires estimating the future cash flows of the cash-generating unit or group of cash-generating units, and financial assumptions such as the inflation rate, discount rate and perpetual growth rate.

In the process of measuring expected future cash flows, management makes estimates of future operating results. Changes in valuation assumptions may result in adjustments to goodwill for future reporting periods if impairment occurs. In addition, it is required to estimate the fair value of the cash-generating unit, discounting transaction costs. The recoverable amount over which an impairment assessment is made is the higher of value in use, estimated from future cash flows, and fair value less transaction costs.

The key assumptions used in determining the recoverable amount of the cash-generating unit or group of cash-generating units to which goodwill has been allocated are provided in Note 14 Goodwill, as well as the carrying amount of goodwill at the end of the reporting period.

4.2.3 Identifiable assets, intangible assets and liabilities assumed in a business combination

At the acquisition date, identifiable assets, intangible assets, liabilities assumed and any contingent assets or liabilities arising from a business combination are included on a fully consolidated basis in the Group's consolidated financial statements at their fair values. In measuring fair value, management makes assumptions about future operating results, key assumptions such as the discount rate and the rate of growth in perpetuity. The estimation of the fair value of the assets and liabilities acquired, as well as the determination of the values of the assumptions used in the measurement is made by an independent external appraiser. Any subsequent change in estimates affects goodwill provided that the change qualifies as an adjustment to the measurement period. Any other change is recognized in the consolidated statement of income.

The fair value of intangible assets of concessions acquired through business combinations is estimated using a discounted cash flow (DCF) valuation approach. The estimation of fair value requires the estimation of key assumptions used in the projections of future cash flows of these assets, and the discount rate.

For determining the fair value, the Group opted to hire independent experts with the necessary skills and experience in this kind of transactions.

4.2.4 Impairment of assets, investments in associates and joint ventures, property, plant and equipment, and intangible assets

The Group assesses at least at each annual closing date of the statement of financial position or whenever market or business conditions change significantly, whether there is any indication of impairment of intangible assets, property, plant and equipment and other assets, as well as whether there is any objective evidence of impairment of investments in associates and joint ventures. If such indication or objective evidence of impairment exists, as applicable, the Group estimates the recoverable amount of the asset or cash-generating unit.

For assessing the appropriateness of performing the full impairment test, the Group will perform an annual review of the critical business variables that affect the fair value of the assets in each market. The indicator matrix is defined for each geography or market in which the business is conducted and is reviewed periodically with the different areas to ensure its validity. The general indicators are:

- Observable evidence that the value of the assets has decreased over the period significantly more than would be expected as a result of the passing of time or normal use.
- Changes in the legal, social, ecologic or market environment that may reduce the value of the asset.
- Changes in prices that affect future income.
- Changes in their capacity to generate income.
- Changes in its total cost.

The purpose of the impairment test is to determine the recoverable value, which is the higher of fair value less disposal costs and value in use, as mentioned in Note 2 numeral 2.4.6 Impairment of tangible and intangible assets.

The carrying amounts of property, plant and equipment and intangible assets at the end of the reporting period are provided in Note 16 Property, plant and equipment and Note 15 Intangible assets, Net.

In the case of associates and joint ventures, the events that allow establishing whether there is objective evidence that these investments may be impaired are detailed in Note 2.4.9 Investments in associates and joint arrangements.

In the event that there is objective evidence of impairment as a result of the occurrence of one or more events, an impairment loss on associates and joint ventures will have occurred if the event (or events) causing the loss has an impact on the estimated future cash flows of the investment.

The carrying amounts of associates and joint ventures at the end of the reporting period are provided in Note 18 Investments in associates and joint Ventures.

4.2.5 Fair value of investment property

In order to determine the fair value, the Group opted to hire independent experts with recognized professional capacity and experience in the valuation of real estate.

For the valuation process, these experts select one of three approaches: market approach, cost approach, income approach. The carrying amount of investment property is presented in Note 17 Investment Property.

4.2.6 Deferred income tax

The Group recognizes deferred income tax amounts in the consolidated financial statements given the volume of transactions. The determination of deferred tax is based on management's best interpretation of current and applicable laws and best practices in the jurisdictions in which it operates. The reasonableness of this estimate depends on management's ability to integrate complex tax and accounting standards, to consider changes in applicable laws, and to evaluate, for purposes of recognition of the deferred tax asset, the existence of sufficient taxable income to realize it.

The Group applies its judgment not to recognize in its separate financial statements deferred tax liabilities on investments in subsidiaries, taking into account that it is able to control the timing of the reversal of temporary differences and it is probable that these will not reverse in the foreseeable future.

Further details on deferred income taxes are described in Note 10 Current and deferred income tax.

4.2.7 Fair value of financial instruments and financial derivatives that are not level 1

The Group uses assumptions that reflect the most reliable fair value of financial instruments including financial derivatives, which do not have an active market or have no observable market price, using valuation techniques widely known in the market.

Fair value measurements are performed using a fair value hierarchy that reflects the significance of the inputs used in the measurement (Note 2.3 Basis of preparation) for Level 2 and Level 3 inputs management must apply judgment to select the appropriate valuation method for the asset or liability being measured and maximizes the use of observable inputs.

The assumptions are consistent with market conditions at the measurement date and the information that market participants would consider in estimating the price of the instrument. Management considers that the valuation models selected, and the assumptions used are appropriate in determining the fair value of financial instruments. Notwithstanding the foregoing, the limitations of the valuation models and the parameters required by these models may result in the estimated fair value of an asset or liability not exactly matching the price at which the asset or liability could be delivered or settled at the measurement date. Additionally, changes in internal assumptions and rates used in the valuation may significantly affect the fair value of financial derivatives. The periodicity of the valuation of these instruments is monthly. Refer to note 7.5 Fair value of financial assets and liabilities for more information.

NOTE 5: **RECLASSIFICATION OF ITEMS IN THE FINANCIAL STATEMENTS**

The Group made changes in the presentation of items in the consolidated statement of income that implied a greater disclosure of revenue and financial expense, net reported at the end of the 2019 period:

	As at 31 December 2020	As at 1 January 2020	As at 31 December 2019
Revenue	13,241,095	14,247,611	-
Interest income calculated using the effective interest method	209,887	195,931	-
Equity method of associates and joint Ventures	30,360	488,763	-
Other revenue	509,181	1,866,283	-
Revenue	**13,990,523**	**16,798,588**	**16,798,588**
Finance income	147,307	126,553	-
Finance expense	(1,385,739)	(1,400,862)	-
Net foreign exchange difference	6,347	61,268	-
Finance expense, net	-	-	(1,213,041)

In addition, the Group made changes to the presentation of items in the comparative consolidated statement of financial position to improve the comparability of financial information for the offsetting of current and deferred tax assets and liabilities for $24,018 and $149,275, respectively, of our operations in The United States that prepare and present a consolidated annual income tax return and meet the criteria for offsetting under IAS 12.

	As at 31 December 2020	As at 1 January 2020	As at 31 December 2019
Current tax assets	205,495	335,744	359,762
Deferred tax assets	388,664	332,322	481,596
Total assets	**50,773,567**	**50,825,142**	**50,998,434**
Current tax liabilities	183,414	242,697	266,715
Deferred tax liabilities	1,112,850	1,211,761	1,361,035
Total liabilities	**24,543,716**	**24,334,885**	**24,508,177**

For financial information disclosure purposes, changes were made to the comparative figures in order to improve the comparability of information between periods.

NOTE 6: **CASH AND CASH EQUIVALENTS**

The total balance of this item at the end of the reporting period, as shown in the consolidated statement of cash flows, can be reconciled to the related items in the consolidated statement of financial position as follows:

	2020	2019
Cash and banks	2,227,089	2,066,731
Cash equivalents (1)	474,007	407,277
Total cash and cash equivalents	**2,701,096**	**2,474,008**
Cash and banks included in a group of assets held for distribution to shareholders (Note 13)	12,262	-
Total cash and cash equivalents	**2,713,358**	**2,474,008**
The following is the value of restricted cash and cash equivalents not available for use:		
Current restricted cash and cash equivalents (2)	1,369,724	1,317,859
Total cash and cash equivalents of restricted use	**1,369,724**	**1,317,859**

(1) Cash equivalents correspond to resources available to the Group, managed through investment funds and collective portfolios $363,661 (2019 $308,781), trusts $103,514 (2019 $67,779), fixed-term certificates of deposit "CDT" $18 (2019 $30,717) and other cash equivalents $6,814 (2019 $0).

(2) Restricted cash and banks of $1,241,759 (2019 $1,184,339) and restricted cash equivalents of $127,965 (2019 $133,520), which are part of the Group's cash and cash equivalents, correspond to:

a) Concesión Vial de los Llanos S.A. for $430,420 (2019 $369,791), correspond mainly to restricted cash represented by the toll collection resources that are under the control and administration of the grantor Agencia Nacional de Infraestructura, (hereinafter ANI) with minutes in which it certifies the fulfillment of the conditions for its release, in accordance with the terms of the concession contract No. No. 004 of 2015 are at the disposal of ANI and are contractually assigned with a special purpose in the sub-accounts that were constituted within the project account and ANI such as land, networks, principal, environmental compensation, tolls, auditing, contractual support, minor works, commercial exploitation income, ANI and MACS surpluses. These amounts must be immediately available in accordance with the provisions of the contract with ANI in order to be used or assigned to the grantor and these amounts may be available as assessed for each purpose for more than one year and may also be transferred as provided by ANI, which has the power to immediately dispose of them.

b) Accounts created in accordance with the concession arrangement entered into between Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. and ANI in the amount of $220,054 (2019 $137,990), where the disposition and administration of the resources corresponds directly to ANI, in accordance with the terms of the contract and its addenda.

c) Boulevard Turístico del Atlántico S.A. for $207,921 (2019 $199,172), which comes from the collection of tolls and payment of the minimum guaranteed income restricted by multilateral institutions (Inter-American Development Bank (IDB), the French Development Agency (PROPARCO), the Investment Bank (EIB) and the Andean Development Corporation (CAF)), which must be deposited in savings accounts at a foreign financial institution, and must be used for operation, maintenance and debt payment, among others.

   This cash has a special and specific use according to the contract, which establishes the general conditions of the financing "*Master Security and Accounts Agreement*" section 5, *Accounts*, in which it defines which can be the use and the form of exit of this one in case of being required; for this, the concepts and the minimal amounts that must remain in every account are detailed in this way:

   - "*Debt Service Reserve*", minimum amount: three quarters of debt payment less a USD 5 million letter of credit. Approximated quarterly value of USD 11 million
   - "*Asset Renewal*", incremental balance for periods of 4 years, according to chapter 1.1 (e)
   - "*Major Maintenance*", 10-year period incremental balance according to chapter 1.1 (f)
   - "*O&M Expense Reserve*", according to chapter 1.1 (d)
   - "*Excess Revenue Account*", minimum balance of USD 1 million.

   Each time one of these funds is used, it must be returned according to the contract in order to avoid default.

d) Autopistas del Nordeste Cayman Limited for $133,109 (2019 $132,578) corresponds to cash received for the reimbursement of bonds that maintain restrictions to be used in certain operating activities, in accordance with the trust agreement. These funds are deposited with the Bank of New York Mellon.

   This cash has a special and specific use according to the contract that establishes the general conditions of the "*Collateral Trust Indenture*" financing, section 6, *Accounts*, which defines the use and form of exit from it, in case it is required, for which the concepts and minimum amounts that must remain in each account are detailed as follow:

   - "Debt Service Reserve", minimum amount USD 14 million
   - "Major Maintenance", 10-year periods incremental balance according to chapter 2-B
   - "Asset Renewal", 7-year periods incremental balance, according to chapter 2-A
   - "Excess Revenue Account", minimum balance of USD 1 million
   - "MIGA Reserve", minimum amount, next quarter's premium payment.

   Each time one of these funds is used, it must be refunded according to the contract in order to avoid default.

e) Autopistas del Café S.A. for $121,123 (2019 $138,296), for the resources of the subaccounts established in the project that are available to ANI.

f) Funds according to specific conditions of the financial obligations in charge of Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. to guarantee the semiannual payments; with a balance at the end of the period amounting to $112,062 (2019 $192,202). Sociedad Concesionaria Operadora

Aeroportuaria Internacional S.A. - Opain S.A. maintains the reserve in an investment fund in dollars managed by HSBC (HSBC Government Money Market).

On 29 April 2020, Bancolombia granted Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. the consent and waiver on the obligations established in section 5.16 of the Credit Arrangement, to release the debt service reserve account in pesos and dispose of the same if necessary in the execution of the operation of the project in the established period, for such reason Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. is obliged to ensure that, by 31 March 2021 at the latest, the debt service reserve account in pesos is funded by a balance equal to or greater than the balance required to service the debt in pesos. The above, as a consequence of the relevant regulations regarding COVID-19 issued by the Governmental Authorities in Colombia that have affected both the operation and the income and cash flow of the project. As of 31 December 2020, these resources were not used and at the date of issuance of the financial statements represent an important source of liquidity in case of any contingency.

g) Restricted funds of Alternegy S.A. for $92,852 (2019 $67,122) and Bahia las Minas Corp. for $0 (2019 $20,836), whose resources are restricted and deposited in Banco Banistmo S.A. and Banco General S.A. BG Trust, which are part of the guarantee of the Public Bond Issue for USD 320 million and USD 175 million, respectively in December 2017.

h) Concession Túnel Aburra Oriente S.A. for $28,314 (2019 $28,767) corresponding to the resources of the sub-accounts constituted in the project that are exclusively for the execution of the Conexión Vial Túnel Aburra Oriente project and that are mainly at the disposal of the grantor (Government of Antioquia), which manages an average interest rate of 3.17% EAR for 2020 and 3.77% EAR for 2019.

i) Caribbean Infraestructura Company for $16,594 (2019 $14,876) corresponding to the cash held in the accounts that guarantee the payment of the principal debt plus interest with the lenders, as well as the resources that guarantee the major maintenance of the road. These resources do not generate returns.

Although of restricted use, the concession has access to the resources in cases where the balance reserved for the operation, i.e., the administration expenses and maintenance costs in the *Cash Operating Account*, i.e. administration expenses and maintenance costs were not sufficient to cover such expenses and costs. In this case, the *Maintenance Reserve Account* is used, or when the balance in the *Florin Revenue Account* were not sufficient to pay the debt service, the *Debt Service Reserve Account* is used.

j) Balances with restricted use in Celsia Colombia S.A. E.S.P. and Celsia Tolima S.A. E.S.P., for $6,082 (2019 $14,610), for resources from the Financial Support Fund for the Energization of Interconnected Rural Areas - FAER, delivered by the Ministry of Mines and Energy for the construction of networks, complementary health plan, agreement with the municipality of Jamundí for the collection of public lighting rates, housing fund (from the collective agreement and the union), Toluviejo substation and Plan Luz, resources in the autonomous equity B&N Celsia Colombia S.A. E.S.P.

k) On 29 May 2019, Zona Franca Argos S.A.S., a subsidiary of the Group, set up a trust as restricted cash and cash equivalents for $1,193 (2019 $1,619). The purpose of this operation is to administer the resources destined to the contracting of the controller of the works for the investment that is being carried out for the expansion of the company's private port in the city of Cartagena, in compliance with the obligations of the concession contract signed by ANI.

Restricted cash has a differential treatment and is immediately available according to the contractual conditions, however, according to the concepts for which it was disposed can in some cases exceed a period of 12 months.

At December 2020, the Group presents the following significant transactions that did not involve cash movements:

- Of the total bond issue of Grupo Argos S.A. for $136,500, 94% was made through an exchange of ordinary bonds (Note 26 Bonds and Compound Financial Instruments).
- Contribution of a lot in Barú for $40,040 for the development of the Hotel Sofitel Calablanca project (Note 18.3 Contributions, contribution refunds and/or changes in the ownership interest in associates and joint ventures)

At December 2019, the Group presents the following significant transactions that did not involve cash movements:

- In-kind contribution of assets for the transfer of the Caribbean Plan 5 made by Celsia S.A. to the company Caoba Inversiones S.A.S. for $186,625.
- Receivable from Prime Colombia for the sale of Zona Franca by Celsia S.A. for USD 35 million ($114,700), the recovery of which was agreed in a contract that establishes payment by means of energy supply.

NOTE 7: **FINANCIAL INSTRUMENTS**

7.1 Capital risk management

The Group's capital structure is based on net financial debt consisting of short- and long-term financial obligations, bonds and commercial papers, and equity, consisting of issued shares, both preferred and ordinary, reserves, retained earnings and other equity components, as disclosed in Note 21 Financial obligations, Note 26 Bonds and compound financial instruments, Note 28 Share capital, Note 29 Reserves and other comprehensive income and Note 30 other equity components.

The Group manages its capital to ensure its ability to continue as a going concern. It also strategically designs an efficient and flexible capital structure, consistent with growth, investment and credit rating plans. To this end, it has established indicators of leverage, coverage, solvency and profitability. This structure is reviewed periodically or whenever there are significant changes in the Group's strategy.

Similarly, the Group manages capital risk through the rotation of portfolio assets and the management of healthy debt levels (measured mainly in terms of net financial debt/adjusted EBITDA) that enable it to develop its strategy and seek to maximize the generation of value for shareholders. Adjusted EBITDA seeks to eliminate non-cash effects in the consolidated statement of income, for this reason the effect of the equity method is eliminated, and dividends received are included, among other adjustments.

The Group is not subject to external capital requirements, which is why all decisions on leverage and target capital levels are made with the premise of generating value for shareholders, while maintaining the investment grade credit rating. In addition, the duration and composition of the debt is consistent with the capital cycles of each of the Group's investments.

7.2 Financial instrument categories

	2020	2019
Prepayment for the purchase of financial assets (Note 11)	793	2,883
Financial Assets		
Financial assets measured at amortized cost (Note 8)	4,878,400	5,146,823
Cash and cash equivalents (Note 6)	2,701,096	2,474,008
Financial assets at fair value through other comprehensive income (*) (Note 11)	1,142,850	1,198,501
Financial assets at fair value through profit or loss (Note 11)	90,760	208,876
Derivative instruments at fair value	6,354	9,461
Total financial assets	**8,820,253**	**9,040,552**
Financial assets classified as non-current assets held for sale (Note 13)	19,554	1,532
Total financial assets including non-current assets held for sale	**8,839,807**	**9,042,084**

Financial liabilities		
Financial liabilities measured at amortized cost	19,510,792	19,515,051
Derivative instruments at fair value	161,025	65,072
Total financial liabilities	**19,671,817**	**19,580,123**
Financial liabilities associated with non-current assets held for sale (Note 13)	425,566	-
Total financial liabilities including liabilities associated with non-current assets held for sale	**20,097,383**	**19,580,123**

(*) The decrease in equity investments corresponds mainly to the valuation adjustment of Grupo Nutresa shares for ($63,341), during the period from January to December 2020.

Following is the breakdown of financial liabilities measured at amortized cost:

	2020	2019
Bonds outstanding and structured notes (Note 26)	9,543,405	9,717,596
Financial liabilities (Note 21)	7,127,487	6,705,854
Trade liabilities and other payable (Note 25)	2,761,903	3,002,908
Preferential shares classified as compound financial instruments (Note 26)	74,186	72,663
Other financial liabilities	3,811	16,030
Total financial liabilities measured at amortized cost	**19,510,792**	**19,515,051**

7.2.1. Foreign currency derivative instruments and interest rates

Derivative instruments that arise within a financial hedging relationship, whose value depends on the price of an asset (e.g. a bond, share, product or *commodity*), of an interest rate, an exchange rate, an index (e.g. of shares, of prices), or any other quantifiable variable (which is called the underlying), may be constituted in such a way as to allow Group companies to anticipate and hedge risks or changes that may occur in the future, in such a way as to reduce volatility.

Financial derivatives are recognized in the consolidated statement of financial position at their fair values, taking into account the market curves in force at the measurement date and the cash flow structure of these instruments. Accounting for changes in the fair value of derivatives depends on the use of the derivative and its designation as an accounting hedge instrument.

Following is a detail of the foreign currency and interest rate derivatives outstanding at 31 December:

				Notional value of the underlying - Amount of the derivative instrument (*)				Fair value of the asset (liability) derivative instrument	
Type of instrument	Subsidiary	Hedged item	Underlying rate	2020	2019	Rate of the derivative instrument	Expiration of the derivative instrument	2020	2019
Forward purchase	Celsia S.A.	Financial obligations	N/a	USD 65,000,000	N/a	4,074.67	29-Jan-2021	(41,804)	-
Forward purchase	Celsia S.A.	Financial obligations	N/a	USD 4,900,000	N/a	3,634.44	24-Feb-2021	(1,140)	-
Forward purchase	Celsia S.A.	Financial obligations	N/a	USD 1,800,000	N/a	3,626.53	20-Jan-2021	(349)	-
Forward purchase	Celsia S.A.	Financial obligations	N/a	USD 500,000	N/a	3,641.50	19-Apr-2021	(98)	-
Forward purchase	Celsia S.A.	Financial obligations	N/a	USD 400,000	N/a	3,498.24	24-Feb-2021	(25)	-
Forward purchase	Celsia S.A.	Financial obligations	N/a	USD 250,000	N/a	3,662.75	21-Jan-2021	(58)	-
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	USD 30,087,063	N/a	3,805.75	02-Sep-2021	(10,546)	-
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	USD 21,042,002	N/a	3,745.58	11-Mar-2021	(6,497)	-
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	USD 12,615,438	N/a	3,766.20	10-Mar-2021	(4,156)	-
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	USD 15,082,408	N/a	3,468.24	10-Jun-2021	(350)	-
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	USD 94,233	N/a	3,783.85	09-Jun-2021	(32)	-
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	USD 92,185	N/a	3,762.26	09-Mar-2021	(30)	-
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	USD 22,965	N/a	3,449.88	10-Mar-2021	-	-
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	USD 12,200	N/a	3,419.31	16-Mar-2021	-	-
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	USD 8,012,471	N/a	3,437.11	16-Jun-2021	66	-
Forward purchase	Odinsa S.A.	Financial obligations	N/a	USD 15,000,000	N/a	3,025.11	30-Apr-2021	6,288	-

Currency swap	Cementos Argos S.A.	Long-term credit	LIBOR 3m + 1,35%	USD 30,000,000	N/a	4.37%	16-Sep-2022	(9,664)	-
Interest rate swap	Cementos Argos S.A.	Club Deal ITAU	LIBOR 3m + 1,85%	USD 300,000,000	USD 300,000,000	4.92%	24-Oct-2023	(74,132)	(48,719)
Interest rate swap	Cementos Argos S.A.	Loan Davivienda	LIBOR 6m + 2,25%	USD 60,000,000	USD 60,000,000	3.79%	21-Aug-2026	(12,144)	3,675
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	N/a	USD 30,165,514	3,485.39	20-Feb-2020	-	(6,083)
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	N/a	USD 20,116,782	3,409.41	22-Jan-2020	-	(2,614)
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	N/a	USD 10,055,109	3,525.04	26-Feb-2020	-	(2,410)
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	N/a	USD 15,488,930	3,433.78	28-May-2020	-	(2,057)
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	N/a	USD 10,056,366	3,455.30	11-Feb-2020	-	(1,743)
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	N/a	USD 8,018,933	3,395.68	09-Jan-2020	-	(945)
Interest rate swap	Cementos Argos S.A.	Bilateral Loan ING	LIBOR 3m + 1,50%	N/a	USD 50,000,000	4.13%	12-Mar-2020		(289)
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	N/a	USD 21,123,198	3,297.22	25-Mar-2020		(170)
Interest rate swap	Grupo Argos S.A.	Ordinary bonds	CPI	N/a	COP 100,000,000,000	3.72%	10-Jun-2020		(42)
Forward purchase	Odinsa S.A.	Financial obligations	N/a	N/a	USD 15,000,000	2,939.96	29-May-2020		5,431
Forward purchase	Cementos Argos S.A.	Financial obligations	N/a	N/a	USD 12,161,093	3,249.79	21-Jan-2020		355
Total foreign currency and interest rate derivatives, net								**(154,671)**	**(55,611)**
Current asset derivative financial instruments								6,354	5,786
Non-current asset derivative financial instruments								-	3,675
Current liability derivative financial instruments								(65,085)	(16,353)
Non-current liability derivative financial instruments								(95,940)	(48,719)
Total foreign currency and interest rate derivatives, net								**(154,671)**	**(55,611)**

* Figures stated in Colombian pesos or US dollars.

7.2.2 Reclassification of financial assets

During the current and prior periods, the Group has not made any changes in the business model for managing and administering financial assets, and therefore no financial assets have been reclassified from the fair value category to amortized cost, or vice versa.

7.2.3 Offsetting of financial assets and liabilities

At 31 December 2020 and 2019 the Group did not offset financial assets and liabilities and has no relevant offsetting agreements.

7.3 Financial risk management objectives

The Group's financial policies are defined by the Corporate Financial Committee and managed by the financial vice-presidencies of each company, and seek to ensure a sound financial structure and to maintain the Group's exposure to market risk, liquidity and credit at tolerable levels, depending on the nature of the operations and in accordance with the policies, exposure limits and attribution defined. The Group is exposed to exchange rate, interest rate, credit and liquidity risks. The risk is mitigated towards tolerable exposure levels through the use of natural hedging or financial derivatives, to the extent that the market permits. It is not a policy of the Group to use financial derivatives for speculative purposes.

Special operations such as acquisitions and issuance of shares or bonds may temporarily exceed the limit established by management, a situation that is controlled through permanent monitoring of volatility and the execution of investment plans associated with the specific transaction performed.

7.3.1 Market risk

Among the financial risks are market risks. These risks are derived from fluctuations in macroeconomic and microeconomic variables that can generate fluctuations in the value of assets and liabilities with an impact on profit and therefore on profitability for shareholders.

In the management of its financial instruments, the Group is exposed to risk factors such as exchange rates, interest rates and price levels, such as stock exchange listing and others. These risks are managed in accordance with the Group's policy guidelines and market risk exposures are measured using various quantitative models, such as Value at Risk (VaR), scenario simulation and sensitivity analysis. There have been no changes in the Group's exposure to market risks or in the way in which such risks have been managed and measured.

Sensitivity analysis of financial assets

A 1% variation in the price of the Grupo Nutresa S.A. share, which amount constitutes the main component of the financial assets measured at fair value (Note 11 Other financial assets), would generate variations in the other comprehensive income (OCI) of approximately $10,859 (2019 $11,492); however, it should be noted that this financial asset is not available to be realized in the short term.

7.3.2 Foreign exchange risk management

The Group is exposed to exchange risk as a result of the operations of its subsidiaries with a functional currency other than the Colombian peso, and for transactions carried out in currencies other than its functional currency, as well as the holding of financial instruments denominated in currencies other than the functional currency of the subsidiary, fluctuations in exchange rates have a direct impact on cash and on the consolidated financial statements. The Group monitors foreign exchange rate risk by analyzing balance and cash flow exposure.

The Group's general policy is to limit the effects of exposure to exchange rate risk. When the Group carries out investment, financing and operating activities, it is possible to manage this risk by selecting the appropriate hedging instrument. The following options are available for this purpose:

- Natural hedges, consisting of taking two positions that are reflected in the assets and liabilities in the statement of financial position, such as a dollar investment and a dollar liability.
- Financial hedges, realized with derivative instruments such as forwards, futures, options, swaps, among others.

The Group monitors the concentration of foreign exchange risk in order to avoid volatility in the consolidated financial statements and in accordance with the target exposure limits defined for each of the subsidiaries. For this purpose, a sensitivity analysis is performed on the exchange rate, based on the monetary cycles that impact the businesses where the Company has a presence. The results of these analyses have a direct influence on the capital structure, in particular with respect to the functional currencies of the debt, reference indices and the contracting of derivative instruments.

The analysis of exposure to exchange rate risk is performed on Grupo Argos S.A. and the operations of subsidiaries whose functional currency is different from the Colombian peso. The exposure of the consolidated statement of financial position is determined by calculating the net position in dollars, which arises from the holding of monetary items in currencies other than the respective functional currencies of each of the companies, and is intended to minimize the volatility of the exchange difference item in the consolidated statement of income.

Interest on loans is denominated in the currency of the loan. Generally, loans are denominated in currencies that match the cash flows generated by the Group's underlying operations, primarily the Colombian peso, but also other foreign currencies. This provides an economic hedging without the use of derivatives and therefore hedge accounting does not apply in these circumstances.

With respect to other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is maintained at an acceptable level of foreign currencies at market rates where necessary to address short-term imbalances.

Cash flow exposure is monitored by analyzing the offsetting of income and expenses in foreign currency, seeking to generate equivalent income and expenses during the period in order to minimize purchases or sales of dollars in the spot market.

The Group's exposure to changes in the exchange rate against the U.S. dollar (excluding those entities whose functional currency is the U.S. dollar and transactions between Group companies), based on the nominal amounts of monetary assets and liabilities after incorporating hedges made with derivative financial instruments, is presented below:

U.S. dollar exposure (In thousands of U.S. dollars)	2020	2019
Monetary assets	526,957	551,382
Monetary liabilities	688,972	674,918
Net exposure	**(162,015)**	**(123,536)**

U.S. dollar exposure (In millions of Colombian pesos)	2020	2019
Monetary assets	1,808,781	1,806,955
Monetary liabilities	2,364,898	2,211,800
Net exposure	**(556,117)**	**(404,845)**

Details of the foreign currency derivative instruments outstanding as of 31 December 2020 and their comparative period are included in note 7.2.1. Foreign currency derivative instruments and interest rates.

Sensitivity analysis of foreign currency

The Group performs sensitivity analyses in order to quantify the impact of the exchange rate on consolidated figures. In general terms, the Group benefits from increases in the exchange rate, largely explained by the weight of the investments in Cementos Argos S.A., Celsia S.A., Odinsa S.A. and the exposure that these companies have to the United States, Caribbean and Ecuadorian markets. The Group's hedging structures allow it to maintain a balanced net position in the statement of income and financial position.

The Group is mainly exposed to the U.S. dollar currency. The following table details the Group's sensitivity to a 20% increase or decrease in the Colombian peso against the relevant foreign currencies after considering the effect of hedge accounting. 20% represents management's assessment on the reasonable possible change in exchange rates. The sensitivity analysis includes only the outstanding monetary items denominated in foreign currencies and adjusts their translation at the end of the period for a 20% change in exchange rates. A positive figure below indicates an increase in results where the Colombian peso weakens by 20% against the relevant currency, i.e. there is an increase in the peso/dollar exchange rate. If there were to be a 20% strengthening in the functional currency against the reference currency, then there would be an opposite impact on the results.

Impact of a 20% devaluation on net exposure:

	2020	2019
Income before taxes	117,231	173,567
Other comprehensive income (*)	(250,684)	(263,270)

(*) Based on the Group's net exposure to the US dollar, an increase in the peso/US dollar exchange rate of 20% would generate a decrease in the consolidated other comprehensive income due to the existence of cash flow hedges with derivative instruments or financial liabilities of the entity in some subsidiaries of the Group.

The sensitivity analysis to currency translation risk shows that a 20% devaluation of the closing and moving average exchange rate of the Colombian peso against the US dollar, that is, an increase in the peso/dollar exchange rate, would have the following impact on the translation to pesos of the income before taxes and on the Group's equity for those subsidiaries which functional currency is not the Colombian peso, after eliminating transactions with other Group companies:

Impact of a 20% devaluation on the translation of foreign business:

	U.S. Dollar	
	2020	2019
Income before taxes	147,477	129,112
Equity	2,015,890	1,970,913

A 20% strengthening of the Colombian peso against the U.S. dollar would have produced the opposite effect. For the analysis it is assumed that all other variables are constant.

Operations and balances in foreign currency are translated at the representative market exchange rate certified by Banco de la República. In the preparation of the Group's consolidated financial statements, assets and liabilities, as well as income, costs and expenses in foreign currency have been translated into Colombian pesos at the exchange rates observed at the date of each closing and averaged as follows:

	2020		2019	
Against U.S. dollar	Closing exchange rate	Average exchange rate	Closing exchange rate	Average exchange rate
Colombian Peso	3,432.50	3,691.27	3,277.14	3,283.21
Dominican Peso	58.22	56.52	52.93	51.25
Euro	0.817	0.877	0.891	0.893
Honduran Lempira	24.20	24.67	24.72	24.59
Haitian Gourde	72.16	93.39	91.98	88.59
Eastern Caribbean Dollar	2.7	2.7	2.7	2.7
Guatemalan Quetzal	7.79	7.72	n/a	n/a

Contracts derived from interest rates

Derivative instruments entered into by the Group to cover exchange risk are generally designated as cash flow hedging instruments. The value recognized through other comprehensive income for the valuation of these derivative instruments is detailed in Note 29 Reserves and other comprehensive income.

The following table details the notional principal amounts and remaining terms of the outstanding foreign exchange forward and swap contracts at the end of the reporting period.

	Notional value of the hedged item in Colombian pesos		Fair value of the asset (liability) derivative instrument	
	2020	2019	2020	2019
Cash flow hedging				
1 year or less	-	416,806	-	(15,667)
1 to 5 years	102,975	-	(9,664)	-
Fair value hedging				
1 year or less	298,837	-	(21,545)	-
Not designated under hedge accounting				
1 year or less	301,545	49,157	(37,186)	5,431
Derivative contracts in foreign currency	**703,357**	**465,963**	**(68,395)**	**(10,236)**

Due to the entering during 2020 into financial derivatives not designated under hedge accounting for relevant amounts, a revelation was made in the detail of derivative contracts in foreign currency, including this category, which implied for 2019 the allocation of an active derivative for $5,431 to this category.

7.3.3 Interest rate risk management

The Group is exposed to interest rate risks because it borrows money at rates that can be variable. This risk is managed based on market readings of the macroeconomic environment and of the counterparties, monitoring risk premiums, investment returns and the cost of debt, in real terms.

At the end of 2020, the balance of the Group's consolidated debt corresponding to financial obligations and to bonds and compound financial instruments is $16,745,078 (2019 $16,496,113). The Group is largely exposed to changes in the general consumer price index (CPI) and the intervention rate of the economies in which it participates.

The reference interest rates of the Colombian financial market that generate exposure to the Group are the CPI, DTF and IBR, and the international reference rate LIBOR for loans in dollars. The Group has not considered exposure to other local or international rates.

The Group monitors its exposure to interest rate risk through an exposure analysis that depends on the projection of market conditions. A relationship very different from this would indicate a concentration in one of the references. The Group's debt profile is consolidated and reported monthly to the Financial Committee. The concentration levels of fixed rate versus variable rate and distribution by currency (COP versus USD versus other currencies) are reported by the subsidiaries to the holding company on a monthly basis. With the results presented, decisions are made to manage the debt portfolio, such as the prepayment of obligations, the structuring of financial derivatives to balance the position in interest rates and/or currencies, etc.

As of 31 December 2020, 29% of the consolidated debt is agreed at a fixed interest rate (2019 28%), considering the effect of derivative financial instrument contracts.

Contracts derived from interest rates and inflation indexes

Derivative instruments entered into by the Group to cover interest rate risk are designated as cash flow hedging instruments. The value recognized through other comprehensive income (OCI) for the valuation of these derivative instruments is detailed in Note 29 Reserves and other comprehensive income.

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding at the end of the reporting period.

	Notional value of the hedged item in Colombian pesos		Fair value of the asset (liability) derivative instrument	
	2020	2019	2020	2019
Cash flow hedging				
1 year or less	-	263,857	-	(331)
1 to 5 years	1,029,750	983,142	(74,132)	(48,719)
5 years or more	205,950	196,628	(12,144)	3,675
Interest rate derivative contracts	**1,235,700**	**1,443,627**	**(86,276)**	**(45,375)**

Details of interest rate derivative instruments outstanding as of December 31, 2020 and their comparative period are included in note 7.2.1. Foreign currency derivative instruments and interest rates.

Sensitivity analysis of interest rates and inflation indexes

The following sensitivity analyses have been determined based on the exposure to interest rates and inflation indexes for both derivative and non-derivative instruments at the end of the reporting period. For variable rate liabilities, an analysis is prepared assuming that the amount of the outstanding liability at the end of the reporting period has been the outstanding liability for the entire year. When reporting internally to key management personnel on interest rate risk, an increment of 100PB over the indexer spot rate is used, holding all other variables constant, which represents management's assessment of the reasonable potential change in interest rates.

	CPI		IBR		LIBOR	
	2020	2019	2020	2019	2020	2019
Income before taxes (*)	(67,352)	(67,553)	(17,555)	(12,183)	(35,667)	(35,895)
Other Comprehensive Income	-	-	-	-	(36,143)	(45,943)

(*) The value of loan costs eligible for capitalization in qualifying assets is not included, if applicable.

7.3.4 Credit risk management

The credit risk derived from financial assets that involve the risk of default by the counterparty is reduced by evaluations and valuations of clients with exposure, or that require credit and/or collateral beyond established limits. At 31 December 2020 and 2019, the maximum exposure to credit risk is represented by the balance of financial assets, including trade and other receivables. Management has developed policies for authorizing credit to customers.

In sales in which the counterpart is determined in advance and it is lawful to agree on special conditions that allow it to mitigate the risk of default, the Group and its subsidiaries adjusts its respective offers (price, form of payment, etc.) to reflect the valuation made to the counterpart, as well as the amount exposed in each of those transactions. Exposure to credit risk is constantly monitored in accordance with the payment behavior of debtors.

Credit risk management of receivables associated with concession financial assets is based on country risk monitoring activities in the areas where there are active projects, such monitoring is made from the project evaluation, what guarantees that the Group does not undertake activities in high-risk countries, likewise, concession contracts include clauses that oblige the counterparty to reestablish the contract immediately, as well as the generation of onerous costs for the state, which allows reducing default in concession payments.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are financial institutions with high credit ratings assigned by risk rating agencies. The Group applies quota allocation models to avoid concentration of resources in a single entity or security and performs impairment analyses on its investments and assets, including receivables.

The Group's financial assets were not impaired, with the exception of trade and other accounts receivable, the impairment of which is explained in Note 8 Trade and other receivables, net.

7.3.5 Liquidity risk management

Liquidity risk can be generated when there is an inadequate capital structure and/or an adverse effect on the return on investments. This risk is managed on the basis of financial planning and cash management exercises, with permanent monitoring of the cash flow of the Group and its subsidiaries. Likewise, through the design and monitoring of working capital needs and capital structure, the Group efficiently plans sources and uses, guaranteeing financial flexibility, risk management and return.

To minimize liquidity risk in the maturities of principal and renewals of financial obligations, the Group monitors the concentration of debt maturities periodically, what allows to manage maturities in advance. In addition, it has a broad portfolio of liquidity providers in different currencies, types of indexers and maturities, including domestic banks, international banks, commercial finance companies, stockbrokers and issuance of bonds and commercial papers in the capital market as a recurring issuer. Likewise, the Group has uncommitted credit quotas with domestic and international banks in an amount sufficient to meet any eventuality.

The balance between the distribution of debt by term is another clear objective of the management, with the goal of not concentrating more than 30% of maturities of financial liabilities in the short term. The duration in years of financial liabilities is monitored every month, and the goal is to maintain the average life of the debt in accordance with the return on investment cycle of each of the subsidiaries. These debt duration objectives may be affected at specific times by acquisitions, divestitures, etc., involving bridge or short-term financing while adjusting the capital structure to the set goals.

The Group and its subsidiaries may also be exposed to liquidity risk in the event of a breach of financial covenants, which could trigger performance clauses in other contracts. To mitigate this risk, subsidiaries regularly monitor financial covenants and report to management.

7.3.5.1 Maturity analysis of non-derivative financial liabilities

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been designed on the basis of undiscounted cash flows of financial liabilities based on the date on which the Group must make payments. The tables include both interest and capital cash flows. To the extent that interest is at a floating rate, the undiscounted amount is derived from the interest rate curves at the end of the reporting period. The contractual maturity is based on the minimum date on which the Group must make payment.

	1 year or less	1 to 5 years	5 years or more	Total	Carrying amount
As at 31 December 2020					
Non-interest-bearing financial liabilities	2,132,493	159,167	-	2,291,660	2,291,660
Floating rate instruments	2,198,432	7,875,454	7,657,448	17,731,334	13,463,792
Fixed-rate instruments	1,358,175	2,744,021	291,831	4,394,027	3,677,343
Other liabilities	7,011	13,402	208,651	229,064	77,997
Total	**5,696,111**	**10,792,044**	**8,157,930**	**24,646,085**	**19,510,792**

	1 year or less	1 to 5 years	5 years or more	Total	Carrying amount
As at 31 December 2019					
Non-interest-bearing financial liabilities	2,655,133	251,099	13,346	2,919,578	2,919,578
Floating rate instruments	2,541,466	8,755,259	8,386,108	19,682,833	13,479,205
Fixed-rate instruments	409,855	1,450,149	2,659,080	4,519,084	3,041,769
Other liabilities	18,325	9,769	200,108	228,202	74,499
Total	**5,624,779**	**10,466,276**	**11,258,642**	**27,349,697**	**19,515,051**

The contractual flows of lease liabilities are disclosed in Note 22 on Leases.

7.3.5.2 Maturity of derivative financial instruments

The following table details the maturity of the Group's derivative financial instruments. The table has been designed based on the discounted net contractual cash flows that are cancelled on a net basis, and the discounted gross cash flow on those derivatives that require a gross payment. Where the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to projected interest rates as illustrated by the yield curves at the end of the reporting period. At 31 December 2020 and 2019 the Group does not have any derivative contracts that are settled on a gross amount basis.

	1 year or less	1 to 5 years	5 years or more	Total	Carrying amount
As at 31 December 2020					
Forward	(58,731)	-	-	(58,731)	(58,731)
Swaps	(9,664)	(74,132)	(12,144)	(95,940)	(95,940)
Total	**(68,395)**	**(74,132)**	**(12,144)**	**(154,671)**	**(154,671)**

	1 year or less	1 to 5 years	5 years or more	Total	Carrying amount
As at 31 December 2019					
Forward	(10,236)	-	-	(10,236)	(10,236)
Swaps	(331)	(48,719)	3,675	(45,375)	(45,375)
Total	**(10,567)**	**(48,719)**	**3,675**	**(55,611)**	**(55,611)**

7.4 Collaterals

Collateral guarantees for financial assets and liabilities provided by the Group are detailed below:

- In 2020, the stock market value of the Group's financial assets pledged as collateral for financial liabilities is $1,146,646 (2019 $1,656,413). Said collaterals correspond to 36,724,303 shares (2019 41,924,303 shares) of Grupo de Inversiones Suramericana S.A. and 9,093,972 shares (2019 9,093,972 shares) of Grupo Nutresa S.A. A number of 22. 868,275 of the shares (2019 13,364,075 shares) pledged back the loans disbursed during 2019 ($92,500 maturing in 2022) and during 2018 ($460,000 maturing 2022). The remaining shares have been pledged for an indefinite period in order to provide the Group with financial flexibility.

- The bond issue of Grupo Alternegy S.A.'s subsidiary for USD 287.48 million is backed as joint and several joint debtors by Bontex S.A. and Planta Eólica de Guanacaste S.A. with a local and foreign guarantee that includes mainly (i) mortgage on the material assets of the issuer and the guarantors (real estate and personal property); (ii) pledge on 100% of the shares of the Celsia S.A. promoter's plants; (iii) allocation of all revenues (PPAs and spot sales) with a payment cascade mechanism and; (iv) transfer of insurance and material contracts of the issuer and the guarantors.

- In 2019, the Group pledged as collateral for financial liabilities the shares of Autopista del Nordeste Cayman Ltda. in the issuance of the bonds of this subsidiary for an original amount of USD 162 million. This issuance was used to finance the construction of the concessioned highway in the Dominican Republic and imposed certain restrictions that limit the ability of this subsidiary to incur additional debt.

- Bahía Las Minas Corp. a subsidiary of the Group, in the incorporation of the bond issue in Panama for USD 53.42 million corresponding to the series (A, B and B1) which were classified in 2020 as liabilities associated with non-current assets held for sale (See Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations) keeps a guarantee trust agreement as part of the long-term financing arrangement as collateral for the debt of the section B; the obligations acquired through the issue of the bonds and the syndicated credit line, as a result of these agreements, have been considered a collateral trust with the following assets:

    - Funds related to bank accounts for specific purposes such as foreclosure, excess cash, withholding, debt service reserve, debt service, insurance, transfers, guarantees, purchase and sale of energy and capacity, and operating and maintenance expenses, which are deposited in Banco General, S.A. - BG Trust Inc.
    - First mortgage and antichresis in favor of BG Trust Inc. in its capacity as trustee, up to the amount of 200,000,000 Balboas.
    - Mortgage of movable property in favor of BG Trust Inc. up to the amount of 5,000,000 Balboas, on all the equipment, spare parts and inventory of parts and pieces owned by the Company.
    - Commercial pledge on 51,000,000 ordinary shares without par value, of the company Bahía Las Minas, Corp. organized and existing in accordance with the laws of Panama.
    - Ceding in favor of BG Trust Inc. of all cash from sales of energy and/or capacity, whether in the occasional or regional market, contract sales or sales for export, as well as all contracts related to the project, performance bonds and insurance policies, letters of credit and other collaterals.

- In 2015, the Group pledged as collateral for financial liabilities all of the shares it holds in the subsidiary Argos Puerto Rico LLC to Banco Popular Dominicano, a situation that persists as of the date of this report. In 2020 the payment of the obligation with Banco Popular Dominicano was made, thus releasing the collateral. The value of the subsidiary's net assets as of 31 December 2020 pledged as collateral for financial liabilities is $0 (2019 $148,657). The Group has not received collateral guarantees of financial or non-financial assets as of 31 December 2020 and comparative years that is authorized to sell or pledge without default by the owner of the collateral.

- In 2018, an agreement was signed between Odinsa Holding Inc., Marjoram and US Bank Administrative Agent of Marjoram loans, by which Odinsa Holding Inc. granted a pledge of 41,000 shares subscribed and paid in Marjoram in favor of the Administrative Agent. This pledge was cancelled in January 2020 due to the payment of the financial liabilities.

- Additionally, there is an open pledge without first degree holding for 305,804 (2018 305,804) shares of Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A., according to the "Pledge Agreement" entered into with its lenders.

7.5 Fair value of financial assets and liabilities

The following is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments:

	Carrying amount	Fair value	Carrying amount	Fair value
	2020		2019	
prepayments on investment purchases (i)	793	793	2,883	2,883
Financial assets, measured at:				
Fair value through other comprehensive income (OCI)				
Equity investments (ii) (iii) (1)	1,142,850	1,142,850	1,200,033	1,200,033
Derivative financial instruments	-	-	4,030	4,030
Fair value through profit or loss				
Investments (2)	90,760	90,760	208,876	208,876
Derivative financial instruments	6,354	6,354	5,431	5,431
Amortized cost				
Cash and cash equivalents (iii) (3)	2,713,358	2,713,358	2,474,008	2,474,008
Trade and other receivables (iii) (3)	4,885,692	6,414,234	5,146,823	6,595,955
Total	**8,839,807**	**10,368,349**	**9,042,084**	**10,491,216**
Financial liabilities, measured at:				
Amortized cost				
Bonds in circulation (4)	9,727,774	9,742,447	9,717,596	10,004,565
Financial obligations (4) (iv)	7,363,594	7,338,861	6,705,854	6,790,738
Suppliers and payables (3) (iv)	2,766,993	2,767,018	3,002,908	3,011,506
Preferential shares classified as debt	74,186	70,920	72,663	70,972
Other financial liabilities (3)	3,811	3,811	16,030	16,030
Fair value				
Derivative financial instruments	161,025	161,025	65,072	65,072
Total	**20,097,384**	**20,084,082**	**19,580,123**	**19,958,883**

(i) Prepayments for the purchase of shares of the company Stem INC. for $793. Prepayments delivered in 2019 for the acquisition of shares of the company Bird Rides for $2,883 were legalized in 2020.

(ii) Equity investments measured at fair value through other comprehensive income mainly include Grupo Nutresa shares for $1,085,851 (2019 $1,149,192). The decrease in equity investments corresponds mainly to the valuation adjustment of these shares during the period from January to December 2020 for ($63,341), recognized in other comprehensive income.

(iii) The carrying amount and fair value of cash and cash equivalents and trade and other receivables include amounts for $12,262 (2019 $0) and $7,292 (2019 $0) respectively, corresponding to assets classified by the Group as non-current assets held for sale. In 2019, investments measured at fair value through profit or loss and equity investments measured through other comprehensive income, include shares of the company Colombates for $0 (2019 $1,531), investments classified by the Group as a non-current asset held for sale (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations)

(iv) The carrying amount and fair value of financial liabilities and suppliers and payables include amounts for $420,476 (2019 $0) and $5,091 (2019 $0), respectively, corresponding to liabilities associated with assets classified by the Group as non-current assets held for sale.

(1) The fair values of these equity investments are derived mainly from quoted prices in active markets (Colombian Stock Exchange). However, there are some minor equity investments measured at fair value through other comprehensive income, which considering that there is no Level 1 input data (quoted prices), the Group assumes the position of keeping them at cost; in addition, the costs involved in carrying out the valuation would be greater than the benefits obtained.

(2) Fair values of these investments are derived from: a) prices quoted on active markets and b) available resources provided by the subsidiary Celsia S.A. (formerly Celsia S.A. E.S.P.) to SURA SAC LTD for the management of the risk related to the property damage insurance policy. Certain equity investments are measured at fair value on a non-recurring basis only when a market value is available. The Group considers that this omission of the recurrent measurement of these investments is immaterial for the presentation of its financial statements.

(3) The Group assessed that the fair values of cash and short-term deposits, receivables other than those associated with concession contracts, dividends receivable and payable, suppliers, accounts payable, and other current liabilities approximate their book values due largely to the short-term maturities of these instruments. The method used to calculate the fair value of receivables associated with concession contracts is the discounted cash flow to shareholder valuation and they are brought to present value at a market discount rate (cost of equity).

(4) Financial liabilities for financial obligations and outstanding bonds are measured at amortized cost by reference to the contractual cash flows of the obligations according to the agreed terms.

The significant variables used in measuring the fair value of financial instruments at 31 December 2020 and 2019 are presented below:

	Hierarchy Level	Valuation technique	Significant variables
Financial assets, measured at:			
Fair value through other comprehensive income			
Equity investments	Level 1	(ii)	Quotation price
Derivative financial instruments	Level 2	(iii)	Interest rate swap curve for dollar-denominated rates, to discount flows in dollars; and BRI swap curve for peso-denominated rates, to discount flows in pesos. LIBOR, CPI, TRM.
Fair value through profit or loss			
Investments	Level 1	(ii)	Quotation price
Derivative financial instruments	Level 2	(iii)	Foreign exchange rate fixed in the contract. Exchange rate calculated on the day of valuation. Forward market points "forward" peso-foreign currency on the valuation date. Number of days between the valuation date and the maturity date. Interest rate in USD and COP.
Amortized cost			
Cash and cash equivalents	Level 1	(ii)	Not applicable
Commercial and other accounts	Level 2	(i)	The discount rate used corresponds to the effective rate agreed and indexed to the CPI.
Financial liabilities, measured at:			
Amortized cost			
Financial obligations	Level 2	(i)	The discount rate used corresponds to the market rate for loans in similar conditions.
Bonds in circulation	Level 2	(i)	Interest rate structure through the zero-coupon curve for similar issuers
Preferential shares classified as debt	Level 2	(i)	The discount rate used corresponds to the Cementos Argos peso bond curve in accordance with the maturities of the preferential shares.
Non-current suppliers and payable	Level 2	(i)	The discount rate used corresponds to the effective rate agreed upon and indexed to the CPI.
Fair value			
Derivative financial instruments	Level 2	(iii)	*Swap derivative instruments:* Interest rate swap curve for dollar-denominated rates, to discount flows in dollars; and BRI swap curve for peso-denominated rates, to discount flows in pesos. LIBOR, CPI, TRM *Forward derivative instruments:* Foreign currency to peso exchange rate fixed in the contract. Exchange rate calculated on the valuation date. Forward points of the peso-foreign currency forward market on the valuation date. Number of days between the valuation date and the maturity date. USD and COP interest rate. *Options derivative instruments:* Foreign currency to peso exchange rate fixed in the contract (strike price). Spot rate on the valuation day. Volatility and implied devaluation. Number of days between the valuation date and the maturity date.

Below are the valuation techniques used to measure the Group's financial assets and liabilities at fair value for disclosure purposes:

i. Discounted cash flows: future cash flows are discounted to present value using the discount rate for the financial instrument measured at the measurement date according to the days of maturity.

ii. Quoted market prices: the fair values of these investments are determined by reference to quoted prices published in active markets for the financial instrument at issue.

iii. Operating cash flow projection model: the method uses the cash flows inherent to the derivative financial instrument, projected with the treasury stock curves of the issuing state of the currency with which each flow is expressed and then discounted to present value, using market rates for derivative financial instruments disclosed by the competent authorities of each country. The difference between the cash flow and the cash outflow represents the net value of the derivative at the evaluated cut-off date.

    For Options derivative instruments, the valuation technique corresponds to the Black-Scholes-Merton pricing model. For Forward derivative instruments, the difference between the market rate and the forward rate on the valuation date corresponding to the remaining term of the derivative financial instrument is established and discounted to its present value using an interest rate in USD and COP, respectively. The amount of the valuation is the difference between the present value of the right and the obligation.

7.6 Reconciliation between changes in liabilities and cash flows arising from financing activities

	Bonds and other financial liabilities	Bonds and compound financial instruments	Lease liabilities	Derivative (Assets) / liabilities for financial liabilities hedging	Dividend liabilities	Other liabilities associated with financing activities	Total
31 December 2018	**8,977,141**	**7,520,289**	**-**	**12,574**	**187,440**	**472,236**	**17,169,680**
Changes in cash flows from financing activities							
Issuance of bonds and structured notes	-	2,964,277	-	-	-	-	2,964,277
Payment of bonds and commercial papers	-	(663,168)	-	-	-	-	(663,168)
Increase in other financing instruments	5,051,241	-	-	-	-	80,591	5,131,832
Decrease in other financing instruments	(7,414,839)	-	-	-	-	(65,007)	(7,479,846)
Payments for lease liabilities	-	-	(200,467)	-	-	-	(200,467)
Payments made to financial derivative contracts with coverage of financial liabilities	-	-	-	(25,327)	-	-	(25,327)
Collections from financial derivative contracts with financial liability hedging	-	-	-	51,663	-	-	51,663
Dividends paid on ordinary shares	-	-	-	-	(686,029)	-	(686,029)
Dividends paid on preferential shares	-	(2,239)	-	-	(119,769)	-	(122,008)
Interest paid (1)	(437,701)	(613,267)	(62,568)	-	-	-	(1,113,536)
Total changes by cash flows from financing activities (2)	**(2,801,299)**	**1,685,603**	**(263,035)**	**26,336**	**(805,798)**	**15,584**	**(2,142,609)**
Business combinations	428,537	-	266	-	-	1,246	430,049
Loss of control of a subsidiary or business	(310,869)	-	(6,254)	-	-	-	(317,123)
Currency Conversion	30,482	5,821	(1,952)	567	4,090	18,728	57,736
Effect by conversion	38,472	(65,031)	1,885	(12,614)	-	-	(37,288)
Changes in fair value	2,003	-	-	13,130	-	-	15,133
New leases	-	-	1,163,953	-	-	-	1,163,953
Interest caused	462,640	629,600	60,531	15,743	-	-	1,168,514
Other changes	(105,223)	13,977	107,487	145	843,737	23,881	884,004
31 December 2019	**6,721,884**	**9,790,259**	**1,062,881**	**55,881**	**229,469**	**531,675**	**18,392,049**

	Obligations and other financial liabilities	Bonds and compound financial instruments	Lease liabilities	Derivative (Assets) / liabilities for financial liabilities hedging	Dividend liabilities	Other liabilities associated with financing activities	Total
31 December 2019	**6,721,884**	**9,790,259**	**1,062,881**	**55,611**	**229,469**	**531,675**	**18,391,779**
Changes in cash flows from financing activities							
Issuance of bonds and structured notes	-	737,361	-	-	-	-	737,361
Payment of bonds and commercial papers	-	(777,344)	-	-	-	-	(777,344)
Increase in other financing instruments	4,527,725	-	-	-	-	62,700	4,590,425
Decrease in other financing instruments	(4,079,424)	-	-	-	-	(61,014)	(4,140,438)
Payments for lease liabilities	-	-	(160,873)	-	-	-	(160,873)
Payments made to financial derivative contracts with coverage of financial liabilities	-	-	-	(127,807)	-	-	(127,807)
Collections from financial derivative contracts with financial liability hedging	-	-	-	105,497	-	-	105,497
Dividends paid on ordinary shares	-	-	-	-	(689,756)	-	(689,756)
Dividends paid on preferential shares	-	(2,102)	-	-	(123,012)	-	(125,114)
Interest paid (1)	(343,668)	(658,677)	(52,806)	-	-	-	(1,055,151)
Other cash inflows (outflows)	-	135	-	-	-	-	135
Total changes by cash flows from financing activities (2)	**104,633**	**(700,627)**	**(213,679)**	**(22,310)**	**(812,768)**	**1,686**	**(1,643,065)**
Currency Conversion	207,087	12,920	39,367	1,198	(1,326)	10,137	269,383
Effect by conversion	(5,715)	61,132	(2,051)	(19,924)	-	-	33,442
Changes in fair value	-	-	-	93,200	-	-	93,200
Changes in lease contracts	-	-	(43,420)	-	-	-	(43,420)
Interest caused	340,201	635,910	52,967	46,667	-	45,190	1,120,935
Reclassification to liabilities associated with non-current assets held for sale (Note 13)	(236,107)	(184,369)	-	-	-	-	(420,476)
Other changes	(685)	2,366	(78,961)	229	870,656	11,684	805,289
31 December 2020	**7,131,298**	**9,617,591**	**817,104**	**154,671**	**286,031**	**600,372**	**18,607,067**

(1) Interest paid does not include the associated with trade liabilities for $1,012 (2019 $3,237).

(2) Does not include cash inflows and outflows associated with equity transactions for $48,718 (2019 ($100,196)), as well as other cash inflows of $9,091 (2019 $39,463).

NOTE 8: **TRADE AND OTHER RECEIVABLES, NET**

The balance of trade and other receivables, net, as at 31 December comprises:

	2020	2019
Trade receivables		
Clients	1,634,964	1,820,419
Other receivables		
Receivables from related parties (Note 41)	441,807	539,441
Services and other receivables (1)	2,928,562	2,887,183
Employee receivables	66,586	67,042
Provision for expected credit losses (2)	(193,519)	(167,262)
Total trade and other receivables	**4,878,400**	**5,146,823**
Current	2,050,392	2,653,211
Non-current	2,828,008	2,493,612
Total trade and other receivables	**4,878,400**	**5,146,823**

(1) Services receivable and other debtors, mainly include receivables from concession contracts for $2,390,160 (2019 $2,347,941), corresponding to the financial assets of the concessions Autopistas del Nordeste S.A., Boulevard Turístico del Atlántico S.A., Autopistas del Café S.A., and Caribbean Infrastructure Company N.V.

(2) Includes provision for expected credit losses from related parties for $1,368 (2019 $7,980).

Trade receivables are mainly generated from the cement industry, the production of concrete mixes and any other materials or items based on cement, lime or clay, the acquisition and disposal of minerals or ore deposits. Also, the sale of services for the generation and marketing of electricity, services for the resale of natural gas and the sale of other goods and services.

Long-term receivables are measured at amortized cost under the effective interest rate method and short-term receivables are presented at their nominal amount.

Following is a detail of changes in the provision for expected credit losses on trade and other receivables as of 31 December:

Changes in the provision for expected credit losses and doubtful accounts	2020	2019
Balance at the beginning of the year presented	**(167,262)**	**(198,032)**
Expected credit losses	(50,624)	(50,114)
Foreign currency translation profit or loss	(3,667)	(5,730)
Derecognition of amounts considered uncollectible	23,201	47,149
Amounts recovered during the year	1,811	-
Reversal of expected credit losses	3,048	14,386
Loss of control of a subsidiary (1)	-	29,585
Other changes	(26)	(4,506)
Balance at the end of the year	**(193,519)**	**(167,262)**

(1) (1)Corresponds to the sale of the shares of the subsidiary Zona Franca Celsia S.A. E.S.P., which resulted in the loss of control by the Group over this company in 2019 (Note 19.3.2. Contributions, contribution refunds and/or changes in the ownership interest in a subsidiary resulting in loss of control).

The average credit period on the sale of goods and services is 30 days, for both cases no interest charge is made on trade receivables. In the case of sale of land from the real estate business, the term and interest charges will depend on the negotiated conditions. At the end of the reporting period, the Group assesses whether there is objective evidence that the financial assets are impaired, and if this is the case, it recognizes an impairment loss in the consolidated statement of income.

The provision for expected credit losses is recognized through administrative and selling expenses in the Group's consolidated statement of income. When there is confirmation that the trade receivable will not be collectible, the gross carrying amount of the receivable is derecognized against the associated provision.

For each operating segment, the following table presents the value of trade and other receivables subject to credit risk before recognizing any impairment the values of expected losses determined individually and collectively, and the value of receivables after considering expected impairment at the end of the reporting period.

	2020			2019		
	Gross receivables	Expected credit loss	Net receivables	Gross receivables	Expected credit loss	Net receivables
Cement (1)	1,151,895	(90,382)	1,061,513	1,260,859	(84,413)	1,176,446
Energy (2)	952,525	(63,665)	888,860	1,182,172	(49,200)	1,132,972
Concessions (3)	2,824,503	(33,057)	2,791,446	2,702,666	(28,236)	2,674,430
Other segments and adjustments	142,996	(6,415)	136,581	168,388	(5,413)	162,975
Total	**5,071,919**	**(193,519)**	**4,878,400**	**5,314,085**	**(167,262)**	**5,146,823**

Below is information on expected credit losses for the Group's main operating segments:

(1) **Cement:** the provision for expected credit losses of the Cement segment is estimated based on the age of trade and other receivables, and at 31 December, the balance is as follows:

	2020			
	Expected credit loss rate	Gross receivables	Expected credit loss	Net receivables
Unmatured	0.03%	668,113	(229)	667,884
Between 0 and 30 days	0.37%	139,686	(516)	139,170
Between 31 and 60 days	1.32%	53,520	(708)	52,812
Between 61 and 90 days	5.63%	18,188	(1,023)	17,165
Between 91 and 120 days	6.47%	10,031	(649)	9,382
Between 121 and 150 days	12.04%	5,707	(687)	5,020
Between 151 and 180 days	11.39%	3,858	(439)	3,419
Between 181 and 360 days	5.55%	91,715	(5,092)	86,623
More than one year	50.31%	161,077	(81,039)	80,038
Total		**1,151,895**	**(90,382)**	**1,061,513**
Average age (days)				**36**

	2019			
	Expected credit loss rate	Gross receivables	Expected credit loss	Net receivables
Unmatured	0.03%	685,036	(194)	684,842
Between 0 and 30 days	0.15%	160,902	(244)	160,658
Between 31 and 60 days	0.52%	55,779	(288)	55,491
Between 61 and 90 days	1.11%	20,865	(232)	20,633
Between 91 and 120 days	3.38%	16,222	(548)	15,674
Between 121 and 150 days	1.50%	29,608	(444)	29,164
Between 151 and 180 days	1.01%	16,991	(171)	16,820
Between 181 and 360 days	50.51%	53,924	(27,235)	26,689
More than one year	24.85%	221,532	(55,057)	166,475

Total		**1,260,859**	**(84,413)**	**1,176,446**
Average age (days)				**36**

Both tables include estimates by collective assessment under the expected credit loss model and impairment provision by individual analysis of third parties.

(2) **Energy:** the provision for expected credit losses in the Energy segment is estimated based on the business, market type and class of services for trade and other receivables and at 31 December is as follows:

	2020			
	Expected credit loss rate	**Gross receivables**	**Expected credit loss**	**Net receivables**
Conventional Energy and new businesses	2.10%	235,650	(45,476)	190,174
Wholesale Market and Distribution	NA	295,819	(12,612)	283,207
Other debtors	NA	421,056	(5,577)	415,479
Total		**952,525**	**(63,665)**	**888,860**
Average age (days)				**47**

	2019 (*)			
	Expected credit loss rate	**Gross receivables**	**Expected credit loss**	**Net receivables**
Conventional Energy and new businesses	1.30%	218,363	(29,804)	188,559
Wholesale Market and Distribution	NA	295,624	(13,819)	281,805
Other debtors	NA	668,185	(5,577)	662,608
Total		**1,182,172**	**(49,200)**	**1,132,972**
Average age (days)				**31**

Both tables include estimates by collective assessment under the expected credit loss model and impairment provision by individual analysis of third parties.

(*) The comparative information of receivables for the Energy segment was regrouped, unifying conventional Energy and new businesses that are under the expected loss model, apart from the Wholesale Market business that operates under an individual model.

(3) **Concessions:** the provision for expected credit losses in the Road Concessions segment is estimated based on the type of asset and the credit rating for trade and other receivables, and as of 31 December, the balance is as follows:

	2020			
	Expected credit loss rate	**Gross receivables**	**Expected credit loss**	**Net receivables**
Receivables from concession contracts				
Colombia (BBB-)	0.00%	81,750	-	81,750
Aruba (BBB)	0.00%	269,770	-	269,770
Dominican Republic (BB-)	0.5% to 2.6%	2,038,640	(7,293)	2,031,347
Other receivables				
A- to AAA	0.00%	185,079	-	185,079
B- to BBB+	0.5% a 2.6%	166,310	(1,400)	164,910
D to CCC+	100%	9,974	(9,974)	-
Total		**2,751,523**	**(18,667)**	**2,732,856**

	2019			
	Expected credit loss rate	Gross receivables	Expected credit loss	Net receivables
Receivables from concession contracts				
Colombia (BBB-)	0.00%	92,158	-	92,158
Aruba (BBB)	0.00%	263,614	-	263,614
Dominican Republic (BB-)	0.00% a 0.5%	1,992,168	(3,787)	1,988,381
Other receivables				
A- to AAA	0.00%	208,100	-	208,100
B- to BBB+	0.5% a 2.6%	56,706	(782)	55,924
D to CCC+	100%	16,760	(16,760)	-
Total		**2,629,506**	**(21,329)**	**2,608,177**

Both tables include estimates by collective assessment under the expected credit loss model and impairment provision by individual analysis of third parties. The expected credit loss rate contemplates as a parameter the credit rating of the Sovereign State where the concession is located.

For airport concessions, the provision for expected credit losses is estimated based on the age of trade and other receivables, and as of 31 December, the balance is as follows:

	2020			
	Expected credit loss rate	Gross receivables	Expected credit loss	Net receivables
Unmatured	0.14%	31,648	(43)	31,605
Between 0 and 30 days	8.74%	6,374	(557)	5,817
Between 31 and 90 days	38.18%	2,331	(890)	1,441
Between 91 and 180 days	38.78%	1,818	(705)	1,113
Between 181 and 360 days	27.33%	25,536	(6,978)	18,558
More than one year	98.94%	5,273	(5,217)	56
Total		**72,980**	**(14,390)**	**58,590**
Average age (days)				**183**

	2019			
	Expected credit loss rate	Gross receivables	Expected credit loss	Net receivables
Unmatured	0.01%	50,110	(5)	50,105
Between 0 and 30 days	4.16%	13,247	(551)	12,696
Between 31 and 90 days	26.33%	4,477	(1,179)	3,298
Between 91 and 180 days	87.62%	977	(856)	121
Between 181 and 360 days	99.23%	1,812	(1,798)	14
More than one year	99.25%	2,537	(2,518)	19
Total		**73,160**	**(6,907)**	**66,253**
Average age (days)				**183**

Both tables include estimates by collective assessment under the expected credit loss model and impairment provision by individual analysis of third parties.

The Group recognizes a provision for individual customers when they are in a state of economic insolvency or when a financing or restructuring arrangement is entered into for the receivable, and collectively, by grouping the portfolio by day of default and applying to these values the expected credit loss rates estimated by management.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the account from the date the loan was initially granted to the end of the reporting period. The concentration of credit risk is limited due to the large and independent customer base.

NOTE 9: **INVENTORIES, NET**

The balance of inventories, net, at 31 December comprises:

	2020	2019
Materials, spare parts and accessories	416,071	423,866
Raw materials and direct materials	259,710	278,387
Urban planning works (1)	245,781	199,714
Finished product	126,566	144,718
Work in process	118,723	150,209
Goods not manufactured by the company	15,567	28,710
Inventory in transit	29,368	33,836
Inventory of containers and packaging	18,938	19,748
Prepayments for the acquisition of inventory	3,250	3,862
Real estate for sale	3,106	7,092
Total inventories, net	**1,237,080**	**1,290,142**
Current	1,237,080	1,252,938
Non-current	-	37,204
Total inventories, net	**1,237,080**	**1,290,142**

(1) According to the subscription agreement of fiduciary rights signed between Grupo Argos S.A., Patrimonio Autónomo Estrategias Inmobiliarias - PEI and Arquitectura y Concreto in December 2018, the Group contributed in October 2020, a lot in Barú for $40,040 for the development of the Hotel Sofitel Calablanca project. The Group recognized in the result for the year a profit for $5,034, which corresponds to the profit realized with third parties outside the business group, for being a contribution to a joint venture in which it maintains 77.81% interest, which will vary as the construction contributions of the participant Arquitectura y Concreto are executed, and the urban development is effectively executed as of 31 December 2020 (See Note 18.3 Contributions, contribution refunds and/or changes in the ownership interest in associates and joint ventures).

As of 31 December 2020, the cost of ordinary activities from continuing operations is equal to $10,631,924 (2019 $12,265,012), of which the value for sale of goods is $7,478,551 (2019 $8,088,111), for rendering services $3,090,632 (2019 $3,351,573) and for financial activity $62,741 (2019 $825,328).

The changes in the net realizable value adjustments of inventories are presented below:

	2020	2019
Balance at the beginning of the period	**33,676**	**24,876**
Decrease in inventories to net realizable value (1)	22,742	22,422
Reversal of decline in value of inventories (2)	(10,574)	(322)
Other changes	(12,503)	(13,300)
Balance at the end of the period	**33,341**	**33,676**
Current	33,341	33,534
Non-current	-	142
Balance at the end of the period	**33,341**	**33,676**

(1) During the year there was a decrease in inventories to net realizable value of $22,742 (2019 $22,422), derived in 2020 mainly by the company Argos USA LLC for $17,300, and in 2019 mainly by the companies Argos USA LLC for $15,508, Argos Puerto Rico Corp. for $2,418, Cementos Argos S.A. for $1,766, Zona Franca Argos for $746, and Sator S.A.S. for $202.

(2) During the year there was a reversal of the decrease in value of $10,574 (2019 $322). The reversal of the decrease in value of inventories for 2020 corresponds mainly to the company Argos USA LLC for $9,272, and for 2019 to the companies Cimenterie Nationale SEM (CINA) for $211 and Argos Guyane S.A.S for $93.

The Group does not maintain inventories pledged as collateral for liabilities and has no restrictions or liens limiting their disposition.

NOTE 10: **CURRENT AND DEFERRED INCOME TAX**

10.1 Tax assets

Current tax assets at 31 December comprise:

	2020	2019 (*)
Surplus in private income tax settlement	102,671	192,057
Income tax prepayment	54,877	79,607
Deduction at source and self-withholding	47,947	64,080
Total tax assets	**205,495**	**335,744**

Current tax assets correspond to balances with tax authorities, mainly for tax prepayments and balances arising from settlements of income tax returns, contributions and rates to be requested in return or offset with future settlements within the following accounting period.

10.2 Tax liabilities

Current tax liabilities at 31 December comprise:

	2020	2019 (*)
Income Tax	164,364	222,661
Self-withholdings	19,050	20,036
Total tax liabilities	**183,414**	**242,697**

(*) In order to improve the comparability of financial information and to present current tax assets and liabilities of operations in the United States on an offsetting basis in accordance with IAS 12 Income Taxes, the Group reclassified $24,018 from current tax assets (income tax prepayment) to current tax liabilities (income tax), with respect to the figures presented in 2019 (See Note 5 Reclassification of items in the financial statements.

The applicable tax provisions in force provide for the following:

The nominal income tax rates for 2020 and 2019 applicable to the Group and its subsidiaries are as follows:

Country	2020	2019	Country	2020	2019
Antigua	25.00%	25.00%	Haiti	31.00%	31.00%
Aruba	25.00%	25.00%	Honduras	30.00%	30.00%
Colombia	32.00%	33.00%	British Virgin Islands	0.00%	0.00%
Colombia duty-free zone	15.00%	15.00%	Panama	25.00%	25.00%
Costa Rica	30.00%	30.00%	Puerto Rico	37.50%	37.50%
Curaçao	27.50%	27.50%	Dominican Republic	27.00%	27.00%
Dominica	25.00%	25.00%	Saint Maarten	34.50%	34.50%
USA	24.51%	24.35%	Saint Thomas	35.00%	35.00%
French Guiana	31.00%	31.00%	Surinam	36.00%	36.00%
Guatemala	25.00%	NA			

Colombia

Income tax in Colombia is settled for 2020 at a rate of 32% according to Law 2010 of 2019. For the taxable period 2019, the income tax was settled at a rate of 33%.

The capital gains tax rate in Colombia is 10%.

Other relevant provisions

- For 2020 the minimum base for determining the tax is 0.5% of the net worth on the last day of the immediately preceding taxable year. (1.5% for 2019).

- Companies may offset tax losses against ordinary net income obtained in the following twelve periods, without prejudice to the presumptive income for the year. Tax losses generated before the entry into force of Law 1819 of 2016 may be offset without any time limitation.

- Excesses of presumptive income over ordinary income may be offset against ordinary net income within five years, adjusted for inflation until the 2016 taxable period.

- Since 2004, income taxpayers who enter into transactions with related parties abroad are required to determine for income tax and supplementary tax purposes the transfer pricing study, in accordance with current regulations.

- Companies may apply tax discounts for taxes paid abroad, donations and for taxes paid on industry and commerce and others.

Tax reforms

Following is a summary of some modifications to the Colombian tax regime for the years 2018 and following:

a. Changes introduced by Law 2010 of 2019 and Law 1943 of 2018

For 2020, Law 2010, or Economic Growth Act is in force, through which the provisions contained in Law 1943 of 2018 that were favorable to the industry are included.

The most significant changes introduced by this law for income and supplementary tax purposes are as follows:

- Rate: the gradual reduction of the income tax rate for national and foreign legal entities and permanent establishments is maintained as follows:

Year	General rate
2020	32%
2021	31%
2022 onward	30%

- Presumptive income: the percentage applicable to the presumptive income base is modified as follows:

Year	Percentage of taxable equity
2020	0.5%
2021 onward	0%

- Deduction for taxes paid: amendment to article 115 of the Colombian tax code is maintained, in the following sense:

  - Possibility of taking as a deduction 100% of the taxes, fees and contributions effectively paid during the taxable year, provided that they have a causal relationship, with the exception of income tax.

  - The Tax on Financial Movements will be deductible at 50% whether or not there is a causal relationship.

  - Possibility of taking as a discount in the income tax liquidation of 50% of the Industry and Commerce (ICA) Tax effectively paid during the taxable year (100% from 2022).

- The correction term for taxpayers who file corrections that increase the tax or decrease the credit balance is modified from two (2) years to three (3) years, which is the general term for the finality of tax returns.

- The use of the tax credit for taxes paid abroad is allowed, with no time limit.

United States of America

In the United States, the Federal tax rate is 21%. There is also a state tax rate, which varies by state in a range of 3% to 7%. The state of Texas has a particular rate of 1%, called the *Texas Margin Tax*. Federal tax returns for the years 2016, 2017, 2018 and 2019 are subject to review and audit of the exemptions applied by the tax authorities. Additionally, returns with net operating losses are subject to review even if the rules have expired.

On 22 December 2017, the United States enacted the Tax Cuts and Jobs Act. This Act significantly revises the U.S. corporate income tax by, among other things, lowering the federal income tax rates from an existing maximum rate of 35% to 21%, effective for tax years that include or begin on 1 January 2018.

The following are the main provisions of the Tax Reform:

- Effective 1 January 2018, the taxable earnings of U.S. subsidiaries are taxed at a federal corporate rate of 21%, which reduces the federal income tax rates from a maximum rate of 35% to 21%.
- Abolition of the Alternative Minimum Corporate Tax ("AMT") for tax years beginning 1 January 2018. It also provides that existing AMT tax credits are refundable beginning in 2018. The Group does not have AMT credits.
- Net operating losses (NOL) generated after 31 December 2017 will be limited to 80% of taxable income but will have an unlimited utilization period. Net operating losses generated prior to 1 January 2018 are still subject to the rules that exist when they are generated, which are a two-year return period and a 20-year offset period. These net operating losses (NOL) will not be subject to the 80% rule and may fully offset future taxable income until NOLs prior to 2018 are used.
- • Other provisions, such as limitations on the deductibility of interest expense for all domestic companies, entertainment expenditures, membership fees or recreational expenses and certain executive compensation will no longer be deductible.

Panama

The applicable income tax rate (ISR) for 2020 is 25% (2019: 25%).

Law No. 8 of 15 March 2010 modifies the Alternative Calculation of Income Tax (CAIIR), obliging any legal entity that earns income in excess of one million five hundred thousand balboas (USD 1,500,000) to determine the greater of the following amounts as the taxable base for such tax (a) the net taxable income calculated by the ordinary method established in Title I of Book Four of the Panamanian Tax Code and the net taxable income resulting from applying four point six seven percent (4.67%) to the total taxable income.

Legal entities that incur losses by reason of the tax calculated under the presumptive method or that, by reason of the application of the presumptive method, their effective rate exceeds the tax rates applicable for the tax period in question, may request the General Revenue Directorate to authorize it to calculate the tax under the ordinary method of calculation.

According to the regulations, the income tax returns of companies incorporated in the Republic of Panama are subject to review by the tax authorities for the last three years.

Honduras

Decree No. 25 of 20 December 1963 established the obligation to pay income tax for individuals or legal entities engaged in civil or commercial activities. According to Article No. 22, section a) of the income tax law, legal entities shall pay a rate of 25% on the net taxable income. Furthermore, through Decree No. 278 of December 2013, the Tax Equity Act was reformed establishing an income tax surcharge called Solidarity Contribution, equivalent to five percent (5%) applied on the excess of the net taxable income over one million lempiras (L1,000,000), which must be paid in four quarterly payments on the following dates; June, September, December and the last payment in April of each year.

According to the provisions of Decree No.32 of 2017, Argos Honduras availed itself of the amnesty benefit consisting of the tax and customs regularization of final settlement or definitive stamp for the tax periods 2012, 2013, 2014, 2015, 2016 and 2017 (prescribed years prior to 2012 are also regularized), making a one-time payment of 1.5% on the gross income presented in the income tax return, for such purpose the highest amount reported in the aforementioned periods was taken. According to the above described, the returns that are open to audit are the periods 2018, 2019 and 2020.

Dominican Republic

Law No. 11 - 92 dated 31 May 1992, which institutes the Tax Code of the Dominican Republic, as amended, establishes the general provisions applicable to all domestic tax contributions and legal relationships arising therefrom. The income tax rate as of 31 December 2019 and 2020 for companies located in the Dominican Republic is 27%.

Aruba

Corporate income tax is levied on the profits of a company realized in Aruba in the form of an Aruban legal entity.

The corporate income tax rate for 2020 is set at 25% (2007-2015: 28%) according to the local norm. The taxable income consists of income less expenses, considering the limitations on the deduction of certain payments.

10.3 Income tax recognized through profit or loss for the period

	2020	2019
Current tax		
For the current year	378,253	579,650
Compared to previous years	(30,408)	(675)
Total current tax expense	**347,845**	**578,975**

	2020	2019
Deferred tax		
Changes in temporary differences	24,034	(127,900)
Changes in laws and tax rates	1,676	767
Reductions in deferred tax assets	-	60,846
Losses, tax credits and excess presumptive income used	(70,089)	60,482
Reclassification of deferred tax from equity to the statement of income	(51,369)	34,125
Total deferred tax income	**(95,748)**	**28,320**
Total tax expense related to continuing operations	**252,097**	**607,295**
Total income tax expense	**252,097**	**607,295**

The following is a reconciliation of the effective rate applicable to Grupo Argos S.A. and its subsidiaries:

	2020	2019
Profit before income tax	406,042	1,863,432
Income tax (current and deferred)	**252,097**	**607,295**
Effective tax rate	62.1%	32.6%

Reconciliation of the effective tax rate – 2020	**Reconciliation of current accounting and fiscal tax**	**Deferred tax for the year**	**Reconciliation of the effective tax rate**
Profit before income tax	406,042		
Statutory tax rate	32%		
Current tax expense at the legal rate applicable to companies	129,934	-	129,934
Adjustments related to current income tax from previous years	(30,408)	-	(30,408)
Effect of permanent tax differences and others:			

Reconciliation of the effective tax rate – 2020	Reconciliation of current accounting and fiscal tax	Deferred tax for the year	Reconciliation of the effective tax rate
Income not subject to income tax	2,430	-	2,430
Untaxed dividends and shares	(191,973)	(357)	(192,330)
Taxed dividends and shares	159,024	-	159,024
Sale of listed investments and untaxed fixed assets	(12,515)	982	(11,533)
Other non-taxed income	(46,617)	(135)	(46,752)
Non-deductible expenses	144,433	8,908	153,341
Other items	138,338	(9,042)	129,296
Net effect of temporary differences	13,118	69,768	82,886
Expense net of temporary differences	**305,764**	**70,124**	**375,888**
Use of tax losses or excess presumptive income	(80,232)	(67,893)	(148,125)
Effect of Tax Rate Differences by Foreign Subsidiaries	38,625	(3,344)	35,281
Effect of changes in tax rates due to tax reforms	80,365	(94,635)	(14,270)
Occasional income	4,288	-	4,288
Compensation for excess presumptive income	(965)	-	(965)
Income tax expense according to the financial statements (at the effective tax rate)	**347,845**	**(95,748)**	**252,097**
Effective tax rate			62.1%

Reconciliation of the effective tax rate - 2019	Reconciliation of current accounting and fiscal tax	Deferred tax for the year	Reconciliation of the effective tax rate
Profit before income tax	1,863,432		
Statutory tax rate	33%		
Current tax expense at the legal rate applicable to companies	614,933	-	614,933
Adjustments related to current income tax from previous years	(675)	-	(675)
Effect of permanent tax differences and others:			
Income not subject to income tax	5,002	-	5,002
Untaxed dividends and shares	(137,218)	(105)	(137,323)
Taxed dividends and shares (*)	118,495	-	118,495
Sale of listed investments and untaxed fixed assets	(28,775)	(353)	(29,128)
Other non-taxed income (*)	(55,401)	(275)	(55,676)
Non-deductible expenses (*)	250,336	26	250,362
Other items (*)	(230,490)	27,769	(202,721)
Net effect of temporary differences	132,594	(118,216)	14,378
Expense net of temporary differences	**668,801**	**(91,154)**	**577,647**
Use of tax losses or excess presumptive income	(136,654)	140,525	3,871
Effect of tax rate differences by foreign subsidiaries (*)	(4,637)	(1,342)	(5,979)
Effect of changes in tax rates due to tax reforms	(8,511)	(19,709)	(28,220)
Occasional income	61,606	-	61,606
Compensation for excess presumptive income	(1,630)	-	(1,630)
Income tax expense according to the financial statements (at the effective tax rate)	**578,975**	**28,320**	**607,295**
Effective tax rate			32.6%

(*) In order to improve the comparability of accounting figures and in accordance with the presentation of final tax returns, the Group has made reclassifications between the captions of Other non-taxed income, Non-deductible expenses, Other items, Effect of tax rate differences by foreign subsidiaries and Taxed dividends and shares in relation to the figures presented in 2019, without any changes in the total amounts of the Group's income tax expense for that period.

10.4 Deferred income tax recognized directly through equity and other comprehensive income for the period

Deferred taxes generated by temporary differences arising from transactions recognized through other comprehensive income were recognized directly in this account, as follows:

	2020	2019
Deferred tax		
Cash flow hedges	9,578	9,305
Remeasurements of Defined Benefit Plans	5,231	5,274
Valuation of equity instruments	(5)	219
Revaluation of property, plant and equipment	81	93
Conversion of foreign businesses	1,770	(1,029)
Subtotal deferred tax recognized through other comprehensive income	**16,655**	**13,862**
Deferred income tax on the equity method of associates and joint ventures recognized through other comprehensive income	10,860	-
Total deferred tax recognized through other comprehensive income	**27,515**	**13,862**

10.5 Current tax assets and liabilities and deferred tax balances

The following is the composition of the tax assets and liabilities presented in the consolidated financial statements of financial position:

	2020	2019 (*)
Deferred tax liabilities	(1,112,850)	(1,211,760)
Deferred tax assets	388,664	332,321

	2020	2019 (*)
Current tax assets	205,495	335,744
Current tax liabilities	(183,414)	(242,697)

(*) In order to improve the comparability of financial information and to present current and deferred tax assets and liabilities of operations in the United States on an offsetting basis, in accordance with IAS 12 Income Taxes, the Group reclassified $24,018 from current tax assets to current tax liabilities and $149,275 from deferred tax assets to deferred tax liabilities, with respect to the figures presented in 2019 (See Note 5 Reclassification of items in the financial statements).

Group companies offset their tax assets and liabilities for presentation purposes provided that they are related to the same tax authority, there is a legal right to do so and they intend to settle them simultaneously.

The change in the Group's net deferred tax liability for the period ended 31 December 2020 and 2019 is detailed below:

2020	Initial balance	Included in results	Included in other comprehensive income	Other changes	Currency Conversion	Final balance
Current assets	(24,331)	(2,638)	-	1,446	(1,434)	(26,957)
Associates and joint ventures	19,117	(15,560)	11,718	14,179	-	29,454
Other equity investments	9,851	24,941	905	(7,705)	178	28,170
Property, plant and equipment	(1,019,555)	(67,586)	81	106,030	13,224	(967,806)
Investment property	(278,927)	2,326	-	(276)	(14)	(276,891)
Intangible Assets	(745,331)	32,441	-	(22,520)	(302)	(735,712)
Other non-current assets	389,744	(215,265)	-	(138,697)	(10,199)	25,583
Provisions	60,134	(6,791)	-	(3,050)	(228)	50,065
Employee Benefits	69,746	(8,963)	5,231	(33,131)	(2,394)	30,489
Financial liabilities	22,034	2,176	1,464	(24,643)	(1,009)	22
Financial instruments	-	(31,418)	8,116	37,423	60	14,181
Financial leases	6,758	12,340	-	2,229	4,578	25,905
Other liabilities	(567,849)	188,165	-	100,702	20,620	(258,362)

2020	Initial balance	Included in results	Included in other comprehensive income	Other changes	Currency Conversion	Final balance
Deferred tax without tax credits	**(2,058,609)**	**(85,832)**	**27,515**	**31,987**	**23,080**	**(2,061,859)**
Tax losses	1,072,082	168,035	-	(8,133)	(15,595)	1,216,389
Excess presumptive income	107,088	13,545	-	700	(49)	121,284
Tax Credits	**1,179,170**	**181,580**	**-**	**(7,433)**	**(15,644)**	**1,337,673**
Total deferred tax	**(879,439)**	**95,748**	**27,515**	**24,554**	**7,436**	**(724,186)**

2019	Opening Balance	Included in results	Included in other comprehensive income	Procurement and Disposal	Other changes	Currency Conversion	Final balance
Current assets	(21,050)	(3,374)	-	-	(20)	113	(24,331)
Associates and joint ventures	(3,951)	21,556	1,512	-	-	-	19,117
Other equity investments	14,114	(4,244)	(21)	-	5	(3)	9,851
Property, plant and equipment	(1,082,451)	19,251	93	47,452	(327)	(3,573)	(1,019,555)
Investment property	(231,629)	(47,015)	-	-	(283)	-	(278,927)
Intangible Assets	(567,644)	56,981	-	(238,042)	3,460	(86)	(745,331)
Other non-current assets	161,714	72,208	9,861	(3,787)	150,032	(284)	389,744
Provisions	43,139	18,323	-	-	-	(1,328)	60,134
Employee Benefits	75,359	(15,769)	5,274	-	4,767	115	69,746
Financial liabilities	(3,773)	28,586	(2,857)	-	-	78	22,034
Financial instruments	-	-	-	-	-	-	-
Financial leasing	3,186	3,559	-	-	-	13	6,758
Other liabilities	(472,157)	(95,284)	-	-	(3,183)	2,775	(567,849)
Deferred tax without tax credits	**(2,085,143)**	**54,778**	**13,862**	**(194,377)**	**154,451**	**(2,180)**	**(2,058,609)**
Tax losses	1,135,969	(71,090)	-	-	2,692	4,511	1,072,082
Excess presumptive income	119,096	(12,008)	-	-	-	-	107,088
Tax Credits	**1,255,065**	**(83,098)**	**-**	**-**	**2,692**	**4,511**	**1,179,170**
Total deferred tax	**(830,078)**	**(28,320)**	**13,862**	**(194,377)**	**157,143**	**2,331**	**(879,439)**

The Group evaluates the recoverability of its deferred tax assets arising from tax credits, reviewing the validity of the rights, the compensation times according to the regulations in each country, and estimating the probability of their use before their expiration, by analyzing the generation of sufficient future taxable income. When the analysis indicates that there is not a high probability that the deferred tax asset will be fully utilized, the asset is reduced to its recoverable amount. In cases where it is concluded that it is not possible to use a deferred tax asset before its expiration, the asset is not recognized. Decreases in the deferred tax asset are recognized in income tax expense in the period in which it is concluded that it is not probable that all or part of the deferred tax asset will be recovered.

To assess the likelihood of realizing the deferred income tax assets, the companies' financial and taxable income projections are considered, which include all available evidence, both positive and negative, including, among other factors, industry analysis, market conditions, expansion plans, tax strategies, tax structure and expected changes therein, the expiration of tax loss carryforwards and other applicable tax credits, and the future reversal of temporary differences. Likewise, in each period, the variations between actual and estimated results are analyzed to determine whether such variations affect the amounts of such assets and to make the adjustments considered necessary, based on the relevant information available, which are recognized through profit or loss the period in which they are determined.

10.6 Deductible temporary differences, unused tax losses and unused tax credits

Deductible temporary differences not recognized and unused tax losses and tax credits by the Group are as follows:

Unused losses and tax credits	2020	2019
To one year	6,452	131,385
Over one year and up to five years	36,098	186,147
More than five years	217,673	90,381
No time limit	330,648	178,465
Total unused tax losses and credits	**590,871**	**586,378**

Excess presumptive income over ordinary liquid income	2020	2019
To one year	22,374	1,168
Over one year and up to five years	115,874	4,103
More than five years	107	-
No time limit	-	145
Deductible temporary differences	**138,355**	**5,416**
Total unused tax benefits	**729,226**	**591,794**

The Group has not generated any deferred tax assets that depend on the reversal of taxable temporary differences.

10.7 Unrecognized taxable temporary differences from investments in subsidiaries, associates and joint Ventures

	2020	2019
Investments in subsidiaries	6,510,261	7,613,595
Investments in associates and joint ventures	2,901,246	2,848,036

Impact on deferred income tax assets from business combinations during the period

During the periods disclosed, there were no changes in the value of deferred income tax assets related to business combinations.

Impact on income taxes of potential dividend payments to shareholders

The Group has no potential consequences on its tax return in the event of dividend payments to its shareholders.

Finality of declarations:

Currently in Colombia the general term of finality of tax returns is three (3) years from the expiration of the period to declare. In the case of returns where tax losses are determined or compensated, finality depends on the year of filing:

Year of presentation	Term of finality
Until 2016	Statements in which losses were liquidated and/or offset become final within five (5) years of filing.
2017 to 2019	For returns that resulted in tax losses, the finality is twelve (12) years; if tax losses were offset, the finality is six (6) years.
From 2020 onwards	For returns in which tax losses are liquidated and/or offset, the finality is five (5) years.

For the returns submitted by taxpayers subject to the transfer pricing regime, the term of finality shall be five (5) years.

The parent company and its subordinates have open terms for review by the tax authorities of each country, which were submitted between 2010 and 2020.

NOTE 11: **OTHER FINANCIAL ASSETS**

The balance of other financial assets at 31 December corresponds to:

	2020	2019
Financial assets at fair value through other comprehensive income (1)	1.142.850	1.198.501
Financial assets at fair value through profit or loss (2)	90.760	208.876
Prepayment for the purchase of financial assets	793	2.883
Total other financial assets	**1.234.403**	**1.410.260**
Current	-	123.626
Non-current	1.234.403	1.286.634
Total other financial assets	**1.234.403**	**1.410.260**
Financial assets classified as non-current assets held for sale (Note 13)	-	1.532
Total other financial assets including non-current assets held for sale	**1.234.403**	**1.411.792**

(1) Financial assets measured at fair value through other comprehensive income (OCI), correspond to investments that are maintained for strategic purposes in the medium and long term, considering that some do not have Level 1 input data (quoted prices) since the figures are not representative, the Group assumes the position of maintaining them at cost; furthermore, the costs involved in performing the valuation would be greater than the benefits obtained.

These investments correspond mainly to the shares of Grupo Nutresa S.A. for $1,085,851 (2019 $1,149,192) in which, as of 31 December 2020, the Grupo has a 9.83% interest (2019 9.83%), equivalent to 45,243,781 shares (2019 45,243,781 shares). The equity investment in this company is not held for trading purposes, but for medium and long-term strategic purposes. Thus, the accounting recognition of its valuation is made through other comprehensive income (OCI) using prices of an active market (Colombian Stock Exchange).

Also, Grupo Argos S.A. and its subsidiaries Cementos Argos S.A., Celsia S.A. and Odinsa S.A. have made investments in the companies Occipital INC. (process automation for construction), Stem INC. (energy storage sector), Innowatts (Energy), Cimcon lighting INC. (customers, governments and cities) and Bird Rides INC. (multimodal micro mobility systems) for USD 10.7 million (2019 USD 9.4 million), classified as financial assets at fair value through other comprehensive income, whose value update is made at the price per share of the most recent financing round. These equity investments allow the Group to explore new businesses, in line or complementary to current businesses, with a long-term development horizon on the technologies that are shaping the future.

Dividends recognized through the revenue item of the consolidated statement of income for financial assets measured at fair value through other comprehensive income for the period ended 31 December correspond:

	Dividends from investments derecognized during the period		Dividends from investments held at the end of the period	
	2020	2019	2020	2019
Grupo Nutresa S.A.	-	-	29,372	27,689
Cartón de Colombia S.A.	-	857	-	-
Other investments	-	-	3,513	582
Total dividend income	**-**	**857**	**32,885**	**28,271**

(2) Financial assets measured at fair value through profit or loss include:

Investment	2020 (USD)	2019 (USD)	2020	2019
Sura SAC LTD – Cell Celsia – Investment in captive reinsurance company (i)	11,405,598	10,569,882	39,150	34,639
Sura SAC LTD – Cell Celsia – Investment in premium captive company (ii) (*)	13,660,312	13,208,111	46,889	43,285
fixed-term certificates of deposit (CTD)	-	-	-	122,616

Trust investments	-	-	4,473	6,965
Other miscellaneous investments	-	-	248	1,371
Total financial assets at fair value through profit or loss	**25,065,910**	**23,777,993**	**90,760**	**208,876**

(i) Corresponds to investment of USD 9.6 million delivered as capital by Celsia S.A. to Captive cell.

(ii) Right on the risk retained in the interest over Captive cell, in relation to the property damage insurance policy in force. An income is recognized monthly as time elapses until December 2021 if there are no claims that may affect this reserve.

(*) In order to comply with the recognition at fair value of the captive cell premium that the company contracted with Sura SAC, as from 2020 the liability associated with said cell is presented as a lower value of the investment. If the premium investment had been restated in 2019, it would be reduced by $5,644.

According to the operation of the Cell, the resources invested in Sura SAC LTD. in the cell do not meet the condition of obtaining contractual cash flows with specific dates of payment of principal and interest, therefore, they should be classified as investments at fair value through profit or loss for the year.

In the event of a loss, any obligation will be backed by the resources existing in the captive company's cell, in which case the change in the fair value of the financial asset resulting from the loss will be recognized with a charge to profit or loss for the year. In the event that the loss implies a greater obligation of the resources existing in the cell, an obligation in favor of Sura must be recognized for the resources that it must pay, were not sufficient to cover with what is maintained in the cell.

SURA SAC LTD – Celda Celsia S.A.

Sura SAC LTD is a captive company whose objective is to reinsure through it part of the risks.

In 2017 Celsia S.A. invested USD 9.6 million in this captive company through a cell assigned for the purpose of optimizing the organization's operational risk management program, which will reduce the impact of loss events. By structuring the captive, Celsia S.A. allocates a percentage of the insurance premium to the cell it currently has rented with Sura SAC LTD. in Bermuda, for the 2019-2020 period in the amount of USD 6.9 million (2019 USD 7.9 million).

NOTE 12: **PREPAID EXPENSES AND OTHER NON-FINANCIAL ASSETS**

The balance of prepaid expenses and other non-financial assets at 31 December comprises:

	2020	2019
Insurance (1)	56,365	52,191
Tax assets (2)	52,579	48,613
Related parties (Note 41)	41,855	17,961
Other prepaid expenses	31,397	37,168
Contract assets	15,769	4,979
Services	14,820	34,914
Other non-financial assets (3)	105,152	119,939
Total prepaid expenses and other non-financial assets	**317,937**	**315,765**
Current	212,046	195,625
Non-current	105,891	120,140
Total prepaid expenses and other non-financial assets	**317,937**	**315,765**

(1) Corresponds to insurance contracted by the Group to safeguard its productive assets and activities, mainly covering property damage caused by civil liability, fire, explosion, short circuit, natural disasters, terrorism, and other risks.

(2) Includes VAT withheld, Industry and Commerce Tax, and special contribution to the Superintendencies.

(3) Includes assets receivable from Prime Colombia for the sale of Zona Franca Celsia S.A. E.S.P. made by Celsia S.A. that will be recovered through the supply of energy for $98,423 (2019 $114,700), as established in the PPA (Power

Purchase Agreement) and assets net of the liability associated with the plan to close the pension gap, net of the liability for the actuarial calculation of the same benefit of the Group for $6,694 (2019 $5,203), among others.

NOTE 13: ASSETS AND LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

13.1 Assets and liabilities associated with non-current assets held for sale

Non-current assets held for sale correspond mainly for the year 2020 to property, plant and equipment of the subsidiary Bahía Las Minas Corp for $91,222 and for 2019 $346 of other subsidiaries of the Group, investment properties mainly for the lot la Gabriela and the lot Villa Sur for $70,121 (2019 $31,590), inventories of the subsidiary Bahía las Minas Corp for $66,964 and additionally for 2019 shares of the company Occidental de Empaques S.A. for $43,276 and Colombates for $1,532.

Non-current liabilities held for sale of the subsidiary Bahía Las Minas Corp for $455,564 correspond mainly to financial obligations and bonds.

On 19 December 2019, an arrangement for the sale of all the shares of the Colombian company Empaques Bates S.A. Colombates was signed between Grupo Argos S.A., Cementos Argos S.A. and Smurfit Kappa Centroamérica SLU, with a sale date of 15 January 2020.

Additionally, on 2 January 2020, an agreement was signed between the same parties for the sale of all shares of Occidental de Empaques S.A., for $36,575. On 27 March 2020, Grupo Argos and its subsidiary Cementos Argos S.A., divested the total interest held in Occidental de Empaques S.A., with a book value of $43,276, which corresponded to 49.99% interest, generating a loss of $6,701.

Non-current assets and liabilities held for sale at 31 December are detailed as follows:

	2020	2019
Assets		
Cash and cash equivalents (Note 6)	12,262	-
Debtors	7,292	-
Investments	-	44,808
Inventories	66,964	-
Property, plant and equipment	91,222	346
Investment property	70,121	31,590
Other assets	93	-
Total assets	**247,954**	**76,744**
Liabilities		
Financial obligations	236,107	-
Bonds	184,369	-
Labor obligations	2,737	-
Commercial liabilities	5,090	-
Taxes	27,261	-
Total liabilities	**455,564**	-
Total net assets (liabilities)	**(207,610)**	**76,744**

Bahía Las Minas Corp

At the end of 2014 Celsia acquired generation assets in Panama and Costa Rica that included the thermal plant of Bahia Las Minas Corp. ("BLM"), a Panamanian company in which Celsia obtained a 51.24% interest, and although it had a marginal value in the transaction, it was necessary to receive it in order to advance the operation.

BLM's management has advanced negotiation processes for the payment of its obligations with creditors, suppliers and collaborators, since maintaining the operational continuity of its business under the current conditions is not viable.

Celsia together with the Panamanian government, which is a 48.76% shareholder of BLM, have decided to dispose of this operation, which, as has been evaluated, has no impact on the country's energy generation and will not affect any of its users, and becomes an opportunity for Panama to continue transforming its energy matrix.

BLM, with an installed capacity of 120 MW and more than four decades of continuous operation in Panama, is the last commercial coal-fired plant in the country whose power sales contract expired in December 2019. Despite the efficiencies achieved in recent years and the efforts to ensure sufficient revenue to maintain the operation, the age of its assets makes BLM less competitive, as it requires high and frequent maintenance investments, which makes its offer unfeasible compared to other more efficient and environmentally friendly technologies that have entered the Panamanian market.

Therefore, the Group reflects in its financial statements as of December 2020 BLM's assets and liabilities as held for sale, considering the plan that has been structured to dispose of the investment in Bahía Las Minas Corp.

At the general shareholders' meeting held on 17 December 2020, the shareholders of Bahia Las Minas Corp. (BLM), empowered the directors of the Company, after discussions with major creditors and other stakeholders, to take the necessary actions to implement the plan for the sale of assets and cancellation of liabilities presented to the shareholders for their consideration. The activities required to liquidate BLM's assets and liabilities include the subscription of required waivers with bondholders. Celsia S.A. and the Government of Panama are committed to the disposition plan and expect to execute it during 2021.

Assets classified as held for sale at year-end 2020 were measured at the lower of their book value and fair value less costs of disposal at the time of reclassification, so there was no impact on the Group's results, considering the discussions that have been held with interested parties for several months.

The Bahia Las Minas, Corp. operation being reclassified to assets and liabilities held for sale does not represent a separate principal line of business or geographic area of operations, nor is it part of a single coordinated plan to dispose of a separate principal line of business or geographic area of operations, accordingly it is not considered a discontinued operation.

13.2 Discontinued operations

At 31 December 2020 and 2019, the Group does not have non-current assets held for sale that are classified as discontinued operations.

NOTE 14: **GOODWILL**

14.1 Allocation of goodwill by operating segment

Operating segment	2020	2019
Cement	1,818,707	1,718,298
Energy	982,563	955,181
Concessions	337,793	337,793
Total goodwill	**3,139,063**	**3,011,272**

Goodwill is allocated at the operating segment level since management manages it at that level, both for financial reporting purposes and for impairment testing. Impairment losses are recognized as expenses in the consolidated statement of income under the item other expenses.

14.2 Changes in goodwill by operating segment

	Cement	Energy	Concessions	Total
Goodwill at 1 January 2019	**1,828,481**	**976,376**	**337,793**	**3,142,650**
Additions (1)	-	45,254	-	45,254
Sale of businesses (2)	(117,847)	(55,043)	-	(172,890)
Impairment (3)	-	(16,233)	-	(16,233)
Currency translation effect	7,664	4,827	-	12,491
Goodwill as of 31 December 2019	**1,718,298**	**955,181**	**337,793**	**3,011,272**
Currency translation effect	100,409	27,382	-	127,791
Goodwill as of 31 December 2020	**1,818,707**	**982,563**	**337,793**	**3,139,063**

(1) On 31 May 2019, Celsia Colombia S.A. E.S.P. entered into an agreement for the purchase and sale of a commercial establishment that included all distribution assets and the electricity marketing business in Tolima, formerly operated and owned by Energética del Tolima S. A. E.S.P. From this date, the Group acquired control of the trading establishment (see Note 42 Business combinations). This acquisition generated an excess value of $45,254, mainly represented by the economic benefits arising from the distribution and marketing assets acquired.

(2) During 2019, the following sales operations of subsidiaries and groups of assets constituting a business were performed:

On 19 September 2019, Celsia S.A. sold 100% of the shares of its subsidiary Zona Franca Celsia S.A. E.S.P. to the companies Prime Energía Colombia S.A.S. and Prime Colombia Barranquilla S.A.S. The total value of the transaction amounted to USD 420 million and included the thermal generation plants Flores I and Flores IV located in Barranquilla, and the assets required for their operation and expansion. The sales price recognized as revenue was $1,086,960 (Note 33 revenue), with an investment cost of $781,170 (Note 34 Cost of ordinary activities). In addition, a gain on the sale of property, plant and equipment for $5,706 and taxes for $61,877 were recognized. Transaction costs, included selling costs, were $12,387. This sale generated a decrease in goodwill in the Energy segment of $34,429.

On 6 December 2019, Argos USA LLC, a subsidiary of Cementos Argos S.A., sold twenty-eight ready-mix concrete plants and a retail location including equipment, buildings, land and inventory located in Arkansas, Virginia, South Carolina and Georgia to Smyrna Ready Mix Concrete, LLC for USD 95 million. The gain on sale generated by the transaction was recognized through other income and expenses in the consolidated financial statements (Note 37 Other income (expense), net). The divested plants were part of several acquisitions, including RMCC on 10 April 2006, Lafarge on 12 May 2011 and Vulcan Material Company on 23 January 2014. This sale generated a decrease in goodwill in the Cement segment of $117,847.

On 27 December 2019, Celsia Colombia S.A. E.S.P., a subsidiary of Celsia S.A., sold the transmission and distribution business, owned in the departments of Tolima, Atlántico, Montería, Guajira and Valledupar to Caoba Inversiones S.A.S. The gain on sale generated by the transaction was recognized through other income and expenses in the consolidated financial statements (Note 37 Other income (expense), net). This sale generated a decrease in goodwill in the Energy segment of $20,614.

The fair value of the businesses was determined by an independent valuation firm using information provided by the company. The fair value was estimated considering the fair value derived from the application of the revenue approach, which involves discounting estimated future cash flows. The agreed sales price for the assets sold was determined as the best estimate of the fair value for those businesses.

(3) For the Energy segment corresponds to impairment on goodwill of the company Porvenir II recognized in 2019 for $16,233 ($2018 $0), given the impact on the discounted cash flows due to the delay of the entry into operation of the project in view of the provisional suspension of the environmental license.

Within the process of simple nullification processed with File No. 2016-0149 against the environmental license of the Porvenir II project, on 24 May 2019 the Council of State notified a decision by which it provisionally suspended said license, considering that the development of the Project in the conditions guaranteed by the ANLA could disregard some precepts of Law 1448 of 2011. Porvenir II and the ANLA, the authority that issued the environmental license, filed an appeal against the aforementioned order. Unless the Council of State revokes the provisional suspension or definitively fails the process by denying the nullity, the environmental license of the Project will remain suspended.

At the end of the reporting period, no goodwill impairment losses were recognized $0 (2019 $16,233).

14.3 Acquisitions during the period that did not involve changes in goodwill

During 2020 and 2019, the Group acquired the following investments in subsidiaries that did not give rise to changes in goodwill (Note 19.3.1 Contributions, contribution refunds and/or changes in ownership interest in a subsidiary that do not result in a gain or loss of control and Note 30 Other components of equity).

On June 9, 2020, Cementos Argos S.A., through its subsidiaries Argos SEM LLC and Colcaribe Holdings S.A., acquired a 100% interest in the company Argos Guatemala S.A., equivalent to 2 shares for $96,724 pesos (200 quetzales), whose main corporate purpose is the manufacture, sale, import and export of cement, clinker, concrete and related products and derivatives. The value was paid in cash at the date of purchase. The acquired subsidiary is not a business in accordance with the requirements of IFRS 3.

Additionally, on 10 May 2019, Celsia Colombia S.A. E.S.P. and Celsa Colombia S.A. E.S.P. Inversiones acquired 23% (represented by 2,300,000 shares) and 34.5% (represented by 3,450,000 shares) respectively in Termoeléctrica El Tesorito for a total investment of USD 6 million. This company is in charge of the construction and operation of a gas-fired power generation plant with a declared capacity of 200 megawatts, which will be located in the department of Córdoba. Celsia Colombia S.A. E.S.P. has an effective participation in this company of 57.50%.

14.4 Analysis of goodwill impairment

IAS 36 Impairment of Assets requires that at the end of the reporting period, the existence of indicators of impairment of non-current assets is assessed, based on available external and internal information, and goodwill is tested for impairment. The Group reviews the carrying amount of non-current assets and goodwill for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. If the total discounted future cash flows are less than the carrying amount, the carrying amount of the non-current asset is not recoverable, and impairment loss is recognized in the consolidated statement of income.

Accordingly, The Group performed impairment tests based on the fair value less disposal costs of its operating segments, using the discounted cash flow model and the dividend discount model as valuation techniques. The key assumptions used by the Group in determining fair value less disposal costs are as follows:

Key assumption	Description
Cash flow projection	The Group projects revenue based on the inflation of each country plus the addition of points associated with the market growth expectation. Costs are projected based on the inflation of each country.
Cash flow projection period	The period defined by Management for cash flow projections is 5 to 10 years in perpetuity, due to the fact that the capital investments made by the Group in the operating segments require long recovery periods. Except for the concessions segment for which the cash flow projection corresponds to the term of each concession.
Discount rate applied to cash flow projections	To determine the discount rate, the Group uses the financial asset valuation model known as the Capital Asset Pricing Model (CAPM), which uses as its main variables: - Risk-free rate: profitability of a portfolio that has no risk of default. It takes as a reference the profitability of American Treasury bonds with a long-term maturity. - Beta: measure of risk that associates the volatility of a stock with market volatility. - Market premium: margin between the risk-free rate and the market return. - Country risk premium: the margin above U.S. Treasury bonds demanded by investors in international markets. The sources used to determine these variables were: Damodaran and SBBI (stocks, Bonds, Bills and inflation) yearbook.

	The discount rate used to discount cash flows and calculate the fair value of the Cement and Energy segments corresponds to the Weighted Average Cost of Capital (WACC). For the Concessions segment, the fair value is calculated based on cash flows to the shareholder and, therefore, the cost of equity is used. The discount rates are subject to changes in the macroeconomic environment, such as in the characteristics of each of the sectors and business segments.
Growth rate	Perpetuity corresponds to the value of the company at the end of the explicit period. The growth rate is defined taking into account not exceeding the growth expectations of the country of operation and business segment and the average growth of the flows of the last years of the explicit period.

Input data for the estimation of fair value is classified as Level 3 input data within the fair value hierarchy. The growth rate in perpetuity and the discount rate used by the Group in this determination are presented below:

	Cement	Energy	Concessions
2020			
Growth rate in perpetuity	2.3%	3.0%	NA
Discount rate	7.8% - 10.6%	8.4%	7.8% - 13.2%
2019			
Growth rate in perpetuity	2.0%	2.0%	NA
Discount rate	7.8% - 10.2%	8.3%	7.6% - 14.0%

NOTE 15: **INTANGIBLES, NET**

The balance of intangible assets, net at 31 December, comprises

	2020	2019
Concessions and rights (1)	3,909,853	4,266,649
Brands, customer lists and related	393,239	432,781
Patents, licenses and software	104,028	135,421
Intangible assets in progress (2)	81,701	64,560
Others	85,753	75,036
Total intangible assets other than capital gains, net	**4,574,574**	**4,974,447**

(1) Concessions and rights include those recognized based on the provisions of IFRIC 12 Concession Agreements, since the remuneration is not guaranteed for a net amount of $3,552,374 (2019 $3,866,055). At 31 December 2020, the net value of these concessions corresponds to: the El Dorado International Airport for $1,868,195 (2019 $2,169,416), the Túnel Aburrá Oriente acquired during 2019 for $1. 266,636 (2019 $1,291,080), the Guanacaste Wind Farm for $149,082 (2019 $165,279), the Los Llanos Road Concession at $208,624 (2019 $181,573) and the power plant concession in Panama at $59,837 (2019 $58,707).

(2) At 31 December 2020, intangible assets under construction include capitalization of borrowing costs of $11,684 (2019 $11,002). The average rate used to determine the amount of borrowing costs was 6.61% (2019 6.63%), which corresponds to the average effective interest rate of generic loans.

Following is a detail of changes of intangible assets during the reporting periods:

Historical cost	Concessions and rights	Brands, customer lists and related	Patents, licenses and software	Intangible assets in progress	Others	Total
1 January 2020	**5,863,771**	**1,080,085**	**375,236**	**64,560**	**82,162**	**7,465,814**
Additions, other than internally generated assets(1)	35,947	-	8,707	21,382	-	66,036
Internally generated assets	-	-	319	-	-	319
Acquisitions through business combinations	-	-	-	-	-	-
Assets classified as held for sale	(28,411)	(11,962)	-	-	-	(40,373)

Effect by conversion	29,857	67,577	1,648	-	-	99,082
Sales and withdrawals	-	(7,112)	(6,898)	-	(4)	(14,014)
Transfers	(7,882)	-	13,840	(3,257)	17,828	20,529
Other changes	-	-	3,157	(984)	-	2,173
Historical cost	**5,893,282**	**1,128,588**	**396,009**	**81,701**	**99,986**	**7,599,566**
Amortization and impairment						
1 January 2020	**1,597,122**	**647,304**	**239,815**	**-**	**7,126**	**2,491,367**
Amortization (3)	409,471	73,822	52,219	-	7,121	542,633
Acquisitions through business combinations	-	-	-	-	-	-
Assets classified as held for sale	(28,411)	(11,962)	-	-	-	(40,373)
Effect by conversion	12,585	33,297	1,228	-	-	47,110
Sales and withdrawals	-	(7,112)	(2,061)	-	-	(9,173)
Impairment losses	-	-	-	-	-	-
Loss of control of a subsidiary or business	-	-	-	-	-	-
Transfers	(8,166)	-	496	-	-	(7,670)
Other changes	828	-	284	-	(14)	1,098
Amortization and impairment	**1,983,429**	**735,349**	**291,981**	**-**	**14,233**	**3,024,992**
Intangible assets, net	**3,909,853**	**393,239**	**104,028**	**81,701**	**85,753**	**4,574,574**

Historical cost	Concessions and rights	Brands, customer lists and related	Patents, licenses and software	Intangible assets in progress	Others	Total
1 January 2019	**4,325,483**	**1,078,387**	**362,691**	**59,842**	**22,878**	**5,849,281**
Additions, other than internally generated assets (1)	102,091	-	40,402	27,570	52,043	222,106
Acquisitions through business combinations (2)	1,430,806	-	119	-	-	1,430,925
Effect by conversion	4,748	2,270	382	6	-	7,406
Sales and withdrawals	-	-	(31,463)	-	(8,000)	(39,463)
Loss of control of a subsidiary or business	-	-	(91)	-	-	(91)
Transfers	815	-	3,732	(22,785)	15,241	(2,997)
Other changes	(172)	(572)	(536)	(73)		(1,353)
Historical cost	**5,863,771**	**1,080,085**	**375,236**	**64,560**	**82,162**	**7,465,814**
Amortization and impairment						
1 January 2019	**1,099,059**	**570,197**	**220,848**	**-**	**328**	**1,890,432**
Amortization	341,202	46,632	50,256	-	24,511	462,601
Acquisitions through business combinations (2)	135,171	-	116	-	-	135,287
Effect by conversion	1,916	(1,138)	309	-	3,308	4,395
Sales and withdrawals	-	-	(31,321)	-	-	(31,321)
Impairment losses	22,711	7,641	-	-	-	30,352
Loss of control of a subsidiary or business	-	-	(53)	-	-	(53)
Transfers	(2,946)	23,972	-	-	(21,026)	-
Other changes	9	-	(340)	-	5	(326)
Amortization and impairment	**1,597,122**	**647,304**	**239,815**	**-**	**7,126**	**2,491,367**
Intangible assets, net	**4,266,649**	**432,781**	**135,421**	**64,560**	**75,036**	**4,974,447**

(1) The additions of intangible assets of the Group correspond mainly to the capitalization of costs of the Los Llanos Road Concession for $27,092 (2019 $22,457), capitalization of works of the intangible asset of the El Dorado International Airport of Bogotá for $6,572 (2019 $73,730), exploitation right on mining title $2. 283 (2019 $0), licenses and software mainly from the Sphere Commercial Information System implementation project for the Energy segment for $0 (2019 $38,927), easements for $0 (2019 $32,262), engineering studies for electric power projects for $0 (2019 $19,777), and acquisition of stators, wind generators and other assets for the Guanacaste Wind Plant capitalized in the concession for $0 (2019 $5,904).

(2) On 16 December 2019 Odinsa S.A., a subsidiary of Grupo Argos, acquired 52.62% of the political rights and 39.46% of the economic rights of Concesion Túnel Aburrá Oriente obtaining control over this company (Note 42 Business Combinations). In May 2020, the conditions precedent necessary for the acquisition of an additional 3.03% were met,

thus reaching a 42.49% participation in the economic rights of the company. The voting rights associated with the 3.03% acquired are included in the 52.62% acquisition made in December 2019 (Note 19 Subsidiaries).

(3) Due to the impacts caused by the COVID-19 situation and considering that the concession of El Dorado International Airport has a maximum term of exploitation contractually established with the State, the amortization method used for the calculation of the estimated amortization expense of the intangible asset generated in the acquisition of control of Opain S.A. by Grupo Argos was reviewed. It was established that the straight-line amortization method is the one that best reflects for the Holding Company the expected consumption of the asset given its condition of investor. Therefore, and according to the evaluation of the consumption pattern of the asset, the passenger method was modified to a straight-line method to continue prospectively with the amortization of the intangible asset. The amount recognized as of December 2020 for the amortization of this intangible asset amounted to $307,792, if it had been recognized under a method based on the number of passengers it would have been $148,119. It is estimated that the annual amortization expense as of 2021 under the straight line model would be approximately $307,851.

The subsidiary Concesión Túnel Aburra Oriente S.A had as amortization method of the intangible asset associated to this concession the straight-line method at the time of the takeover by Odinsa S.A. on 30 November 2019. For 2020, being within the review period of the purchase price allocation, the amortization method was revised considering that the most reliable measurement for the amortization of the intangible asset is under the consumption pattern supported by the traffic demand that uses the project's infrastructure. The amount recognized as of December 2020 for amortization of this intangible asset amounted to $23,614, if the entity had continued with the straight-line methodology the amortization would amount to $64,451. It is estimated that the amortization expense for 2021 under the traffic model would be approximately $20,724.

Disbursements for research and development projects recognized as expenses in the consolidated statement of income during the twelve-month period ended December 2020 amounted to $0 (2019 $4,226).

As of 31 December 2020 and 2019, there are no restrictions on the realization of intangible assets and no contractual obligations to acquire or develop intangible assets. For the concessions there is an obligation to perform maintenance of the developed works and continue their operation.

The value and remaining amortization period of net intangible assets, other than goodwill, are as follows:

Intangible	Remaining amortization period in years	2020	2019
Concessions and rights	3 to 38	3,909,853	4,266,649
Customer lists	1-11	376,930	417,684
Licenses, patents and software	1-5	104,028	135,421
Intangible assets in progress	Indeterminate	81,701	64,560
Brands	10	16,309	15,097
Other intangible assets	As agreed	85,753	75,036
Total intangible assets other than goodwill, net		**4,574,574**	**4,974,447**

Impairment of intangible assets

Due to the current conditions of the airport industry as a result of the COVID-19 contingency, where passenger traffic expectations have been significantly impacted, the Group tested the intangible assets associated with the concession of El Dorado International Airport and the excess value paid at the time of its acquisition for impairment, which did not result in impairment in the consolidated statement of income as of 31 December 2020.

As a result of the different measures taken by the National Government within the framework of the sanitary emergency, Opain S.A. has been working with the National Infrastructure Agency ANI seeking different contractual modifications. Among the most relevant contractual modifications is the addendum 34, signed on 31 December 2020, through which the payment of the consideration for the first half of 2020 is deferred to the first half of 2022 at the latest, thus generating less pressure on the Company's cash Flow.

On the other hand, on 29 May 2020, a negotiation table was set up between ANI and the concessionaires, with the moderation of the Colombian Chamber of Infrastructure CCI, to address the effects generated to these Concession

Contracts, such as the reduction of regulated and non-regulated revenue, the continuity in the execution of the cost and fixed expenses of the operation, maintenance and financing of the airports and other significant investments for the compliance of the contractual obligations.

Consequently, a Memorandum of Understanding MOU was drafted with ANI and the airport concessionaires, with the support of the National Agency of Legal Defense of the State, the Comptroller General of the Republic, the Attorney General's Office and the Transparency Secretariat of the Presidency of the Republic, which was signed on 15 February 2021, in accordance with the agreements reached at the work tables during the year 2020.

Through this agreement, it was sought to reestablish the economic balance of airport management Concession Contracts, recognizing the impact on regulated and non-regulated revenue due to the restrictions made to commercial operations between 23 March and 1 September 2020. In this measure, the compensation focused on recognizing both the revenue foregone during the period of operational restrictions (difference between revenue caused during 2020 versus revenue caused during 2019), as well as the expenses associated with operating, maintaining and managing the airports.

Based on the above, the parties shall subscribe through an Addendum to the Concession Contract an extension term using the formula that duly reflects it and recognizing the WACC (Weighted Average Cost of Capital) in accordance with the methodology applied by the Ministry of Finance and Public Credit.

The recoverable value of the Cash Generating Unit - CGU, which corresponds to the fair value less the costs of disposal of Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. calculated under the discounted dividend flow methodology amounted to $261,600, resulting in an excess over its carrying amount of $17,814. The projections consider the best forecast as of 31 December 2020 of the evolution in passenger traffic, prepared under the assumption of a recovery of the 2019 passenger volumes in an approximate three-year horizon, and the estimate of the extension of the concession term with a calculation methodology estimated considering the general aspects of the previously mentioned MOU. The average discount rate used for the calculation of the recoverable value was 12.9%.

The inputs to the fair value estimate are classified as Level 3 inputs within the Fair Value Hierarchy. A reasonably possible change in one of the following key assumptions could cause the carrying amount of the Cash Generating Unit - CGU to exceed its recoverable amount, namely:

	Value of the key assumption for the determination of recoverable amount	Value of the key assumption for matching the recoverable amount with the carrying amount of the CGU (*)
Average annual percentage of expected devaluation	0.7%	-0.9%
Average annual average passenger growth	20.5%	20.4%

Another key assumption for determining the recoverable value of Opain S.A.'s CGU corresponds to the estimate of the extension of the concession term considered in the aforementioned MOU, given that the methodology for the determination of its calculation will be agreed during the year 2021. According to the sensitivity analysis, a decrease of approximately 6% in the extension of the concession term would cause the recoverable value of the CGU to be equal to its book value.

(*) corresponds to the amount by which the value assigned to each of the key assumptions must change, maintaining other key assumptions at the values used for the impairment test as of 31 December 2020, in order to equal the recoverable value with the book value of the Opain Cash Generating Unit – CGU.

NOTE 16: **PROPERTY, PLANT AND EQUIPMENT, NET**

16.1 Composition and changes of property, plant and equipment

The balance of property, plant and equipment, net as of 31 December, comprises:

	2020	2019
Land	1,644,258	1,619,092
Construction in progress, equipment in assembly and transit	1,740,313	1,724,853
Constructions and buildings for administrative use	39,438	38,815
Constructions and buildings	1,560,489	1,447,756
Machinery and production equipment	4,906,206	5,146,562
Furniture, office, computer and communication equipment	178,285	146,137
Mines, quarries and ore deposits	2,139,645	2,055,591
Ground transportation equipment	627,802	460,647
River fleet	34,864	1,776
Aqueduct, plants, networks and communication routes	6,786,851	6,439,067
Other assets	2	3
Prepayments	1,810	2,341
Total property, plant and equipment, net	**19,659,963**	**19,082,640**

	Land	Construction in progress, equipment in assembly and transit (1)	Constructions and buildings for administrative use	Constructions and buildings	Machinery and production equipment	Furniture, office, computer and communication equipment	Mines, quarries and ore deposits	Ground transportation equipment	River fleet	Aqueduct, plants, networks and communication routes	Other assets	Pre-payments	Total
1 January 2020	**1,619,154**	**1,724,853**	**64,370**	**2,260,782**	**7,881,383**	**415,229**	**2,228,153**	**1,092,514**	**3,305**	**9,617,952**	**12**	**2,341**	**26,910,048**
Additions	950	1,120,096	-	10,043	14,556	3,767	4,313	127,715	-	16,997	-	2,767	1,301,204
Transfers from (to):													
Held for sale	(2,002)	(10,371)	-	10,147	(350)	69	-	(102)	-	(222,346)	-	-	(224,955)
Other accounts	3,906	(1,106,752)	974	178,260	(22,021)	77,721	26,509	119,875	45,705	679,257	-	(3,377)	57
Investment property	(226)	-	-	-	-	-	-	-	-	-	-	-	(226)
Effect by conversion	27,816	13,855	2,188	62,147	274,808	10,682	99,595	38,094	(3,152)	175,660	-	79	701,772
Sales and withdrawals	(4,206)	-	-	(28,612)	(149,717)	(7,063)	(17,477)	(89,814)	(355)	(51,042)	-	-	(348,286)
Adjustment for revaluation	-	-	194	-	-	-	-	-	-	-	-	-	194
Other changes	-	(1,368)	-	8,675	(7,820)	-	(6,520)	207	-	(1,060)	-	-	(7,886)
Historical cost	**1,645,392**	**1,740,313**	**67,726**	**2,501,442**	**7,990,839**	**500,405**	**2,334,573**	**1,288,489**	**45,503**	**10,215,418**	**12**	**1,810**	**28,331,922**
1 January 2020	**62**	**0**	**25,555**	**813,026**	**2,734,821**	**269,092**	**172,562**	**631,867**	**1,529**	**3,178,885**	**9**	**0**	**7,827,408**
Depreciation of the period	-	-	1,239	87,107	412,594	45,160	34,905	73,226	1,306	266,861	1	-	922,399
Transfers from (to):													
Held for sale	-	-	-	-	25	-	-	(102)	-	(134,156)	-	-	(134,233)
Other accounts	-	-	371	33,200	(59,259)	5,078	700	15,992	8,541	13,940	-	-	18,563
Effect by conversion	3	-	1,074	27,188	80,651	7,403	2,366	23,480	(672)	107,553	-	-	249,046
Sales and withdrawals	-	-	-	(19,392)	(84,851)	(4,341)	(13,218)	(84,166)	(65)	(5,552)	-	-	(211,585)
Impairment losses	1,069	-	-	-	160	-	-	-	-	1,120	-	-	2,349
Other changes	-	-	49	(176)	492	(272)	(2,387)	390	-	(84)	-	-	(1,988)
Depreciation and impairment	**1,134**	**0**	**28,288**	**940,953**	**3,084,633**	**322,120**	**194,928**	**660,687**	**10,639**	**3,428,567**	**10**	**0**	**8,671,959**
Total Property, Plant and Equipment at 31 December 2020	**1,644,258**	**1,740,313**	**39,438**	**1,560,489**	**4,906,206**	**178,285**	**2,139,645**	**627,802**	**34,864**	**6,786,851**	**2**	**1,810**	**19,659,963**

(1) Includes the assets of the project called "Helios" in Cementos Argos S.A. for $568,223 (2019 584,826), for the construction and upgrade of one of the cement plants of the current integrated network in Colombia. As of 31 December 2020, the project is temporarily halted, and its estimated start of operation is under analysis given the macroeconomic situation.

	Land	Construction in progress, equipment in assembly and transit	Constructions and buildings for administrative use	Constructions and buildings	Machinery and production equipment	Furniture, office, computer and communication equipment	Mines, quarries and ore deposits	Ground transportation equipment	River fleet	Aqueduct, plants, networks and communication routes	Other assets	Pre-payments	Total
1 January 2019	**1,642,648**	**1,943,978**	**67,583**	**2,488,036**	**7,565,767**	**385,685**	**2,195,164**	**1,122,852**	**3,235**	**9,405,128**	**12**	**30,077**	**26,850,165**
Additions	190	1,264,202	351	3,196	91,693	4,797	11,463	6,234	70	14,152	-	7,287	1,403,635
Transfers from (to):													
Held for sale	-	-	-	-	411	-	-	-	-	-	-	-	411
Other accounts (1)	15,787	(1,467,740)	(2,860)	(50,394)	353,319	43,219	4,423	137,548	-	681,856	-	(35,058)	(319,900)
Investment property	(6,249)	-	-	115	-	-	-	-	-	-	-	-	(6,134)
Effect by conversion	5,496	(124)	37	9,271	26,367	473	17,103	7,082	-	30,953	-	35	96,693
Sales and withdrawals	(17,771)	(371)	-	(34,455)	(50,694)	(19,953)	-	(96,974)	-	(67,231)	-	-	(287,449)
Business combinations	41,661	19,003	-	12,985	4,277	6,987	-	115	-	1,579,261	-	-	1,664,289
Loss of control of a subsidiary or business (2)	(62,608)	(38,296)	-	(168,350)	(103,699)	(6,027)	-	(85,279)	-	(2,028,647)	-	-	(2,492,906)
Adjustment for revaluation	-	-	(741)	-	-	-	-	-	-	-	-	-	(741)
Other changes	-	4,201	-	378	(6,058)	48	-	936	-	2,480	-	-	1,985
Historical cost	**1,619,154**	**1,724,853**	**64,370**	**2,260,782**	**7,881,383**	**415,229**	**2,228,153**	**1,092,514**	**3,305**	**9,617,952**	**12**	**2,341**	**26,910,048**
1 January 2019	**968**	**-**	**24,218**	**792,589**	**2,448,902**	**242,955**	**141,813**	**700,606**	**1,268**	**3,164,403**	**6**	**-**	**7,517,728**
Depreciation of the period	-	-	1,120	100,037	403,151	46,878	35,745	79,374	261	322,667	3	-	989,236
Transfers from (to):													
Other accounts (1)	-	-	57	(14,939)	(39,533)	(413)	17	(4,153)	-	-	-	-	(58,964)
Effect by conversion	7	-	155	2,611	2,798	67	353	4,292	-	17,390	-	-	27,673
Sales and withdrawals	(913)	-	-	(17,113)	(35,446)	(18,740)	-	(89,861)	-	(45,319)	-	-	(207,392)
Business combinations	-	-	-	-	49	406	-	115	-	-	-	-	570
Impairment losses	-	-	-	-	-	-	-	2,325	-	53,329	-	-	55,654
Loss of control of a subsidiary or business (2)	-	-	-	(50,063)	(45,340)	(1,593)	-	(60,367)	-	(333,559)	-	-	(490,922)
Other changes	-	-	5	(96)	240	(468)	(5,366)	(464)	-	(26)	-	-	(6,175)
Depreciation and impairment	**62**	**-**	**25,555**	**813,026**	**2,734,821**	**269,092**	**172,562**	**631,867**	**1,529**	**3,178,885**	**9**	**-**	**7,827,408**
Total Property, Plant and Equipment at 31 December 2019	**1,619,092**	**1,724,853**	**38,815**	**1,447,756**	**5,146,562**	**146,137**	**2,055,591**	**460,647**	**1,776**	**6,439,067**	**3**	**2,341**	**19,082,640**

(1) Corresponds mainly to transfers made from property, plant and equipment to right-of-use assets due to the implementation of the International Financial Reporting Standard - IFRS 16 - Leases.

(2) Corresponds to the sale of assets of the transmission and distribution business held in the departments of Tolima, Atlántico, Montería, Guajira and Valledupar of Plan 5 Caribe for $1,011,768, the sale of the assets of Zona Franca Celsia S.A. E.S.P. for $898,101 and the sale of 28 ready-mix concrete production plants and other assets Argos USA LLC, a subsidiary of Cementos Argos S.A.

16.1.1 Property, plant and equipment acquisition transactions

At 31 December 2020, the Group reflects relevant movements of acquisitions of property, plant and equipment mainly in construction in progress assets. The most representative of these are detailed below:

- Transmission and distribution projects linked to expansion and extension of assets in solar roofs and electrical assets in the departments of Valle and Tolima for $434,802, additional investments in transmission and distribution network replacements in Tolima and Valle for $114,811.

- Generation projects for $150,863, highlighting mainly the investment in the San Andres hydroelectric project, which is already in operation, in hydraulic dredging in the lower Anchicayá reservoir, Gran Manzana thermal district, Entrepalmas cogeneration, execution in the Parque Camelia and Acacias II wind projects and in the Tesorito hydroelectric Project.

- In other projects, investments for $42,649 were made in business expansion and technological infrastructure of the companies, $12,162 in Internet to expand capacity for new customers, and in innovation strategies, projects for $3,943 were executed.

- In Central America, investments were made in solar farms, generation and innovation projects for $51,532 and investments in aqueducts, plants and networks for $16,898, corresponding to Cativa assets that were in Alternegy.

- In Celsia Colombia, investments were made in machinery and equipment for $163 for the increase of equipment available for the development of projects, in communication equipment for $225, as well as the purchase of 11 electric vehicles for $407 required for the commercial operation in the development of the electric mobility initiative and the purchase of electric buses in the company Celsia Move for $125,606.

- Other acquisitions of property, plant and equipment correspond to the normal course of business of Cementos Argos and its subsidiaries for $329,189 and other additions of the Group companies for $18,305.

At 31 December 2019, the Group reflects relevant changes in property, plant and equipment acquisitions mainly in construction in progress and production machinery and equipment. The most representative of these are detailed below:

- Transmission and distribution projects related to network expansion and replacement for $390,491, mainly to medium and low voltage networks for $117,043, solar projects for $84,067, distribution networks in Tolima for $82,572 and high voltage lines for $63,054.

- Generation of projects for $164,873, mainly for the investment in the San Andres projects for $106,865, change of valves and replacement of equipment in the Alto Anchicayá Plant for $23,448 and replacement of equipment in the Salvajina Plant for $9,097.

- Innovation project for $22,379, mainly in the project to purchase 26 electric buses in joint operation with the Blanco y Negro operator for $19,663, and the data science project for $1,698.

- Investments in machinery and equipment of $53,489, of which $53,388 correspond to additions in Celsia Colombia S.A. E.S.P. for equipment mainly for the distribution operation.

- Acquisitions of subsidiaries of Celsia S.A. in Central America of aqueducts, plants and networks for $14,114.

- Other acquisitions of property, plant and equipment correspond mainly to the normal course of business of Cementos Argos S.A. and its subsidiaries for $573,025 and other additions of Group companies for $185,264.

Likewise, in May 2019 Grupo Argos S.A. subsidiary, Celsia S.A., through its subsidiary Celsia Colombia S.A. E.S.P., acquired the distribution assets and the electric power marketing business in Tolima, which involved the acquisition of property, plant and equipment for $1,663,424 (Note 42 Business combinations).

16.1.2 Loss of control transactions of a subsidiary or assets constituting a business

As of 31 December 2020, there were no sale transactions of property, plant and equipment that at the individual agreement or transaction level are considered relevant.

During 2019, the following relevant property, plant and equipment sales transactions were performed:

Zona Franca Celsia S.A. E.S.P:

Grupo Argos S.A., through its subsidiary Celsia S.A. sold the assets of the company Zona Franca Celsia S.A. E.S.P. to Prime Colombia S.A.S. on 19 September 2019 for a net value of $898,101.

Additionally, the assets owned by Celsia S.A. were sold to Prime Colombia S.A.S. (formerly Celsia S.A. E.S.P.). related to the water intake and 45 houses located in Barranquilla, for a net value of $24,167.

Sale of assets from the transmission and distribution business:

In December 2019, the sale of property, plant and equipment of the energy transmission and distribution business, owned in the departments of Tolima, Atlántico, Montería, Guajira and Valledupar, was made to the company Caoba Inversiones S.A.S. for a net value of $1,011,768, which corresponds to the substations developed in the Caribbean Plan 5 and in Tolima, voltage levels 3 and 4.

Sale of concrete plants in Arkansas, Virginia, South Carolina and Georgia:

In December 2019, Argos USA LLC, a subsidiary of Cementos Argos S.A., sold 28 ready-mix concrete production plants and a retail location including equipment, buildings, land and inventory, located in Arkansas, Virginia, South Carolina and Georgia to Smyrna Ready Mix Concrete LLC. for USD95 million. The sale price of the assets, less their carrying amounts, generated a book income on disposal of the assets of $76,603 (USD 23.33 million) (Note 37 Other income (expenses), net), recognized in the consolidated statement of income; an increase in current tax of $27,742 (USD 8.4 million) and deferred tax of $13,380 (USD 4.07 million), recognized in the consolidated statement of income. The disposed plants were part of several asset acquisitions, including the acquisition of RMCC assets, Lafarge, and of Vulcan Material Company in 2006, 2011 and 2014, respectively. The disposed assets meet the definition of a business as set out in IFRS 3 Business Combinations. The net book value of property, plant and equipment sold was $92,114 ($0).

16.2 Fair value of land and buildings for administrative use

To determine the fair value of land and buildings for administrative use, independent firms with extensive experience and recognition in the market were hired. To estimate these fair values, these firms used the appropriate valuation techniques, following the guidelines of IFRS 13 Fair Value Measurement, and the International Valuation Standards (IVS), being the most used for this case the market comparison approach.

Input data for the estimation of fair value is classified as Level 2 input data within the fair value hierarchy, a hierarchy that also corresponds to complete estimation, since it corresponds to bid prices, valuations or similar property transactions that are observable, either directly or indirectly, in the market, and which have been adjusted or homogenized by factors such as location, marketing, finishing, among others.

The Group must carry out technical valuations at most every four years to ensure that the revalued value of land and buildings for administrative use is updated. The last update was made in December 2017.

The carrying amount of land and buildings for administrative use that would have been recognized if it had been accounted for under the cost model would have been $26,128 (2019 $25,940).

16.3 Capitalization of borrowing costs

During 2020, borrowing costs capitalized to property, plant and equipment amount to $11,887 (2019 $20,893). The average rate used to determine the amount of borrowing costs was 5.33% (2019 7.01%), which corresponds to the average effective interest rate of generic loans.

16.4 Collateral and contractual commitments for property, plant and equipment

As of 31 December, property, plant and equipment have been affected as security for the performance of obligations for $1,607 (2019 $226).

The Group does not have contractual commitments for the acquisition of property, plant and equipment; additionally, no compensation was obtained from third parties for property, plant and equipment that is impaired in value, lost or abandoned. The Group has adequate insurance policies to protect its productive assets, covering mainly material damages caused by fire, earthquake, weak current, natural disasters, terrorism and other risks.

16.5 Changes in estimates of property, plant and equipment

The Group has not had any changes in accounting estimates that have a significant effect on the period affecting residual values, lifespans and depreciation methods.

16.6 Impairment of other assets

At the end of the reporting period, the Group assesses the existence of impairment indicators of non-current assets, based on available external and internal information. The Group reviews the book value of non-current assets for impairment whenever events or circumstances indicate the book value may not be recoverable. If the total discounted future cash flows are less than the book value, the carrying amount of the non-current asset is not recoverable and an impairment loss is recognized in the consolidated statement of income. After the assessment performed, the following assets were found to be impaired:

- In 2020 Argos Dominicana S.A., a subsidiary of the Group, evaluated indicators of impairment of assets and identified no possibility of recovery of its carrying amount on two HFO fuel generating units with a combined capacity of 6.8 MW with engines manufactured by ALLEN and ABB generators, which were inactive. After identifying indications of impairment on these assets, the recoverable value was measured using the Level 2 Fair Value hierarchy, making an estimate at market value, which was compared with the carrying amount, and it was found that the net carrying amount exceeded the recoverable value. Therefore, an impairment loss of $1,120 was recorded in the consolidated financial statements. This loss was allocated in the property, plant and equipment line.

  Likewise, in the other Group companies there are minor impairment losses of property, plant and equipment for $1,229.

- In Central America, the energy sales contract of the BLM thermal plant with a capacity of 120 MW expired in December 2018. Due to regulatory limitations, it has not been possible for a new energy and power auction to take place, despite the fact that the market context requires it. Although the Panamanian State, which owns 49% of the plant, approved a capitalization, Celsia S.A., a subsidiary of Grupo Argos S.A., recognized in 2019 in view of the operational and financial reality of the plant, the impairment of the property, plant and equipment associated with this investment for $53,329.

- In 2019, Argos USA LLC, a subsidiary of Cementos Argos S.A., recognized an impairment of 64 inactive mixer trucks where their book value was higher than their estimated recoverable amount. It was determined that the fair value, less the cost of disposal, was lower. Therefore, the Group reduced the value of these mixers to zero by recording an impairment loss of $2,325 in the consolidated financial statements. This loss was allocated in full to the property, plant and equipment item.

NOTE 17: **INVESTMENT PROPERTY**

The balance of investment property at 31 December comprises:

	2020	2019
Land	2,271,444	2,306,545
Constructions and buildings	9,371	10,671
Total	**2,280,815**	**2,317,216**

Following are the changes in investment property during the period:

	2020	2019
Investment property as of 1 January	**2,317,216**	**2,298,386**
Additions (1)	2,136	15,739
Gain from fair value measurement (2)	67,276	68,938
Translation effect	2,873	529
Transfers from investment property (3)	(67,644)	(30,457)
Provisions	(688)	(6,330)
Assets classified as held for sale (4)	(40,354)	(29,238)
Other changes	-	(351)
Investment property as of 31 December	**2,280,815**	**2,317,216**

(1) For the year 2019, corresponds to capitalized disbursements for the adaptation of the Pavas Molina land in Barranquilla and adaptations to the Barú land.

(2) At 31 December 2020 and 2019, the fair value of all investment properties was adjusted, among the main properties appraised in 2020 are Pajonal, Pavas Molina, Insignares, Parcela el Genovés and Barú, and in 2019 are La Gabriela, Pavas Molina, Barú and Pajonal (Note 33 Revenue).

(3) At 31 December 2020, transfers were made from investment property to inventories of the Pajonal land for $68,018. Also, other transfers were made to investment properties for $374.

At 31 December 2019, transfers from investment property to inventories of the Pavas Molina and Pajonal lands were made for $42,251. Also, transfers from property, plant and equipment to investment property were made for $6,134 mainly for a land located in the municipality of Bello and reclassifications from inventories to investment property were made from works to the Pavas Molina land for $5,660.

(4) During 2020, there were transfers from investment properties to assets classified as held for sale for $40,354, mainly for the La Gabriela Lot for $39,866. During 2019, the Villa Sur Lot was transferred for $29,238 from investment property to assets classified as held for sale.

To determine the fair value of investment property, independent firms with extensive experience and recognition in the market were hired. In order to estimate these fair values, these firms used the appropriate valuation techniques, following the guidelines of IFRS 13 Fair Value Measurement and International Valuation Standards (IVS), in the following manner:

- For property where the regulations allow a constructed product the valuation methodology used is discounted cash flow, a methodology where the value of the property is equivalent to the discounted value of future profits. These profits represent the annual cash flows (positive and negative) over a period of time, plus the net profit derived from the hypothetical sale of the property at the end of the investment period. This methodology requires the application of two rates: a discount rate applicable to future cash flows, which is determined primarily by the risk associated with the income, and a capitalization rate used to obtain the future value of the property based on estimated future market conditions.

- For property where the regulations do not permit a constructed product, the valuation methodology used is the comparative market approach, a methodology based on the substitution principle. The characteristics of identified operations are compared to those of the property under study under conditions of location, size, quality, expenses incurred in the purchase, market conditions on the date of sale, physical characteristics, economic situation of the investor, among others; with the purpose of defining a range of values based on a unit of value to be compared.

- For assets already built, the valuation methodology used is direct capitalization or discounted cash flow. The Direct Capitalization methodology converts the net operating income produced by the property into an indication of value by using an appropriate capitalization rate based on market information and investor expectations.

Input data for the estimation of fair value is classified as Level 2 input data within the fair value hierarchy, which also corresponds to the complete estimation, associated with bid prices, valuations or similar property transactions that are observable, either directly or indirectly, in the market, and which have been adjusted or homogenized by factors such as area, access roads, immediate neighborhood, finishes, improvements, state of conservation, among others.

Rental income from investment property for the period corresponds to $3,293 (2019 $4,494).

Direct expenses related to investment property are $33,416 (2019 $33,684) of which $22.394 (2019 $22.947) relate to property that did not generate lease income.

As of 31 December 2020 and 2019, the Group has no relevant contractual obligations to acquire, construct or develop investment property, nor are there any restrictions on any investment property.

NOTE 18: **INVESTMENTS IN ASSOCIATES AND JOINT VENTURES**

18.1 General information on associates and joint ventures

Company name	Main activity	Country	Interests (*)		Investment classification	Book Value	
			December 2020	December 2019		December 2020	December 2019
Grupo de Inversiones Suramericana S.A.	Financial	Colombia	33.67%	33.67%	Associate	6,792,397	6,692,365
Fondo de Capital Privado Pactia Inmobiliario	Real estate management	Colombia	37.18%	37.20%	Associate	879,792	870,133
Quiport Corporation S.A.	Airport concession	Ecuador	46.50%	46.50%	Joint venture	524,244	559,968
Concesión La Pintada S.A.S.	Road concession	Colombia	78.85%	78.85%	Associate	522,506	430,839
Caoba Inversiones S.A.S.	Commercial	Colombia	51.00%	51.00%	Joint venture	145,372	168,604
Quito Airport Management (Quiama) LTD	Airport concession operator	British Virgin Islands	50.00%	50.00%	Joint venture	62,746	64,507
P.A. Hotel Calablanca Barú Trust	Real estate management	Colombia	77.81%	0.00%	Joint venture	22,470	-
Farallones Consortium	Construction	Colombia	50.00%	50.00%	Joint venture	21,782	48,906
Trans Atlantic Shipmanagement Ltd.	Sea freight transportation	British Virgin Islands	50.00%	50.00%	Joint venture	18,156	18,457
Pactia S.A.S.	Real estate management	Colombia	50.00%	50.00%	Joint venture	6,788	5,172
International Airport Finance S.A.	Financial	Spain	46.50%	46.50%	Joint venture	6,600	3,397
MMC Cement Division C.V.	Cement marketing	Curaçao	50.00%	50.00%	Joint venture	4,948	5,026
CNC del Mar.S.A.S. E.S.P. (1)	Public utilities	Colombia	50.00%	50.00%	Joint venture	4,619	8,435
Autonomous Equity Hacienda Niquía	Real estate management	Colombia	51.00%	51.00%	Associate	3,690	3,309
Imhotep Consortium	Construction	Colombia	50.00%	50.00%	Joint venture	3,549	3,549
Internacional Ejecutiva de Aviación S.A.S.	Executive air transportation	Colombia	33.33%	33.33%	Associate	3,125	8,401
Soluciones de Crédito S.A.S	Lending and microloans	Colombia	48.98%	0.00%	Associate	1,726	-
P.A. Muverang (formerly P.A. Dinamarca) (2)	Commercial	Colombia	33.33%	33.33%	Joint venture	1,716	516
P.A. Contingencias Nuevo Dorado	Contingency management	Colombia	65.00%	0.00%	Joint venture	1,443	-
Consorcio Constructor Nuevo Dorado (in liquidation)	Construction	Colombia	65.00%	65.00%	Joint venture	607	604
Granulados Reciclados de Colombia Greco S.A.S.	Sanitation	Colombia	41.91%	41.91%	Joint venture	507	1,183
Plan Luz Trust	Energy	Colombia	50.00%	50.00%	Joint venture	523	66
Consorcio Mantenimiento Opain (in liquidation)	Maintenance services	Colombia	65.00%	65.00%	Joint venture	71	989
Caltek S.A.S.	Lime operation	Colombia	0.00%	50.00%	Joint venture	-	22,633
Aerotocumen S.A. in liquidation	Construction	Panama	50.00%	50.00%	Joint venture	-	2,032
Promotora de Proyectos S.A.	Financial	Colombia	33.68%	33.68%	Associate	-	224
Other non-significant associates and joint Ventures					Associates and joint ventures	-	53
Total investments in associates and joint ventures						**9.029.377**	**8.919.368**

(*) Of the associates and joint ventures of Grupo Argos S.A., for the associate Grupo de Inversiones Suramericana S.A. the percentage of economic right participation as of December 2020 and 2019 of 27.13% is different from the percentage with voting rights of 33.67%. The foregoing taking into account the issuance of non-voting preferred shares issued by this associate. For other investments in associates, the percentage of ownership indicated is equal to the percentage of economic ownership.

(1) The value of this investment includes a prepayment for future capitalization.

(2) In accordance with the brand definition of the joint venture, as of June 1, 2020, an addendum to the trust agreement is signed to change the name of the autonomous equity from P.A. Denmark to P.A. Muverang.

Associates and joint ventures are accounted for using the equity method in the consolidated financial statements, except for the Fondo de Capital Privado Pactia Inmobiliario which is accounted for at fair value through profit or loss in accordance with the exemption established in paragraph 19 of IAS 28 Investments in Associates and Joint Ventures. The value of the Fondo de Capital Privado Pactia Inmobiliario unit as of December 2020 is $11,708.19 Colombian pesos per unit (2019 $11, 579.65 Colombian pesos per unit).

Of all these investments, the only one that is listed on the stock market is Grupo de Inversiones Suramericana S.A. whose market value at 31 December 2020, for ordinary shares is $25,280 pesos per share (2019 $34,000 pesos per share), this information is for information purposes only since the Suramericana S.A.'s investment is accounted for using the equity method. However, even though the market value of the share is lower than the book value, no impairment is generated because the business fundamentals and the valuation performed do not imply impairment.

18.2 Corporate purpose of principal associates and joint ventures and nature of the relationship

Grupo de Inversiones Suramericana S.A. Grupo Sura S.A.: is a company with strategic investments in the banking, insurance, pension, savings and investment sectors. Its main domicile is in Colombia.

With Grupo de Inversiones Suramericana S.A. significant influence is exercised through participation in the Board of Directors, where the company has two representatives (out of seven in total). This is a relevant investment for Grupo Argos S.A. given its expansion in the region, its leadership in the insurance, pension, banking and investment markets, its financial strength and the demographic evolution in the regions where it is located. It also has a policy of responsibility and corporate citizenship, complying with the highest standards in social, environmental, economic and governance matters.

Fondo de Capital Privado Pactia Inmobiliario: a closed-end private equity fund which is made up of all the resources transferred to the fund by the contributors in kind and in money. The private equity fund is the sole shareholder of Patrimonio Autónomo Pactia - P.A. Pactia.

The fund's main objective is to make long-term strategic investments in assets for economic exploitation and to obtain an attractive return for its investors with a moderate level of risk. Each of the real estate assets in which the fund invests has a defined management, business and brand strategy, whose main focus is the generation of value for the fund.

This private equity fund is the owner of the assets and is managed according to the instructions given by the professional manager in the form of a company called Pactia S.A.S. whose main office is in Colombia.

The fund has a duration of 30 years, which can be extended for an additional 10 years period. The alliance between Grupo Argos S.A., Conconcreto S.A. and Protección S.A. is developed through the delivery of contributions represented by real estate and cash to Fiduciaria Bancolombia S.A., the latter acting as the management company.

Corporación Quiport S.A.: is responsible for acting as the concessionaire to manage and operate the old Quito airport, Mariscal Sucre International Airport, and to develop, build, manage, as well as operate and maintain the New Quito International Airport and the execution of all activities inherent to the concession contract granted by the Airport Corporation and Free Zone of the Quito Metropolitan District. The contract establishes a 35-year concession period, starting on 27 January 2006 and ending in January 2041. This investment was maintained by Odinsa S.A. in an indirect way through the investment vehicle Quiport Holding S.A., until the date in which the capital is redeemed as indicated in the previous paragraph and the investment becomes directly from Odinsa S.A.

18.3 Contributions, contribution refunds and/or changes in the ownership interests in associates and joint ventures

Below are the changes presented for contributions, contributions refunds and/or changes in the ownership interest in associates and joint ventures during 2020:

Concesión La Pintada S.A.S.: as of December 2020, the Group made subordinated debt contributions for $97,932. This contribution did not imply changes in the shareholding of the associate.

Consorcio Farallones: as of December 2020, the Group received a profit distribution for $22,500. This distribution does not generate a change in interest.

Quito Airport Management LTD. (Quiama): as of December 2020, the Group received a profit distribution for $5,730. This distribution does not generate a change in interest.

Pactia S.A.S.: in March 2020, the company declared dividends for $5,195. There are no change in the shareholding.

Fondo de Capital Privado Pactia Inmobiliario: during 2020, the Group received a profit distribution for $2,435. Additionally, the participation decreased from 37.20% to 37.18% due to an increase in units outstanding.

P.A. Muverang (formerly P.A. Dinamarca): as of December 2020, the Group made contributions for $2,013. This contribution did not imply changes in interest in the joint Venture.

Consorcio de Mantenimiento Opain: as of December 2020, the Group received a profit distribution for $462 and restitution of contributions for $188. There are no change in the shareholding.

Below are the changes presented for contributions, contributions refunds and/or changes in the ownership interest in associates and joint ventures during 2019:

Corporación Quiport S.A.: At June 2019, the Board of Directors authorized the corporate restructuring of the Quiport Project. This procedure was legalized with the signing of the capital redemption agreements on 21 October of the same year based on the financial statements of Quiport Holding as of 30 September 2019. This process was due to the corporate optimization that was carried out with the international shareholders who operate this concession, with the objective to directly recognize the permanent investment in the financial statements of Odinsa S.A. of the Ecuadorian company Corporación Quiport S.A. Concessionaire of Mariscal Sucre International Airport in Quito, Ecuador, previously this investment was registered in an indirect way, through other investment vehicles owned by Odinsa S.A.

In addition to the corporate restructuring, in December 2019, the Group through its subsidiary Odinsa S.A. and its partner CCR Grupo from Brazil sold to HASDC the 7% of the share participation of Corporación Quiport S.A. The new shareholder structure of Corporación Quiport S.A. presents to Odinsa S.A. a participation of 46.5%, to CCR Grupo from Brazil of 46.5% and 7% to HASDC from United States.

As of December 2019, with the above-mentioned changes, the company continues to be classified as an investment in a joint venture, considering the bylaws of the company that establish that the decision making about relevant activities is made with the vote of 93% of the shareholders.

At December 2019, the Group received profit distribution for $360,880.

Quiport Holdings S.A: as of December 2019, the Group received a capital refund of $56,743.

Concesión La Pintada S.A.S.: as of December 2019, the Group made contributions of $97,222. This contribution did not imply changes in the associate's interest.

Consorcio Constructor Nuevo Dorado: no change in the shareholding. As of December 2019, the Group received profit sharing of $43,528 and reimbursement of contributions of $4,205.

Quito Airport Management (Quiama) LTD: as of December 2019, the Group received profit sharing of $18,329.

Consorcio Farallones: no change in ownership. As of December 2019, the Group received profit sharing of $10,047.

Pactia S.A.S.: no change in ownership interest. In March 2019, the Group received dividends of $5,186.

Consorcio de Mantenimiento Opain: no change in ownership interest. In December 2019, the Group received profit distribution of $29.

Caltek S.A.S.: as of December 2019, the Group made contributions for $7,500. This contribution did not imply changes in the ownership interests of the joint Venture.

Trans Atlantic Shipmanagement Ltd.: as of December 2019, the Group made contributions for $6,343. This contribution did not imply changes in the ownership interests of the associate.

Granulados Reciclados de Colombia Greco S.A.S.: in December 2019 the Group made contributions for $733. This contribution implied changes in the ownership interests of the joint venture from 40% to 41.91%.

Promotora de Proyectos S.A.: as of December 2019, the Group made contributions for $230. This contribution implied changes in the ownership interests of the associate from 30.73% to 33.68%.

Fondo de Capital Privado Pactia Inmobiliario: during 2019 this investment presented different movements, highlighting the distribution of profits $8,677 and the capitalization made by the company $176,487. Likewise, the Capital Fund received a capitalization from Protección S.A. which, together with the indicated movements, generated ownership interests percentage increase from 32.14% in 2018 to 37.20% in 2019.

18.4 Incorporation, acquisition or divestment of associates and joint ventures

The following incorporations, acquisitions and/or divestments of associates and joint ventures took place during 2020:

Caltek S.A.S.: in December 2020, 50% of the participation that the Group held through its subsidiary Cementos Argos S.A. was sold, represented in 21,857,974 shares. The sale was made to the company Calidra Latam S.A.S., subsidiary of Grupo Calidra S.A. de C.V. The value of the transaction was $4,984 and the carrying amount of the investment was $19,465 (See Note 33 Revenue and Note 34 Cost of ordinary activities, respectively), generating a loss on disposal of investments of $14,481. The consideration will be paid in January 2021 in a single installment.

P.A. Fideicomiso Hotel Calablanca: its main corporate purpose corresponds to the real estate administration for the development of the Hotel Barú Calablanca project. It is constituted with a contribution of the lot Hotel Calablanca Barú for an amount of $40.040 (See Note 9 Inventories).

According to the fiduciary rights subscription promise signed between Grupo Argos S.A., Patrimonio Autónomo Estrategias Inmobiliarias - PEI and Arquitectura y Concreto in December 2018, the Company contributed a lot in Barú for the development of the Hotel Sofitel Calablanca project, which will have a value of $200,200 which will be invested as follow:

- 20% (i.e. $40,040) corresponds to the total value of the land contributed by the Company during 2020.
- 20% (i.e. $40,040) corresponds to contributions from Arquitectura y Concreto as the sole responsible for building and delivering the hotel fully equipped and in operating conditions.
- 60% (i.e. $120,120) will correspond to capital contributions to be made by PEI in compliance with the aforementioned promise and upon compliance with the agreed conditions.

The lot is pledged as collateral for a mortgage for the construction of the hotel.

The development time of the project, as agreed in the rights subscription promise, is 24 months. The opening of the hotel is estimated for the second half of 2021. Currently, Arquitectura y Concreto is developing the works of the Project.

For the operation of the hotel, the parties signed a hotel management contract with a well-known operator for a 30-year term.

P.A. Contingencias Nuevo Dorado.: in March 2020, this company was incorporated with a 65% participation between Grupo Argos S.A. and its subsidiary Odinsa S.A. This investment was classified as a joint venture and the main purpose of the autonomous equity is to carry out reception and administration of the resources to make restitutions in favor of the Trustors and/or payments in favor of third parties according to the contingencies that may arise from Consorcio Constructor Nuevo Dorado.

Soluciones de Crédito S.A.S.: in February 2020, through the subsidiary Cementos Argos S.A., this company was incorporated as an investment in an associate, with a participation of 48.98%, equivalent to 1,920,000 shares, for a total capital contribution of $1,920, which, and by agreement of the partners, 50% was paid in July 2020 according to the commitment acquired for $960. Soluciones de Crédito S.A.S. is a company whose main purpose is to grant consumer loans or microcredits. This company is located in Colombia.

Occidental de Empaques S.A.: during March 2020, Grupo Argos S.A. and its subsidiary Cementos Argos S.A., divested the total interest held in Occidental de Empaques S.A., which corresponded to 49.99%, generating a loss of $6,701. The sale price of $36,575 was received in full in cash in the same period. The transaction was carried out with Smurfit Kappa Centroamérica SLU and was classified as a non-current asset held for sale at the time of divestment (See Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

The following incorporations, acquisitions and/or divestments of associates and joint ventures took place during 2019:

During 2019, the following incorporations, acquisitions and/or divestitures of associates and joint ventures took place:

Caoba Inversiones S.A.S.: Caoba Inversiones S.A.S. was established by private document, through the subsidiary Celsia S.A. which has the commercial representation of the assets with a 51% participation. The purpose of the business is to strengthen the transmission business where Plan5Caribe assets (awarding of 7 projects auctioned by the UPME in the transmission business) and Tolima voltage level 3 and 4 assets are incorporated. This company is located in Colombia.

P.A. Muverang (formerly P.A. Dinamarca): Celsia S.A., a subsidiary of Grupo Argos, Bancolombia and Suramericana, agreed to enter into an agreement in December 2019 through a commercial trust agreement for administration and payments, called P.A. Muverang, with a 33.33% ownership interests by each of the parties. This project corresponds to a mobility project through the initiative called "Mobilidad Empresarial Compartida (Share Corporate Mobility) -MEC- y Eléctrica".

C2 Energía S.A.S: in September 2019 through the subsidiary Celsia S.A.., this company was incorporated with a 50.00% stake classified as a joint venture investment. C2 Energía S.A.S is a company whose purpose is the administration, development and operation of renewable energy generation projects. This company is located in Colombia.

International Airport Finance S.A.: in March 2019 through the subsidiary Odinsa S.A., this company was incorporated with ownership interests of 46.50% classified as a joint venture investment. International Airport Finance S.A., is a vehicle to develop credit activities associated to the airport sector. This company is located in Spain.

During 2019 the company was classified as an investment in an associate. At the end of the reporting period and taking into account the company's bylaws, which establish that decisions on relevant activities are made with the vote of 93% of the shareholders, the classification of the investment as a joint venture was changed. This modification does not generate changes in the recognition and measurement of the investment.

Calamarí LNG S.A. E.S.P: during the month of September 2019, the Group through its subsidiary Celsia S.A. divested its subsidiary Zona Franca Celsia S.A. E.S.P., which included the 50.00% ownership interests in the associate Calamarí LNG S.A. E.S.P. (Note 19 Subsidiaries). The sale was made to Prime Energía Colombia S.A.S. and Prime Colombia Barranquilla S.A.S., subsidiaries of the U.S. company Enfragen. Until August 2019, the Group received profit distribution for $169.

Omya Andina S.A.: during June 2019, the Group, through its subsidiaries Cementos Argos S.A., Concretos Argos S.A.S., C.I del Mar Caribe S.A.S and Sator S.A.S, divested its total ownership interests in Omya Andina S.A., which corresponded to 50.00%, generating a profit of $18,523 and transferring $2,283 from other comprehensive income to retained earnings. The entire sale was received in cash in the same period. The operation is in line with the policy of divestment of non-operating assets of these subsidiaries.

18.5 Summary Financial Information

The summary financial information included in the following tables represents the values presented in the financial statements of the associate or joint venture, prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia, and restated, when appropriate, for the adjustments made by the Group for the application of the equity method, such as: adjustments related to the homologation of accounting policies, write-offs of acquisitions or asset transfers between Group companies up to the percentage of ownership interests in the associates or joint ventures, among others. For the purposes of this disclosure and summary financial information, the presentation of each associate and/or joint venture in accordance with its accounting policies is considered.

2020	Grupo de Inversiones Suramericana S.A. (i)	Fondo de Capital Privado Pactia Inmobiliario (ii)	Corporación Quiport S.A.	Other non-significant associates and joint ventures (ii)
Current assets (1)			235,953	645,276
Non-current assets (1)			2,558,335	5,394,215
Total assets	**70,941,764**	**3,952,373**	**2,794,288**	**6,039,491**
Current liabilities (1)			723,566	769,547
Non-current liabilities (1)			1,340,105	4,169,118
Total liabilities	**42,400,039**	**1,507,558**	**2,063,671**	**4,938,665**
Equity	**28,541,725**	**2,444,815**	**730,617**	**1,100,826**
Revenue	20,837,912	262,247	261,664	1,007,162
Net profit from continuing operations	342,906	(13,489)	(99,861)	59,868
Net profit after discontinued operations	336,237	(13,489)	(99,861)	59,868
Other comprehensive income	481,700	27,672	44,272	(32,670)
Total comprehensive income	817,937	14,183	(55,589)	27,198
Received dividends or distributed profits (2)	98,809	2,435	-	33,887

2019	Grupo de Inversiones Suramericana S.A. (i)	Fondo de Capital Privado Pactia Inmobiliario (ii)	Corporación Quiport S.A.	Other non-significant associates and joint ventures (ii)
Current assets (1)	-	-	373,308	699,244
Non-current assets (1)	-	-	2,469,016	4,850,642
Total assets	**69,037,834**	**3,871,876**	**2,842,324**	**5,549,886**
Current liabilities (1)	-	-	754,258	1,069,029
Non-current liabilities (1)	-	-	1,301,861	3,451,556
Total liabilities	**40,946,832**	**1,435,639**	**2,056,119**	**4,520,585**
Equity	**28,091,002**	**2,436,237**	**786,205**	**1,029,301**
Revenue	21,328,165	269,976	539,475	1,158,966
Net profit from continuing operations	1,606,035	104,433	157,005	122,230
Net profit after discontinued operations	1,718,680	104,433	157,005	122,230
Other comprehensive income	(110,004)	986	(20,584)	(18,264)
Total comprehensive income	1,608,676	105,419	136,421	103,966
Received dividends or distributed profits (2)	85,584	8,677	360,880	77,288

The following is additional financial information on the Group's associates or joint ventures:

2020	Grupo de Inversiones Suramericana S.A. (i)	Fondo de Capital Privado Pactia Inmobiliario (ii)	Corporación Quiport S.A.	Other non-significant associates and joint ventures (ii)
Cash and cash equivalents	3,311,225	157,864	112,419	386,258
Current financial liabilities (1) (3)	-	-	39,605	309,222
Non-current financial liabilities (1) (3)	-	-	1,332,457	3,878,291
Financial liabilities (3)	10,728,550	1,393,150	1,372,062	4,187,513
Depreciation and amortization expense	525,631	419	105,599	80,141
Interest income	785,554	8,054	10,622	193,544
Interest expenses	731,400	99,119	188,392	108,031

Income tax expense	453,537	-	-	48,162

2019	Grupo de Inversiones Suramericana S.A. (i)	Fondo de Capital Privado Pactia Inmobiliario (ii)	Corporación Quiport S.A.	Other non-significant associates and joint ventures (ii)
Cash and cash equivalents	2,346,157	44,271	221,619	264,229
Current financial liabilities (1) (3)	-	-	36,891	199,502
Non-current financial liabilities (1) (3)	-	-	1,265,884	3,264,216
Financial liabilities (3)	9,888,705	1,331,891	1,302,775	3,463,718
Depreciation and amortization expense	503,768	443	112,431	32,637
Interest income	917,669	3,194	20,202	139,333
Interest expenses	716,162	108,514	142,237	64,652
Income tax expense	650,706	-	-	66,831

(i) The comparative financial information of the associates Grupo de Inversiones Suramericana S.A. presented changes in accordance with the latest official financial statements presented by the entity in their statement of financial position, statement of income and statement of other comprehensive income.

(1) (ii) The financial information of other associates and non-significant joint ventures does not include the companies Caltek S.A.S., Occidental de Empaques S.A., Omya Andina S.A. and Calamarí LNG S.A. E.S.P., which were sold in December and March 2020 The associate Grupo de Inversiones Suramericana S.A. and the Private Equity Fund Pactia Inmobiliario, present the statement of financial position by order of liquidity, therefore the detail of current and non-current assets and liabilities and current and non-current financial liabilities is not included.

(2) Corresponds to dividends paid by associates and joint ventures for the twelve-month period ended 31 December 2020 and 2019. Dividends received from other associates and joint ventures correspond to: $22,500 (2019 $10,047) from Consorcio Farallones, $5,730 (2019 $18,329) from Quito Airport Management LTD. (Quiama), $462 (2019 $29) from Consorcio de Mantenimiento Opain, $0 (2019 $43.528) from Consorcio Constructor Nuevo Dorado, $5,195 (2019 $5,186) from Pactia S.A.S and $0 (2019 $169) de Calamari LNG. Additionally, a refund of contributions was received from the Consorcio de Mantenimiento Opain for $188 (2019 $0).

(3) Trade and other payables are excluded for presentation purposes.

The financial liabilities of the associate Fondo de Capital Privado Pactia Inmobiliario include lease liabilities, mostly with financial entities for $966,738 (2019 $957,795).

18.6 Significant restrictions and commitments

No significant restrictions exist on the ability of joint ventures and associated companies to transfer funds by way of dividends, loan repayments, prepayments or otherwise. Also, there are no unrecognized commitments with joint ventures and associates at 31 December 2020 and 2019 that could give rise to future cash or other resource outflows, such as: contributions of funds or resources, loan or financial support commitments, commitments to acquire an interest in the associate or joint venture from another party.

In December 2020, the Group lifted the collateral of 5,200,000 shares that were pledged as collateral for financial liabilities granted by the Group with shares of Inversiones Suramericana S.A. (Note 7.4 Collaterals).

18.7 Analysis of objective evidence of impairment

The Group assesses at least at each annual closing date of the statement of financial position or whenever market or business conditions change significantly, whether there is objective evidence of impairment of assets. If such evidence exists, the Group tests the assets for impairment.

Impairment tests are performed through a combination of different valuation techniques, mainly under the Discounted Free Cash Flow (DFCF) methodology, sum of parts and discounted cash flows to the shareholder to find its value. These valuations take as a reference a baseline of results such as the budget and financial projections approved by the management of each business. Likewise, the discount rate used is the WACC (Weighted Average Cost of Capital) or the Cost of Equity (Ke) of each one.

The following is a description of management's judgments regarding objective evidence of impairment for the Group's most representative investments in associates and joint ventures accounted for using the equity method:

For the associate Grupo de Inversiones Suramericana S.A. the juncture generated by COVID-19 represented, given its concentrated impacts, mainly in the short term, a deviation in some financial and operating indicators, initially considered to assess signs of impairment in each of its subsidiaries. However, thanks to the active and permanent management of the companies, in addition to the adequate implementation of strategies for the continuity of the business, the sustainability of the operations has been guaranteed; which is ratified with the result of the impairment tests performed at the end of 2020, where no impairment on the investment was recorded.

For the joint venture Corporación Quiport S.A., due to the conditions of the airport industry as a result of the COVID-19 contingency, where passenger traffic expectations were impacted. Odinsa S.A., subsidiary of Grupo Argos S.A., performed impairment test on this investment and did not present any impairment. The analysis considered, among others, the evolution of passenger traffic after the reopening of the airport in June (being one of the first international airports to reopen its doors) and the medium and long term operational projections. Although impacts on traffic and commercial revenue are being considered while the situation normalizes, a gradual normalization of traffic and commercial revenue has been observed. It is important to mention that the COVID-19 situation placed the Mariscal Sucre Airport in a favorable situation with respect to its cash position, which has allowed the asset to honor its operating and capital structure commitments without having to resort to capital from its partners or special concessions from its debt holders. As a result, no illiquidity situations are foreseen in the coming years, although impacts on traffic and commercial revenue are being considered while the situation normalizes. Finally, it should be noted that the fact that this is an asset with a still considerable duration (+20 years), this generates flexibility in the management of its capital structure and contractual obligations, since the concession contract allows the execution of investment obligations as certain demand milestones are reached, so that those expansions that were estimated before the pandemic can be postponed until they are required, once new levels of passenger traffic are reached.

Accordingly, investments in associates and joint ventures with significant influence were not impaired as of 31 December 2020, because although the current contingency situation brought challenges in the short term for the operations in financial terms, according to the analysis performed, the ability of the companies to do business and maintain their market share positions in the market in which they operate has not been affected, which will allow them to continue having expectations of growth and profit generation in the long term. However, some non-significant associates and joint ventures of the group displayed impairment due to the impossibility of recovering their investment:

Promotora de Proyectos S.A.: the result of the analysis of the investment indicates the high probability of the funds managed by this company is below expectations, thus generating an impairment of $1,165.

Aerotocumen S.A. in liquidation: this company is in the process of liquidation and due to the low probability of recoverability of its investment, an impairment of $3,188 was recorded.

18.8 reciprocal interests

In the course of their operations, Grupo Sura S.A. and Grupo Nutresa S.A. have equity interests in Grupo Argos S.A. This equity interest is permitted by Colombian law since the shareholders are not subordinate companies of Grupo Argos S.A. Grupo Sura S.A.'s interest in Grupo Argos S.A. as of December 31 is as follows:

	% Voting interest of the investment in Grupo Argos		% Interest with economic right of the investment in Grupo Argos	
	2020	2019	2020	2019
Grupo Sura S.A.	35.53%	35.53%	26.75%	26.75%

Grupo Argos S.A. and its associate Grupo Sura S.A. record their cross-holdings by the equity method, as described in note to the financial statements 2.4.9 investment in associates and joint arrangements. When calculating this method, both the associated company and Grupo Argos S.A. do so simultaneously and without considering the effect of the reciprocal interests, i.e. without affecting the results between them.

Likewise, Grupo Argos S.A. owns 9.8% (2019 9.8%) of the common shares of Grupo Nutresa S.A. and Grupo Nutresa S.A. owns 12.37% (2019 12.37%) of the common shares and 9.31% (2019 9.31%) of the common and preferred shares of Grupo Argos S.A., in both cases these participations are recognized as a financial instrument and measured at fair value with changes in Other Comprehensive Income - OCI, as described in note to the financial statements 2.4.3 Financial assets and presented in Note 11 Other financial assets.

NOTE 19: **SUBSIDIARIES**

19.1 Composition of Grupo Argos

At 31 December Grupo Argos S.A. consolidates the following companies:

				Effective shareholding (*)	
Name of the subsidiary	**Main activity**	**Country**	**Functional currency**	**2020**	**2019**
Fundiciones Colombia S.A. liquidated	Metallurgy	Colombia	Colombian Peso	0.00%	52.48%
Industrias Metalúrgicas Apolo S.A. in Liquidation	Metallurgy	Colombia	Colombian Peso	89.54%	76.62%
Patrimonio Autónomo Ganadería Rio Grande	Livestock Business	Colombia	Colombian Peso	13.39%	13.39%
Sator S.A.S.	Coal mining	Colombia	Colombian Peso	98.75%	98.75%
Servicios Corporativos Integrales S.A.S. - SUMMA S.A.S. (1)	Any lawful activity	Colombia	Colombian Peso	77.70%	77.67%
Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A.	Concessions	Colombia	Colombian Peso	64.96%	64.96%
Cementos Argos S.A. (1)	Cements and related products	Colombia	Colombian Peso	58.07%	57.98%
Agregados Argos S.A.S.	Extraction, production and marketing of aggregates	Colombia	Colombian Peso	0.00%	54.10%
American Cement Terminals LLC. (1)	Investments	United States	American Dollar	58.07%	57.98%
American Cement Terminals Trust (BVI) (1)	Investments	British Virgin Islands	American Dollar	58.07%	57.98%
Argos (Dominica) Ltd. (1)	Cement distribution	Dominica	East Caribbean Dollar	58.07%	57.98%
Argos Dominicana S.A. (1)	Cement production and marketing	Dominican Republic	Dominican Peso	46.80%	46.73%
Argos Guatemala S.A.	Cement production and marketing	Guatemala	Quetzal	58.07%	0.00%
Argos Guyane S.A.S. (1)	Cement production and marketing	French Guiana	Euro	58.07%	57.98%

Argos Honduras S.A. de C.V. (1)	Cement production and marketing	Honduras	Lempira	30.94%	30.90%
Argos North America Corp. (1)	Investments	United States	American Dollar	58.46%	58.37%
Argos Panamá, S.A. (1)	Cement and concrete industry and marketing	Panama	American Dollar	45.55%	45.48%
Argos Ports (Wilmington) LLC. (1)	Distribution and sale of cement	United States	American Dollar	58.07%	57.98%
Argos Puerto Rico Corp. (1)	Distribution and sale of cement	Puerto Rico	American Dollar	34.84%	34.79%
Argos SEM LLC (1)	Investments	United States	American Dollar	58.07%	57.98%
Argos St. Maarten N.V. (1)	Cement distribution	St. Maarten	American Dollar	58.07%	57.98%
Argos Trading Puerto Rico LLC (1)	Export	Puerto Rico	American Dollar	34.84%	34.79%
Argos USA LLC. (1)	Cement and concrete industry	United States	American Dollar	58.46%	58.37%
Argos USVI Corp. (1)	Cement distribution	United States Virgin Islands	American Dollar	58.07%	57.98%
Cementos Argos Company Limited (1)	Cement distribution	Antigua	East Caribbean Dollar	58.07%	57.98%
Cement and Mining Engineering Inc. (1)	Investment	Panama	American Dollar	58.07%	57.98%
Cementos de Caldas S.A. (1)	Cement production	Colombia	Colombian Peso	57.86%	57.77%
CI del Mar Caribe (BVI) Inc. (1)	Marketing	British Virgin Islands	American Dollar	58.08%	57.99%
Cimenterie Nationale S.E.M. (CINA) (1)	Cement industry and marketing	Haiti	Gourde	37.75%	37.69%
Colcaribe Holdings S.A. (1)	Investments	Panama	American Dollar	58.07%	57.98%
Comercial Arvenco C.A. (1)	Marketing	Venezuela	Venezuelan sovereign Bolivar	58.07%	57.98%
Concreto S.A. (1)	Manufacture of ready-mix concrete	Panama	American Dollar	45.55%	45.48%
Concretos Argos S.A.S. (1)	Concrete production and marketing	Colombia	Colombian Peso	58.30%	58.21%
Concretos Argos Dominicanos, S.R.L. (1)	Concrete Industry and Marketing	Dominican Republic	Dominican Peso	46.91%	46.84%
Corporaciones e Inversiones del Mar Caribe S.A.S. (1)	Investments	Colombia	Colombian Peso	58.07%	57.98%
Haití Cement Holding S.A. (1)	Investments	Panama	American Dollar	58.07%	57.98%
Inmuebles Miraflores S.A. (1)	Property management	Panama	American Dollar	58.07%	57.98%

Logística de Transporte S.A. (1)	Transport	Colombia	Peso colombiano	58.07%	57.98%
Southern Star Leasing, LLC (1)	Concret industry	Estados Unidos	Dólar americano	58.46%	58.37%
Supply Link LLC (1)	Product unloading at port	Estados Unidos	Dólar americano	58.46%	58.37%
Surcol Houdstermaatschapij NV (1)	Inversiones	Surinam	Dólar americano	29.04%	28.99%
Terminal Granelera Bahía Las Minas S.A. (1)	Operation of seaports	Panama	American Dollar	45.55%	45.48%
Transatlantic Cement Carriers Inc. (1)	Sea transport	Panama	American Dollar	58.07%	57.98%
Valle Cement Investments Ltd. (1)	Investments	British Virgin Islands	American Dollar	61.50%	61.42%
Venezuela Ports Company S.A. (1)	Investments	Panama	American Dollar	58.07%	57.98%
Vensur N.V. (1)	Cement production and marketing	Suriname	American Dollar	24.45%	24.41%
Wetvan Overseas Ltd. (1)	Investments	British Virgin Islands	American Dollar	0.00%	34.79%
Zona Franca Argos S.A.S. (1)	Cement industry	Colombia	Colombian Peso	58.07%	57.98%
Celsia S.A.	Investments	Colombia	Colombian Peso	52.93%	52.93%
Alternegy S.A.	Energy	Panama	American Dollar	52.93%	52.93%
Bahía Las Minas Corp.	Energy	Panama	American Dollar	27.12%	27.12%
Begonia Power S.A.S. E.S.P.	Energy	Colombia	Colombian Peso	0.00%	34.46%
Bontex S.A.	Energy	Panama	American Dollar	52.93%	52.93%
Celsia Centroamérica S.A.	Services	Panama	American Dollar	52.93%	52.93%
Celsia Colombia Inversiones S.A.S.	Services	Colombia	Colombian Peso	34.46%	34.46%
Celsia Colombia S.A. E.S.P.	Energy	Colombia	Colombian Peso	34.46%	34.46%
Celsia Costa Rica S.A.	Commercial and industrial	Costa Rica	American Dollar	52.93%	52.93%
Celsia Honduras S.A.	Energy	Honduras	American Dollar	31.76%	52.93%
Celsia Move S.A.S.	Transport	Colombia	Colombian Peso	34.46%	34.46%
Celsia Tolima S.A. E.S.P.	Energy	Colombia	Colombian Peso	0.00%	34.43%
Celsolar S.A.	Energy	Panama	American Dollar	52.93%	52.93%
Colener S.A.S.	Energy	Colombia	Colombian Peso	52.93%	52.93%
Compañía de Electricidad de Tuluá S.A. E.S.P. - CETSA	Energy	Colombia	Colombian Peso	33.96%	33.96%
CTC Curazao, S.A. (formerly CTC Curazao B.V.)	Financial	Panama	American Dollar	0.00%	52.93%
Divisa Solar 10MW, S.A.	Energy	Panama	American Dollar	52.93%	52.93%
Enerwinds de Costa Rica S.A.	Energy	Costa Rica	American Dollar	32.34%	32.34%
LandCO La Gloria S.A.	Commercial and industrial	Costa Rica	American Dollar	52.93%	52.93%
Planta Eólica Guanacaste S.A. (PEG)	Energy	Costa Rica	American Dollar	52.93%	52.93%

Porvenir II S.A.S E.S.P. (2)	Energy	Colombia	Colombian Peso	52.93%	52.93%
Termoeléctrica El Tesorito S.A.S. E.S.P.	Energy	Colombia	Colombian Peso	19.82%	19.82%
Vientos de la Gloria S.A.	Energy	Costa Rica	American Dollar	0.00%	34.40%
Vientos de Limonal S.A.	Energy	Costa Rica	American Dollar	0.00%	34.40%
Vientos de Mogote S.A.	Energy	Costa Rica	American Dollar	0.00%	34.40%
Odinsa S.A.	Infrastructure and concession	Colombia	Colombian Peso	99.88%	99.88%
Autopistas de los Llanos S.A. in liquidation	Road concession	Colombia	Colombian Peso	68.38%	68.38%
Autopistas del Café S.A.	Road concession	Colombia	Colombian Peso	59.60%	59.60%
Autopistas del Nordeste Cayman LTD	Investment	Cayman Islands	American Dollar	67.42%	67.42%
Autopistas del Nordeste S.A.	Road concession	Dominican Republic	Dominican Pesos	67.42%	67.42%
Autopistas del Oeste S.A.	Road concession	Dominican Republic	Dominican Pesos	79.82%	79.82%
Boulevard Turístico del Atlántico S.A.	Road concession	Dominican Republic	Dominican Pesos	67.42%	67.42%
Caribbean Infraestructure Company	Road concession	Aruba	American Dollar	99.88%	99.88%
Concesión Túnel Aburrá Oriente S.A.	Road concession	Colombia	Colombian Peso	42.44%	39.41%
Concesión Vial de los Llanos S.A.S.	Road concession	Colombia	Colombian Peso	50.94%	50.94%
Consorcio Grupo Constructor Autopistas del Café S.A.	Road construction	Colombia	Colombian Peso	59.60%	59.60%
Consorcio App Llanos	Road construction	Colombia	Colombian Peso	50.94%	50.94%
Constructora Bogotá Fase III – Confase S.A.	Road construction	Colombia	Colombian Peso	50.94%	50.94%
JV Proyecto ADN, S.R.L.	Road construction	Dominican Republic	Dominican Peso	67.42%	67.42%
JV Proyecto BTA, S.R.L.	Road construction	Dominican Republic	Dominican Peso	67.42%	67.42%
Marjoram Riverside Company S.A.	Investment	British Virgin Islands	American Dollar	99.88%	99.88%
N.V. Chamba Blou	Road construction	Aruba	American Dollar	99.88%	99.88%
Odinsa Holding. Inc.	Investment	British Virgin Islands	American Dollar	99.88%	99.88%
Odinsa Proyectos e Inversiones S.A.	Road concession	Colombia	Colombian Peso	99.55%	99.55%
Odinsa Servicios S.A.S.	Road Signal Services	Colombia	Colombian Peso	99.88%	99.88%
Quadract Group Inc.	Investment	British Virgin Islands	American Dollar	99.88%	99.88%

(*) For the subsidiary Cementos Argos S.A. the percentage of economic right participation as of December 2020 and 2019 of 49.14% and 49.07%, respectively, is different from the percentage with voting rights of 58.07% and 57.98%, respectively. The foregoing considering the issuance of non-voting preferential shares issued by this subsidiary. For the Concession Túnel Aburrá Oriente S.A., the percentage of direct economic interest held by Odinsa S.A., subsidiary of Grupo Argos S.A., at December 2020 and 2019 of 42.49% and 39.46%, respectively, is different from the percentage with voting rights for both periods of 52.62% (see Note 42 Business Combinations and see Note 15 Intangibles, Net).

(1) The change in the interest of these investments corresponds to the acquisition by the Group of an interest in Cementos Argos S.A. in March 2020 (See 19.3.1 Contributions, contribution refunds and/or changes in ownership interest in a subsidiary that do not result in a gain or loss of control).

(2) Porvenir II S.A.S E.S.P. is a simplified joint stock company, a public utility company whose main corporate purpose is the generation and commercialization of electric energy according to Laws 142 and 143 of 1994. Its registered office is in Medellín and its term is indefinite.

The company is the holder of the environmental license for the development of the Porvenir II hydroelectric project, granted by Resolution 0168 of 13 February 2015 and confirmed by Resolution 0726 of 19 June of the same year.

Within the process of simple nullity processed under file No. 2016-0149 against the environmental license of the Porvenir II project, on 24 May 2019 the Council of State notified an order by which it provisionally suspended said license, considering that the development of the Project under the conditions endorsed by the ANLA could disregard some precepts of Law 1448 of 2011. The company and the ANLA, the authority that issued the environmental license, filed an appeal against the order. Unless the Council of State revokes the provisional suspension or rules definitively in the process denying the nullity, the Project's environmental license will remain suspended.

The following are the main subsidiaries included in the Group's consolidated financial statements:

Cementos Argos S.A.: a commercial company incorporated under Colombian law on 14 August 1944. The company's corporate purpose is the exploitation of the cement industry, the production of concrete mixtures and other materials or articles based on cement, lime or clay; the acquisition and sale of minerals or mineral deposits that can be used in the cement industry and its similar industries, of rights to explore and exploit minerals of the aforementioned, whether by concession, privilege, lease or any other title; the provision of port services; acting as a contractor, builder, consultant, controller, designer or planner of civil works or other types, before any public or private entity. The main domicile is in Colombia and its term expires on 14 August 2060.

This company consolidates with: Agregados Argos S.A.S. (a company absorbed by Concretos Argos S.A.S.), American Cement Terminals LLC, American Cement Terminals Trust (BVI), Argos Dominicana S.A. (this company consolidates with Concretos Argos Dominicanos S.L.R.), Argos Guatemala S.A., Argos Guyane S.A.S., Argos Honduras S.A. de C.V., Argos North America Corp. (this corporation consolidates with Argos USA LLC, Southern Star Leasing LLC, Supply Link LLC), Argos Panama S.A. (this company consolidates with Concreto S.A. and Terminal Granelera Bahía Las Minas S.A.), Argos Ports (Wilmington) LLC, Argos Puerto Rico Corp., Argos SEM, LLC. , Argos Trading Puerto Rico LLC, Cement and Mining Engineering Inc, Cementos de Caldas S.A., CI del Mar Caribe (BVI) Inc., Colcaribe Holdings S.A., Comercial Arvenco C.A., Concretos Argos S.A.S., Corporaciones e Inversiones del Mar Caribe S.A.S. (this company consolidates with Argos USVI Corp., Argos (Dominica) Ltd., Argos Saint Maarten N.V. and Cementos Argos Company Limited), Haití Cement Holdings S.A. (this company consolidates with Cimenterie Nationale S.E.M. - CINA), Inmuebles Miraflores S.A., Logística de Transporte S.A., Surcol Houdstermaatschappij N.V. (this company consolidates with Vensur N.V.), Transatlantic Cement Carriers Inc., Valle Cement Investments Ltd., Venezuela Ports Company S.A., Wetvan Overseas Ltd. (company liquidated in September 2020) and Zona Franca Argos S.A.S.

Celsia S.A.: incorporated under the laws of Colombia on 4 October 2001, its principal place of business is in Colombia. At the ordinary meeting of Celsia S.A.'s Shareholders' Meeting held on 27 March 2019, a statutory reform was approved which included, among other things, the change of the company name by virtue of which it ceased to be a public home utility company and the modification of the corporate purpose as a result of the business reorganization carried out through the sale of certain electricity generation assets, and the commercial representation, sale of capacity and electricity from a thermal asset to Celsia Colombia S. A. E.S.P. This amendment to the bylaws was notarized through Public Deed No. 2795 dated 11 September 2019 of the Notary 7 of the Circle of Medellín, registered at the Medellín Chamber of Commerce for Antioquia on 13 September 2019. The above taking into consideration that the registration of the statutory reform before said entity was conditioned to the company's effective withdrawal as Market Agent, which took place at the beginning of September.

As a consequence of the above, the main purpose of the company now consists of the administration, supervision or increase of its assets through the encouragement and promotion of industrial or commercial activities, especially through investment in companies or other legal entities, or participation in other types of corporate structures, related to the energy industry, public utilities and their related or complementary activities, or through entities, organizations, funds or any other legal figure, either by participating as a founding member in its constitution, making subsequent capital contributions or acquiring capital participations. Likewise, it may invest in all types of movable and immovable property, fixed and variable income papers or documents; or any type of securities, whether or not they are registered on the public securities market. It may also provide advice on economic, administrative and financial matters to all types of companies. Its legal term is indefinite.

This company consolidates with Alternegy S.A., Bahía Las Minas Corp., Bontex S.A., Celsia Centroamérica S.A.(this company consolidates Divisa Solar 10MW, S.A.), Celsia Colombia S.A. E.S.P., (this company consolidates with Begonia Power S.A.S. E.S.P., company absorbed by Celsia Colombia S.A. E.S.P., Celsia Colombia Inversiones S.A.S., Celsia Move S.A.S. and Compañía de Electricidad de Tuluá S.A. E.S.P. - CETSA), Celsia Costa Rica S.A., Celsia Tolima S.A. E.S.P. (company absorbed by Celsia Colombia S.A. E.S.P.), Colener S.A.S., CTC Curazao, S.A. (formerly CTC Curazao B.V., a company absorbed by Celsia Centroamérica S.A.), Enerwinds de Costa Rica S.A. (this company consolidates with LandCO La Gloria S.A. and Planta Eólica Guanacaste S.A. (PEG), Porvenir II S.A.S. E.S.P., Termoeléctrica El Tesorito S.A.S. E.S.P.

The companies Celsia Honduras S.A., Celsolar S.A., Vientos de la Gloria S.A., Vientos de Limonal S.A. and Vientos de Mogote S.A. (these last three companies were liquidated in a process initiated in 2019) were incorporated with the aim of being investment vehicles for new non-conventional energy projects.

Odinsa S.A.: incorporated under the Colombian law on 16 July 1992. Its main corporate purpose is the study, implementation, financing and operation of all activities and works of engineering and architecture in all its forms and specialties, inside or outside the country. Its main domicile is in Colombia and its term expires on 31 December 2100.

This company consolidates with Autopistas de los Llanos S.A. in liquidation, Autopistas del Café S.A., Autopistas del Nordeste Cayman LTD., Autopistas del Nordeste S.A., Autopistas del Oeste S.A., Boulevard Turístico del Atlántico S.A., Caribbean Infrastructure Company, Concesión Túnel Aburrá Oriente S.A., Concesión Vial de los Llanos S.A.S., Consorcio Grupo Constructor Autopistas del Café S.A., Consorcio APP Llanos, Constructora Bogotá Fase III - Confase S.A., JV Proyecto ADN, S.R.L., JV Proyecto BTA, S.R.L., Marjoram Riverside Company S.A, N.V. Chamba Blou, Odinsa Holding Inc., Odinsa Proyectos e Inversiones S.A., Odinsa Servicios S.A.S. and Quadrat Group Inc.

Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S. A.: the company has as its sole corporate purpose the subscription and execution of the concession contract subject to public bidding 5000091 OL of 2005, the object of which is the granting of a concession for the concessionaire to carry out, on its own account and at its own risk, among others, the administration, operation, commercial exploitation, maintenance and modernization and expansion of the El Dorado International Airport in the city of Bogotá D.C..

The investment in Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. recognized in the separate financial statements of Grupo Argos S.A. for purposes of the application of the equity method and subsequent consolidation, includes the adjustments of the purchase price allocation process for the acquisition of control of this company in January 2017. Although, this investment in the separate financial statements of Grupo Argos S.A. presents a positive balance of $37,832, the equity of the company in the accounting of Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. without including the adjustments indicated above presents a negative equity as of 31 December 2020 of $95,151, as a result of the application of hedge accounting recognized in other comprehensive income and the negative result for the period.

According to numeral 2 of article 457 of the Code of Commerce, corporations enter into a state of dissolution "when losses occur that reduce the net equity below fifty percent of the subscribed capital". According to Article 24 of Law 1429 of 2012, the shareholders have the option to reverse the dissolution of the company by adopting the necessary amendments, as long as it is approved at the Shareholders' Meeting, recorded in writing in the corresponding minutes and registered in the commercial registry within 18 months after the occurrence of the cause. However, the National Government issued Legislative Decrees 560 of 2020 and 772 of 2020, issued within the framework of the COVID19 pandemic, it is indicated that the configuration of the dissolution cause for losses provided in Article 457 of the Code of Commerce and Article 35 of Law 1258 of 2008 is suspended for a period of 24 months. However, Law 2069 of 31 December 2020, repealed the provisions of Article 457 of the Code of Commerce, with respect to the cause for dissolution, as long as the going concern hypothesis is maintained, which is the basis for the current preparation of the financial statements of Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A.

Sator S.A.S.: incorporated under Colombian law on 28 October 1981, its main domicile is in Colombia and its term is indefinite; its corporate purpose is to perform the prospecting, exploration, exploitation, production, benefit, transformation, acquisition, disposal, marketing and transportation of coal and any other mineral substance associated with coal, import, export, marketing and supply of raw materials, inputs, equipment and machinery required for mining coal and other minerals.

Valle Cement Investments Ltd: incorporated on 18 December 1998. Its corporate purpose is to make investments of any kind. At present it invests in shares, quotas or interest shares and other types of securities. Its main domicile is in the British Virgin Islands and the term of the company is indefinite. Control of this company is held through Cementos Argos S.A.

Concretos Argos S.A.S.: incorporated on 22 April 1985. Its corporate purpose is the exploration, exploitation, transportation, benefit, integral use, marketing and sale of stone minerals such as: sand, cement, gravel, premixed concrete and prefabricated concrete elements, concrete blocks and any other material and elements of its own, accessories and complementary used in the construction industry. Its domicile is in Colombia and the term of duration is until 8 September 2093. Control of this company is held through Cementos Argos S.A.

Servicios Corporativos Integrales S.A.S. – SUMMA S.A.S.: incorporated on 7 December 2016. Its corporate purpose is to provide specialized business services in Colombia and abroad to companies linked to Grupo Argos or to third parties, in any area that can create value for its clients; to provide consulting or auditing services in any of the businesses of the companies that make up Grupo Argos or to third parties; to carry out all acts that are intended to exercise the rights and fulfil the obligations, legally or conventionally, derived from the existence and activities carried out by the Company and to carry out any other legal economic activity both in Colombia and abroad. Its domicile is in Colombia.

Patrimonio Autónomo Ganadería Rio Grande: incorporated on 14 August 2017. Includes all activities related to the operation and management of the business of breeding and marketing of livestock, biotechnology and maintenance of the farms where the livestock are located. Through the execution of a participation account contract, in which the assets associated with the livestock business were contributed, Fundación Grupo Argos as a participating manager manages and operates on its own behalf the assets related to this business.

Subsidiaries with special corporate characteristics:

Fundiciones Colombia S.A. liquidated: since 29 December 2002, the company suspended the development of its corporate purpose, as a result of the assignment of its assets and liabilities made to Fundicom S.A. at an extraordinary meeting held on 15 November 2002. The administrative management of this company continues to be aimed at the supervision, control and compliance with the payment of the obligations acquired by Fundicom S.A., as established in the agreement signed by the parties. Its main domicile is in Colombia. On 27 November 2018 the termination of the Restructuring Agreement was registered at the Medellin Chamber of Commerce and on 28 January 2019 it was declared dissolved by its Shareholders' Meeting and according to minute 23 of 3 July 2020, registered in the Chamber of Commerce on 11 August 2020, the liquidation of the Company was made official.

Industrias Metalúrgicas Apolo S.A. in Liquidation: incorporated on 6 March 1958. Since the closing of the 2001 accounting period, the company has suspended the development of its corporate purpose. At present, its activity is focused on the fulfillment of its obligations under the agreement and administration expenses. Its main domicile is in Colombia. On 28 October 2020, an Extraordinary Shareholders' Meeting was held at which an amendment to increase its capital was approved, as well as a capitalization of receivables and the final liquidation account. On 3 February 2021, the cancellation of the company's commercial registry was made official, liquidating the investment.

19.2 Principal subsidiaries with significant non-controlling interests

The following table shows summarized financial information as of December 2020 and 2019, for the main subsidiaries that the Group have significant non-controlling interests, this information is prepared in accordance with the Accounting and Financial Reporting Standards Accepted in Colombia (NCIF), which are based on International Financial Reporting

Standards (IFRS), and is restated, when appropriate, by adjustments related to the homologation of accounting policies. The values below are presented before write-offs between Group companies:

	Celsia S.A.		Cementos Argos S.A.		Odinsa S.A.	
	2020	2019	2020	2019	2020	2019
Main Address	Colombia		Colombia		Colombia	
Revenue	3,536,007	3,725,762	9,002,090	9,412,208	628,336	717,157
Income from continuing operations	338,919	603,374	140,957	196,110	(60,334)	175,008
Other comprehensive income	57,613	8,357	113,650	60,216	56,450	(43,714)
Total comprehensive income	396,532	611,731	254,607	256,326	(3,884)	131,294
Current assets	1,426,594	1,755,860	2,662,601	2,690,297	1,547,724	1,417,179
Non-current assets	10,384,078	9,622,532	15,924,016	16,342,142	5,298,944	5,336,363
Current liabilities	2,055,711	1,699,268	2,665,159	3,028,575	1,134,096	1,077,046
Non-current liabilities	4,014,293	4,004,477	7,200,528	7,143,105	3,328,602	2,989,173
Net Assets	5,740,668	5,674,647	8,720,930	8,860,759	2,383,970	2,687,323
Attributable to non-controlling interests:						
Continuing operations	89,572	129,874	62,528	74,539	54,127	49,703
Total comprehensive income	83,595	127,636	116,942	66,640	73,903	53,138
Net Assets	1,192,343	1,126,742	874,763	816,667	860,023	978,233
Dividends paid to Grupo Argos S.A.	136,776	103,105	152,398	159,257	74,954	49,958
Dividends paid to non-controlling interests	201,817	183,928	214,592	258,452	82,343	31,431

19.3 Contributions, contribution refunds and/or changes in the ownership interest of a subsidiary

19.3.1 Contributions, contribution refunds and/or changes in ownership interest in a subsidiary that do not result in a gain or loss of control

Cementos Argos S.A.: in March 2020, the Group acquired 1,039,826 shares for $4,581, leaving it with an effective interest of 58.07% in Cementos Argos S.A.

Concesión Túnel Aburrá Oriente S.A.: in May 2020 the precedent conditions established in the purchase and sale agreement were fulfilled, with which Odinsa S.A. increased its participation in 3.03% reaching a participation of 42.49% over the entity. With this transaction, the Group now has an effective interest of 42.44%.

Agregados Argos S.A.S.: in September 2020 Cementos Argos S.A. acquired 3,024,000,000 shares for a value of $2,512 increasing its participation in 48.00%. With this transaction the Group now has an effective interest of 58.07% in Agregados Argos S.A.S. (See 19.3.4 Changes in ownership interest in a subsidiary due to a merger by absorption).

Industrias Metalúrgicas Apolo S.A. in Liquidation: in October 2020, an Extraordinary Shareholders' Meeting was held at which a reform was approved to increase its capital, as well as a capitalization of its receivables. As a result of the capitalization, the Group's shareholding rose to 89.54%. Likewise, the Assembly approved the final liquidation account of the company.

Odinsa S.A.: in October 2020 Grupo Argos acquired 140 ordinary shares of Odinsa S.A. for $1.

Celsia Honduras S.A.: with the objective of supporting the investments made in photovoltaic projects in Honduras, Celsia S.A. sold 40% of its interest held in the subsidiary Celsia Honduras S.A., equivalent to 40 shares for $3,149. With this operation the Group now has an effective interest of 31.76% in this company.

Celsia Tolima S.A. E.S.P.: C Celsia Colombia S.A. E.S.P., a subsidiary of Celsia S.A., acquired in 2020 a 0.06% interest to complete the holding of 100% of the shares of Celsia Tolima S.A. E.S.P. for $16, with which Celsia S.A. goes from an effective participation of 65.05% to 65.11%. With this transaction the Group now has an effective shareholding of 34.46% (See 19.3.4 Changes in ownership interest in a subsidiary due to a merger by absorption).

The following changes occurred during 2019:

Celsia Colombia S.A. E.S.P.: in March 2019, there was a 0.87% dilution in the Group's interest in this company, due to the net effect between the sale by Grupo Argos S.A. for 6,495,205 shares of Celsia Colombia S.A. E.S.P. to the subsidiary Celsia S.A., a company in which the Group holds 52.93%. Within the framework of the process of private issue and placement of shares carried out by Celsia Colombia S.A. E.S.P., which was perfected on 11 July 2019, Celsia S.A. acquires an additional 0.13% corresponding to 16,666,505 shares. In the last quarter of 2019, Celsia S.A. acquires 6,797,885 shares, equivalent to an additional 1.83% of the company. With this transaction, the Group now has an effective shareholding of 34.46% in Celsia Colombia S.A. E.S.P.

Begonia Power S.A.S. E.S.P.: in July 2019 Celsia Colombia S.A. E.S.P. acquired 457 shares for a value of $32,180, increasing its participation by 42.35%. With this transaction, the Group now has an effective interest of 34.46% in Begonia Power S.A.S. E.S.P.

Odinsa S.A.: during 2019 was acquired an additional 0.10% stake in Odinsa S.A. corresponding to 192,240 shares for a value of $2,019. With these operations, the Group keeps a 99.88% participation.

Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A.: during 2019, the Group received payments for subordinated debt for this company, affecting the non-controlling interest of $63,716.

19.3.2 Contributions, contribution refunds and/or changes in the ownership interest of a subsidiary resulting in loss of control

Fundiciones Colombia S.A. liquidated: in August 2020 the company's commercial registration was cancelled, liquidating the investment.

Wetvan Overseas Ltd.: in September 2020 this subsidiary was liquidated.

Vientos de la Gloria S.A., Vientos de Limonal S.A. y Vientos de Mogote S.A.: these companies were liquidated, a process initiated in 2019. This transaction has no impact on the consolidated financial statements.

The following changes occurred during 2019:

Central Aggregates LLC: in February 2019, this subsidiary, which had been dissolved in January 2019, was liquidated.

Zona Franca Celsia S.A. E.S.P.: in September 2019, all shares of this company were sold. The sale price was $1,086,960 (Note 33 revenue) and the cost was $781,170 (Note 34 cost of ordinary activities), presenting a gross profit of $305,790, and taxes for $61,877 were generated. In addition, a gain on the sale of property, plant and equipment necessary to maintain this investment was generated for $5,706. With this sale, control of this subsidiary is lost.

La Concepción Advirsors Inc.: in September 2019, this subsidiary was liquidated, and the assets were transferred to Odinsa Holding. Inc. to cover debt with this company.

Green Coral Corporation.: in November 2019, this subsidiary was liquidated.

Black Coral Investment Inc. y Red Coral Investment Inc.: in December, these subsidiaries were liquidated due to the restructuring to lighten the corporate structure.

Colon Energy Power S.A.: liquidated in 2019.

19.3.3 Acquisition or incorporation of subsidiaries

Argos Guatemala S.A.: in June 2020, Cementos Argos S.A., through its subsidiaries Argos SEM LLC and Colcaribe Holdings S.A., acquires a 100% interest in Argos Guatemala S.A., equivalent to 2 shares, for 100 quetzales ($48,362 Colombian pesos) each. The value was paid in cash on the date of purchase. The acquired subsidiary is not a business in accordance with the requirements of IFRS 3; therefore, no goodwill was recognized. Its main activity is the import and commercialization of cement. The Group's effective interest is 58.07%.

The following changes occurred during 2019:

Celsia Tolima S.A. E.S.P.: in May 2019, the company Celsia Tolima S.A. E.S.P. was established, whose activity is the provision of domestic electric energy utilities. The Group's effective shareholding in this company is 34.43%.

Termoeléctrica El Tesorito S.A.S. E.S.P.: in May 2019, the subsidiaries Celsia Colombia S.A. E.S.P. and Celsia Colombia Inversiones S.A.S. acquired 23% and 34.5%, respectively, of Termoeléctrica El Tesorito S.A.S. E.S.P, which was incorporated under the name Promotora de Energía Eléctrica del Archipiélago de San Andrés, Providencia y Santa Catalina S.A.S. E.S.P., leaving the Group with an effective interest of 19.82%. The company is in charge of the construction and operation of a gas-fired electricity generation plant. This company does not meet the definition of a business as set out in IFRS 3 Business Combinations.

Celsia Move S.A.S.: in November 2019 the company Celsia Move S.A.S. was incorporated, whose activity is the provision of the public land, automotive and urban mass passenger transport service of the integrated public transport system SITP. The Group's effective participation in this company is 34.46%.

Concesión Túnel Aburrá Oriente S.A.: in December 2019, the purchase and sale of the interest in Concesión Túnel Aburrá Oriente S.A. was perfected. Its purpose is the design, construction, operation and maintenance of the works that form part of the road development Aburrá - Oriente Road Connection, Túnel de Oriente and Complementary Road Development. The Group's effective economic participation in this company is 39.41%, with political rights of 52.62%.

19.3.4 Changes in ownership interest in a subsidiary due to a merger by absorption

In December 2020, the statutory reform of the merger between Celsia Colombia S.A. E.S.P. (absorbing company), Celsia Tolima S.A. E.S.P. and Begonia Power S.A.S. (absorbed companies) was solemnized through Public Deed 3,046 in the Seventh Notary of Medellín, said merger had been previously authorized by Resolution notified by the Superintendence of Companies on 15 December 2020.

In December 2020 the merger between Celsia Centroamérica S.A. and CTC Curazao, S.A. was completed, surviving Celsia Centroamérica S.A.

In December 2020 the company Concretos Argos S.A.S. absorbed the company Agregados Argos S.A.S.

The following changes occurred during 2019:

In January 2019, Argos USA LLC. absorbs Argos Ports (Houston) LLC. and Argos Ports (Savannah) LLC.

In August 2019, Concretos Argos S.A.S. absorbs Canteras de Colombia S.A.S.

In November 2019, Argos Panamá S.A. absorbs the company Grava S.A.

In November 2019, Argos Honduras S.A. de C.V. absorbed the companies Cementos del Sur S.A. and Concretos Argos Honduras, S.A.

19.4 Significant restrictions

The Group has the following restriction on investments in subsidiaries:

Bonds issued by the subsidiary Autopistas del Nordeste (Cayman) for an original amount of USD 162 million used to finance the construction of the highway concession in the Dominican Republic, are backed by the shares of Autopistas del Nordeste (Cayman) Ltda. and impose certain restrictions that limit the capacity of this subsidiary to incur additional debt.

NOTE 20: **BIOLOGICAL ASSETS**

The balance of biological assets at 31 December comprises:

2020	Plantations	Livestock and others	Total
Book value at 1 January	**20,638**	**36,963**	**57,601**
Increases for purchases or births	-	3,090	3,090
Decrease due to sales or deaths	-	(5,938)	(5,938)
Changes in fair value less selling costs	(234)	4,836	4,602
Carrying Cost as of 31 December	**20,404**	**38,951**	**59,355**
Current	-	5,634	5,634
Non-current	20,404	33,317	53,721
Total biological assets	**20,404**	**38,951**	**59,355**

2019	Plantations	Livestock and others	Total
Book value at 1 January	**21,257**	**36,328**	**57,585**
Increases for purchases or births	-	4,646	4,646
Decrease due to sales or deaths	-	(7,370)	(7,370)
Changes in fair value less selling costs	(619)	3,826	3,207
Drops per crop or harvest	-	(467)	(467)
Carrying Cost as of 31 December	**20,638**	**36,963**	**57,601**
Current	-	9,157	9,157
Non-current	20,638	27,806	48,444
Total biological assets	**20,638**	**36,963**	**57,601**

The Group undertakes agricultural and livestock activities through Cementos Argos S.A. and P.A. Ganadería, respectively. The Group's biological assets are measured at fair value less estimated selling costs, taking into account significant observable inputs, level 2 for livestock and level 3 for plantations. Changes in the fair value of biological assets are presented in the statement of comprehensive income as income, cost or valuation expense, as appropriate.

The discounted cash flow model was used for the valuation of the plantations, taking into account that the future economic benefits associated with forestry are expected to be realized 3 or 4 times over time, as follows: at the time 2 or 3 thinnings are made, which depend on the age and diameter of the plantation, and at a final moment when the clear-felling is made. Fair value is determined by applying a discount rate to future net cash flows, using the Weighted Average Cost of Capital (WACC), estimated at 8.78% for 2020 (2019 8.65%). The sales price, volume, determined based on experience and forestry studies, and cost and expense estimates are significant unobservable inputs to the measurement.

The Group's biological assets are composed of plantations, as follows:

	2020	2019
Plantations (number of hectares sown)	1,172	1,172

The fair value of the livestock was estimated using the market approach, which in this case corresponds to the market price that is agreed according to an estimation of the weight, age and other conditions of the livestock that determine the price of the kilo of meat in the market.

As of 31 December 2020, the plantations include mainly teak, eucalyptus, pine, rubber, acacia and melina, distributed in the national territory in Boyacá, Riosucio (Caldas), Montebello (Antioquia), Rioclaro (Antioquia), Cartagena (Bolívar), Victoria (Caldas) and Puerto Nare (Antioquia). The livestock is made up of cattle and horses, and is mainly represented in Brahman, GYR and Guzera breeds, distributed in the national territory in Antioquia (Puerto Nare and Arboletes), Cordoba (Montelibano) and Sucre (San Onofre).

At 31 December 2020 and 2019, there were no restrictions on the ownership of the Group's biological assets or contractual commitments for their development or acquisition and they had not been pledged as security for the repayment of debts.

NOTE 21: **FINANCIAL OBLIGATIONS**

Financial obligations at 31 December comprise:

	2020	2019
Foreign currency liabilities (1)	4,344,950	4,690,671
Local currency liabilities (1)	2,775,108	1,988,184
Other obligations	875	20,283
Bank overdrafts (2)	6,554	6,716
Total financial obligations	**7,127,487**	**6,705,854**
Current	1,741,257	1,587,714
Non-current	5,386,230	5,118,140
Total financial obligations	**7,127,487**	**6,705,854**

(1) Financial obligations in local and foreign currency comprise both short and long-term loans taken by Group companies.

Below are the Group's main loans, at their nominal value, expressed in the original currency. Figures not expressed in millions (*).

Company	Category	Financial institution	Expiration	2020 (*)	2019 (*)
Cementos Argos S.A.	Foreign bank	Various (a)	2023	USD 530,000,000	USD 600,000,000
Cementos Argos S.A.	Foreign bank	Scotiabank	2021	USD 107,000,000	-
Cementos Argos S.A.	Foreign bank	Davivienda Intern.	2029	USD 80,000,000	USD 80,000,000
Celsia S.A.	Foreign bank	The Bank of Nova Scotia	2021	USD 65,000,000	-
Odinsa S.A.	Foreign bank	Santander España	2021	USD 54,300,000	USD 54,300,000
Cementos Argos S.A.	Foreign bank	Banco de Bogota NY	2022	USD 40,000,000	-
Odinsa S.A.	Foreign bank	Banco de Bogota N.Y.	2022	USD 35,000,000	USD 35,000,000
Cementos Argos S.A.	Foreign bank	BCP	2021	USD 30,000,000	-
Cementos Argos S.A.	Foreign bank	Banco de Bogotá Miami	2022	USD 30,000,000	-
Odinsa S.A.	Foreign bank	Bladex S.A.	2022	USD 30,000,000	USD 30,000,000
Odinsa S.A.	Foreign bank	Davivienda Miami	2029	USD 30,000,000	USD 30,000,000
Odinsa S.A.	Foreign bank	Massachusetts Mutual Life Insurance Company (e)	2033	USD 25,225,753	USD 26,900,425
Cementos Argos S.A.	National bank	Scotiabank - Colpatria	2021	USD 21,000,000	-
Odinsa S.A.	Foreign bank	Davivienda Miami	2022	USD 20,000,000	USD 20,000,000

Odinsa S.A.	Foreign bank	European Investment Bank (BEI)	2024	USD 17,898,048	USD 21,873,600
Odinsa S.A.	Foreign bank	Inter-American Development Bank (IDB)	2024	USD 17,898,048	USD 21,873,600
Odinsa S.A.	Foreign bank	Sun Life Assurance Company of Canada (e)	2033	USD 16,817,169	USD 17,933,616
Odinsa S.A.	Foreign bank	Banco de Desarrollo de America Latina (CAF)	2024	USD 16,579,665	USD 20,262,375
Odinsa S.A.	Foreign bank	Banco de Bogota N.Y. (d)	2021	USD 16,200,000	USD 16,200,000
Odinsa S.A.	National bank	Banco Corpbanca (d)	2021	USD 15,000,000	USD 15,000,000
Odinsa S.A.	Foreign bank	Santander Negocios Colombia (d)	2021	USD 9,560,593	USD 9,560,593
Cementos Argos S.A.	Foreign bank	Banco de Bogotá Miami	2021	USD 8,000,000	USD 52,000,000
Odinsa S.A.	Foreign bank	Proparco	2024	USD 7,990,200	USD 9,765,000
Odinsa S.A.	Foreign bank	AIB Bank N.V (e)	2033	USD 7,301,229	USD 7,801,123
Odinsa S.A.	Foreign bank	Bancolombia Puerto Rico	2021	USD 7,090,549	-
Celsia S.A.	Foreign bank	Banco de América Central Honduras S.A.	2034	USD 6,699,913	USD 8,196,253
Celsia S.A.	Foreign bank	Leasing Banistmo S.A.	2029	USD 5,404,127	USD 5,418,323
Cementos Argos S.A.	Foreign bank	Scotiabank	2021	USD 5,000,000	-
Odinsa S.A.	Foreign bank	Banco de Credito del Peru	2021	USD 4,900,000	-
Celsia S.A.	Foreign bank	Banco Central Hondureña S.A.	2023	USD 2,444,932	-
Celsia S.A.	Foreign bank	Banco Davivienda Honduras	2023	USD 1,250,000	-
Odinsa S.A.	Foreign bank	Banco BHD Leon	2021	USD 60,479	USD 129,037
Cementos Argos S.A.	Foreign bank	Scotia	2020	-	USD 67,000,000
Cementos Argos S.A.	Foreign bank	Colpatria	2020	-	USD 66,000,000
Cementos Argos S.A.	Foreign bank	ING Bank (b)	2020	-	USD 50,000,000
Cementos Argos S.A.	Foreign bank	Banco de Bogota NY	2020	-	USD 30,000,000
Celsia S.A.	Foreign bank	República de Panamá (h)	2030	-	USD 25,348,554
Cementos Argos S.A.	Foreign bank	Sumitomo	2020	-	USD 17,000,000
Celsia S.A.	Foreign bank	Banistmo S.A. (h)	2020	-	USD 14,478,000
Celsia S.A.	Foreign bank	Banco Panamá (h)	2023	-	USD 14,358,308
Odinsa S.A.	Foreign bank	Bancolombia Puerto Rico	2020	-	USD 13,290,549
Cementos Argos S.A.	Foreign bank	BCI Miami Branch	2020	-	USD 13,000,000
Odinsa S.A.	Foreign bank	Banco de Crédito del Perú	2020	-	USD 11,600,000
Celsia S.A.	Foreign bank	Banco Davivienda Panamá S.A. (h)	2023	-	USD 9,700,000
Cementos Argos S.A.	Foreign bank	BCP	2020	-	USD 8,000,000
Celsia S.A.	Foreign bank	Banco General S.A. (h)	2020	-	USD 4,824,000
Cementos Argos S.A.	National bank	Banque Populaire	2021	EUR 1,500,000	-
Opain S.A.	National bank	Bancolombia S.A. (f)	2026	COP 297,103,169,897	COP 315,061,685,999
Grupo Argos S.A.	National bank	Bancolombia (g)	2025	COP 392,200,000,000	-
Odinsa S.A.	National bank	Bancolombia (c)	2028	COP 322,652,860,899	-
Odinsa S.A.	National bank	Banco de Bogotá	2026	COP 239,612,114,304	COP 250,000,000,000
Odinsa S.A.	National bank	Banco de Bogotá (c)	2028	COP 165,148,422,296	-
Celsia S.A.	National bank	Banco de Occidente	2028	COP 160,148,567,434	COP 168,189,308,125
Cementos Argos S.A.	National bank	BBVA	2023	COP 160,000,000,000	-
Celsia S.A.	National bank	Bancolombia	2031	COP 154,980,317,125	COP 96,319,278,660
Cementos Argos S.A.	National bank	Davivienda	2023	COP 135,264,920,000	-
Odinsa S.A.	Foreign bank	Banco Santander España	2021	COP 117,480,000,000	-
Celsia S.A.	National bank	Banco de Bogotá	2022	COP 111,550,409,941	-
Opain S.A.	National bank	Bancolombia S.A. (f)	2025	COP 100,000,000,000	-
Odinsa S.A.	National bank	Banco Davivienda (c)	2028	COP 89,521,075,349	-

Grupo Argos S.A.	National bank	Banco de Bogotá (g)	2024	COP 52,500,000,000	COP 52,500,000,000
Cementos Argos S.A.	National bank	Bancolombia	2021	COP 50,000,000,000	COP 150,000,000,000
Odinsa S.A.	National bank	Banco Popular (c)	2028	COP 49,437,446,940	-
Grupo Argos S.A.	National bank	Banco Popular (g)	2024	COP 35,000,000,000	COP 40,000,000,000
Odinsa S.A.	National bank	Banco de Occidente (c)	2028	COP 33,240,194,516	-
Odinsa S.A.	National bank	Banco Popular	2021	COP 30,156,821,918	COP 30,156,821,918
Celsia S.A.	National bank	Banco BBVA	2023	COP 28,559,801,032	-
Odinsa S.A.	National bank	Banco de Occidente (c)	2028	COP 20,000,000,000	-
Odinsa S.A.	National bank	Banco AV Villas (d)	2021	COP 14,995,512,006	COP 14,995,512,006
Celsia S.A.	National bank	Financiera de Desarrollo Territorial	2023	COP 13,957,500,516	-
Cementos Argos S.A.	National bank	GFCM Comercial Mexico - Sucursal Colombia	2021	COP 323,028,511	-
Grupo Argos S.A.	National bank	Bancolombia (g)	2023	-	COP 385,700,000,000
Odinsa S.A.	National bank	Banco de Bogotá (c)	2029	-	COP 109,155,600,000
Odinsa S.A.	National bank	Banco Davivienda (c)	2029	-	COP 83,443,800,000
Odinsa S.A.	National bank	Banco de Bogotá	2020	-	COP 56,000,000,000
Odinsa S.A.	National bank	Banco Popular (c)	2029	-	COP 54,637,800,000
Odinsa S.A.	National bank	Bancolombia (c)	2029	-	COP 41,420,400,000
Celsia S.A.	National bank	Banco Popular	2020	-	COP 40,000,000,000
Celsia S.A.	National bank	Citybank	2020	-	COP 40,000,000,000
Odinsa S.A.	National bank	Banco de Occidente (c)	2029	-	COP 35,342,400,000
Grupo Argos S.A.	National bank	Bancolombia (g)	2022	-	COP 19,500,000,000
Celsia S.A.	National bank	Banco de Bogotá	2021	-	COP 115,758,613
Total financial obligations in dollars				**1,263,620,705**	**1,426,813,356**
Total financial obligations in euros				**1,500,000**	**0**
Total financial obligations in Colombian pesos				**2,773,832,162,684**	**1,982,538,366,321**

(a) Loan in which a syndicated group of banks, whose administrative agent is Itaú Corpbanca, and Argos North America Corp as debtor, participate, guaranteed by Cementos Argos S.A. and Argos USA LLC. The lead arrangers were BNP Paribas, Itaú Corbanca, JPMorgan and Bank of America. The initial amount of the loan was USD 600 million, with a total term of 5 years. The use of the resources was the repayment of existing debt of Argos North America Corp. This contract has the following financial commitments:

- Net Debt/EBITDA ratio less than 6.75 times by December 2020 and progressively decreasing to 4.0 times by December 2021 (December 2019 ratio: 4.5 times).
- EBITDA/Financial Expenses ratio greater than 2.25 times by December 2020. From March 2021 and until expiring, 2.5 times (Indicator as of December 2019: 2.5 times).

The net debt and EBITDA used for the calculation of the aforementioned ratios are subject to the terms of the credit agreement with the financial institution and may differ from the accounting results.

During 2020, this debt was prepaid in the amount of USD 70 million.

(b) As of December 2019, there were two structured credit operations between Argos USA LLC and ING Bank NV and Citibank NA for USD 100 million each. These two credits had financial obligations to maintain indicators equal to those of the credit acquired in 2019. These two credits were paid in full in 2020.

(c) Upon completion of the construction phase and in view of favorable market conditions, Concesión Túnel de Oriente S.A., together with Banca de Inversión Bancolombia Corporación Financiera S.A., has structured a debt refinancing to maximize the debt capacity of the asset and generate greater value.

The proceeds of this operation will be used to novate the initial loan and obtain funds for its shareholders.

This operation comprises two stages, the first a twelve-month bridge loan for $660 billion, of which $380 billion was used in the novation. The banks participating in the refinancing are the same creditors of the initial loan. The second stage will amount to $700 billion and will be completed in the first half of 2021. This stage corresponds to an issuance in the second capital market in Colombia with an expected average expiration of 8 years, where the bond investors would potentially be the majority of the creditors of the first stage loan. The proceeds from the issuance in the capital market would prepay the bridge loan, among others.

(d) These loans had the following modifications during the period:

- The loan with Banco de Bogotá New York was renewed for a one-year term for USD 1.2 million, for a total loan of USD 16.2 million to be paid in 2021.
- The loans with Santander Negocios Colombia for USD 9.6 million, Banco AV Villas for USD 14,996 and Banco Corpbanca for USD 15 million were renewed during 2020 and their maturity date was extended to 2021.

(e) As of December 2020, Caribbean Infrastructure Company, a subsidiary of Odinsa S.A., made principal payments for the related loans in the amount of USD 3.3 million. As of December 2019, for this company, the result of the calculation of the Debt Service Coverage Ratio (DSCR) indicator, stipulated in the credit agreement, was below the required amount. This situation was remedied through the signing of a waiver with the lenders, whereby they waived the effects established in the credit agreement with respect to the results of the measurement of this indicator during 2019.

(f) On 29 April 2020, Bancolombia S.A. granted to the subsidiary Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. the consent and waiver on the obligations established in the credit agreement to release the debt service reserve account in Colombian pesos and thus use these resources if necessary, in the execution of the operation. As of 31 December these resources were not used; therefore, the company has the obligation to fund the debt service reserve account in Colombian pesos for a balance equal to or greater than the required amount by 31 March 2021. The above as a consequence of the relevant regulations regarding the sanitary emergency caused by COVID-19, issued by the Colombian National Government, which have affected the operation, revenue and cash flows of the concession.

Also, on 28 May 2020, Bancolombia S.A. also granted the consent and waiver of the principal and interest payment obligations initially payable on 11 June 2020, to be made no later than 11 December 2020; however, on 10 December 2020, the consent and waiver for the payment of these obligations was renewed and granted until 11 June 2021.

Finally, on 29 September 2020, the subsidiary entered into a non-revolving loan agreement with Bancolombia S.A. for $100,000 with a 5 years term, to be used exclusively to finance working capital needs. Interest on the principal amount of the outstanding loan will be paid at an annual rate equal to IBR+2.95%.

(g) During 2020, the loan agreement with Banco de Bogotá for $52,000 had a maturity extension of 24 months with a change in the interest rate from IBR+1.57% to IBR+2%. In the case of the contract with Banco Popular for $35,000, the maturity was also extended by 24 months.

Finally, the loan agreements with Bancolombia maturing in 2022 and 2023 had a term modification until 2025 with an interest rate update from IBR+1.86% to IBR+1.93%.

(h) The loans corresponding to the company Bahía Las Minas Corp., a subsidiary of Celsia S.A., were reclassified as liabilities associated with non-current assets held for sale.

(2) At the end of 2020 mainly correspond to overdrafts of the subsidiary Vensur N. V. for $6,554 (2019 $6,716).

During the reported periods, the Group did not present any default on payment of principal or interest on financial liabilities and/or loans payable, nor in the indicators of its loan agreements.

NOTE 22: **LEASES**

22.1 Leases as a lessee

22.1.1 Lease arrangements

In the ordinary course of business, the Group enters into leases of land, buildings, heavy machinery, vehicles, including concrete mixer trucks and equipment, which are accounted for as leased assets in the consolidated financial statements, except for those leases which have a term of less than 12 months or the underlying asset of the new lease is less than $3,500 for operating assets and $5,000 for administrative assets. The terms of the most significant non-cancellable leases range from 12 years for land leases, 1-10 years for buildings and 1 to 5 years for vehicles.

In addition, there are no significant lease arrangements that stipulate significant restrictions on dividend distribution, additional debt, or new leases, nor are there significant contingent fees, renewal options or escalation clauses.

As of 31 December 2020, most of the recognized real estate leases are linked to the consumer price index of each jurisdiction in which they were entered into. Few leases are referenced to reference rates or payments that vary to reflect changes in market rental prices.

22.1.2 Right-of-use lease assets and liabilities

The balance of right-of-use lease assets and liabilities comprises:

	Right-of-use lease assets					Final balance of lease liabilities
	Initial balance	Additions	Depreciation	Other changes (1)	Final balance	
Land	69,225	3,141	(8,164)	(8,741)	55,461	125,035
Constructions and buildings	268,241	41,337	(38,802)	701	271,477	239,836
Machinery and production equipment	215,325	91,764	(38,326)	(39,000)	229,763	180,444
Office and communication equipment	-	-	(47)	82	35	36
Mines, quarries and ore deposits	-	637	(399)	927	1,165	-
Ground transportation equipment	389,398	7,786	(80,270)	(109,679)	207,235	222,697
River fleet	122,365	-	(7,828)	(68,507)	46,030	46,926
Aqueduct, networks and communication routes	2,159	-	(288)	-	1,871	2,130
Other assets	4,616	-	-	(4,616)	-	-
Right-of-use assets (liabilities), net	**1,071,329**	**144,665**	**(174,124)**	**(228,833)**	**813,037**	**817,104**

(1) Includes mainly the variation due to changes in the valuation of leases recorded in assets for ($122,320), retirement of right-of-use assets for $(103,100) and the effect of foreign exchange differences of the subsidiary Cementos Argos S.A.

	Right-of-use lease assets						Final balance of lease liabilities
	Adoption IFRS 16 Balance as at 1 January 2019	Reclassifications to IFRS 16 as at 1 January 2019	Additions	Depreciation	Other changes	Final balance	
Land	149,589	(68,439)	5,260	(10,196)	(6,989)	69,225	137,670
Constructions and buildings	207,753	74,855	21,836	(36,690)	487	268,241	271,459
Machinery and production equipment	158,073	92,642	19,470	(44,135)	(10,725)	215,325	135,453
Ground transportation equipment	474,270	10,762	8,985	(95,441)	(9,178)	389,398	391,796
River fleet	134,730		-	(13,526)	1,161	122,365	124,209
Aqueduct, networks and communication routes	2,447		-	(288)		2,159	2,294
Other assets	-	3,734	1,004	(117)	(5)	4,616	-
Right-of-use assets (liabilities), net	**1,126,862**	**113,554**	**56,555**	**(200,393)**	**(25,249)**	**1,071,329**	**1,062,881**

The contractual cash flows of lease liabilities classified by maturity at 31 December are:

	2020	2019
One year or less	169,824	214,577
1 to 3 years	310,984	396,911
3 to 5 years	211,377	253,618
5 to 10 years	218,886	324,521
More than 10 years	136,689	92,111
Total contractual cash flows from lease liabilities	**1,047,760**	**1,281,738**
Effect of discounting lease liabilities	(230,656)	(218,857)
Total lease liabilities	**817,104**	**1,062,881**
Current	132,103	164,605
Non-current	685,001	898,276
Total lease liabilities	**817,104**	**1,062,881**

22.1.3 Items recognized in the statement of income and cash flows from leases

	2020	2019
Interest expense on lease liabilities	52,806	59,950
Variable lease payment expense and changes in estimates	(657)	(2,506)
Expenses related to short-term leases	56,463	25,741
Expenses related to low value asset leases	3,312	6,021
Cash flows from leases	213,679	263,035

22.1.4 Renewal options

Most of the Group's leases contain renewal options that can be exercised by the Group to extend the lease term from one year to 20 years, that can be exercised up to one year before the end of the non-cancellable period of the lease. Generally, the Group can exercise these renewal options because of the financial and operating facilities they provide. Renewal options are only exercisable by the Group and not by the lessor. The Group assesses at the commencement date of the lease whether it is reasonably safe to exercise the renewal options and considers them in determining the lease term. The Group reassesses whether it is reasonably safe to exercise the options if there is a significant event or change in the circumstances under its control.

22.2 Leases as a lessor

22.2.1 Financial leases

The Group does not have any lease arrangements in which it acts as the lessor.

22.2.2 Operating leases

The Group enters into lease arrangements as lessor mainly on land, buildings and constructions such as: commercial premises, warehouses, apartments and houses; machinery and operating and fleet equipment and transport equipment. All leases are classified as operating leases from the lessor's perspective.

Future lease payments by year range and in total consisted of the following:

leases under IFRS 16	2020	2019
1 year or less (*)	221,181	221,239
Between 1 and 2 years (*)	195,648	185,350
Between 2 and 3 years (*)	166,340	165,992
Between 3 and 4 years	154,143	137,837
Between 4 and 5 years	143,052	124,613

5 years or more	144,220	235,296
Lease payments	**1,024,584**	**1,070,327**
Guarantee deposits (Note 27)	**(143,670)**	**(143,288)**
Lease payments, net	**880,914**	**927,039**

(*) The indicated flows would be subject to the variation in traffic and commercial use of the terminals in accordance with the evolution of the COVID-19 juncture.

Lease income from real estate and other assets recognized by the Group during 2020 was $171,218 (2019 $362,799).

NOTE 23: **EMPLOYEE BENEFITS LIABILITIES**

	2020	2019
Post-Employment Benefits, net	486.397	479.483
Short-term employee benefits	144.847	181.952
Termination benefits	16.022	24.471
Long-term employee benefits	4.233	3.324
Share-based payment liabilities	2.488	2.115
Total employee benefits	**653.987**	**691.345**
Current	208.396	250.091
Non-current	445.591	441.254
Total employee benefits	**653.987**	**691.345**

23.1 Post-employment employee benefits

The Group's employee benefit plans vary according to the local requirements of the countries and the obligations acquired by the subsidiaries in the labor conventions in force (according to the type of employee and the duration of these within the organization).

The actuarial valuation of plan assets and the present value of the defined benefit obligation is performed annually by independent actuarial consultants. The present value of the defined benefit obligation and the current service cost and related past service cost were measured using the projected credit unit method.

The Group's employees belong to a public retirement benefit plan managed by the Government, or a private pension fund, which are accounted for as defined contribution plans. The Group covers its pension obligation through the payment of contributions to the Government and/or private pension funds under the terms and conditions provided by law. In such cases, the Group's obligation is limited to the contributions made to such funds. The benefits for which the Group assumes the full obligation under the plan are accounted for as defined benefit plans.

The amount included in the consolidated statement of financial position arising from the entity's obligation with respect to post-employment benefit plans and the changes in the present value of the post-employment benefit obligation in the current and prior years are presented below:

	2020	2019
Present value of obligations at 1 January	**509.576**	**487.508**
Cost of current service	6.379	5.735
Interest cost on defined benefit obligation	29.186	31.292
New defined benefit plan measures net of contributions	579	5.534
Actuarial gain (loss) from changes in:		
Experience	9.380	2.540
Financial assumptions	9.517	25.010
Demographic assumptions	107	(56)
Exchange rate difference	3.090	(18)
Benefits paid directly by the Group	(35.630)	(42.160)
Benefits paid from the asset fund	(5.753)	(6.669)
Other changes	97	860
Present value of obligations at 31 December	**526.528**	**509.576**

Fair value of plan assets at 1 January	**62.856**	**48.119**
"Risk-free" interest income	3.421	1.334
Return on plan assets, excluding interest	3.411	5.686
Contributions made to the plan by the Group	3.670	22.504
Payments made by the plan	(3.631)	(7.850)
Exchange rate difference due to translation	729	69
Other changes	6.021	(7.006)
Fair value of plan assets at 31 December	**76.479**	**62.856**
Net present value of liabilities at 31 December	**450.049**	**446.720**
Average duration of defined benefit obligation	9,6	9,3
Present value of obligations at 31 December	**450.049**	**446.720**
Defined contribution plan liabilities and other reclassifications	36.348	32.763
Post-Employment Benefits, net	**486.397**	**479.483**

The fair value of plan assets is contributed to private investment funds which in turn invest these resources in a diversified portfolio that may include cash and cash equivalents and investment funds.

Defined contribution plan expense at 2020 was $101,229 (2019 $98,281). Short-term accounts payable for contributions to pension and severance funds amounted to $29,654 (2019 $27,560).

The best estimate of the contributions expected to be paid to the plan during the next financial year is $74,491 (2019 $71,053).

The Group uses the resources from its working capital to implement the defined benefit plans. The allocation of these resources does not affect the Group's operations.

At 31 December 2020 and 2019, the Group has no reimbursement rights related to obligations under defined benefit plans.

The Group's main defined benefit plans are:

23.1.1 Pension plans, pension bonds and securities

Retirement benefits for the companies of Grupo Argos S.A., Cementos Argos S.A. and Celsia S.A.

In accordance with the Colombian Labor Code, Group employees are entitled to a pension benefit which, depending on the system to which they belong, is payable by each of the companies directly (defined benefit plans) or by a public pension fund, Colpensiones, formerly Instituto de Seguros Sociales, or private (defined contribution plans).

Pension benefits granted to employees not belonging to a fund are accounted for as unfunded defined benefit plans, in which case the Group must pay the retirement pensions or issue pension bonds to its employees or beneficiaries who meet the requirements as to age and length of service established in the agreements.

The retirement benefit is equal to 75% of the average monthly salary, payable for life, subject to the following limits:

a) Minimum payment equal to the monthly Minimum Wage.
b) Maximum payment equal to 25 minimum monthly salaries for Grupo Argos S.A. and Cementos Argos S.A., and 20 minimum monthly salaries for Celsia S.A.

In addition, two additional payments are made for employees who retired before 25 July 2005, one payment being made in June and another in December. For those who retire after that date, the additional payment is only made in December except for participants who receive less than 3 Minimum Wages. After 31 July 2011, all participants who retire are not eligible for the June payment, and therefore, receive only 13 annual payments.

When the participant expects to receive benefits under the Colpensiones, these benefits are deducted from the benefits payable by the Group plan, thereby reducing the Group's obligation. Pensions in payment increase in accordance with inflation. When a participant receives a pension equal to the minimum wage, the pension increases in accordance with increases in the minimum wage.

Roberta Plant Pension Plan (Alabama) - United States

For all of our employees in the United States, we fund a 401(k)-retirement savings plan, which is accounted for as a defined contribution plan.

For a group of hourly compensated employees of the Roberta plant located in Alabama, United States, who meet a specific enrollment date and are represented by United Steelworkers International Union # 9-537, there is a retirement plan attached to the collective labor convention.

The normal retirement benefit is applicable to those who have reached the age of 65 as of their retirement date, effective 21 May 2011, in the form of a monthly annuity payable for life (or other optional forms to be elected prior to retirement). The normal and special early retirement benefit is applicable to employees who are 55 years of age or older and under 65 years of age and who have at least 5 years of service but less than 30 years of service, or who have 30 or more years of continuous service regardless of age, with some restrictions and reductions in the value of the pension applied to the latter.

In addition, the following benefits are provided to plan employees: termination payments, disability benefit and death benefit upon completion of certain years of service.

Pension Gap at Retirement Benefit

This benefit consists of the granting of a single premium at the time of separation from the entity to enjoy the old-age pension, the value of which corresponds to the money needed to close the executive's pension gap. This benefit currently has contributions in private pension funds that will be used only when the requirements for obtaining the benefit are met.

Pension bonds and securities plan - Colombia

According to the Colombian Labor Code, employers must pay retirement pensions or issue pension bonds to their employees who meet certain requirements regarding age and length of service. The Group, through its subsidiary Cementos Argos S.A., has issued pension securities, Type A Modality 2 Pension Bond and Type A Modality 1 Pension Bond. This obligation applies to certain areas where Colpensiones, formerly Instituto de Seguros Sociales, did not have pension coverage prior to 1994.

The benefit is granted at the time of retirement from the company until the time the participant retires from the Colombian Social Security system. In this period, the company makes contributions to the social insurance system on behalf of the employee. The Pension Bonds and Titles constitute resources destined to contribute to the conformation of the necessary capital to finance the pensions of the affiliates of the Colombian General Pension System.

In addition, the defined benefit obligation for retirement pensions includes the employees of Industrial Hullera S. A., in liquidation, as a result of the pension liability normalization process in which the Group definitively assumes the proportion of the obligation that corresponds to it according to the Official Letter of 9 October 2012, issued by the Ministry of Labor.

23.1.2 Seniority and severance plans

Retroactive Severance Plan – Colombia

In accordance with Colombian labor regulations, employees who were employed before Law 50 of 1990 came into force are entitled to receive, upon termination of the employment contract, one month's salary in effect for each year of service and proportionally for a fraction of the year as severance assistance, for any cause that terminates the employment, including: retirement, disability, death, etc. The benefit is settled at the time of the employee's retirement based on the last salary earned. There may be distributions prior to the retirement date at the employee's request, which are not mandatory distributions.

Retroactive severance of employees who entered into labor contracts before the effective date of Law 50 of 1990 are accounted for as unfunded defined benefit plans.

With the entry into force of Law 50 of 1990, the Colombian government allowed companies, subject to employee approval, to transfer their severance obligation to private pension funds.

The severance of all workers who entered into labor contracts after Law 50 of 1990 came into force and of former workers who availed themselves of this system, are accounted for as a defined contribution plan.

Seniority Premium Plan and Severance Fund – Panama

In accordance with the labor regulations of the Republic of Panama, any employee on a permanent employment contract who retires from the company for any reason and regardless of his age or years of service at the date of retirement, is recognized with an amount of money equivalent to the average weekly salary in the last five years of service or the entire period of service if this is less than five years for each year and fraction of year of service that the employee has at retirement.

On the other hand, as from 1995, Law 44 of 1995 introduced the Labor Code the obligation of the employer to establish a trust through a pension fund administrator, which guarantees the employee with the payment of a Seniority Premium obligation and the indemnifications for unjustified dismissal called the Severance Fund, which is considered, for the purposes of the valuation of the commitment, as the asset that supports the payment of the Seniority Premium.

Severance Assistance Plan – Honduras

According to the provisions of the Honduran Labor Code, compensation accruing to company employees may be paid in the event of unjustified dismissal or death at the rate of one month's salary for each year of continuous service with a maximum of 25 years; however, it is the company's policy to pay such compensation to its employees, even if they have resigned.

For unionized personnel, the payment is 100% of the benefits (severance and notice). For voluntary retirement of trusted personnel, the amount is recognized from 40% of the benefits after one year to 110% of the benefits after 5 years of service, the amount being determined based on the years of service of the employee who establishes the percentage of the benefit.

23.1.3 Other defined benefit plans

Plan for dental care, education, death and others – Colombia

For retired employees in Colombia, through the subsidiary Cementos Argos S.A., a death benefit is granted, which is increased in accordance with the Consumer Price Index (CPI), equivalent to five times the current legal monthly minimum wage (SMMLV). For retired employees of the Valle plant in Colombia, through the Cementos Argos S.A. subsidiary, educational assistance is provided until death and for the children of retirees until they reach 25 years of age. The beneficiary receives the amount regardless of the worker's survival. Each year the benefit is increased in accordance with the Consumer Price Index (CPI), as well as dental assistance until death, provided they formally request the service, with an annual increase in accordance with the Consumer Price Index (CPI).

Retirement bonus for Cementos Argos S.A. companies

For employees covered by any of the collective labor conventions, when a worker's contract is terminated due to recognition of retirement, disability or old age pensions, a bonus equivalent to 5 minimum monthly salaries in force is granted.

Death benefit

In case of death after retirement, the beneficiary receives 100% of the pension. The beneficiary or beneficiaries are those established by legal provisions.

A funeral allowance benefit is granted to participants who do not receive benefits from Colpensiones, which consists of a single payment equal to the participant's monthly pension, subject to the following limits:

a) Minimum payment of 5 minimum monthly legal wages.
b) Maximum payment of 10 minimum monthly legal wages.

Social Security Contribution Benefit

Corresponds to a post-retirement benefit in addition to the statutory pension plan (retirement benefit), in which the Group assumes the payment of health contributions to social security entities. The beneficiary or beneficiaries are those established by legal provisions.

Sensitivity analysis and main actuarial assumptions

The following is a sensitivity analysis for the actuarial assumption of a discount rate for defined benefit plans as:

	Defined benefit plans	
	2020	**2019**
Change in discount rate		
Increase in discount rate by +1%	(39,601)	(32,573)
Decrease in the discount rate by -1%	61,182	43,977
Basis of the obligation	**500,797**	**509,576**

The basis of the obligation on which the sensitivity analysis is performed does not include primarily plan assets of $76,479 (2019 $62,856), or short-term payables for pension fund contributions and severance payments of $29,654 (2019 $27,560).

The methods used to perform the sensitivity analysis presented correspond to the projected credit unit method at the end of the reporting period, which is the same as the one applied in the calculation of the defined benefit obligation liability recognized in the statement of financial position. There have been no changes in the methods used to perform the analyses.

The main actuarial assumptions used to determine the obligations for the defined benefit plans of the Group companies are as follows:

	2020	**2019**
Inflation rate (%)	2.32%-3.25%	3.20%-3.50%
Discount rate (%)	6.17%-6.57%	6.25%-7.33%
Minimum wage increase (%)	3.80%-4.21%	4.40%-4.93%

The actuarial assumptions are presented by percentage ranges, taking the information from each of the Group companies. The mortality rate is based on publicly available mortality tables for the specific countries of each of the Group companies.

Disclosure on Defined Benefit Plans required by the Decree 2131 of 2016.

On December 23, 2015, the Ministry of Commerce, Industry and Tourism issued Decree 2496, which amended Decree 2420 of 2015 on Accounting, Financial Reporting and Information Assurance Standards in the Republic of Colombia. The Decree established provisions on the parameters for determining post-employment benefit liabilities, specifically establishing that the parameters established in Decree 2783 of 2001 would be used as the best market approximation in estimating liabilities for pension plans and for pension bonds and securities.

For the period of 2016, Decree 2131 of 22 December 2016 abolished the requirement to apply these assumptions for the measurement of post-employment benefits; they continue to be applicable only for financial reporting purposes.

As required by Decree 2131 of 2016, the principal assumptions used for purposes of actuarial valuations in accordance with Decree 1625 of 2016 and partial pension commutations of Decree 2833 of 2016, are as follows:

	2020	**2019**
Inflation rate (%)	3.64%	3.91%
Discount rate (%)	4.80%	4.80%
Minimum wage increase (%)	3.64%	3.91%

Below is the difference between the calculation of defined benefit plans and pension commutations, under the methodology described in decree 2131 of 2016 and the methodology applicable to comply with the Technical Regulatory Framework applicable in Colombia, as of 31 December:

	Assumptions Employee Benefits (IAS 19)	Assumptions Decree 1625 of 2016 (Decree 2131 of 2016)	Difference
Present value of defined benefit plan obligations at 31 December 2020	393,779	340,106	53,673
Present value of defined benefit plan obligations at 31 December 2019	399,765	327,193	72,572

This comparison only includes post-employment benefit plans that correspond to pension liabilities recognized by companies in Colombia.

23.2 Short-term employee benefits

The Group records short-term employee benefits such as salary, vacation, bonuses, extralegal premiums, collective life insurance, health insurance, death benefits, education, eyeglasses and contact lenses, daycare and education, marriage, language courses directly to income.

NOTE 24: **PROVISIONS**

The balance of the provisions, at 31 December, comprises:

	Lawsuits, claims and other contingencies (1)	Dismantling (2)	Environmental (3)	Other Provisions (4)	Total
1 January 2020	**307,907**	**114,436**	**23,220**	**128,982**	**574,545**
Provisions made	244,971	115,667	914	64,983	426,535
Provisions used	(165,853)	(1,903)	(3,780)	(49,015)	(220,551)
Reversals made	(17,405)	(2,279)	(591)	(50)	(20,325)
Discount effect and discount rate adjustment	1,815	(109,912)	(2)	7,147	(100,952)
Conversion effect	(3,466)	2,527	242	5,017	4,320
Other changes	469	1,555	585	(33)	2,576
31 December 2020	**368,438**	**120,091**	**20,588**	**157,031**	**666,148**
Current	365,440	7,004	9,820	47,798	430,062
Non-current	2,998	113,087	10,768	109,233	236,086
Total provisions	**368,438**	**120,091**	**20,588**	**157,031**	**666,148**

(1) The companies are involved in legal proceedings of various kinds, acting both as plaintiffs and defendants, and these proceedings are diligently handled by qualified lawyers hired by the Group. The disputes may be of a civil, administrative, criminal or tax nature; this type of lawsuit is that which arises in the ordinary course of business for any company of the size and complexity of the Group's operations and is likely to involve an outflow of resources.

The corresponding reserves for these proceedings have been estimated on the basis of criteria such as the nature of the proceedings, evidence presented, economic factors, the possible sentence projected, etc., to cover possible convictions or unfavorable decisions that may arise. We consider that the estimated time of completion of these proceedings ranges from three (3) to eight (8) years approximately.

The subsidiaries located in the United States are self-insured for workers' compensation claims up to USD 500 per incident, general liability claims up to USD 350 per incident and automotive claims up to USD 500 per incident and have insurance for values exceeding these amounts. As of December 31, 2020 and 2019, there were a number of open claims. The value recognized through expense for these claims is based on actual occurrences and management's estimate of liabilities resulting from each claim. Although the ultimate outcome of these claims cannot currently be determined, management believes that the amounts of $49,439 and $43,527 provided for these claims in the consolidated financial statements at 31 December 2020 and 31 December 2019, respectively, are adequate.

The balance of the provision for lawsuits, claims and other contingencies includes $199,840 (2019 $196,949) corresponding to the estimate of the provision for the Bajo Anchicayá legal process filed by the Afro-descendant community against Celsia

Colombia S.A. E.S.P. that seeks reparation for damages caused to the community due to the opening of the bottom discharges of the Bajo Anchicayá Hydroelectric Power Plant that took place between the months of July and August 2001. After having reinitiated the eventual review process by virtue of the decisions issued by the Constitutional Court and the Council of State, the Third Section of the Council of State decided to suspend the effects of the judgment of the Contentious Administrative Court of Valle del Cauca on 7 September 2009. Within the eventual review process, the company and the attorneys of the communities filed a request for a Judicial Conciliation Hearing, which was not accepted by the Council of State. By means of an action on 5 December 2019, the reporting magistrate announced that the office is currently preparing the corresponding draft judgment, which will be submitted to the decision of the Third Section of said judicial corporation.

In July 2017, two of the Company's Competitors (Southest Ready Mix, LLC and Mayson Concrete Inc) filed a lawsuit against the Company alleging antitrust violations before the U.S. District Court for the District of North Georgia, which began to be investigated by the U.S. Department of Justice (DOJ). As part of the investigations carried out by the DOJ, Argos USA LLC has been cooperating with the provision of information required by this entity and responding to its different requests.

On 4 January 2021, an indirect subsidiary of Cementos Argos entered into a Deferred Prosecution Agreement (DPA) with the Antitrust Division of the U.S. Department of Justice (DOJ), under which the subsidiary agreed to pay a fine in the amount of USD $20 million to the U.S. Treasury for antitrust violations by former employees at a local sales office for the ready-mix concrete market in Savannah, Georgia. The sales office and related concrete plants involved in the conduct were acquired by the subsidiary in 2011, as part of a larger acquisition, and sold in 2019. Subject to compliance with the terms of the DPA, the DOJ has agreed to defer prosecution of any charges against the subsidiary for such violations for three years and to dismiss any charges at the end of the three-year period. As of 31 December 2020, a provision was recorded for the agreed amount of the penalty.

(2) The companies are obliged to incur future costs for compliance with mining legislation, with respect to the exploitation of mineral resources, corresponding to the dismantling of assets and restoration of the environment where these assets were built, which is carried out at the time a mining operation is completed or a mining title expires, whichever is shorter.

Dismantling obligations have a maximum execution date of the expiration of the mining title, and therefore the disbursement of economic resources is estimated to be five years before the legal requirement. However, in some cases, where the operation of an area covered by a title that is still more than five years old has been completed, it is estimated that the provision will be disbursed within five years of the completion of the operation. In determining the best estimate for settlement, management considers the areas affected by mining, the mining schedule and the costs incurred in past dismantling operations.

(3) The Group is required to incur costs for environmental obligations related to forest compensation for quarrying and logging, costs for the removal and subsequent disposal of hazardous waste, specifically PCBs (polychlorinated biphenyls), previously stored.

For forest compensation, the Group has committed to settle its environmental obligations within a maximum period of five years or as indicated in the Resolution corresponding to each identified environmental liability. In determining the best estimate to be settled, management considers mainly financial variables and the costs of planting, isolation and maintenance for a period of four years.

The concession Autopistas del Café S.A. has the obligation to pay 1% of the value invested in the construction of the works, derived from the environmental license granted to the project, for the use of water resources in the development of the works. This obligation is paid to the Regional Autonomous Corporations of the departments where the works have been executed.

(4) Autopistas del Nordeste Cayman Ltda and Boulevard Turístico del Atlántico S.A., have a contractual obligation to perform major maintenance every 10 years to the concession roads, which includes pavement treatment, signaling and all maintenance procedures necessary to maintain a pavement index required by the state, and a road in optimal condition.

Argos USA LLC, an indirect subsidiary of Cementos Argos S.A., may extract limestone ("Chemical Grade Stone", CGS) from a quarry owned by Vulcan Construction Materials LP ("Vulcan"), which is located adjacent to the Group's plant in Alabama. Under the terms of the reserve exchange agreement with Vulcan, the Group has the right to extract limestone from Vulcan's quarry and, in exchange, supply Vulcan with Aggregate Grade Stone ("AGS") that is not suitable for cement manufacturing. The reserve exchange agreement grants the Group the right to mine limestone on Vulcan's property and effectively increases the Group's available reserves. The agreement with Vulcan expires on 31 December 2035, with an option to extend until December 2045. As of 31 December 2020 and 2019, the estimated amounts of obligations for future mineral extraction from mines owned by the Group are $67,667 and $58,819, respectively.

NOTE 25: **TRADE LIABILITIES AND OTHER PAYABLES**

Trade liabilities and other payables at 31 December correspond to:

	2020	2019
Domestic suppliers	944,233	1,131,159
Official creditors (1)	549,285	650,492
Dividends payable	264,495	209,451
overseas suppliers	99,067	124,221
Payables to related parties (Note 41) (2)	67,430	34,468
Related suppliers (Note 41)	1,786	452
Other payables	835,607	852,665
Total trade liabilities and other payables	**2,761,903**	**3,002,908**
Current	2,353,159	2,734,393
Non-current	408,744	268,515
Total trade liabilities and other payables	**2,761,903**	**3,002,908**

(1) Corresponds mainly to payables to the Agencia Nacional de Infraestructura - ANI and Aerocivil.

On 31 December 2020, it was subscribed the addendum No. 34 by which it was defined by mutual agreement between the Agencia Nacional de Infraestructura - ANI and Opain S.A. that Opain S.A. will pay to the Aerocivil the consideration corresponding to the first semester of 2020 in a maximum of 4 installments proportionally to each disbursement to be made between December 2020 and July 2021 by the Ministry of Finance and Public Credit to the Aerocivil, for which Opain S.A. will have 12 months, counted from the date of each disbursement to make the payment of 100% of each installment.

The payment of each installment includes the amount, the value of the indexation with the current CPI and the financial costs incurred by the Aerocivil on the values effectively disbursed.

(2) Includes dividends payable to related parties for $21,536 (2019 $20,018).

The Group has average credit periods for company purchases of 30 days for service obligations and between 30 and 90 days for commercial obligations. The Group has implemented financial risk management policies to ensure that all payables are paid in accordance with the previously agreed credit terms.

NOTE 26: **BONDS AND COMPOUND FINANCIAL INSTRUMENTS**

	2020	2019
Bonds in circulation (i)	8,382,011	8,457,746
Structured notes (ii)	1,161,394	1,259,850
Liability for Preferential shares classified as debt (iii)	74,186	72,663
Total bonds and compound financial instruments	**9,617,591**	**9,790,259**
Current	643,567	951,924
Non-current	8,974,024	8,838,335
Total bonds and compound financial instruments	**9,617,591**	**9,790,259**

The Group maintains an obligation of $8,372,701 (2019 $8,410,397) according to its nominal values, corresponding to ordinary bond issuance.

(i) Details of the conditions of the bonds issued are as follows:

Issuer	Placement date	Term	Rate	Currency	Current nominal value (*) 2020	2019
Alternegy S.A. (1)	Dec-17	10 years	LIBOR3M+4.5%	USD	267,200,000	287,480,000
Autopistas Del Nordeste (Cayman) Ltd. (2)	Feb-06	18 years	9.39%	USD	88,497,851	108,910,819
Bahía Las Minas Corp. (3)	Jan-10	12 years	LIBOR+3.25%	USD	-	26,315,358
Bahía Las Minas Corp. (3)	Jan-10	10 years	LIBOR+3%	USD	-	11,859,484
Bahía Las Minas Corp. (3)	May-10	10 years	LIBOR+3.25%	USD	-	15,250,000

Celsia Colombia S.A. E.S.P. (4)	Apr-10	20 years	CPI+6.08%	COP	300,126,000,000	300,126,000,000
Celsia Colombia S.A. E.S.P. (4)	Apr-10	10 years	CPI+5.05%TV	COP	-	214,120,000,000
Celsia Colombia S.A. E.S.P. (5)	Jul-18	12 years	IBR+2.695%	COP	70,000,000,000	70,000,000,000
Celsia Colombia S.A. E.S.P. (5)	Dec-18	10 years	CPI+3.69%	COP	70,000,000,000	70,000,000,000
Celsia Colombia S.A. E.S.P. (6)	Apr-19	20 years	CPI+3.93%	COP	325,975,000,000	325,975,000,000
Celsia Colombia S.A. E.S.P. (6)	Apr-19	12 years	CPI+3.68%	COP	281,515,000,000	281,515,000,000
Celsia Colombia S.A. E.S.P. (6)	Apr-19	7 years	CPI+3.24%	COP	256,270,000,000	256,270,000,000
Celsia Colombia S.A. E.S.P. (6)	Apr-19	3 years	5.99%EAR	COP	236,240,000,000	236,240,000,000
Celsia Colombia S.A. E.S.P. (7)	Apr-20	7 years	CPI+3.96%	COP	171,000,000,000	-
Celsia Colombia S.A. E.S.P. (7)	Apr-20	3 years	6.50% EAR	COP	29,000,000,000	-
Celsia S.A. (8)	Dec-13	12 years	CPI+5.00%	COP	240,650,000,000	240,650,000,000
Celsia S.A. (8)	Dec-13	20 years	CPI+5.33%	COP	212,080,000,000	212,080,000,000
Cementos Argos S.A.	Apr-09	15 years	CPI+7.19%	COP	229,530,000,000	229,530,000,000
Cementos Argos S.A.	May-12	15 years	CPI+4.50%	COP	303,082,000,000	303,082,000,000
Cementos Argos S.A.	May-12	10 years	CPI+4.24%	COP	299,896,000,000	299,896,000,000
Cementos Argos S.A.	Nov-14	15 years	CPI+4.21	COP	311,707,000,000	311,707,000,000
Cementos Argos S.A.	Nov-14	10 years	CPI+3.80	COP	190,675,000,000	190,675,000,000
Cementos Argos S.A. (9)	Apr-16	15 years	CPI+4.47	COP	184,157,000,000	184,157,000,000
Cementos Argos S.A. (9)	Apr-16	10 years	CPI+4.19	COP	121,075,000,000	121,075,000,000
Cementos Argos S.A. (9)	Apr-16	5 years	CPI+3.74	COP	73,568,000,000	94,768,000,000
Cementos Argos S.A. (10)	May-17	25 years	CPI+3.99%	COP	400,500,000,000	400,500,000,000
Cementos Argos S.A. (10)	May-17	13 years	CPI+3.64%	COP	388,145,000,000	388,145,000,000
Cementos Argos S.A. (10)	May-17	6 years	6.65%	COP	211,355,000,000	211,355,000,000
Cementos Argos S.A. (11)	Jun-18	3 years	CPI+2.88%	COP	196,150,000,000	215,600,000,000
Cementos Argos S.A. (11)	Jun-18	10 years	CPI+3.75%	COP	158,550,000,000	158,550,000,000
Cementos Argos S.A. (11)	Jun-18	20 years	CPI+4.04%	COP	125,850,000,000	125,850,000,000
Cementos Argos S.A. (12)	Nov-20	4.25 years	CPI+2.24%	COP	250,000,000,000	-
Grupo Argos S.A. (13)	Sep-14	15 years	CPI+4.24%	COP	390,104,000,000	390,104,000,000
Grupo Argos S.A. (13)	Sep-14	10 years	CPI+3.95%	COP	137,318,000,000	254,318,000,000
Grupo Argos S.A. (13)	Aug-19	15 years	CPI+3.20%	COP	168,535,000,000	168,535,000,000
Grupo Argos S.A. (13)	Aug-19	6 years	CPI+2.44%	COP	157,965,000,000	157,965,000,000
Grupo Argos S.A. (13)	Aug-19	3 years	DTF+5.78%	COP	123,500,000,000	123,500,000,000
Grupo Argos S.A. (14)	Oct-20	7 years	CPI+2.65%	COP	136,500,000,000	-
Odinsa S.A. (15)	Oct-17	5 years	CPI+3.98%	COP	120,750,000,000	120,750,000,000
Odinsa S.A. (15)	Oct-17	3 years	7.49%	COP	-	279,250,000,000
Odinsa S.A. (16)	Oct-20	3 years	5.2%	COP	280,000,000,000	-
Total bonds in dollars (*)					**355,697,851**	**449,815,661**
Total bonds in pesos (*)					**7,151,768,000,000**	**6,936,288,000,000**

(*) Figures stated in Colombian pesos and in US dollars.

(1) Corresponds to the public bond issue made by Alternegy S.A. in the Panamanian stock market with Bontex S.A. and Planta Eólica de Guanacaste S.A. as joint debtors. With the resources obtained, the debt that these companies had with CTC Curaçao B.V. was cancelled. The bond issue is backed by local and foreign guaranty trusts (Note 7.4 Collaterals).

The bond issue made by the subsidiary Alternegy S.A. in 2018, which matures on 22 December 2027, contemplates compliance with the following financial agreements, among others:

a) A debt service coverage ratio equal to or greater than 1.1 times for the last 12 months from 31 December 2018;
b) A debt-to-EBITDA consolidated ratio equal to or less than the ratio applicable from time to time;
c) The issuer and joint debtors may not incur additional debt, except for permitted debt.

All of the above financial covenants will be evaluated on a semi-annual basis, based on the combined financial statements of the Issuer, except for the Debt-to-EBITDA Ratio which will be evaluated based on the combined financial statements of the Issuer and the joint debtors. The combined financial statements contain Alternegy S.A., Bontex S.A. and Planta Eólica Guanacaste S.A. (PEG).

According to the definition of the calculation period, Alternegy S.A. has a term of up to 120 calendar days from the closing date of the corresponding period to present the reports with the calculation based on the audited financial statements.

The result of the calculation associated to the debt / EBITDA financial agreement as of 30 June 2019 was 6.20 times complying with the levels defined in the contract. For the calculation of the financial agreement as of December 2020, the corresponding information delivery terms are being supplied in accordance with the terms and conditions of the bond.

At the end of the reporting period, the Group's subsidiary, Alternegy S.A. obtained the exemption to waive the issuer's obligation to maintain the Debt/EBITDA ratio financial covenant until 31 December 2020.

Likewise, the Group's subsidiary, Alternegy S.A. is in the process of obtaining the following exemptions:
- For the bonds, the non-constitution of the debt service account during 2020.
- Request for an extension for the payment of the *ballon* until December 2020.
- Procedures to make use of the balance of the surplus account if necessary, due to the current situation (COVID-19), which has implied delays in the payment of contracts by the generators.

(2) Corresponds to bonds issued by Autopistas del Nordeste (Cayman) Ltd., for an original amount of USD 162 million, used to finance the construction of the highway concession in the Dominican Republic. These bonds bear an annual interest rate of 9.39% and mature in 2024. This debt had a first grace period of two (2) years, which expired in July 2008, then a second grace period of five (5) years, which expired in 2013.

These bonds will be repaid with cash flows guaranteed by the Government of the Dominican Republic, which are being received by Autopistas del Nordeste (Cayman) Ltd. between August 2008 and February 2024, based on the payment schedule established in the concession contract; additionally, a minimum income is guaranteed until the end of the concession, which will be in 2038.

The bonds are secured mainly by the shares of Autopistas del Nordeste Cayman Ltd. (Note 7.4 Collaterals).

(3) Corresponds to the incorporation of the bond issue made in Bahía Las Minas Corp. in the Panamanian stock market. Bahia las Minas Corp. restructured the maturity of Series A and part of Series B1, obtaining 2019 as a grace period, therefore, the originally agreed maturity dates are extended.

Among the loan agreements entered into is the waiver of the Group's subsidiary, Bahia Las Minas Corp. where it was approved to waive the commitment of the financial debt covenants for the year 2019-2020.

Additionally, the Group's subsidiary, Bahia Las Minas Corp. presented the following exemptions:

- For the bonds, the non-constitution of the Debt Service Reserve account until 10 January 2021.
- The maturity of the Series A bonds is moved to January 2021.
- The Series A and B-1 principal amortization will be paid at maturity, however, on each principal payment date beginning in October 2020, mandatory prepayments will be made, on a pro rata basis, with any funds on deposit in the trust's excess cash account.
- It was approved to waive payments for the subordinated debts with Banco Nacional de Panamá, until January 2021 for interest and principal until February of the same year.

The bonds were reclassified as liabilities associated with non-current assets held for sale (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations).

(4) Corresponds to the corporate bond issue by Celsia Colombia S.A. E.S.P. in April 2010 that was placed in the Colombian public securities market.

(5) In 2018 Celsia Colombia S.A. E.S.P. issued Green Bonds for $140,000 in the Second Market. The first tranche was awarded to the International Finance Corporation (IFC) for $70,000 and the second tranche was awarded to Financiera de Desarrollo Nacional (FDN) for $70,000.

The proceeds from this issue will be used to finance investments in the company's initiatives in the development of solar generation farms. The Green Bonds program was certified as a Climate Bonds under the Climate Bonds Standard & Certification Scheme that promotes large-scale initiatives to reduce carbon emissions and prevent or reduce climate change.

(6) Corresponds to the second issuance of ordinary bonds under the issuance and placement program of commercial paper and ordinary bonds. The issuance was made on 24 April 2019 by Celsia Colombia S.A. E.S.P.

The proceeds from this issue will be used to finance the company's investment plan and the remaining percentage will be used to strengthen its liquidity position, refinancing some debts and replacing financial liabilities, among others.

(7) On 20 April 2020, the company Celsia Colombia S.A. E.S.P., a subsidiary of Celsia S.A., made the third issue of ordinary bonds under the program for the issuance and placement of commercial paper and ordinary bonds of the company for an amount of $200,000. In this issue an amount of $150,000 was offered, with the possibility of an over-allotment of $50,000. The issuer allotted $200,000 in the market.

(8) In December 2013 Celsia S.A. made its first issue of ordinary bonds in the local stock market for an amount of $800,000. The placement was made through a Dutch auction in the Bolsa de Valores de Colombia S.A. The resources obtained through the placement of ordinary bonds were fully used for the replacement of financial liabilities, within the strategy of optimizing the company's capital structure.

(9) The issue is part of the issuance and placement program for ordinary bonds and commercial papers with a charge to a global quota of $1 trillion approved by Resolution No. 0422 of the Superintendence of Finance of Colombia of 23 March 2012.

(10) The issue is part of the issuance and placement program for ordinary bonds and commercial papers with a charge to a global quota of $1 trillion approved by Resolution No. 0518 of the Superintendence of Finance of Colombia of 3 April 2017 whereby the increase of the global quota of the issue and placement program previously approved by Resolution 0422 of 2012 was approved.

(11) The issue is part of the issuance and placement program for ordinary bonds and commercial papers with a charge to a global quota of $1 trillion approved by Resolution No. 0585 of the Superintendence of Finance of Colombia ("SFC") of 10 May 2018.

These issues are rated AA with stable perspective by the rating firm Fitch Ratings Colombia S.A. and are nominal securities, issued to order and negotiable in the secondary market through the Colombian Stock Exchange.

(12) The issue constitutes the second tranche that is part of the issuance and placement program of ordinary bonds and commercial paper under a global quota of $1 trillion approved by Resolution No. 0585 of the Superintendence of Finance of Colombia ("SFC") of 10 May 2018.

All issues are rated AA with stable outlook by the rating firm Fitch Ratings Colombia S.A. and are nominative securities, issued to order and negotiable in the secondary market through the Colombian Stock Exchange.

(13) On 28 August 2019, Grupo Argos S.A. issued $450,000 in ordinary bonds, in 2017, Grupo Argos S.A. had issued $350,000 in commercial papers, which it paid in full in 2018 and on 10 September 2014 Grupo Argos S.A. issued $1 trillion in ordinary bonds.

(14) On 28 October 2020, Grupo Argos S.A. performed an exchange of ordinary bonds for a total amount of $136,500.

From a financial perspective, this operation strengthens the Company's balance sheet structure, optimizes the debt maturity curve (increasing its average life from 5.5 to 5.7 years) and allows taking advantage of the interest rates offered by the market. In addition to the benefits in terms of market development, this first operation allows Grupo Argos S.A. to strengthen its cash flow in the next 4 years and increase the maturity of a portion of the bonds issued in 3 additional years.

94% of the issuance was paid in kind and therefore the issuance does not entail an increase in the company's leverage, beyond the costs and expenses associated with the transaction. The total quota of the Issuance and Placement Program of Ordinary Bonds and Commercial Papers of Grupo Argos S.A. (the "Program") is $2,350,000 of which, after the aforementioned transaction, $1,936,500 has been allotted.

The bonds have an AA+ rating issued by BRC Investor Services S.A.

(15) During 2017, Odinsa S.A. issued bonds in the market for an amount of $400,000 with the purpose of cancelling financial obligations and making capital contributions in different projects; on 4 October 2017, the bonds were subscribed and disbursed. The terms and conditions of the bonds will be governed by Colombian law.

(16) In October 2020, Odinsa S.A. made an issue and placement of ordinary bonds in the market for an amount of $280,000, authorized by the Superintendence of Finance of Colombia through resolution No. 0730 of 18 August 2020, with active participation, both institutional investors and individuals. 0730 of 18 August 2020, with the active participation

of both institutional investors and individuals, allotment was made through the Dutch Auction mechanism and received bids for an amount of $436,805, which represents 1.56 times the amount offered, with these resources the Company paid the first tranche of the maturity of the bonds issued on 4 October 2017, amounting to $279,250.

This issuance and placement gives the Company financial flexibility to continue strengthening its position in the sector and maintain growth under a structured financing scheme. The operation was led by Banca de Inversión Bancolombia S.A. Corporación Financiera as Structuring Agent, Valores Bancolombia S.A. Comisionista de Bolsa as Lead Placement Agent, Credicorp Capital Colombia S.A. as Placement Agent and the firm Posse Herrera Ruiz as legal advisors.

The amount of interest on bonds and structured notes recognized through profit or loss in 2020 was $434,628 (2019 $658,807).

(ii) On 13 August 2019, Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A., issued notes for USD 415 million with a maturity date of 15 December 2026 at an interest rate of 4.09%. The issue was rated BBB by Fitch Ratings and was made through a private international placement. The proceeds of the issue were used to pay off all bank loans abroad. On 13 December 2019, a first payment of USD 26.6 million was made, leaving a balance of USD 341.1 million (2019 USD 388.3 million).

In the process of constant evaluation and monitoring of our businesses and as a result of the effects generated as a result of the COVID-19 contingency, Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. has sensibly decreased its operation, fact that has implied a variation in its financial indicators, highlighting a decrease in the debt service coverage indicator, presenting, as of June 2020, a result that is below the value required according to the credit agreement associated to the issuance of notes of 13 August 2019 for USD 415 million. Due to this situation, on 2 September 2020, the company obtained a waiver from the lenders on compliance with the debt service coverage indicator for the calculation period ended 30 June 2020.

(iii) Corresponds to Preferential shares classified as compound financial instruments of the subsidiary Cementos Argos S.A. and of Grupo Argos S.A.

In accordance to the approval of the General Shareholders' Meeting of 15 March 2013, Cementos Argos S.A. carried out the issuance and placement of preferred and non-voting shares (hereinafter "preferential shares") in May 2013, for $1,610,824, allocating 209,197,850 preferential shares, at a subscription price of $7,700 per preferential share, determined by the company's Board of Directors.

The issuance of the Preferential shares is a compound financial instrument. The issuer, for subsequent recognition and measurement, identified the debt and equity components by evaluating the contractual terms of the instrument and the obligations of the issuer. Given the issuer's contractual obligation to pay the minimum annual dividend to the holders of the shares if the company generates profits, the issue incorporates a financial liability component. Once this liability is measured, the difference between the value received and the value of the obligation constitutes an equity component. The portion corresponding to the financial liability must be measured at least in each interim period and its effects recognized through profit or loss; the equity component is not subject to subsequent measurement.

Cementos Argos S.A. determined the liability component by discounting the cash flows corresponding to the minimum preferential dividend, which were calculated in perpetuity based on section 11.1.1 of the issue prospectus; the discount rate applied corresponded to the market rate at the date of issue of similar instruments that did not incorporate an equity component. Considering the difficulty of identifying in the market a financial instrument with the same characteristics as the issue, the discount rate for the financial liability was determined with reference to the current yield of the longer-term bonds issued by Cementos Argos S.A. denominated in Colombian pesos. For these purposes, the valuation rate of the bond issue by Cementos Argos S.A. 2024, issued in May 2012, was long-term (15 years) and indexed to the CPI.

The Preferential shares had a minimum annual dividend of 3% on the subscription price paid in the first 12 quarters after the placement. In April 2016, the latter dividend was paid at a minimum of 3% yearly over the subscription price, and as of the thirteenth quarter the minimum annual dividend will be $10 per share, which will increase with the annual CPI at the end of each year. The issue prospectus does not contain any call or put options on the preferential shares.

Shareholders with preferential dividends and without voting rights are entitled to receive a minimum dividend in preference to that corresponding to ordinary shares, provided that distributable profits have been generated in the immediately preceding accounting period. In no event may the dividend received by the holders of ordinary shares exceed the dividend declared for preferential shares; the preferential redemption of their contributions, after payment of any external liabilities, in the event of the dissolution and liquidation of the issuer; and the other rights provided for in the issuer's bylaws for holders of ordinary shares, except (i) the right to subscribe preferentially for ordinary shares and (ii) the right to vote on proposals at the issuer's general meeting of shareholders. By way of exception, preferential shares will give their holders the right to vote at the events set forth in the placement and issuance prospectus.

The liability recognized for the issuance of Preferential shares is composed of the valuation of the debt component and the reduction of the direct costs of the issue assigned to the liability component, according to the percentage of participation of each component for the issue. At initial recognition, issuance costs were included in the financial liability for $7,157. The debt component is measured at amortized cost using the effective interest rate. The effective interest rate for the subsequent measurement of the debt component at amortized cost was determined by matching the estimated cash flows receivable or payable over the expected life of the financial instrument with the net carrying amount of the liability component at initial recognition. The financial liability is increased by the recognition of interest at the effective interest rate and decreased by the recognition of minimum dividends to preferential shareholders.

At the end of 2020 the number of preferential shares of Cementos Argos S.A. was 209,197,850 shares (2019 209,197,850 shares).

The liabilities also include the Preferential shares of Grupo Argos S.A., which entitle the holders to receive a preferential dividend for $4 (four pesos) per share, which will be paid in preference to the ordinary shares, provided that a dividend has been declared from legally available funds. In no case may the preferential dividend be accumulated for subsequent years. In each case, the first payment of dividends will correspond to those that the company decrees after the shares have been subscribed. The subsequent recognition and measurement of this instrument was carried out by applying the same procedure established above. The discount rate of the financial liability for the Preferential shares of Grupo Argos S.A. was determined with reference to the average cost of the company's debt.

The number of Grupo Argos S.A.'s outstanding preferential shares at the end of the reporting period was 211,827,180 shares (2019 211,827,180 shares).

NOTE 27: **OHER NON-FINANCIAL LIABILITIES**

The balance of other non-financial liabilities at 31 December corresponds to:

	2020	2019
Income received in advance (1)	456,947	403,305
Prepayments and deposits received from third parties (2)	267,129	291,336
Sales tax	66,932	78,123
Deduction at source	58,106	40,127
Other taxes payable	57,359	46,322
Income received for third parties (3)	37,815	53,075
Industry and commerce tax	29,842	50,417
Contract collateral (4)	2,891	5,244
Other non-financial liabilities	5,811	3,584
Total other non-financial liabilities	**982,832**	**971,533**
Current	407,731	460,758
Non-current	575,101	510,775
Total other non-financial liabilities	**982,832**	**971,533**

(1) mainly due to the collections of the Los Llanos Road Concession, which are recognized based on the construction of the functional units established in the concession contract and income related to development costs pending execution on the lots sold.

(2) Correspond mainly to guarantee deposits from space holders under lease agreements. They also include prepayments received from customers for the purchase of products of the cement and ready-mix concrete business, a deposit received from the Ministry of Public Works and Communications, which corresponds to a guarantee to cover eventual cash deficits, prepayments received from customers for the sale of lots and prepayments with related parties for $976 (Note 41 information on related parties).

(3) Comprises mainly collections received from public lighting, cleaning services, insurance and household appliances sales. Likewise, the revenue from the los Llanos Road Concession for the funding of the sub-accounts for audit and

supervision, contractual support and Alternative Dispute Resolution (ADR), which are affected by the invoicing of these items following approval by the Asociación Nacional de Infraestructura - ANI.

(4) Includes withholding as collateral in contracts with related parties for $195 (2019 $3,140), (Note 41 Information on related parties).

Income to be recognized in future periods, excluding lease income that is detailed in Note 22 Leases, when remaining performance obligations are satisfied is analyzed as follows:

	2020	2019
In one year	116,945	159,359
Later than a year (*)	56,883	-

(*) Additionally, the Group, through its subsidiary Odinsa S.A., has as of 31 December 2020 income received in advance from the los Llanos road concession in the amount of $397,707 (2019 $334,009), which correspond to toll collections under the concession contract made with the Asociación Nacional de Infraestructura - ANI. These values will be recognized through profit for the period, according to the agreement with this entity once the construction of each of the functional units of the project is completed and according to the financial model defined for this concession (See Note 44 Concession Contracts).

NOTE 28: **SHARE CAPITAL**

The balance of the share capital of the parent company Grupo Argos S.A. at 31 December comprises:

	2020	2019
Authorized capital:		
1,200,000,000 ordinary shares with a nominal value of $62.5	75,000	75,000
subscribed and paid capital:		
651,102,432 ordinary shares with a nominal value of $62.5	40,694	40,694
211,827,180 Preferential shares with a nominal value of $62.5	13,239	13,239
Total subscribed and paid capital	**53,933**	**53,933**

Preferential shares confer the following rights on the holders:

i. To receive a preferential dividend of $4 Colombian pesos per share, which will be paid in preference to that corresponding to the ordinary shares, provided that a dividend has been declared from the funds legally available for this purpose. In no case may the dividend received by the holders of ordinary shares be greater than that declared in favor of the preferential shares.

   In no case may preferential dividend be accumulated for subsequent years. In each case, the first payment of dividends will correspond to those that the company decrees after the shares are subscribed.

ii. To participate jointly with the holders of ordinary shares in the distributable profits, in proportion to their participation in the subscribed capital of the company, after payment of the preferential dividend and the ordinary dividend that is equal to the preferential dividend.

iii. To have priority in the reimbursement of contributions in the liquidation process, provided that the company's external liabilities have been fully covered.

iv. To be called to shareholders meetings in the same manner and within the same time limits as the holders of ordinary shares.

v. To participate in shareholders meetings and to vote thereat only in the following situations:

   a. When it is a matter of approving modifications that may deteriorate the conditions or rights established for the preferential shares. In this case, the favorable vote of 70% of the shares into which the subscribed capital is divided will be required, including in said percentage and in the same proportion the favorable vote of the preferential shares.

b. When voting on the conversion of preferential shares into ordinary shares, unless the respective regulations specifically regulate the possibility of conversion and the terms on which it is to be carried out. In the event that it is decided to approve a conversion different from that approved in the regulations or that the regulations have not contemplated this option, the same majority indicated in the preceding paragraph will be applied.

c. If at the end of a corporate year the company does not generate distributable profits that allow it to cancel the preferential dividend, and the Superintendence of Finance of Colombia, ex-officio or at the request of holders of preferential shares that represent at least 10% of these shares, establishes that benefits that reduce distributable profits have been hidden or distracted, may determine that the owners of these shares participate with voice and vote in the meetings of the shareholders' meeting, until it is verified that the irregularities that gave rise to this measure have disappeared, in accordance with the provisions of Article 64 of Law 222 of 1995.

d. To exercise the right of inspection in the same cases, terms and conditions as the holders of ordinary shares.

Own shares reacquired are 5,702,432 shares (2019 5,702,432 shares). The ordinary shares held by associates and joint ventures are: 229,295,179 shares (2018 229,295,179 shares). At 31 December 2019, the ordinary shares outstanding were 645,400,000 shares (2018 645,400,000 shares).

During 2020 there were no transactions involving the acquisition of own shares.

	Number of shares	Share capital	additional paid-in capital
Reconciliation of ordinary shares			
Balance as at 31 December 2019 (*)	651,102,432	40,694	553
Balance as at 31 December 2020 (*)	651,102,432	40,694	553
Reconciliation of preferential shares			
Balance as at 31 December 2018	**211,827,180**	**13,239**	**1,354,206**
Issuance of preferential shares			
Balance as at 31 December 2019	**211,827,180**	**13,239**	**1,354,206**
Issuance of preferential shares	-	-	-
Balance as at 31 December 2020	**211,827,180**	**13,239**	**1,354,206**
Total ordinary and preferential 2019	**862,929,612**	**53,933**	**1,354,759**
Total ordinary and preferential 2020	**862,929,612**	**53,933**	**1,354,759**

(*) Includes 5,702,432 (2019 5,702,432) repurchased shares.

NOTE 29: **RESERVES AND OTHER COMPREHENSIVE INCOME**

Reserves and other comprehensive income as of 31 December correspond to:

	2020	2019
Legal reserves	29,665	29,665
Mandatory reserves	405,987	5,988
Other occasional reserves	3,237,931	3,477,508
Total reserves	**3,673,583**	**3,513,161**

29.1 Reserves

Legal reserves

Grupo Argos S.A. is required to appropriate 10% of its net annual profits as a legal reserve until the balance of this reserve reaches 50% of the subscribed capital. The reserve is not distributable prior to the liquidation of the parent company but must be used to absorb or reduce annual net losses. Appropriations made in excess of the aforementioned 50% are freely available to the shareholders at the General Shareholders Meeting.

Mandatory reserves

Mandatory reserves include the reserve for the repurchase of shares of $5,988 (2019 $5,988).

On 26 March 2020, the Stockholders' Meeting authorized the repurchase of common shares and shares with preferred dividend and without voting rights through a repurchase program, up to an amount of $400,000, in a term of up to three (3) years. For this purpose, it empowered the Board of Directors to regulate the Repurchase Program, and to define and approve the terms and conditions thereof and authorized the transfer of $400,000 from the reserves for future taxed investments to the reserve for repurchase of shares.

The repurchase shall be performed through mechanisms that guarantee equal conditions for all shareholders and the repurchase price for each type of share shall be set based on technically recognized procedures, in compliance with current regulations. In the event that the Board of Directors considers that internal or market conditions are not adequate to perform the repurchase of shares, the company will not be obliged to implement, totally or partially, the repurchase of shares.

As of 31 December 2020, the reserve for reacquisition of shares has been used for the acquisition of 5,702,432 own shares (2019 5,702,432 own shares).

Other occasional reserves

The balance of the other reserves comprises:

	2020	2019
Reserves for future investments	3,068,004	3,307,581
Reserves for future expansion	163,427	163,427
Reserves for social responsibility activities	6,500	6,500
Total other occasional reserves	**3,237,931**	**3,477,508**

The other occasional reserves are freely available to shareholders.

The Shareholders' Meeting in an ordinary meeting held on 26 March 2020, appropriated from profits and as reserves for future investments $160,422 (2019 $505,146) and approved the appropriation of $6,500 (2019 $6,500) to be allocated to social responsibility activities, at the same time, the Meeting approved the release of the reserve of $6,500 constituted in 2019 because it was already used.

29.2 Other comprehensive income (OCI)

	2020	2019
Exchange differences on translation of foreign operations	2,091,816	1,714,088
Gains and losses on equity investments	590,243	666,432
Revaluation of property, plant and equipment (1)	56,910	58,140
Cash flow hedges	(108,095)	(39,669)
New measures of defined benefit obligations	(39,578)	(34,015)
Total other comprehensive income (OCI)	**2,591,296**	**2,364,976**

(1) Other comprehensive income (OCI) from revaluation of land and buildings for administrative use of $56,910 (2019 $58,140), corresponds to $3,648 (2019 $3,714) from subsidiaries of Grupo Argos S.A. and $53,262 (2019 $54,426) from the application of the equity method of associates and joint ventures.

During 2020, the Group made transfers from other comprehensive income (OCI) to retained earnings for $24,500, corresponding to: the sale of investments measured at fair value through other comprehensive income (OCI) in Compañía Colombiana de Empaques Bates S.A. for $9,318, the realization of the revaluation surplus from the use of property, plant and equipment measured at revalued value of $144, and the realization of the equity method of associates from the sale of Odempa S. A., amounting to $15,038. Likewise, in 2019 the Group made transfers from other comprehensive income (OCI) to retained earnings for $9,797, corresponding to: the sale of investments measured at fair value through other comprehensive income (OCI) of OMYA Andina (by equity method) and Cartón de Colombia for $9,120, the realization of the revaluation surplus from the use of property, plant and equipment measured at their revalued value of $488, and other transactions with investments for $189.

The value reclassified from other comprehensive income (OCI) to profit or loss for cash flow hedges is $20,360 (2019 $12,714) and for exchange differences on translation of foreign operations for $8,141 (2019 $5,881).

NOTE 30: **OTHER COMPONENTS OF EQUITY**

When the proportion of equity held by non-controlling interests changes, an entity shall adjust the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiary. The entity shall recognize directly in equity the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received and attributed to the owners of the controlling interests.

Accordingly, in 2020, the Group increased its percentage of participation in Cementos Argos S.A. by 0.08%, which implied an increase in its indirect participation in Sator S.A.S., Fundiciones Colombia S.A. (company that was liquidated in August 2020), Odinsa S.A., Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. and Servicios Corporativos Integrales S.A.S. - Summa S.A.S. This transaction generated an increase in consolidated equity of $1,178, considering the effect in indirect participations.

Additionally, in May 2020, Odinsa S.A., a subsidiary of the Group, increased its participation percentage in Concesión Túnel Aburrá Oriente S.A. by 3.02%, once the conditions precedent established in the purchase and sale agreement were fulfilled; this acquisition generated an increase in equity of $2,910.

Likewise, in September 2020, Cementos Argos S.A., a subsidiary of the Group, increased its percentage of participation in Agregados Argos S.A.S., through the acquisition of all the shares held by Construcciones El Condor S.A. and Odinsa S.A., also a subsidiary of the Group. At a consolidated level, this acquisition represented a decrease in the percentage of participation of economic rights of Agregados Argos S.A.S. of 0.38%, and a decrease in the equity of $98.

In 2019, the acquisition by the Group, through the subsidiary Celsia S.A. (formerly Celsia S.A. E.S.P.), of 6,794,485 shares of Celsia Colombia S.A. E.S.P. (formerly Empresa de Energía del Pacífico S.A. E.S.P.) from Banca de Inversión Bancolombia S.A. Corporación Financiera, implied a decrease in the Group's equity for $36,655.

Additionally, during the year, the Group performed out other purchase transactions from non-controlling interests, the net effect of which represented a decrease in equity for $134.

At 31 December 2020, transaction costs as a lesser value were recognized through equity for $9. At 31 December 2019, no transaction costs associated with the purchase and sale to non-controlling interests were recognized.

NOTE 31: **DIVIDENDS**

Dividends declared

The General Shareholders Meeting of the parent company, held on 26 March 2020, declared cash dividends on the ordinary shares of $376 pesos per share per year (2019 $350), payable in four quarterly installments of $94 (2019 $87.5) pesos per share beginning in April 2020 for a total value of $242,670 (2018 $225,890).

In addition, cash preferential dividends were declared on 211,827,180 preferential shares (2019 211,827,180) at a rate of $376 pesos per share (2019 $350 pesos per share), quarterly starting April 2020, for a total value of $79,647 (2019 $74,139).

Dividends declared in 2020	Shares	$ per share per year	2020
Ordinary dividends (*)	645,400,000	376	242,670
Preferential dividend	211,827,180	376	79,647
Total			**322,317**

Dividends declared in 2019	Shares	$ per share per year	2019
Ordinary dividends (*)	645,400,000	350	225,890
Preferential dividend	211,827,180	350	74,139
Total			**300.029**

(*) Does not include 5,702,432 (2019 5,702,432) of reacquired own shares.

NOTE 32: **NON-CONTROLLING INTERESTS**

The reconciliation of non-controlling interests at 31 December is as follows:

	2020	2019
Balance at the beginning of the year	**9,656,971**	**9,146,846**
Cumulative effect of the adoption of new standards (Note 3)	(16,553)	5,928
Cumulative effect of the adoption of new standards using the equity method (Note 3)	(14)	-
Balance at the end of the year	**9,640,404**	**9,152,774**
Profit sharing for the year	253,958	566,572
Other comprehensive income for the period	257,738	11,014
Issuance of equity and convertible instruments	24,351	164,496
Dividends declared in cash	(549,265)	(544,881)
Appropriation of reserves	(3)	-
Purchases and sales to non-controlling interests	(23,870)	(99,522)
Business combinations	-	446,220
Group's share in other equity changes	(21,703)	(39,702)
Balance at the end of the year	**9,581,610**	**9,656,971**

NOTE 33: **REVENUE**

The composition of the Group's revenue is as follows:

	2020	2019
Revenue from sale of goods and rendering of services		
Revenue from sales of cement, concrete, and others (1)	8,951,875	9,331,278
Revenue from the sale of energy, gas and related activities (2)	3,552,097	3,775,825
Revenue from toll collection	435,431	336,537
Revenue from airport services	249,776	756,685

Others	51,915	47,286
Interest income calculated using the effective interest method		
Financial activity (3)	209,887	195,931
Equity method for associates and joint ventures (4)	30,360	488,763
Other revenue		
Real estate (5)	354,199	618,577
Financial activity (3)	87,707	1,178,768
Valuation of investment property (6)	67,276	68,938
Total, revenue	**13,990,523**	**16,798,588**

1) Generated primarily from the sale of cement and ready-mix concrete.

   Sales of cement and ready-mix concrete are highly dependent on the performance of the construction industry, including residential, commercial and infrastructure projects, in each of the countries in which the products are sold or operated. Fluctuations in the construction industry's behavior significantly affect cement and ready-mix concrete sales volumes and sales prices.

2) Are generated mainly by: sale of electric energy in contracts, sale of electric energy in the stock exchange, commercialization of electric energy in the regulated and unregulated market, reliability charges, use and connection of networks, marketing of natural gas and transportation capacity and other operational services.

3) Corresponds mainly to interest income from financial assets of concessions for $209,887, sale of 1,080,000 shares of Occidental de Empaques S.A. for $36,575, includes income from dividends of Nutresa S.A. $29,372, price adjustment on the sale of Zona Franca Celsia S.A. E.S.P. $13,263, sale of 21,857,971 shares of Caltek S.A.S. for $4,984, dividends from investments of Celsia S.A. $3,419, from investments of Cementos Argos S.A. $46 and others $48.

   In 2019, Corresponds to the sale of investments, specifically the sale of 10,400,000,000 shares of Zona Franca Celsia S.A. E.S.P. for $1,086,960, of Omya Andina S.A. 6,345,445 shares for $62,681, interest income from financial assets of concessions for $195,931, includes dividend income from Nutresa S.A. $27,689, from investments of Cementos Argos S.A. for $1,132, from investments of Celsia S.A. for $112 and others for $194.

4) Corresponds to the equity method of associates and joint ventures, as follows:

	2020	2019
Grupo de Inversiones Suramericana S.A.	73,568	389,466
Concesión La Pintada S.A.S.	24,760	43,429
Pactia S.A.S.	6,811	5,140
Consorcio Farallones	3,904	15,036
International Airport Finance S.A.	3,274	3,226
Patrimonio Autónomo Hacienda Niquía	381	(2,016)
Quito Airport Management (QUIAMA) Ltd. (*)	355	7,546
Consorcio Constructor Nuevo Dorado	3	28,629
Consorcio Mantenimiento Opain	(262)	278
Caoba Inversiones S.A.S.	(426)	(18,041)
Trans Atlantic Shipmanagement Ltd.	(1,264)	(10,020)
Caltek S.A.S.	(3,167)	(2,844)
Interejecutiva de Aviación S.A.S.	(4,082)	(100)
Corporación Quiport S.A. (*)	(66,965)	30,806
Other associates and joint ventures	(6,530)	(1,772)
Total equity in associates and joint ventures	**30,360**	**488,763**

(*) Quiport Holding S.A. operated as an indirect investment vehicle of Odinsa until 30 September 2019, date in which was made a corporate restructuring, from which, Odinsa S.A. keeps directly in its financial statements the investment of Corporación Quiport S.A. and indirectly through its subsidiary Marjoram Riverside Company S.A. the investment in Quito Airport Management (Quiama) LTD. For purposes of comparability of financial information, the equity method of Quiport

Holding S.A. as of September 30, 2019 was allocated between Corporación Quiport S.A. and Quito Airport Management (QUIAMA) Ltda.

5) Income from the real estate business as of 2020 corresponds to leases for $170,939, construction in buildings and civil works for $115,296 (Note 45 Construction contracts), recognition of deferred income from the sale of land in the city of Barranquilla and sale of lots for $52,170, valuation of the Pactia Inmobiliario Private Equity Fund for $9,659, participation in the P.A. Fiduciaria Bogotá of the Alameda del Río project for $3,378, income from returns of the Pactia Inmobiliario Private Equity Fund for $2,435 and other revenue for $322.

   For 2019, income from the real estate business corresponds to leases for $360,223, constructions in buildings and civil works for $127,370 (Note 45 Construction contracts), recognition of deferred income from the sale of land in the city of Barranquilla and sale of lots for $83,419, valuation of the Pactia Inmobiliario Private Equity Fund for $27,008, participation in the P.A. Fiduciaria Bogotá of the Alameda del Río project for $10,944, income from returns of the Pactia Inmobiliario Private Equity Fund for $8,677 and other revenue for $936.

6) Corresponds to the measurement at fair value of the Group's investment property (Note 17 investment property).

NOTE 34: **COST OF ORDINARY ACTIVITIES**

The cost of ordinary activities at 31 December include:

	2020	2019
Selling costs of goods and services	9,065,573	9,892,717
Depreciation and amortization	1,441,420	1,411,940
Cost of financial activity (1)	62,741	825,328
Cost of the real estate business (2)	62,190	135,027
Total cost of ordinary activities	**10,631,924**	**12,265,012**

(1) In March 2020, Grupo Argos S.A. and its subsidiary Cementos Argos S.A. sold its shares in the associate Odempa S.A., the cost of which amounted to $43,276 and in December 2020, Cementos Argos S.A. sold its entire shareholding in the joint venture Caltek S.A.S., the cost of which amounted to $19,465 (Note 13 Assets and liabilities associated with non-current assets held for sale and discontinued operations and Note 18 Investments in associates and joint ventures). In September 2019, Celsia S.A. carried out the sale of its subsidiary Zona Franca Celsia S.A. E.S.P. whose cost amounts to $781,170 and in June 2019 the sale of the participations in Omya Andna S.A. was carried out by the subsidiaries Cementos Argos S.A., Concretos Argos S.A.S, C.I. del Mar Caribe S.A.S and Sator S.A.S. for $44,158 (Note 19 Subsidiaries and Note 18 Investments in associates and joint ventures).

(2) In 2020 the cost of the real estate business mainly comprises construction progress costs of the Road Concesión los Llanos, as well as urban development costs. In 2019 mainly comprises costs for the construction of buildings and civil works, modernization and expansion works of El Dorado International Airport in Bogotá for $64,729. Also, progress in the works of the projects of Concesión Vial de los Llanos, Concesión Túnel Aburra Oriente S.A., Boulevard Turístico del Atlántico, Autopistas del Nordeste, Chamba Blou, Consorcio APP los Llanos, and Caribbean Infrastructure Company for $29,465, as well as costs for urbanism developments and sale of lots in Barranquilla, Puerto Libertador and Cartagena.

Employee benefits, depreciation and amortization expenses recognized in income as of December 31 are as follows:

	Employee benefits expenses		Depreciation and amortization expenses	
	2020	2019	2020	2019
Cost	1,251,330	1,265,905	1,441,420	1,411,940
Administrative expenses (Note 35)	481,540	528,269	234,381	260,496
Selling expenses (Note 36)	129,890	130,123	40,886	38,619
Total	**1,862,760**	**1,924,297**	**1,716,687**	**1,711,055**

Natural depreciation and amortization expenses in income as of 31 December is as follows:

	2020	2019

Depreciation of property, plant and equipment	975,345	983,682
Amortization of intangible assets	567,732	536,423
Depreciation of right-of-use assets	173,610	190,950
Total depreciation and amortization expenses	**1,716,687**	**1,711,055**

NOTE 35: **ADMINISTRATIVE EXPENSES**

Administrative expenses as of 31 December include:

	2020	**2019**
Staff expenses (1)	481,540	528,269
Services (2)	220,574	232,983
Fees (3)	160,009	190,834
Amortizations	150,551	174,993
Depreciations	83,830	85,503
Maintenance and repairs	81,130	88,873
Taxes	69,949	78,709
Impairment (4)	37,350	40,173
Insurance (5)	37,193	31,894
Travel expenses	20,577	44,622
Leases	11,949	10,139
Contributions and affiliations	9,865	11,301
Legal expenses	3,412	5,544
Adaptation and installation	3,128	5,950
Miscellaneous	54,191	42,971
Total administrative expenses	**1,425,248**	**1,572,758**

(1) The decrease of $46,729 corresponds mainly to variable remunerations and bonuses.

(2) Corresponds to technical assistance services for $72,749 (2019 $67,848), surveillance for $39,656 (2019 $41,607), janitorial for $24,694 (2019 $26,381), utilities for $22,774 (2019 $20,573), advertising, publicity and promotion for $13,426 (2019 $14,843), electronic data processing for $10,970 (2019 $11,134) and other services for $36,305 (2019 $50,597).

(3) Corresponds mainly to legal advice for $72,056 (2019 $90,057) that decreased due to lower fees for legal advice in the subsidiary Cementos Argos S.A. and fees in sanctioning procedures and arbitration courts of the subsidiary Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A., technical advice for $31,507 (2019 $27,967) and financial advice for $4,832 (2019 $14,921).

(4) Corresponds to impairment of receivables for $37,290 (2019 $40,031) and other impairment for $60 (2019 $142).

(5) Corresponds to fire insurance of $8,505 (2019 $8,535), civil and non-contractual liabilities for $7,892 (2019 $6,851), compliance of $5,228 (2019 $3,966), fleet and transportation equipment for $4,200 (2019 $1,008), group life insurance for $3,873 (2019 $4,977) and other insurance of $7,495 (2019 $6,557).

NOTE 36: **SELLING EXPENSES**

Selling expenses at 31 December include:

	2020	2019
Staff expenses	129,890	130,123
Amortizations	38,801	34,587
Services	27,782	39,509
Taxes	23,586	26,624
Impairment of receivables	13,334	10,083
Contributions and affiliations	8,415	8,798
Insurance	3,638	2,528
Travel expenses	2,475	7,329
Leases	2,181	1,296
Depreciations	2,085	4,032
Maintenance and repairs	1,300	1,899
Fees	1,127	2,441
Adaptation and installation	719	122
Legal expenses	435	646
Miscellaneous	7,097	10,003
Total cost of sales	**262,865**	**280,020**

NOTE 37: **OTHER INCOME (EXPENSES), NET**

Other net income (expense) as of 31 December comprise:

	2020	2019
Recoveries (1)	96,517	146,258
Government subsidies (2)	4,956	-
Compensation	2,140	5,740
Profit on sale of investments (3)	120	7,624
Profit (loss) on sale of investment property (4)	(190)	4,340
Impairment loss on assets (5)	(4,757)	(105,697)
Loss on sale of fixed, intangible and other assets (6)	(16,131)	(25,525)
Taxes assumed	(28,828)	(36,088)
Donations	(33,619)	(28,966)
Fines, penalties and lawsuits (7)	(78,527)	(15,064)
Profit from the disposal of assets constituting a business (8)	-	411,380
Profit from purchase on advantageous terms (9)	-	40,411
Other net gains (losses)	25,960	(8,738)
Total other income (expense), net	**(32,359)**	**395,675**

(1) Corresponds mainly to recovery of provisions of $29,948 (2019 $23,797) in the subsidiaries Cementos Argos S.A., Celsia S.A., Odinsa S.A., Sator S.A.S. and Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A., insurance recovery in the subsidiary Cementos Argos S.A. for $7,864 (2019 $45,226), recovery of receivables for $2,718 (2019 $0), retirement of right-of-use assets $4,869 (2019 $862), recovery of impairments for $11,559 (2019 $14,870) mainly in the subsidiaries Cementos Argos S.A., Odinsa S.A. and Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A., reimbursement of the Dominican Republic ITBIS tax of the companies Autopistas del Nordeste S.A. and Boulevard Turístico del Atlántico S.A. for $3,991 (2019 $4,152) and recovery of termination benefits for $2,667 (2019 $0) in the subsidiary Cementos Argos S.A.

(2) Recognition of subsidies from the programs to support formal employment - PAEF and to support the payment of the service premium - PAP delivered by the National Government of Colombia during the COVID-19 pandemic.

(3) In 2019, Cementos Argos S.A., perfected the sale of shares in Cartón de Colombia generating a profit of $7,620.

(4) In 2019 corresponds mainly to the sale of the Insignares land.

(5) For 2019 corresponds mainly to the impairment of property, plant and equipment and intangible assets associated with the Bahía Las Minas Corp. thermal plant for $53,329 and $30,325, respectively; and goodwill of the Porvenir II project for $16,233 (Note 16 Property, plant and equipment, Note 15 Intangibles and Note 14 Goodwill).

(6) Corresponds mainly to losses on derecognition of assets of the subsidiary Cementos Argos S.A. for $36,097 (2019 $25,579), gain on sale of high transmission assets to Caoba Inversiones S.A.S. and for transfer under the BOT contract by the subsidiary Celsia S.A. for $15,270. For 2019 it corresponds mainly to the derecognition of assets in Zona Franca Celsia S.A. E.S.P. due to the loss recognized in June 2019 for $7,052 and derecognition of intangibles of the subsidiary Celsia S.A. for $8,000. It also includes a gain on the sale of a plant located in the United States for $10,527 by the subsidiary Cementos Argos S.A. through its subsidiary Argos Usa LLC and land sold to Prime Energía Colombia by the subsidiary Celsia S.A. for $3,334. (Note 16 Property, plant and equipment, net).

(7) In July 2017, two of the Company's competitors (Southest Ready Mix, LLC and Mayson Concrete Inc) filed a lawsuit against it alleging antitrust violations, before the United States District Court for the District of North Georgia, which commenced investigations by the United States Department of Justice (DOJ). As part of the investigations Argos USA LLC has been cooperating with the provision of information required by the entity and attending different requests. On 4 January 2021 the Company reached an agreement (Defer Prosecution Agreement - DPA) with the U.S. Department of Justice, after a long process of accusations of anti-competitive practices for the sale of concrete in the Southern District of Georgia. Under this agreement, the company will pay USD 20 million to the U.S. Treasury. The signing of this agreement represents the closing of the contingencies related to the antitrust practices of the former employees of Argos USA LLC, who were inherited in the acquisition of concrete assets in Pooler, Georgia, as part of a large package of assets purchased by Argos USA LLC from another company in 2011. These assets were sold and no longer belong to Argos USA LLC. As of December 2020, a provision was recorded for the amount agreed to be paid.

(8) In December 2019 Celsia S.A., a subsidiary of Grupo Argos S.A., sold fixed assets from the energy transmission and distribution business to Caoba Inversiones S.A.S. for $334,777. In the same month, the subsidiary Cementos Argos S.A., through its subsidiary Argos USA LLC, sold twenty-eight ready-mix concrete plants and a retail location including equipment, buildings, land and inventory located in Arkansas, Virginia, South Carolina and Georgia to Smyrna Ready Mix Concrete, LLC for USD 95 million. The sales price, less the book value of the assets, generated gains for $76,603 (USD 23.33 million); the divested plants were part of several acquisitions, including RMCC, Lafarge and Vulcan Material Company in 2006, 2011 and 2014, respectively (Note 14 Goodwill).

(9) For 2019 corresponds to the gain recognized for the purchase on advantageous terms of the Túnel Aburra Oriente S.A. Concession. (Note 42 business combinations).

NOTE 38: **FINANCE EXPENSES, NET**

Net finance income and expenses as of 31 December comprise:

	2020	2019
Interest income	115,028	101,500
Income from valuation of financial instruments	20,021	19,241
Other finance income	12,258	5,812
Total finance income	**147,307**	**126,553**
Interest expense	(1,190,861)	(1,274,432)
Losses on valuation of financial instruments	(100,335)	(12,506)
Other finance expenses	(49,549)	(41,982)
Bank charges and commissions	(43,249)	(70,506)
Management and issuance of bonds	(1,745)	(1,436)
Total finance expenses	**(1,385,739)**	**(1,400,862)**
Exchange rate differences income	470,163	361,087
Exchange rate differences expenses	(463,816)	(299,819)
Total expenses / income for difference in change	**6,347**	**61,268**
Total net financial expense	**(1,232,085)**	**(1,213,041)**

As of 31 December 2020 and 2019 the weighted average annual capitalization rate of borrowing costs on property, plant and equipment is 5.33% (2019 7.01%) and on intangible assets is 6.61% (2019 6.63%).

The exchange rate at 31 December 2020 is $3,432.50 and at 31 December 2019 is $3,277.14.

NOTE 39: **EARNINGS (LOSS) PER SHARE**

	2020	2019
Basic earnings (loss) per share:		
From continuing operations (*)	(116,67)	804,41
Total basic earnings (loss) per share	**(116,67)**	**804,41**
Diluted earnings (loss) per share:		
From continuing operations (*)	(116,67)	804,41
Total diluted earnings (loss) per share	**(116,67)**	**804,41**

(*) Figures stated in Colombian pesos (pesos per share).

The Group does not hold financial instruments or other types of contracts that entitle it to receive potential ordinary shares, and therefore diluted earnings (loss) per share is equal to basic earnings (loss) per share.

39.1 Basic earnings (loss) per share

The earnings (loss) and weighted average number of ordinary shares used in the calculation of basic earnings (loss) per share are as follows:

	2020	2019
Profit (loss) for the year attributable to controllers of the company	(100,013)	689,565
Earnings (loss) used in the calculation of basic earnings per share	(100,013)	689,565
Earnings (loss) used in the calculation of basic earnings per share from continuing operations	(100,013)	689,565
Weighted average number of ordinary shares for basic earnings (loss) per share purposes	**857,227,180**	**857,227,180**

39.2 Diluted earnings (loss) per share

The earnings (loss) used in the calculation of diluted earnings (loss) per share are as follows:

	2020	2019
Earnings (loss) used in the calculation of total basic earnings per share	(100,013)	689,565
Earnings (loss) used in the calculation of diluted earnings per share	(100,013)	689,565
Earnings (loss) used in the calculation of diluted earnings per share from continuing operations	**(100,013)**	**689,565**

The weighted average number of ordinary shares for diluted earnings (loss) per share purposes is reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings (loss) per share as follows:

	2020	2019
Weighted average number of ordinary shares used in calculation of basic earnings (loss) per share	**857,227,180**	**857,227,180**
Weighted average number of ordinary shares used in the calculation of diluted earnings (loss) per share	**857,227,180**	**857,227,180**

NOTE 40: **INFORMATION BY SEGMENTS**

40.1 Products and services that generate revenue from the reportable segments

The Group's operating segments have been defined as the companies, consolidation groups and holding company that manage the operations of the following activities:

Cement: corresponds to the group of companies dedicated to the exploitation and production of cement-based mixtures and derivatives such as concrete and other materials based on cement, lime or clay. These companies are consolidated through the subsidiary Cementos Argos S.A.

Energy: corresponds to the group of companies engaged in the provision of public utilities specializing in the generation, transmission, distribution and marketing of electricity. These companies are consolidated through the subsidiary Celsia S.A.

Real estate: refers to the activities of acquisition, participation, urbanization, promotion, design, provision of technical services, construction, administration, consultancy, management and auditing in real estate businesses carried out by the Parent company Grupo Argos S.A.

Portfolio: this refers to investment activities in all types of shares, quotas or interest, interests in companies or entities which allow for the investment of resources, carried out in the Parent company Grupo Argos S.A.

Concessions: corresponds to the group of companies engaged in the management, promotion and development of large infrastructure projects, such as road, airport and special project concessions. The consolidation of these companies is performed through the subsidiary Odinsa S.A., including the consolidation of the subsidiary Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A.

Coal: exploitation activities of the coal industry and any other mineral substance associated with coal performed through the company Sator S.A.S.

Below is an analysis of the Group's revenue and results from continuing operations by reportable segments, including adjustments for consolidation purposes:

2020	Cement	Energy	Real estate	Portfolio	Coal	Concessions	Adjustments	Total
Net income	9,002,090	3,536,006	143,705	160,645	32,824	1,146,881	11,586	14,033,737
Less: inter segment	(16,227)	(14,668)	(1,987)	(10,332)	-	-	-	(43,214)
Consolidated income	**8,985,863**	**3,521,338**	**141,718**	**150,313**	**32,824**	**1,146,881**	**11,586**	**13,990,523**
Cost of ordinary activities	(6,568,748)	(2,048,873)	(32,148)	(63,167)	(24,021)	(434,079)	(19,467)	(9,190,503)
Depreciation and amortization	(781,036)	(325,320)	-	(290)	(1,628)	(333,147)	-	(1,441,421)
Gross profit	**1,636,079**	**1,147,145**	**109,570**	**86,856**	**7,175**	**379,655**	**(7,881)**	**3,358,599**
Other depreciation and amortization	(131,024)	(55,554)	(687)	(17,963)	(30)	(70,009)	-	(275,267)
Administration and sales	(741,080)	(251,295)	(44,888)	(69,244)	(5,894)	(300,445)	-	(1,412,846)
Other income (expense), net	(58,706)	24,175	241	(7,192)	643	8,024	456	(32,359)
Operating profit	**705,269**	**864,471**	**64,236**	**(7,543)**	**1,894**	**17,225**	**(7,425)**	**1,638,127**
EBITDA	**1,617,329**	**1,245,345**	**64,923**	**10,710**	**3,552**	**420,381**	**(7,425)**	**3,354,815**
Finance income	24,404	36,176	1,667	9,009	2,552	73,499	-	147,307
Finance expenses	(498,401)	(418,867)	(680)	(118,161)	(68)	(349,562)	-	(1,385,739)
Exchange rate difference, net	(10,754)	53,210	(6)	1,083	17	(37,203)	-	6,347
Others	(5,596)	(1,217)	-	-	-	-	6,813	-

Earnings before taxes	**214,922**	**533,773**	**65,217**	**(115,612)**	**4,395**	**(296,041)**	**(612)**	**406,042**
Income tax	(81,004)	(204,355)	-	(17,549)	(2,176)	52,987	-	(252,097)
Income from continuing operations	**133,918**	**329,418**	**65,217**	**(133,161)**	**2,219**	**(243,054)**	**(612)**	**153,945**
Net income	**133,918**	**329,418**	**65,217**	**(133,161)**	**2,219**	**(243,054)**	**(612)**	**153,945**

2019	Cement	Energy	Real estate	Portfolio	Coal	Concessions	Adjustments	Total
Net income	9,412,208	3,725,762	171,162	456,439	69,252	1,888,298	1,118,529	16,841,650
Less: inter segment	(12,928)	(16,114)	(2,819)	(9,865)	(1,336)	-	-	(43,062)
Consolidated income	**9,399,280**	**3,709,648**	**168,343**	**446,574**	**67,916**	**1,888,298**	**1,118,529**	**16,798,588**
Cost of ordinary activities	(6,961,775)	(2,214,438)	(40,833)	(22,546)	(49,917)	(738,235)	(825,328)	(10,853,072)
Depreciation and amortization	(777,423)	(366,022)	-	(666)	(1,284)	(266,545)	-	(1,411,940)
Gross profit	**1,660,082**	**1,129,188**	**127,510**	**423,362**	**16,715**	**883,518**	**293,201**	**4,533,576**
Other depreciation and amortization	(136,871)	(47,659)	(294)	(16,470)	(30)	(97,791)	-	(299,115)
Administration and sales	(829,833)	(247,267)	(50,333)	(79,924)	(6,832)	(339,715)	241	(1,553,663)
Other income (expense), net	155,318	524,082	5,179	(9,816)	2,028	43,197	(324,313)	395,675
Operating profit	**848,696**	**1,358,344**	**82,062**	**317,152**	**11,881**	**489,209**	**(30,871)**	**3,076,473**
EBITDA	**1,762,990**	**1,772,025**	**82,356**	**334,288**	**13,195**	**853,545**	**(30,871)**	**4,787,528**
Finance income	24,488	21,199	2,191	3,586	1,614	73,475	-	126,553
Finance expenses	(532,429)	(419,232)	(78)	(111,556)	(1,675)	(335,892)	-	(1,400,862)
Exchange rate difference, net	8,800	8,251	5	(2,421)	181	46,452	-	61,268
Others	(11,983)	(19,128)	-	-	-	-	31,111	-
Earnings before taxes	**337,572**	**949,434**	**84,180**	**206,761**	**12,001**	**273,244**	**240**	**1,863,432**
Income tax	(146,318)	(360,677)	-	(10,225)	(14,804)	(75,271)	-	(607,295)
Income from continuing operations	**191,254**	**588,757**	**84,180**	**196,536**	**(2,803)**	**197,973**	**240**	**1,256,137**
Net income	**191,254**	**588,757**	**84,180**	**196,536**	**(2,803)**	**197,973**	**240**	**1,256,137**

The accounting policies applied in the preparation of information by segments and in the accounting for transactions between segments correspond to those described in the accounting policy of operating segments. The Group has not made asymmetric allocations in its operating segments.

40.2 Reconciliation of segment revenue and revenue

The reconciliation between segment revenue and the Group's revenue is as follows (see Note 33 Revenue):

2020	Cement	Energy	Real estate	Portfolio	Coal	Concessions	Adjustments (*)	Total
Net income								
Sale of cement, concrete and other	8,951,875	-	-	-	-	-	-	8,951,875
Sale of energy, natural gas and related activities	-	3,519,623	-	-	32,474	-	-	3,552,097
Revenue from toll Collection	-	-	-	-	-	435,431	-	435,431
Real estate	8,875	-	68,397	-	-	276,927	-	354,199
Financial activity	-	-	-	65,843	-	209,887	21,864	297,594
Revenue from airport services	-	-	-	-	-	249,776	-	249,776
Equity method	-	-	6,860	69,523	-	(35,745)	(10,278)	30,360
Valuation of investment property	1,541	-	66,461	-	351	(1,077)	-	67,276
Others	23,572	1,715	-	14,947	(1)	11,682	-	51,915
Consolidated income	**8,985,863**	**3,521,338**	**141,718**	**150,313**	**32,824**	**1,146,881**	**11,586**	**13,990,523**

(*) Income from financial activity for $21,864 corresponds to price adjustment on the sale of the subsidiary Zona Franca Celsia S.A. E.S.P. for $13,263, sale of the investment in the joint venture Caltek S.A.S. for $4,984, dividends from investments of Celsia S.A. for $3,419 and from investments of Cementos Argos S. A. for $46, sale of investments of Cementos Argos S.A. for $152, which are presented in each of the operating segments in the line other operating income (expenses) or others, and are reclassified for purposes of the consolidated Group as revenue. Loss from the equity method of $10,278 corresponds to associates and joint ventures of Cementos Argos S.A. for ($5,642) and Celsia S.A. for ($4,636).

2019	Cement	Energy	Real estate	Portfolio	Coal	Concessions	Adjustments (*)	Total
Net income								
Sale of cement, concrete and other	9,331,278	-	-	-	-	-	-	9,331,278
Sale of energy, natural gas and related activities	-	3,708,185	-	-	67,640	-	-	3,775,825
Revenue from toll Collection	-	-	-	-	-	336,537	-	336,537
Real estate	5,632	-	131,360	11	-	481,574	-	618,577
Financial activity	-	-	-	27,884	-	195,930	1,150,885	1,374,699
Revenue from airport services	-	-	-	-	-	756,685	-	756,685
Equity method	-	-	5,140	400,387	-	115,592	(32,356)	488,763
Valuation of investment property	37,132	-	31,843	-	276	(313)	-	68,938
Others	25,238	1,463	-	18,292	-	2,293	-	47,286
Consolidated income	**9,399,280**	**3,709,648**	**168,343**	**446,574**	**67,916**	**1,888,298**	**1,118,529**	**16,798,588**

(*) Income from financial activities for $1,150,885 corresponds to the sale of the subsidiary Zona Franca Celsia S.A. E.S.P. for $1,086,960, sale of the investment in the associate Omya Andina S.A. for $62,681, dividends from investments in Cementos Argos S.A. for $1,132 and from investments in Celsia S.A. for $112, which are presented in each of the operating segments in the item other operating income (expense) or other, and are reclassified for purposes of the Group's consolidation as revenue. The loss from the equity method of $32,356 corresponds to associates and joint ventures of Cementos Argos S.A. for ($13,116) and Celsia S.A. for ($19,240).

40.3 Geographic information

Revenue from external customers of the Group's continuing operations by geographic location at 31 December are as follows:

	Revenue by geographic location	
	2020	2019
Colombia	6,185,674	8,845,275
United States	5,364,795	5,267,608
Panama	608,690	993,196
Dominican Republic	570,612	515,740
Caribbean Islands	514,814	476,389
Honduras	421,068	422,622
Haiti	240,147	191,246
Costa Rica	51,352	52,055
Suriname	30,288	34,457
Guatemala	3,083	-
Total	**13,990,523**	**16,798,588**

For these purposes, the basis used to attribute revenue from external customers to countries is the location of each of the subsidiaries.

As of December 2020 and December 2019, the Group does not have any customer representing 10% or more of consolidated income.

NOTE 41: **INFORMATION ON RELATED PARTIES**

41.1 Transactions with related parties

During the year, the Group companies performed the following transactions and present the following balances receivable from or payable to related parties that are not consolidated within the Group.

	Sale of goods and other income		Purchase of goods and other expenses	
	2020	**2019**	**2020**	**2019**
Entities with significant influence over the Group (1)	283	87	88,013	86,733
Associates (2)	35,356	32,962	27,915	32,675
Joint ventures (3)	62,721	18,270	53,944	46,723
Key Management Personnel (4)	200	373	172,460	211,936
Fees of the Board of Directors	-	-	4,239	3,907
Total related parties	**98,560**	**51,692**	**346,571**	**381,974**

(1) Corresponds to insurance recovery. Expenses correspond to multi-risk policies and the purchase of insurance to cover assets, civil liability and employee benefit plans with Grupo de Inversiones Suramericana S.A.

(2) Corresponds mainly to interests from the Concession La Pintada S.A.S., dividends from Fondo de Capital Privado Pactia Inmobiliario, administrative services provided to Internacional Ejecutiva de Aviación S.A.S., revenue from the sale of cement to Fondo de Capital Privado Pactia Inmobiliario. Expenses are represented by the provision of air transportation services by Internacional Ejecutiva de Aviación S.A.S., depreciation of right-of-use assets in constructions and buildings, interest from valuation of lease liabilities with Fondo de Capital Privado Pactia Inmobiliario and recognition of impairment in receivables from Concesión la Pintada S.A.S.

(3) It mainly comprises income from operation, maintenance, commercial representation and interest with Caoba Inversiones S.A.S., income from commission and interest with Plan Luz Trust and administrative services and interest with CNC del Mar S.A.S. E.S.P., sale of cement and concrete to Consorcio Farallones, income from settlement of liabilities with non-financial assets with Caltek S.A.S., sale of raw material to Caltek S.A.S. and Granulados Reciclados de Colombia Greco S.A.S., income from water transportation services with Trans Atlantic Shipmanagement Ltd, sale of raw materials to Caltek S.A.S. and Granulados Reciclados de Colombia Greco S.A.S., income from water transportation services with Trans Atlantic Shipmanagement Ltd. Costs and expenses correspond to the sale of cement and gypsum to Consorcio Farallones, Caltek S.A.S. and Granulados Reciclados de Colombia Greco S.A.S., valuation of the lease agreement of vessels for water transportation services and depreciation of assets for right of use with Trans Atlantic Shipmanagement Ltd., recognition of impairment of investments in Dovicon S.A. and Aerotocumen S.A. and maintenance and infrastructure with Consorcio Mantenimiento Opain.

(4) Corresponds to interest income from loans and remuneration to key management personnel.

	Amounts receivable		Amounts payable	
	2020	**2019**	**2020**	**2019**
Entities with significant influence over the Group (1)	65,089	39,757	31,520	25,870
Associates (2)	70,047	41,074	1,647	5,675
Joint ventures (3)	335,705	459,640	37,190	6,475
Key Management Personnel (4)	11,453	8,951	30	40
Total related parties	**482,294**	**549,422**	**70,387**	**38,060**

Amounts receivable include $41,855 (2019 $17,961) for other expenses paid in advance to related parties. Amounts payable include $1,171 (2019 $3,140) for other non-financial liabilities (Note 12 Prepaid expenses and other non-financial assets and Note 27 Other non-financial liabilities).

(1) Corresponds to dividends receivable and payable, prepaid expenses for multi-risk insurance policy, receivables for reimbursement of claims payables to Grupo de Inversiones Suramericana S.A. for insurance, health services and prepayment of invoices.

(2) Mainly comprises interest receivables from Concesión La Pintada S.A.S., reimbursement of energy, connection rights and sale of cement with Fondo de Capital Privado Pactia Inmobiliario, provision of administrative services to Internacional Ejecutiva de Aviación S.A.S and loan to promotora de proyectos S.A. Payables are represented by the provision of air transportation services by Internacional Ejecutiva de Aviación S.A.S., payable to soluciones de Crédito S.A.S and interest to Fondo de Capital Privado Pactia Inmobiliario for leasing.

(3) Corresponds mainly to receivables from Caoba Inversiones S.A.S. for the sale of transmission and distribution assets, to Fideicomiso Plan Luz for sales commissions, interest and capital for the subordinated debt, to CNC del Mar S.A.S. E.S.P. for backoffice administrative support, to Consorcio Farallones and Consorcio Mantenimiento Opain for the sale of concrete, to Caltek S.A.S. for the sale of raw material and laboratory services, receivables and payables with Trans Atlantic Shipmanagement Ltd. for the provision of water transportation services. Payables correspond to Caoba Inversiones S.A.S. as collections for the use of their networks, for reimbursements with Consorcio Farallones, to Consorcio Imhotep for withholdings of guarantees of construction contracts and reimbursement of guarantees of Consorcio Constructor Nuevo Dorado.

(4) Receivables are represented by loans granted to key management personnel and payables for fees of the board of directors' members.

Rights-of-use assets with Fondo de Capital Privado Pactia Inmobiliario for $113,090 (2019 $127,545) and lease obligations of $103,743 (2019 $123,873), rights-of-use assets with Trans Atlantic Shipmanagement Ltd. for $46,031 (2019 $50,301) and lease obligations of $46,926 (2019 $50,787) are presented.

As at 31 December the Group has recognized impairment of receivables from related parties for $1,368 (2019 $7,980) and impairment expense for $587 (2019 $450). The decrease in impairment corresponds to the write-off of the receivable from Aerotocumen S.A.

As at 31 December, the Group has not received or granted guarantees for balances receivable from or payable to related parties. Transactions between reporting companies and their related parties are performed on terms equivalent to those in transactions between independent parties.

The average term of receivables from related parties with respect to the sale of goods and services is 30 days; payables between related parties have an average term of between 30 and 60 days. The average term of loans as of December 2020 is between 1 and 7 years, agreed at a rate in pesos between 4.54% and 8.20%.

41.2 Compensation to key management personnel

Compensation awarded to key management personnel during the year was as follows:

	2020	2019
Short-term benefits (*)	164,065	198,511
Post-Employment Benefits	6,975	5,130
Other long-term benefits	3,920	4,244
Termination benefits	1,039	6,118
Share-based payments	700	1,840
Total compensation awarded to key management personnel	**176,699**	**215,843**

(*) Includes Fees of the Board of Directors' Members for $4,239 (2019 $3,907).

Values detailed in the table correspond to the values recognized as expenses during the period.

NOTE 42: **BUSINESS COMBINATIONS**

42.1. Business combinations performed during the reporting period

In the twelve-month period ended 31 December 2020, the Group did not perform any business combinations.

42.2. Business combinations performed during the period immediately preceding the reporting period

42.2.1 Subsidiaries and groups of assets acquired

Subsidiaries or groups of assets acquired	Acquirer	Main activity	Acquisition date	% shares acquired by the acquirer directly	Compensation
Electric energy distribution and commercialization assets in Tolima (1)	Celsia Colombia S.A. E.S.P. (Subsidiary of Celsia S.A.)	Electricity distribution and marketing assets	May, 2019	100%	1,633,950
Concesión Túnel Aburra Oriente (2)	Odinsa S.A.	Operating concession of the Aburrá Oriente Tunnel	December, 2019	39.46%	250,771

1) Electricity distribution and marketing assets in Tolima

On 31 May 2019, Celsia S.A., through its subsidiary Celsia Colombia S.A. E.S.P., entered into an agreement for the purchase and sale of the trade establishment, which includes all the distribution assets and the electricity marketing business in Tolima, formerly operated and owned by Compañía Energética del Tolima S. A. E.S.P. The Company had a previous commercial relationship with Compañía Energética del Tolima S.A. E.S.P. resulting from the power purchase and sale transactions.

The value of the transaction was $1.6 trillion (1,600,000,000,000) for which Celsia Colombia S.A. E.S.P., made a bond issue in the Colombian capital market on 24 April 2019 and signed credit agreements with domestic banks for $200,000 million and international banks for $190 million. The aforementioned resources combined with the optimization of the asset portfolio operated by Celsia Colombia S.A. E.S.P. are part of the short-term capital structure of the company, of which $1,580,093 were used for the payment of the consideration agreed with Compañía Energética del Tolima S.A. E.S.P.

For loan payments Celsia S.A. made a private common share issue for $452,486 million on 10 July 2019, which was fully subscribed by the shareholders; additionally, is exploring optimization of its asset portfolio to obtain additional resources.

This acquisition increases the coverage of the distribution business by adding 498,740 customers in a new state, thus reaching more than one million users served by the energy utility. It also increases the energy sold by nearly 999 GWh per year, 46% more than currently.

2) Concession of the Aburrá Oriente Tunnel

The Government of Antioquia acting as "grantor" and the Concession Aburrá Oriente Tunnel as "concessionaire" signed concession contract No. 97-CO-20-1811 on 20 December 1997 with the purpose of building a road connection between the Aburrá (Medellín) and San Nicolás (Rionegro) valleys. In consideration for the financing, construction, commissioning, operation and maintenance of the road concession, the Government assigned the collection of the Variante Palmas and Santa Elena tolls to the concessionaire.

The purpose of the concession is to design, build, operate and maintain the works that are part of the road development known as the Conexión Vial de Aburra - Oriente, Túnel de Oriente y Desarrollo vial complementario. This mega project consists of three roads totaling more than 60 kilometers that connect the Aburrá Valley with the eastern part of Antioquia by means of tunnels, highways, and interchanges. It is also the main access to the José María Córdova International Airport.

On 8 October 2019, a contract was signed for the purchase and sale of 983,760 shares of the Túnel Aburrá Oriente S.A. Concession for $334,316.

On 16 December 2019, compliance with the above conditions was verified except for 245,972 shares corresponding to 13.16%. On that date, the transaction was closed in which 737,798 shares were acquired for $250,771, including subordinated debt for $50,511, corresponding to a 39.46% participation. Additionally, political rights of the company of 13.16% were acquired by virtue of the shareholders' agreements representing a future purchase of 245,972 shares for a total control of political rights of 52.62%.

The acquisition will be financed by Odinsa S.A. through relocating capital it has invested in other assets and geographies, not contemplating the increase of structural debt to finance the acquisition.

42.2.2 Assets acquired, liabilities assumed, and consideration transferred at the acquisition date

The following table presents the allocation of the total price paid on the identified assets and liabilities assumed in the business combinations, at the date of obtaining control:

	Electricity distribution and marketing assets in Tolima (1)	Concession of the Aburrá Oriente Tunnel (2)
	As of 31 May 2019	As of 30 November 2019
Assets		
Cash and cash equivalents	1,997	20,456
Trade and receivables	59,992	4,874
Inventories, net	416	-
Prepaid expenses and other non-financial assets	712	594
Current assets	**63,117**	**25,924**
Trade and other receivables	-	40,529
Property, plant and equipment, net	1,663,424	295
Intangible, net	-	1,295,638
Right-of-use assets	-	310
Other non-financial assets	-	118
Non-current assets	**1,663,424**	**1,336,890**
Total identifiable assets	**1,726,541**	**1,362,814**
Liabilities		
Financial obligations	15,345	56,098
Employee benefit liabilities	1,252	259
Trade and other payables	56,959	11,358
Other non-financial liabilities	14,478	1,481
Current liabilities	**88,034**	**69,196**
Liabilities		
Financial obligations	41,883	315,211
Trade and other payables	7,928	-
Deferred tax liabilities	-	238,153
Provisions and contingent liabilities	-	1,339
Other non-financial liabilities	-	1,513
Non-current liabilities	**49,811**	**556,216**
Total liabilities assumed	**137,845**	**625,412**
Net assets measured at fair value	**1,588,696**	**737,402**
Consideration transferred	1,633,950	250,771
% interests acquired	100%	39,46%
Total net assets acquired by the acquirer	1,588,696	291,000
Plus additional interests acquired in subordinated debt		182
Excess value paid on acquisition (i)	**45,254**	**-**
Gain in advantageous terms (ii)	**-**	**(40,411)**
Acquisition-related costs (iii)	34,467	3,345

(i) The excess value determined in the acquisition of the electricity distribution and marketing assets in Tolima for $45,254 is represented primarily by the future economic benefits arising from the distribution and marketing assets acquired. The total amount of the surplus according to current tax regulations is not deductible for tax purposes.

In December 2019, Celsia Colombia S.A. E.S.P. sold a portion of the transmission and distribution business acquired from Caoba Inversiones S.A.S., resulting in a net balance at 31 December 2019 of $24,640 (Note 14 Goodwill).

(ii) The acquisition on advantageous terms is mainly due to the improvement in the projections of average daily traffic at the time of allocation of the price paid. Also, the conformation of interests that grant control after the acquisition to a minor group of shareholders. At the time the transaction was agreed, the value of 100% of the company's equity was estimated considering a lower daily traffic projection, a condition for which the seller did not require updating; however, it was observed that the actual traffic trend since the opening of the tunnel in August 2019 is higher than estimated, which generates that the asset has a higher fair value on the acquisition date than agreed in the transaction.

As of December 2019, the value of goodwill of electricity distribution and marketing assets in Tolima showed the following changes:

Provisional goodwill as of 30 June 2019	**22,619**
Valuation of property, plant and equipment	999
Disposal of property, plant and equipment parts	1,261
Property, plant and equipment identified	(4,756)
Adjustment of trade and other receivables	(2)
Adjustments to trade and other payables	1,276
Adjustment to the consideration transferred	23,857
Total adjustments	**22,635**
Provisional goodwill as of 31 December 2019	**45,254**

(iii) Transaction costs related to the acquisition of electricity distribution and marketing assets in Tolima consist primarily of administrative and financial expenses for $22,829 recognized in the consolidated statement of income and costs capitalized as property, plant and equipment for $11,637 recognized in the consolidated statement of financial position. Similarly, transaction costs related to the acquisition of the Aburrá Oriente Tunnel Concession relate mainly to financial and legal advisory services recognized through management fees in the consolidated statement of income for $3,345.

For the purchase agreements established in the acquisition of assets, no contingent consideration was agreed upon. No ordinary shares were issued as consideration transferred, nor were any indemnification assets identified for recognition. Also, no transactions were recognized separately from the acquisition of assets and liabilities in the business combinations detailed.

42.2.3 Revenue and profit or loss of subsidiaries and/or assets acquired

Revenue accumulated in profit or loss for the period from 1 June to 31 December 2019, contributed by the distribution assets and the commercialization business of the acquired commercial establishment is $452,303 and the net profit for the same period was $48,237.

However, we report that due to the different accounting and financial structures with the former owner of the trading establishment, it is not possible to combine income and net income to determine the total for 2019.

Consolidated revenue in profit or loss as of 31 December 2019, contributed by the Aburra East Tunnel Concession since 1 December 2019 is $14,353 and the net profit for the same period was $4,481.

Revenue that would have been perceived had the company been acquired as of 1 January 2019 is estimated at $452,489 and net profit at $27,511.

42.2.4 Net cash flow on acquisition of subsidiaries

	Electricity distribution and marketing assets in Tolima (1)	**Concession of the Aburrá Oriente Tunnel (2)**

2019		
Consideration paid in cash	1,603,950	125,385
Acquisition transaction costs (included in cash flows from operating activities)	34,467	3,345
Less:		
Cash and cash equivalent balances of the controlled company (included in cash flows from investing activities)	(1,997)	(20,456)
Net cash flow delivered for the acquisition	**1,636,420**	**108,274**

(1) The consideration paid was made in cash in two payments in 2019, one for $1,580,093 in May 2019 and another for $23,857 in September 2019. To complete the $1,633,950, in May 2020, $30,000 was paid according to the purchase and sale agreement.

(2) The consideration paid for the Concession of the Aburrá Oriente Tunnel of $125,385 was made in December 2019, closing date of the transaction. Payment of the remaining 50% to reach $250,771 will be made within 18 months with an interest rate of 7% EAR.

42.2.5 Completion of the purchase price allocation process for business combinations

As of 31 December 2020, the process of allocating the purchase price related to the acquisition of control of the assets of distribution and commercialization of electric energy in Tolima has been completed. The acquisition of control of the companies took place in May 2019, date from which the accounting process for the business combination began.

The process of allocating the purchase price of the business combination of the Concession Aburrá Oriente Tunnel, perfected in December 2019, entailed the recognition of a gain on advantageous terms, which involved the review required by IFRS 3 Business Combinations to ensure that the measurements adequately reflect consideration of all the information available at the acquisition date; therefore, no subsequent adjustment is expected on this.

NOTE 43: **CONTINGENT ASSETS AND LIABILITIES**

Certain contingent conditions may exist at the date the financial statements are issued, which may result in profit or loss for the Group. These contingencies will be resolved in the future when one or more events occur, or the probability of their occurrence varies. Such contingencies are estimated by the management and its legal advisors. The estimation of loss contingencies necessarily involves an exercise of professional judgment and is a matter of opinion. In estimating the contingencies that imply profit or loss in legal proceedings pending in favor or against the Group, the legal advisors assess, among other aspects, the merits of the claims, case law of the courts in this regard and the current status of the proceedings on a case-by-case basis.

The Group considers that these matters will be resolved without any material effect on our operations, financial position or operational results.

43.1 Contingent assets

The Group's relevant contingent assets at 31 December 2020 correspond to:

43.1.1 Grupo Argos S.A.

At 31 December 2020, the company has contingent assets for $2,900 with the Special Industrial and Port District of Barranquilla for processes with pro-hospital stamps, of which $2,294 correspond to the plaintiff Grupo Argos S.A. and $606 correspond to Situm S.A.S. (a company absorbed by Grupo Argos).

In addition, a claim for nullification and reinstatement of rights is filed against the DIAN, requesting the refund of the overpayment of the CREE tax for taxable year 2016 for $539.

43.1.2 Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S. A.

Nullification and reinstatement of rights

On 12 April 2019, OPAIN filed a lawsuit before the administrative jurisdiction, requesting the nullity of the administrative acts by which a fine was imposed for changing the *Bag Tag* (suitcase ticket) to a passenger's suitcase. The changed ticket was attached to a suitcase containing illegal substances. On 8 November 2019, Aerocivil answered the lawsuit and is waiting for the court to transfer it. On 10 December 2019, OPAIN filed the exceptions. On 18 December 2019, the court issued an order denying the exception filed by Aerocivil regarding the lack of jurisdiction of the court and stated that the process enters the office to set a date for the initial hearing.

43.2 Contingent liabilities

Lawsuits to which the Group is exposed are administered by the legal area, the administrative processes can be of a labor, civil, criminal and administrative nature. The Group considers as contingent liabilities those proceedings for which it is estimated as possible, the probability of occurrence of the event and a future outflow of resources. The Group periodically monitors the evolution of the probability of loss of these proceedings and their classification as contingent liabilities or provisions.

If the probability of loss increases from possible to probable, the Group recognizes a provision and the corresponding effect on consolidated profit for the year. The amount of the provision depends on each specific process. As of 31 December 2020, the most significant contingencies that were not recognized as provisions in the financial statements are as follows:

43.2.1 Cementos Argos S.A. and subsidiaries

Lawsuit related to Transmilenio

Due to structural defects in the pavement of the North Highway Project in Bogotá D.C. developed by Transmilenio S. A. (hereinafter "Project"), a popular action is underway against the Mayor's Office of Bogotá, the Urban Development Institute, Concretos Argos S. A. and certain public officials and suppliers of the Project. The class action states that Concretos Argos S.A., together with other suppliers, supplied construction materials without complying with the required technical specifications, and as a result structural defects were generated in the pavement of the Autopista Norte Project, In response to which the corresponding defense arguments were presented.

In a first instance ruling, Concretos Argos S.A. was ordered to produce publications associated with the failure to comply with consumer rights and to apologize. The referred action is pending for second instance ruling after the appeal presented by the Company.

Valuation Puerto Nare

In December 2018, the company filed a lawsuit for nullity and restoration of rights against a resolution to charge for the rectification and paving of the "Puerto Nare - Puerto Triunfo" road in the department of Antioquia for $18,000. The lawsuit was admitted, and in the response, the Department of Antioquia called the firm that performed the valuation study as guarantee. The company filed a written statement regarding the response to the lawsuit and again requested the suspension of the administrative act containing the valuation contribution. We have not recorded any accounting provision since we consider that we have sufficient arguments to disregard the payment obligation attributed to the company.

Arbitration Court Zona Franca Argos S.A.S. – Zona Franca Argos vs. National Infrastructure Agency – ANI

In July 2018, Zona Franca Argos S.A.S. filed an arbitration claim with the Bogota Chamber of Commerce to review the concession contract for the company's private port in Cartagena, especially the investment update formula. In March 2020, the Arbitration Court issued a ruling in which, although it declared partially proven the facts alleged by Zona Franca Argos, it refrained from reviewing the port concession contract. As a result, the contractual obligations are maintained under the same terms agreed and there are currently no ongoing proceedings associated with the Contract.

R&B Contracting Company INC. VS. Argos Ready Mix, LLC.

On 15 October 2015, a class action was filed in the United States District Court for the Northern District of Florida. The lawsuit claims that environmental and fuel charges for the sale of concrete in the State of Florida do not conform to the applicable contract. On 5 February 2021, the Company entered into an agreement with the named plaintiff to settle this lawsuit and a related lawsuit in the state of Alabama.

Southeast Ready Mix, LLC et al. vs. Argos North America Corp. et al.

Lawsuit filed by two competitors in July 2017 in the United States District Court for the Northern District of Georgia. The lawsuit alleges antitrust violation in the ready-mix concrete market in Savannah, Georgia by two indirect subsidiaries of the company and other defendants. Considering the preliminary stage of the process, it is currently not possible to determine a contingency.

Pro Slab, Inc. et al. vs. Argos Usa LLC. et al.

Class action lawsuit initially filed in November 2017 in the United States District Court for the District of South Carolina. The lawsuit alleges violation of competition law in the ready-mix concrete market in Savannah, Georgia and Charleston, South Carolina by an indirect subsidiary of the company and other defendants. The lawsuit alleges antitrust violation. Considering the preliminary stage of the process, it is currently not possible to determine a contingency.

Argos North America Corp. Texas Franchise Tax Audits (2008 & 2009)

In June 2016, the Texas State Tax Authority conducted an audit of the company's 2008 and 2009 state tax returns. The Authority disregarded some of the reported costs and, as a result, corrected the tax due, increasing it by USD 638 thousand ($2,190) in 2008 and USD 822 thousand ($2,822) in 2009, plus interest. The following fiscal years are not yet final and are subject to audit by the Authority.

A tax determination hearing requested by the company is pending.

San Luis accident

Corresponds to a direct compensation action initiated by the relatives of the victims of the traffic accident of a vehicle hired by Cementos Argos S.A., and INMA S.A. to transport their workers from the Rioclaro plant to their destination in 2005. The lawsuit requests compensation and payment of damages estimated at $13,000 suffered by the death of the passengers.

In August 2020, a favorable judgment was obtained for Cementos Argos S.A., absolving it of its responsibility and condemning INCO and DEVIMED. The process is currently under appeal filed by another of the defendants. As a result of the above, the probability of a cash outflow changed from possible to remote.

Kelly v. Argos USA LLC.

This is a class action lawsuit filed in the United States District Court for the District of South Carolina in June 2020. The lawsuit alleges that concrete manufactured and distributed by Argos in the state of South Carolina was defective due to the use of excessive amounts of fly ash in the mix design. Considering the preliminary stage of the process, it is not possible to determine a contingency at this time.

Premier Concrete LLC et al. vs. Argos North America Corp. et al.

This is a lawsuit filed by a competitor in January 2020 in the United States District Court for the Northern District of Georgia. The lawsuit alleges antitrust violations in the Savannah, Georgia ready-mix concrete markets by two indirect subsidiaries of the company and others. Considering the preliminary stage of the process, it is not possible to determine a contingency at this time.

43.2.2 Odinsa S.A. and subsidiaries

Autopistas del Café

1) Nullification and reinstatement of rights lawsuit filed by Autopistas del Café where the income tax for the taxable period 2010 for $50,004 is discussed, which corresponds to a higher amount of tax payable determined by the DIAN, the penalty for inaccuracy, and a penalty for reduction of losses. On 13 February 2020, an order was issued setting 8 June 2020 as the date for the initial hearing. This hearing was not held due to the COVID-19 pandemic. The court decided to dispense with the hearing and continue with the process. Currently, closing arguments were filed on 18 November 2020.

2) Autopistas del Café filed a lawsuit for nullification and reinstatement of rights filed by Autopistas del Café where the income tax for equity CREE for the taxable period 2013 for $9,370 corresponding to the higher tax payable determined by the DIAN, and the penalty for inaccuracy are discussed. On 18 December 2019 the conclusion arguments of second instance were filed before the Council of State. The Council of State must issue the final judgment.

3) Process in administrative venue where Autopistas del café filed a response to the Special requirement No. 162382019000001 of 6 February 2019, where the income tax for the taxable period 2013 for $74,521, which corresponds to the higher tax determined by the DIAN, and the penalty for inaccuracy, is discussed. On 27 October 2020 the DIAN issued the resolution whereby it resolved the appeal for reconsideration filed, confirming the Official Revision Settlement. The Company will file within the term established by law a claim for nullification and reinstatement of rights against the referred administrative acts.

4) A criminal lawsuit was filed against Autopistas del Café for full reparation due to a traffic accident against the company before the 4th Criminal Court of the Circuit of Armenia, for traffic accident. On 3 July 2020 a writ was issued ordering the remission of digitalized procedural documents. The amount is still to be determined.

5) Lawsuit for direct reparation pending before the First Administrative Court of the Circuit of Manizales against the Company in connection with a traffic accident. The amount is yet to be determined.

Concesión Vial de los Llanos S.A.

Class action lawsuit filed before the 9th Administrative Court of the Circuit of Villavicencio against the company, the National Roads Institute and the Municipality of Acacías, Meta, for the lack of construction of pedestrian bridges and their lighting on the national road that connects Villavicencio with the municipality of Granada, which in the plaintiff's opinion has generated a high number of traffic accidents. The plaintiff seeks the construction of pedestrian bridges at the Sardinata, Acacitas Orotoy and Caño Cola de Pato water sources. The process has been pending for sentencing since 14 September 2020.

Autopistas del Nordeste S.A.

1) Lawsuit dated 30 April 2009 issued to Autopistas del Nordeste S.A. by the Instituto Dominicano de Seguros Sociales (IDSS) for alleged unpaid Social Security contributions. The claim was initially rejected for non-existence of the credit. Subsequently, the IDSS filed an appeal against this decision and after three years without any movement in the process, the company requested the expiration of the process, which was granted. Subsequently, the IDSS filed a cassation appeal before the Supreme Court of Justice. After a hearing was held on 10 July 2019, the file was left for judgment. The amount of this proceeding is USD 864 ($2,965).

2) The company Autopistas del Nordeste S.A. requested before the Ministry of Finance to be exempted from the payment of the Tax on Assets for the periods 2011 to 2018. Despite having obtained the Ministry's no objection in all cases, these requests were subsequently rejected by the General Directorate of Internal Taxes. The request was based on the fact that the concession contract dated 18 July 2001, was approved by the National Congress of the Republic through a resolution published on 22 March 2002; subsequently, through Law 557-05 dated 13 December 2005, the Tax on Assets was introduced to the tax system, which, according to the provisions of the concession contract, represents an adverse change in the tax legislation that may affect the economic balance of the Contract and that would force the grantor to reestablish it in favor of Autopistas del Nordeste S.A. at its sole cost.

On 14 February 2020, the Supreme Court of Justice notified ruling 001-033-2018-RECA-00769 by which it rejected the appeal filed by the company. In view of this decision, an appeal was filed before the Constitutional Court, also requesting the suspension of the SCJ's ruling.

Notwithstanding the legal actions described above, the company may formally request the grantor to reestablish the economic equilibrium according to the procedure provided for in the contract, which also provides for a conflict resolution phase, direct settlement and conciliation prior to the authorization of actions before an arbitration court based in New York.

In 2020 the value associated with these shares was recognized as an uncertain tax position for an estimated value of USD 8,534 ($29,293) (See note 3.1.2. Incorporated in Colombia as of 1 January 2020 - Decree 2270 of December 2019 and Decree 1432 of November 2020). It should be noted that there have been no actions for the collection of this tax by the DGII, an administrative act that would be subject to the corresponding legal appeals.

3) A civil liability lawsuit was filed against the company before the Court of First Instance of the National District, First Chamber of the Civil and Commercial Chamber. The amount corresponds to $17,757. On 12 February 2020 the court granted successive periods of 15 days at the expiration of which the file will be ready for judgment.

Compañía Boulevard Turístico del Atlántico, S.A.

The company Boulevard Turístico del Atlántico S.A. requested before the Ministry of Finance to be exempted from the payment of the Tax on Assets for the periods 2011 to 2015 Despite having obtained the no objection from the Ministry in all cases, these requests were subsequently rejected by the Directorate General of Internal Taxes. The request was based on the fact that the concession contract dated 18 July 2001, was approved by the National Congress of the Republic by means of a resolution published on 22 March 2002; subsequently, by means of Law 557-05 dated 13 December 2005, the Tax on Assets was introduced to the tax system, which, according to the provisions of the concession contract, represents an adverse change in the tax legislation that may affect the economic balance of the Contract and that would force the grantor to reestablish it in favor of Boulevard Turístico del Atlántico S.A. at its sole cost.

In view of the rejection of the General Directorate of Internal Taxes, the company initiated proceedings before the Superior Administrative Court (TSA) who rejected the arguments for the recognition of exemptions with respect to some of the periods under analysis, however, as an ordinary recourse against the decisions of the TSA, there are actions before the Supreme Court of Justice whose decisions in turn could be subject to actions before the Constitutional Court.

Notwithstanding the legal actions described above, the company may formally request the grantor to reestablish the economic equilibrium according to the procedure provided for in the contract, which also provides for a dispute resolution phase, direct settlement, and conciliation prior to the filing of actions before an arbitration court based in New York.

In 2020 the value associated with these shares was recognized as an uncertain tax position for an estimated value of USD 4,062 ($13,942) (See note 3.1.2. Incorporated in Colombia as of 1 January 2020 - Decree 2270 of December 2019 and Decree 1432 of November 2020). It should be noted that there have been no actions for the collection of this tax by the DGII, an administrative act that would be subject to the corresponding legal appeals.

43.2.3 Celsia S.A. and subsidiaries

Celsia Colombia S.A. E.S.P

1) On 14 March 2014, the National Directorate of Taxes and Duties of Colombia (DIAN), by means of an official liquidation, modified the private liquid income for the taxable year 2010 of Celsia Colombia E.S.P., considering that the deduction for investment in fixed assets taken for the construction of the Cucuana hydroelectric plant would not comply with the requirements indicated in the current regulations. Accordingly, the tax and the penalty for inaccuracy, both under discussion according to the settlement of the DIAN, would amount to $16,800 and $26,880, respectively.

The company proceeded to file the corresponding appeals which were resolved against the interests of the company. Because of this, a claim for nullity and reinstatement of the right was filed before the Administrative Court of Valle del Cauca against the corresponding administrative acts, subsequently reforming it to include as evidence a recent decision of the Council of State's jurisprudence where it ratifies that the deduction for investment in real productive fixed assets (Art. 158-3 of the Tax Code), acquired through financial leasing, proceeds in the year in which the investment is made or in which the contract is signed. After completing the initial stages of the process and the initial hearing on 8 August 2017, the company filed closing arguments. Currently, the file is in the Office for the issuance of first instance ruling before the Contentious Administrative Court of Valle del Cauca.

2) Ruling of the action of protection against the company and other entities, issued on 8 July 2014 by the Constitutional Court, which established some obligations to improve the river and land mobility of the communities of Cerro Tijeras and Honduras that are within the area of influence of the Salvajina power plant reservoir. To date, there has been progress making prior consultations with the communities involved in complying with the court order. However, in order to present the Environmental Management Plan for the Salvajina Hydroelectric Power Plant (hereinafter the EMP), it is necessary to conclude the consultation processes with the other communities in the area of influence (which are not part of the action od protection), without which it is not possible to file or have this plan approved by the competent environmental authority within the process of establishing the EMP. In this sense, it is reported that the costs of implementing the measures referred to in the sentence will be budgeted and executed within the framework of the EMP programs to be managed for the operation and maintenance of the hydroelectric power plant.

Celsia Colombia S.A. E.S.P

Celsia Colombia S.A. E.S.P. currently has 61 active proceedings before the ordinary labour courts, contentious-administrative proceedings and coercive proceedings initiated by entities. The main claims in these proceedings are: the declaration of a contract as being in force, compensation for dismissal without just cause, a declaration of employer's liability arising from an occupational accident and the payment of damages, pension replacement, and a sanctioned pension.

Communities of influence of the Salvajina power plant reservoir (communities of Cerro Tijeras and Honduras)

In the ruling of the action of protection T462-A against the company and other entities issued on 8 July 2014 by the Constitutional Court, in which some obligations were established to improve the river and land mobility of the communities of Cerro Tijeras and Honduras that are within the area of influence of the Salvajina power plant reservoir. To date, progress has been made in undertaking prior consultations with the plaintiff communities involved in compliance with the court order. Nevertheless, for the presentation of the Environmental Management Plan of the Salvajina Hydroelectric Power Plant (hereinafter the EMP) it is required to conclude the processes of prior consultation with the other communities of the area of influence (which are not part of the action of protection), without which it is not possible to file or have approval of this plan by the competent environmental authority within the process of establishment of the EMP. In this sense, it is reported that the costs of implementing the measures referred to in the ruling will be budgeted and executed within the framework of the EMP programs that will be managed for the operation and maintenance of the hydroelectric power plant.

NOTE 44: **CONCESSION CONTRACTS**

The balance of the concession contracts at 31 December comprises:

	2020	2019
Financial Assets		
Commercial accounts	2,390,160	2,347,941
Total financial assets (Note 8)	**2,390,160**	**2,347,941**
Intangible Assets		
Cost	5,152,366	5,132,877
Amortizations	(1,599,992)	(1,266,822)
Total intangible assets (Note 15)	**3,552,374**	**3,866,055**
Total assets from concession contracts	**5,942,534**	**6,213,996**

Changes in concessions recognized as financial assets during the period are as follows:

	2020	2019
Balance at the beginning of the year	**2,347,941**	**2,579,638**
Operating receivables	78,305	137,367
Interest receivables	213,060	199,426

Payment of principal	(252,201)	(281,140)
Payment of interest	(88,991)	(103,640)
Effect by translation	118,978	(44,105)
Other changes	(26,932)	(139,605)
Balance at the end of the year	**2,390,160**	**2,347,941**

Changes in concessions recognized as intangible during the period is as follows:

	2020	2019
Balance at the beginning of the year	**3.866.055**	**2.786.468**
Additions	33.664	101.907
Amortization for the period	(359.085)	(295.613)
Effect by translation	12.570	2.385
Transfer to other accounts	(2)	(2.019)
Business combinations	-	1.295.638
Impairment	-	(22.711)
Other changes	(828)	-
Balance at the end of the year	**3.552.374**	**3.866.055**

The following is a description of the main concession contracts of the subsidiaries of Grupo Argos:

Autopistas del Nordeste Cayman S.A.

In charge of the operation and maintenance of the Juan Pablo II highway, in the Dominican Republic; this highway communicates the capital of the republic with the northeast region of the country, in addition to the towns of Monte Plata, Bayaguana, Sabana Grande de Boya and Nagua. The concession was granted by the Dominican government in 2001, for a period of thirty (30) years, and the concessionaire began operating in June 2008, when it opened the road and toll stations.

The general scope of the project is to: a) conduct and review the studies and designs and prepare the final construction drawings; b) develop the project's traffic demand study; c) finance the project, execute the construction works and perform periodic and routine maintenance of the roads; d) return the road in optimal conditions to the Dominican State at the end of the concession contract (30 years); e) operate the toll collection plazas, including the supply, installation, assembly, testing and commissioning of the equipment; and f) make the commercial exploitation of the road.

As part of the contractual agreement for the concession Autopistas del Nordeste S.A., it has the obligation to renew assets. Additionally, the entity has the obligation, upon expiration of the operation stage, to return the assets affected to the project's concession, which include: the land for the road area, civil work, roads, separators, intersections, structures, drainage works, works of art, signs, toll booths, service areas, equipment installed for the operation of the project and other assets contained in the contractual documents, will be reverted in favor of the grantor, at no cost, free of all liens.

Currently, the concessionaire has the obligation to perform major maintenance to the infrastructure built within the contractual agreement every ten (10) years.

The total cost of construction was approximately USD 224 million, in addition to the reception of the road in administrative concession by the toll system. As part of the agreement, the Ministry of Public Works and Communications of the Dominican Republic is committed to preserve the economic balance of the contract, guaranteeing a minimum revenue of approximately USD 888 million as of 31 December 2020 (2019 USD 934 million) which is updated with the US inflation rate. According to the concession agreement, this flow will be cancelled quarterly from August 2008 until May 2038.

The concession arrangement will terminate ordinarily by the expiration of the term provided in the contract. There is no clause agreed to allow for an extension, except in the event of situations that significantly alter the conditions and performance of the contract.

The Concession Contract, in its article 5, includes as an additional scope for the project, the Nagua - Sanchez - Samaná circuit, known as the “Boulevard Turístico del Atlántico”.

* Article 27 of the referred contract, allows the total or partial assignment of the project's scope.

*In the "Minutes of Agreement No. 10" dated 23 August 2007: Autopistas del Nordeste formally assigns the additional scope of its concession contract with the Dominican State, to the legal entity Boulevard Turístico del Atlántico, S.A., which has the same structure and share interests of the promoters of the Autopistas del Nordeste project.

As of 31 December 2020, the value of the financial assets for concession contracts for this concession amounted to $1,315,102 (2018 $1,293,772).

Boulevard Turístico del Atlántico, S.A.

Development, construction and rehabilitation of the Nagua - Sanchez - Samaná - El Limón and Las Terrenas highway through the concession system, as well as the total or partial development of public and private facilities. Through agreement No. 10, dated 23 August 2007, signed between the government of the Dominican Republic, represented by the Ministry of Public Works and Communications and Autopistas del Nordeste S.A., an entity related to Boulevard Turístico del Atlántico S.A. (concessionaire), who was originally granted with the project.

The general scope of the project is to: a) conduct and review the studies and designs and prepare the final construction drawings; b) develop the study of the project's traffic demand; c) finance the project, execute the construction works and perform periodic and routine maintenance of the roads; d) return the road in optimal condition to the Dominican State at the end of the concession contract (30 years); e) operate the toll collection plazas, including the supply, installation, assembly, testing and commissioning of the equipment; and f) make the commercial exploitation of the road.

Within the contractual agreement of the Boulevard Turístico del Atlántico S.A. concession, it has the obligation to carry out an asset renewal. Additionally, the entity has the obligation, upon expiration of the operation stage, to return the assets affected to the project's concession, which include: the land for the road area, civil work, roads, separators, intersections, structures, drainage works, works of art, signs, toll booths, service areas, the equipment installed for the operation of the project and other assets contained in the contractual documents, will be reverted in favor of the grantor, at no cost, free of all liens.

Currently, the concessionaire has the obligation to perform major maintenance to the infrastructure built within the contractual agreement every ten (10) years.

The initial value of the contract is approximately USD 151 million, in addition to the reception of the road under administrative concession by the toll system. The act also indicates that the company commits to contribute 100% of the cost of the construction works, within a period of 24 months. As part of the agreement, the Ministry of Public Works and Communications of the Dominican Republic is committed to preserving the economic balance of the contract, guaranteeing a minimum income of approximately USD 1,173 million as of 31 December 2020 (2018 USD 1,218 million) which is updated with the US inflation rate. According to the concession agreement, this flow will be cancelled quarterly from the first quarter of 2012 until April 2038.

The concession agreement will terminate on an ordinary basis due to the expiration of the term provided in the contract, there is no clause agreed to allow for an extension.

At 31 December 2020, the value of financial assets under concession contracts for this concession amounts to $723,538 (2019 $698,396).

Carribbean Infraestructure Inc.

PPP (Public Private Partnership) contract signed with the government of Aruba in July 2015 called "DBFM Agreement Green Corridor", for an initial value of approximately USD 77 million.

The purpose of this contract is the design, construction, financing and maintenance of the Green Corridor project, which consists of the construction of a second roadway between Reina Beatriz Airport and PosChiquito, with three roundabout type intersections, the construction of a bridge over Mahuma Canyon and the construction of an upper arch bridge over Española Lagoon. In the PosChiquito sector, a boulevard will be built, and secondary roads will be rehabilitated in the San

Nicolás, Sabaneta, PosGrande and PosChiquito sectors. The construction stage was declared available on 23 July 2018, with a length of 34 kilometers of tracks in both double and single carriageway, the contract term is 18 years from the date of availability with a closing of the contract in the month of July 2036, currently is in operation and maintenance stage.

The concession agreement contemplates maintenance over time, since it must be done on the road during the 18 years after obtaining the certificate of availability, according to the financial model will be made as follows: annual from 2023 to 2035 (major maintenance) except in 2030 and 2031 and routine maintenance until 2036.

The concession contract will terminate ordinarily by the expiration of the term provided in the contract, there is no clause agreed to allow for an extension.

At 31 December 2020, the value of financial assets under concession contracts for this concession amounts to $269,770 (2019 $263,615).

Autopistas del Café S.A.

Concession contract No. 0113 of first generation signed on 21 April 1997 with the National Institute of Roads (INVIAS); in 2003 this contract was assigned to the National Institute of Concessions (INCO) and finally, as of 2011, the grantor is the National Agency of Infrastructure (ANI). Its purpose is to carry out the concession system, the final studies and designs, the rehabilitation and construction works, the operation and maintenance, and the provision of services for the Armenia-Pereira-Manizales-Calarcá-La Paila road project.

Upon termination of the concession agreement, Autopistas del Café S.A. shall return to ANI the assets affected to the road project concession, including, among others: a) the land for the right-of-way and b) other assets established within the contract, free of any lien and with a level of service that reaches a minimum project status index rating of four (4) points, in accordance with the "Maintenance Standards for Concessioned Roads".

In order to comply with the previously mentioned condition index, the concession performs periodic and major maintenance to the asphalt layer on a permanent basis.

The concession estimates that the total value of the contract is $172,597 (expressed in 1996 pesos), and its duration will be until 1 February 2027. there is no agreed clause allowing for an extension.

On 5 May 2015, the contract No. 14 was signed between Autopistas del Café S. A. and the National Agency of Infrastructure - ANI, in order to carry out the rehabilitation of 8.66 kilometers of track in the section Calarcá - La Española, the contract has a value of $ 18,492 and a term of 12 months.

During the year 2016, addendum to the contract No. 15 was signed on 7 April 2016 by means of which 0.84 additional kilometers of the rehabilitation of the Calarcá - La Española section were contracted for a value of $1,800 as a complement to addendum No. 14. Similarly, addendum No. 16 was signed on 22 June 2016 by means of which the arbitration clause of the concession contract was modified and concluded with the signing of addendum No. 17 of 29 December 2016, by means of which the construction of the Bosques de la Acuarela pedestrian bridge in the municipality of Dosquebradas was contracted, as well as the operation and routine maintenance of the Western Trunk Road and the Studies and Designs Phase III of the Campoalegre Road Pair and the double roadway between the Tarapacá II toll and the La Paz Road in the municipality of Chinchiná, for $6,591.

On 3 October 2017 the addendum No. 11 to the commercial trust agreement No. 059 of 1997 was signed between the Fiduciaria Colombiana de Comercio Exterior S.A. - Fiducoldex and Autopistas del Café S.A., through which the obligation to implement IFRS is added to clause six (6). On 29 November 2019, the addendum No. 12 was signed, by means of which the trust payment cascade to the concessionaire was regularized and two savings accounts were opened for the management of the trustor's liquidity with the purpose of attending credit obligations.

Addendum No. 20 to the Concession Contract No. 0113 of 1997 was signed on 19 December 2018 with the purpose of preparing the following studies and designs: 1) studies and designs for the construction of an uneven intersection for the access to the municipality of Filandia (Quindío) from and to the national road under concession, section Armenia - Pereira, Km 15+450 of route 2901. 2) Studies and designs for the construction of an uneven intersection for the access to the municipality of La Tebaida (Quindío), section La Paila - Calarcá, K 37+900 route 4002, 3) Studies and designs for the construction of a level road solution for the access to the Caimo (Quindío) village, Km 6+650 of the national road concession, section La Paila - Calarcá, route 40QN01, 4) Studies and designs of the pedestrian bridge located in the Playa Rica sector, section Avenida del Ferrocarril, approximately at Km 2+600 route 2902A. 5) Studies and designs of the pedestrian bridge located in the Guacarí sector, section Point 30 - Pereira Terminal, approximately at Km 28+000 route 2901, 5) Geotechnical instability of the slope of km 24+380 route 4002 section La Paila - Calarcá. 6) Geotechnical instability of the Club Campestre de Manizales slope in the section La Ye - La Manuela, in the sector from km 3+300 to km 3+330 of route 29CL03. Additionally, the following work activities will be executed: 1) Construction of the El Rosario Pedestrian Bridge, 2) Construction of the "Postobón" uneven intersection, 3) Campoalegre (Caldas -Risaralda) road pair, The LICENSEE will also have tenure right to the sections of the Western Trunk Road VTO Section El Jazmín - Chinchiná Intersection (PR 20+150 to 31+773) + El Jazmín Intersection (16+700 to 17+140) and Santa Rosa Stadium - Jazmín Intersection right side (1.7 Km)), for one (1) year counted from 1 January 2019 to 31 December 2019 to perform routine maintenance and operation activities, the value of the present addendum corresponds to the sum of $96,663.

On 23 December 2019, addendum No. 22 was also signed for the construction of the continuation of the Campoalegre road pair between PR25+400 and PR26+250 (0.85 km) and the construction of the vehicular bridge over the Campoalegre river. Likewise, the management, compensation and environmental obligations were contracted for all the work on the Campoalegre road pair contracted in addendums No. 20 and No. 22, and the property management of the works contracted in this addendum. Likewise, the rehabilitation activities of the supports and joints of the bridges of the West Trunk Road were contracted, such as: Lembo Bridges 1 and 2, San Juan Menor and San Juan Mayor Bridges, Campoalegre Bridge, Cameguadua Bridge and El Chispero Bridge. As periodical maintenance, the section Variante Troncal de Occidente was agreed, including periodical maintenance in the existing Campoalegre bridge, with milling activities in the existing roadbed, placement of roadbed, vertical signaling, reconstruction of gabions and horizontal drains.

It will also extend the concessionaire's tenure of the sections of the Western Trunk Road VTO sector Jasmine - Chinchiná, for one (1) year starting on 1 January 2020 until 31 December 2020 to carry out routine maintenance and operation activities. Finally, in the present contract, the activities of studies and designs of updating to phase 3 of the return K23 in the Armenia - Pereira route and the elaboration of the studies and designs phase 3 of the instability of the slope of the kilometer 9+800 in the La Romelia - Postrera road pair in the sector of the El Rodeo sidewalk.

The term of the mentioned addendum is of maximum 36 months after signed the work initiation act and the value of the present addendum corresponds to the sum of COP $21,107.

As of 31 December 2020, the value of financial assets under concession contracts for this concession amounts to $81,750 (2019 $92,158).

Concesión Vial de los Llanos

Concession contract under the fourth generation Public Private Partnership scheme No. 004 signed on 5 May 2015 with the National Infrastructure Agency, ANI. The purpose of this contract is to carry out studies, design, financing, construction, operation, maintenance, social, property and environmental management of the following items: i) Granada - Villavicencio-Puerto López- Puerto Gaitán- Puente Arimena corridor. ii) Villavicencio Road Ring and Access to the City - Meta Road Network. Currently, it is in pre-construction stage, the contract term is until September 2045. The initial value of the contract is $3.2 trillion COP of the year 2013.

Compensation of the concession will be made with respect to each Functional Unit, the sources for payment will be the collection of tolls and income from commercial exploitation.

At the end of the concession agreement, the entity must revert the infrastructure built in execution of the contractual agreement. Additionally, during the operation and maintenance phase, it must maintain and replace the weighing equipment, software and hardware, communications equipment and vehicles provided by the concessionaire.

During the operation and maintenance phase, the entity shall maintain the interventions executed during the construction phase and the other works and assets of the concession agreement, so that they always comply with the indicators.

The concession agreement has a variable term and will run from the start date to the end date of the reversion stage, which will begin once the operation and maintenance stage of the contract is concluded and will end with the signing of the reversion certificate. No clause has been agreed to allow for an extension.

On 1 December 2016, the Concession summoned an arbitration tribunal before the Arbitration and Conciliation Centre of the Bogotá Chamber of Commerce in order to review and re-establish the financial conditions with which the Concession Contract No. 004 of 2015 was structured, including the negative economic effects generated by the modifications made unilaterally by the National Infrastructure Agency - ANI, to the contractual tariff scheme defined in Resolution 1130 of 2015, particularly, tariff affectations in the Yucao and Casetabla toll stations. This is due to the fact that the Concession considers that these modifications were not previously agreed upon with the Concessionaire and directly affected the remuneration to which it is entitled for the execution of the Concession project.

On 28 February 2019, the Court of Arbitration issued an Arbitration Award ending the arbitration process against the National Infrastructure Agency - ANI, resolving: i) that until the Concession has had the financial closure of the Project, the Construction Phase of the Project cannot be started, ii) that the Concession breached the obligation to obtain the financial closure and the obligation of the third round of Equity in the terms of the Concession Contract, iii) to condemn the Concession to the payment of the third round of Equity and, iv) consider that the Concession and ANI, in compliance with the postulates of good faith and conservation of the contract, and of the duties that the Law imposes in view of the purposes pursued with the state contracting, could renegotiate the bases of the contract and look for the arrangement formulas that allow the fulfillment of its objective. Therefore, on 12 November 2019, the Llanos Road Concession and the National Infrastructure Agency - ANI signed the addendum No. 7 to the 2015 Concession Contract No. 004, where it was agreed, among other things, that i) the parties will hold working groups during the four months following the signing of addendum No. 7, to evaluate the financial, technical, legal, property, risk, environmental and social alternatives under which the bases of the aforementioned Concession Contract could be renegotiated and ii) the contribution of the third equity and the funding of the sub-accounts of the Autonomous Equity is suspended.

after the realization of several work tables and seeking to contribute to the connectivity, competitiveness and economic and social development of Meta, the Concesión Vial de los Llanos S.A.S. (of which it is the majority shareholder with a 51% participation in the capital stock) and the Agencia Nacional de Infraestructura (ANI) intend to subscribe during the month of January 2021, the addendum No. 10 to the Concession Contract No. 004 of 2015, through which the scope of the Malla Vial del Meta project will be modified in order to make it financially viable, in compliance with the postulates of good faith and conservation of the contract, in attention to the purposes pursued by the state contracting.

During 2020, work tables were held, with the support of the Comptroller General of the Republic, the components of the Malla Vial del Meta project were rigorously analyzed, alternatives were studied and finally, a new scope was defined that makes it viable and gives it continuity, to benefit the department and its inhabitants.

With the subscription of addendum No. 10, the value of the contract will be modified to $1,580,927 (December 2013 values), the value of the VPIP and the scope of the project, which now includes the construction and improvement of 267.4 km of roads and works necessary to strengthen connectivity in the Villavicencio-Granada and Villavicencio-Puerto Gaitán corridors, as well as the extension of the Villavicencio Road Ring.

As for the term of the contract, it remains as originally planned, i.e., with a maximum term of 30 years, of which the first 5 years have already been completed.

As of 31 December 2020, the value of the intangible asset for concession contracts of this concession amounts to $208,624 (2019 $181,573).

Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S. A.

According with the provisions of the concession contract, the company obtained the concession for the administration, operation, commercial exploitation, maintenance, modernization and expansion of El Dorado International Airport in the city of Bogotá.

The contractual scheme consists of the Special Administrative Unit of Civil Aviation (hereinafter "the Aerocivil") entered into Concession Contract No. 6000169OK of 2006 with the company; and in compliance with Decree 4164 and 4165 of 2011 the Aerocivil signed with the National Agency of Infrastructure (hereinafter "the ANI") the Inter-administrative Cooperation Agreement No. 5 of 2013, by means of which ANI subrogated the functions of Aerocivil as regards the supervision of the execution of the Concession Contract, a subrogation that was perfected with the Act of Delivery and Receipt dated 27 December 2013.

The Concession Contract is divided into three main stages, namely:

(i) Preliminary stage

The preliminary stage included the period between the signing of the initiation act of execution on 19 January 2007 and the initiation act of the modernization and expansion stage on 19 September 2007.

During the previous stage, the following steps were taken, among other arrangements: (a) sign of the commercial trust contract for the collection, administration and distribution of the surplus generated by the regulated and non-regulated income, (b) executing the steps to obtain the financial closure, (c) ensure the connection for continuity with the Civil Aeronautics, and (d) deliver the studies and designs that will be developed in the modernization and expansion stage.

Within this first stage, it was also established to deliver the goods, services and revenues of the concession, by the Civil Aeronautics to the company, through the subscription of the delivery act.

(ii) Modernization and expansion stage

The modernization and expansion stage, in accordance with the work schedules in addendum No. 3 of the Contract, began with the signing of the initiation act signed on 19 September 2007, the total of the sub-projects and milestones that are part of the Modernization stage were completed on 31 January 2019, in compliance with the provisions of addendum No. 27 of the Concession Contract. Likewise, and in accordance with the provisions of Clause 36 of the Concession Contract, the Concessionaire delivered the technical report in accordance with numbers 36.1 "Bimonthly Reports" and 36.2 "Technical Report" of said Clause. Once the conditions set forth in the Concession Agreement dated 10 May 2019 had been met, ANI and the Concessionaire signed the act of closure of the modernization and expansion stage of Concession Agreement 6000169OK of 2006.

Completion of the concession contract

Once the works were completed within the framework of the Modernization and Expansion of El Dorado Airport, the processing and delivery of the different documents, among others, summary of the Technical Report, documentation of each sub-project, operation and maintenance manuals dated 10 May 2019, the final act of the Modernization and Expansion Stages of El Dorado Airport was signed by the parties.

Penalty proceedings

In accordance with the provisions of clause 63 of the Concession Contract "MULTAS" (FINES), to date the following sanctioning processes are in process: i) Alleged failure of the Common Use System (CUTE) for less than 12 hours and without operational impact ii) Alleged breach of contract for failure of the CCTV system due to damage to the server and not having the possibility of recording the cameras and online viewing of the same preventing the airport security obligations iii) Alleged failure of Opain for not having 10 Segways in operation and a Controller's Office, and so ANI considered that Clause 63.12 of the Concession Contract should be applied.

The three aforementioned sanctioning processes followed all the procedures established in clause 63 of the Concession Contract where Opain presented the objection and disagreement in each one of the processes and to date they are in the framework of a counterclaim within the arbitration process initiated by Opain against ANI.

Finally, and in accordance with the provisions of clause 63 of the Concession Contract "MULTAS" (FINES), the Financial Controller's Office on 12 May 2020, initiated the following sanctioning processes: i. Untimely reimbursement of resources to ANI by virtue of the decision adopted by the Amicable Settlement Panel that settled the controversy related to the costs of the complementary works executed within the framework of the provisions of Addendum No. 7, ii. Untimely funding to the Controller's Office Sub-account, iii. Extemporaneous reimbursement of OPEX values in the Aerocivil Surplus Subaccount. After hearing the arguments presented by Opain in the objection to the sanctioning processes, ANI considered inappropriate the application of the fines related to the three processes mentioned above by means of a communication dated 11 June 2020.

(iii) Final stage

This stage will be included from the date of signing the act of completion of the modernization and expansion stage, until the effective date of termination of the contract in January 2027. This stage corresponds to the Concessionaire to administer all maintenance activities of the modernization and expansion works, as well as to manage the operation, administration, commercial exploitation and maintenance of El Dorado Airport.

Addenda No. 3 to 34

During 2010, addendum No. 3 to the Concession Contract was signed, where, among other aspects, it was agreed: (i) the new schedule of works; (ii) the procedure to define the Delta for the demolition and replacement of the existing passenger terminal; and (iii) the manner in which the final modification to the technical specifications of the contract associated with the demolition and replacement of the existing passenger terminal would be executed, establishing 24 July 2010 as the deadline to finish the Delta.

Said term was extended by means of addenda No. 4 and 5, until 1 December 2010, and on that date, the Agreement Act on the Final Calculation of the Delta was signed, establishing the total amount of the so-called "Investment Delta", subject to the subscription of addendum No. 7 to the Concession Agreement.

In September 2011, addendum No. 6 was signed, by means of which the schedule of the modernization and expansion stage was modified, among others.

In 2012, addenda No. 7, 8 and 9 were signed; the first of them, related to the Investment Delta, its form of payment and respective procedures; the second, modifying the Concession Area, to allow the construction of the New Control Tower and the Schedule of the modernization and expansion stage, as opposed to the works related to the current maintenance hangars of Aerovías del Continente Americano S. A. (AVIANCA S.A.) and the eastern national cargo terminal; and the third, which modified milestone 6A and established milestone 7B, in response to the interventions associated with the northern runway.

On 5 May 2014, addendum No. 10 was signed, giving technical scope to Milestone 7A, corresponding to the subproject of "construction, installation and commissioning of the duct bank, cabling and new substation of the new control tower"; it also established the procedure for signing the verification act and form of payment, and made a modification to the concession area, the contractual guarantees and the schedule established in addendum No. 8 of the Concession Contract.

In 2015, addenda No. 11, 12, 13, 14, 15, 16 and 17 were signed; the first of these related to the declassification of some areas under concession to Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. called Hangar

L 177 and L 178; the second, related to the extension of the Modernization and Expansion Stage, in order to execute milestones 7 and 8 and the sub-project of the works associated with the northern runway under the responsibility of Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A., the incorporation of the Friendly Composition mechanism in the Concession Contract including related issues; the third, related to the definition of the procedure for the presentation and approval of studies and detailed designs by the fast track methodology regarding the voluntary works; the fourth, related to the modification of the conditions for verification, approval and payment of the subproject of milestone 8 and the modification of paragraph f of the agreement in relation to the recognition of OPEX; the fifth, related to the reversal of an area granted to Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A., known as "Area 1 (Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A.); the sixth, related to the delivery and approval of the designs and studies of some complementary works corresponding to Phase I and the last one, related to the creation of a transitory sub-account, called "Recursos Convenio 005" exclusively managed by ANI for the transfer of resources from the Aerocivil to ANI.

In the year 2016, addenda No.18, 19, 20, 21, 22, 23 and 24; were signed; in 18, 19 and 22, the intervening parties agreed to carry out the reversal of some areas under concession to Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A, as established by ANI and a Works Monitoring Committee was created; with the signature of addendum No. 20, the parties agreed and defined the execution of Complementary Works at El Dorado Airport in accordance with the provisions of Clause 34 of the Concession Contract; with addendum No. 21, the reprogramming of the sub-projects was established, as well as the completion date of the modernization and expansion stage, which was extended until 30 November 2018; with addendum No. 23 modified the requirement to include in the contracts of the cargo holders a reason for termination of the contracts, with the fact that they do not comply with the requirement to have an annual handling equivalent to at least 3% of the total tons of cargo processed at the Airport, due to a requirement for the cargo operators to deliver an annual report of the processed cargo, (ii) regulation of Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A interventions in the 13L headland, which establishes changes to the obligations in the waiting bay areas of the 13L headland, and the exclusion from the scope of areas to be executed as part of the levelling of the northern runway strip; with addendum No. 24, the Civil Aeronautics is authorized to enter and intervene by its contractor Alpha Mike, in the concession area of Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A to develop a series of interventions requested by ANI..

On 22 May 2017, addendum No. 25 was signed by which ANI and Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. agreed to modify Clause Fourteen of addendum No. 20 to the Concession Contract; the parties modified the completion dates of the sub-projects of Phase I Complementary Works. Additionally, it was established that it was necessary to hold work meetings between Aerocivil, ANI, Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. and the Ministry of National Defense to evaluate the eventual impact on the scope of the "gate 6 reconfiguration" work, as well as its eventual execution.

On 15 December 2017, addendum No. 26 of the Concession Contract was signed, as the expansion works of the North and South Platforms was to be delivered on 18 December 2017 and 17 April 2018, respectively (according to addendum No. 25), complying with the technical specifications of the concession contract, which requires the supply of fuel through a network of hydrants for positions C or higher, positions which will be available at the new platforms, thus making it necessary to comply with the technical specifications. With addendum No. 26, the delivery dates of the fuel supply system by means of hydrants in these areas were moved to 30 November 2018, and the supply by means of refuelers (tank truck) and not by means of hydrants was allowed for the reasons set forth by Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A. - Opain S.A. and validated by the Technical Inspectorate at said platforms.

In 2018, addenda 27, 28 and 29 were signed. Addendum No. 27 to the Concession Contract, in which the maximum completion date of the Modernization and Expansion Stage was rescheduled for 28 February 2019, it was stipulated that in accordance with the provisions of the Concession Contract, Opain S.A. continues with its obligation to pay 4% of regulated revenue until the completion of the Modernization and Expansion Stage; with addendum No. 28 to the Concession Contract it was agreed: a) to include in the Concession Assets the Complementary Work called "South Platform Expansion", b) to reconfigure the horizontal signaling of the platform on the south side of Terminal T1 + T2 ADOSADA, c) to modify Clause 5 of addendum No. 20 to the Concession Contract, replacing the word "property" for “beneficiary” and d) to modify the Debtor's scope in the sub-project "leveling of the north runway strips" with respect to the leveling of the electrical boxes and the power supply network"; With addendum No. 29, reversal of the Concessioned Area was regulated by virtue of the expropriation that by administrative means was advanced of the lot called satellite 32. The date of completion of the subproject

"Reconfiguration of Gate 6" was set at 105 calendar days from the date of subscription of addendum No. 29 and the modification was made so that the new resources would be deposited in the Aerocivil Surplus Sub-Account.

On 27 February 2019, addendum 30 was signed, through which the area of Lot 3 was incorporated to the concession area, and section 61.3 of Clause 61 of the Concession Contract was modified to incorporate the sub-account "Complementary Works"; section 6.1.2 of Appendix G of the Concession Contract was amended to replace the methodology of "Roughness Assessment" for "Assessment of the Graduation or Surface Regularity of Wellhead Type Elements"; section 5 of clause 21.2 of the Concession Contract was amended to reduce the number of printed copies of the plans/drawings of the final constructions of the works by contract from five to one, and a section is added to Clause 72 of the Concession Contract to allow the early acceptance of assignment contracts.

On 6 December 2019, addendum 31 was signed, the area for the construction of the H1 taxiway was incorporated into the concession area, and some areas were incorporated in accordance with the Agreement with the Military Forces signed in 2016, these areas are included in the real estate inventory. Handing over of areas to ANI in accordance with the Agreement with the Military Forces. Delivery of the designs at the detail level of the Complementary Work for the construction of the H1 taxiway. Modification of the start of voluntary works in Hangar 2 and Lot 2 of addendum No. 27, subject to the previous conditions established in the addendum No. 31. Modification of Appendix I in relation to dangerous goods, dangerous goods arriving at the Airport to be transported by air were excluded, and in relation to the quarantine area it was restricted to the activity of facilitating administration and operation. Likewise, Appendix F was amended to clarify that, with regard to ICAO Annex 18 (Safe Transport of Dangerous Goods by Air), is responsibility of the Concessionaire, in its capacity as airfield operator. Table 2.2 "Cargo Aircraft Parking Positions" of section 2.2 "Works in the Modernization and Expansion Stage" of Appendix D of the Concession Contract was modified to expand the operation and item 9.2 of the Hydrant Tank Network was modified to indicate how the new positions will be supplied.

On 23 December 2019, addendum 32 was signed. Delivery of conceptual and detailed designs of the following projects: Military Forces lease platform Phase I, Military Forces lease platform Phase II, Loading Platform, Eastern Platform T2 - Antiguo Inter y Calle B13, Eastern Platform T2 - LAS - MENZIES and Eastern Platform T2 - Servientrega. The projects listed above will not have a fuel network with hydrants. The use of area destined to the "morgue room" indicated in section 3.1.6 of section 3 "Terminal 2" of Appendix D of the Concession Contract was modified, assigning it operational sanitation activities, therefore, the Concessionaire committed to adapt at their own risk an area for the inspection of corpses in the Cargo Terminal. Finally, the insured value and the update formula for compliance and payment of salaries and social benefits for the Final Stage were changed.

On 4 June 2020, Addendum 33 was subscribed, which established the regulation related to the decision taken in the framework of the Amicable Composition process, which is associated to the electric assets stipulated in Addendum 7, In addition, the following clauses were modified: i) Clause 61.3 Surplus Subaccount, in which items j,k,l were included, in order to make the transfers to this subaccount of the income indicated in the mentioned items, ii) Paragraph (a) of Clause 65 Amicable Composition and Numeral (ii) of Item (e) of the Seventh agreement of the Addendum 12 (Clause 65 of the Concession Contract), by means of which it is allowed to submit to an Amicable Composition process, those technical controversies that are not expressly indicated in the Contract, prior subscription of the respective minutes and/or document and it was defined that the Panel of Friendly Composers shall have a maximum term of sixty (60) Business Days to define the controversy. iii) Addition of a paragraph to Clause Six of the Addendum No. 20, whereby it was established that the Amicable Settlement Panel shall have a maximum term of sixty (60) Business Days to define the dispute. 20, whereby it was established that Opain will transfer from the Main Subaccount to the Subaccount "Complementary Works Stage 1", in a maximum period of ten (10) days from the effective date of collection of the invoice, up to a term of 5 years; in case the term is shorter, ANI shall notify the Concessionaire as from what date the transfer of the regulated and non-regulated revenue generated by the operation of Stage 1 of the Complementary Works from the Main Subaccount to the Subaccount "Complementary Works Stage 1" will operate and iv) Numeral 61.3.8 of Clause 61 of the Concession Contract, modified by Clause Four of Addendum No. 20 - Subaccount "Complementary Works Stage 1 where it was stipulated that in this Subaccount exclusively the resources destined to the payment of all the costs associated with Stage 1 of the Complementary Works shall be deposited, as defined in Clause Three of Addendum No.20, as well as for the collection of the income from Stage 1 of the Complementary works, and for the management of the financing under the terms of the Sixth Clause of the referenced addendum.

On 31 December 2020, Additional Addendum 34 was subscribed by means of which the following was defined by mutual agreement between Opain and ANI: (i) OPAIN will pay to AEROCIVIL the consideration corresponding to the first semester of 2020 in a maximum of four (4) installments proportionally to each disbursement to be made between December 2020 and

July 2021 by the Ministry of Finance and Public Credit to Aerocivil, for which OPAIN will have 12 months, counted from the date of each disbursement to make the payment of 100% of each installment, (ii) Deferment of the funding of the Interventoria Subaccount for March 2022, September 2022, December 2022 and March 2023, (iii) Elimination of the obligation established in the Fifteenth Clause of the Addendum No. 20, regarding the funding of the Interventoria Obras Complementarias Etapa 1 subaccount corresponding from August 2020 to August 2026.

On the other hand, on 29 May 2020, a negotiation table was set up between ANI and the Concessionaires, with the moderation of the Colombian Chamber of Infrastructure - CCI, to address the effects generated to these Concession Contracts, such as the reduction of regulated and non-regulated revenue, the continuity in the execution of the cost and fixed expenses of the operation, maintenance and financing of El Dorado airport and other significant investments for the compliance of the contractual obligations.

Consequently, a Memorandum of Understanding MOU was drafted with ANI and the Concessionaire of the airport management, with the support of the National Agency of Legal Defense of the State, the Comptroller General of the Republic, the Attorney General's Office and the Transparency Secretariat of the Presidency of the Republic, which was signed on 15 February 2021, in accordance with the agreements reached at the work tables during 2020.

This document seeks to reestablish the economic balance of the Concession Contracts of the airport management, recognizing the impact on regulated and non-regulated revenue due to the restrictions that were placed on commercial operations between 23 March and 1 September 2020. With this, the compensation focused on recognizing both the revenue foregone during the period of operational restrictions (difference between revenue caused during 2020 vs. revenue caused during 2019), as well as the expenses associated with operating, maintaining, and managing the airports.

Accordingly, the parties shall subscribe by means of an Addendum to the Concession Contract an extension term using the formula that duly reflects it and recognizing the WACC (Weighted Average Cost of Capital) in accordance with the methodology applied by the Ministry of Finance and Public Credit.

Contractual documents consequence of the pandemic:

- Act of suspension of activities of 21 May 2020: the suspension will be understood as of 1 April 2020, where it was established to suspend the obligations except for the activities for operation and maintenance which must continue to be executed.
- Act of 29 September 2020: maintains suspended the contractual obligations associated to the operation and maintenance activities of the north jetty of Terminal 1 and the Terminal Puente Aereo of El Dorado Airport.
- Act of 24 July 2020: suspend the obligations of the payment of the consideration for the first semester of 2020 and the funding to the subaccount of the interventory, until 30 September 2020.
- Act of 29 September 2020: to extend the term of suspension of the payment obligations of the consideration for the first half of 2020 and the funding to the subaccount of interventory, until 30 October 2020.
- Act of 30 October 2020: extend the term of suspension of the payment obligations of the consideration for the first half of 2020 until 29 December 2020.

As of 31 December 2020, the value of intangible assets for concession contracts of this concession amounts to $1,868,195 (2019 $2,169,416).

Prudencia Hydroelectric Plant (Alternegy S.A.)

Concession contract signed with the National Public Utilities Authority (ASEP) and endorsed by the Comptroller's Office on 9 February 2007, which authorizes the provision of public utilities for the generation of electricity through a hydroelectric plant. The plant is located in the town of Bijagual, district of David, province of Chiriqui, with an installed capacity of 58.7 MW, consisting of 2 Kaplan-type hydraulic turbines.

The concession is granted for a term of fifty (50) years, starting from the execution of the aforementioned contract that expires in December 2057 and could be extended for an additional period of fifty (50) years.

Lorena Hydroelectric Plant (Alternegy S.A.)

Concession contract signed with the National Public Utilities Authority (ASEP) and endorsed by the Comptroller's Office on 9 February 2007, which authorizes the provision of public utilities for the generation of electricity, through a hydroelectric plant. The plant is located in the village of Las Lomas, district of David, province of Chiriqui, with an installed capacity of 33.8 MW, consisting of 2 Kaplan-type hydraulic turbines.

The concession is granted for a term of fifty (50) years, starting from the execution of the aforementioned contract that expires in June 2057 and could be extended for an additional period of fifty (50) years.

Gualaca Hydroelectric Plant (Bontex S.A.)

Through a concession contract for hydroelectric generation signed with the National Public Utilities Authority (ASEP) and endorsed by the Comptroller's Office on 12 June 2007, a concession for the construction and operation of an electric power generation plant was obtained and is authorized to provide public utilities for the generation of electricity, through a hydroelectric plant. This concession was granted for a period of 50 years that expires in June 2057 and could be extended for an additional period of 50 years by mutual agreement with ASEP.

The company is authorized to install, operate and exploit the hydroelectric plant, which is covered by the concession, and to sell the generated electricity according to the provisions of Law number 6 of 3 February 1997 and its regulations. This law establishes that the construction and operation of hydroelectric and geothermal power plants and the transmission and distribution of electricity for public utilities will be subject to the concession regime and the construction and operation of thermoelectric power plants to the licensing regime. Concessions and licenses will be granted by the Public Utilities Regulatory Entity (ERSP), currently ASEP.

The Gualaca plant is located in the province of Chiriquí, with an installed capacity of 25.8 MW, and has two Kaplan-type hydraulic turbines. The activity of electric generation in Panama is subject to Law number 6 of 3 February 1997. This law establishes that the construction and operation of hydroelectric and geothermal power plants and the transmission and distribution of electricity for public utilities will be subject to the concession regime and the construction and operation of thermoelectric power plants to the licensing regime. Concessions and licenses will be granted by the Public Utilities Regulatory Entity (ERSP), currently National Public Utilities Authority (ASEP).

9 de enero Plant (Bahía Las Minas Corp.)

Operating license for the generation of electric energy through the exploitation and operation of the thermoelectric generation plants called 9 de enero Plant, located in Cativá, Province of Colón.

Among the main objectives and functions of the company are to establish, manage and execute, in general, the business of thermoelectric power generation; to acquire, build, install, operate, exploit, lease, sublease and maintain thermoelectric power plants, with their respective lines of connection to the transmission networks and transformation equipment and facilities and managing fuels, in order to produce and sell energy in the national and international electrical system.

The license also authorizes the company to own, possess, operate and maintain the facilities covered by the license and to sell the power generated by the plant. The license has a term of 40 years expiring in December 2038 and could be extended for an additional period of 40 years by mutual agreement between the issuer and ASEP.

In 2019, considering the operational situation of Celsia S.A.'s subsidiary (formerly Celsia S.A. E.S.P.) Bahía Las Minas Corp., due to the termination of existing contracts, an impairment of intangible assets associated with the concession contracts was recognized amounting to $22,711 (Note 15 Intangibles).

At 31 December 2019, the value of intangible assets for concession contracts of the plants in Panama (Prudencia, Lorena, Gualaca and 9 de enero Plant) amounts to $59,837 (2019 $58,707).

Wind Plant Guanacaste S.A. (PEG)

Concession in Costa Rica corresponds to a permit for the development of the wind plant, the corporate purpose of Winf Plant (Planta Eólica) Guanacaste, S.A. (PEG) and PEG Operaciones Ltda. is the construction and operation for a period of

18 years, which expires in June 2027, of a wind energy plant that will subsequently be handed over to the Costa Rican Electricity Institute (ICE). All the energy produced by the plant will be delivered to ICE.

At 31 December 2019, the value of intangible assets for concession contracts of the Guanacaste Wind Plant amounts to $149,082 (2019 $165,279).

Concesión Túnel Aburra Oriente

It is a company whose corporate purpose is the conclusion and execution of a State Concession Contract defined in the fourth section of Article 32 of Law 80 of 1993, under the terms of Public Bidding No. 1197 of 1996 of the Government of Antioquia, Secretariat of Public Works and which consists of the execution of the designs, construction, operation and maintenance of the works, part of the road development called Aburrá - Oriente Road Connection, Túnel de Oriente and Complementary Road Development. It is valid until 31 December 2050.

It is a private legal entity incorporated on 12 December 1997, by means of public deed No. 3399 executed at the Seventh Notary's Office of Medellín, registered with the Chamber of Commerce of Medellín according to Commercial Registry No. 21-234824-4.

The term of the concession is 487 months, starting 1 January 1999, until 31 July 2039, or until the date on which the concessionaire obtains the expected income of $2,256 trillion constant 2004 COP. the contract shall be developed in the following phases.

- **Phase I:** construction of the double roadway of the Las Palmas road in the Los Balsos - Alto Las Palmas sector. It included the survey of the property records, valuations and acquisition of the land required for the construction of this section. The phase ended in 2007, currently is not a concessionary track, has contracted with the Grantor the routine maintenance.
- **Phase II:** design and construction of the tunnel through the Santa Elena corridor, the accesses between the city of Medellín and the Western Gate and the Sajonia roundabout. It included the collection of property records, valuations and acquisition of the necessary land for the construction of this section. It includes the financing of this phase that includes the construction of the tunnel and its accesses, the operation and maintenance of the tunnel. The grantor's contributions were made in accordance with AMB 29, 35, 40, 41 and 42. The Phase ended on 15 August 2019 and the operation of the Túnel de Oriente Tunnel began on 16 August 2019.
- **Phase III:** construction of the double roadway of the Las Palmas track in the Chuscalito - Los Balsos sector. It included the collection of property records, valuations and acquisition of the necessary land for the construction of this section. The phase ended in 2009, currently it is not a concessionary road, it has contracted with the Grantor for routine maintenance.
- **Phase IV:** investment in complementary roads in the near east in the design and construction and improvement of the following sections: aeropuerto–Belén, Llanogrande–Canadá, El Carmen de Viboral–Santuario, El Retiro–Carabanchel. It has not yet begun.

The roads under concession are in the operation and maintenance stage and correspond to the Las Palmas bypass, the Oriente Tunnel and Santa Elena from KM 2+800.

As of 31 December 2019, the value of intangible assets under concession contracts amounted to $1,266,636 (2019 $1,291,080).

NOTE 45: **CONSTRUCTION CONTRACTS**

Information on construction contracts is presented below:

	2020	2019
Construction contracts commercial accounts	5,867	5,854
Total construction contracts commercial accounts	**5,867**	**5,854**
Prepayments received for contracts in progress	25,904	23,511
Withholdings for contracts in progress	3,458	5,656

Income received in advance (1)	407,608	335,413
Total liabilities from construction contracts	**436,970**	**364,580**

(1) For 2020, income received in advance correspond mainly to construction contracts of Concesión Vial de Los Llanos S.A.S $397,707 (2019 $334,009) (See Note 27 Other non-financial liabilities), Concesión Túnel Aburra Oriente S.A. $8,496 (2019 $1,404) and Consorcio Grupo Constructor Autopistas del Café $1,405 (2019 $0).

Revenue, cost and profit from construction contracts is:

	2020	2019
Revenue from construction services (Note 33)	115.296	127.370
Costs for construction services	30.042	94.194
Profit from construction services	85.254	33.176

Revenue and cost for construction services correspond mainly to buildings and civil works performed by Autopistas del Café S.A., Consorcio Grupo Constructor Autopistas del Café, los Llanos road concession, Caribbean Infraestructure Company N.V., Consorcio APP Llanos, Constructora Bogotá Fase III S.A. and the initial designs of the new complementary works for the new El Dorado International Airport in the city of Bogotá D.C.

The method used to determine revenue from construction contracts is by the percentage-of-completion method, based on the costs incurred in the contract.

NOTE 46: **POWER SUPPLY COMMITMENT**

At the end of 2020, the Group has the following commitments for energy supply, which did not give rise to the recognition of a liability:

- Celsia Colombia S.A. E.S.P. has commitments with third parties for the supply of energy acquired through the traditional process of energy sales (public calls) or through the SICEP (Centralized Information System of Public Calls) until 2025 and as a result of the auction process of the UPME process for Non-Conventional Renewable Energy Sources (FERNC) until 2036. These commitments are financial contracts and have no obligation of physical delivery of any particular plant. In the event that the seller does not have the energy, it is supplied from the energy exchange at the seller's expense.

  In the contracts, quantities are fixed at an hourly level and most of the prices are fixed in $/kWh indexed monthly with the Producer Price Index. For the contracts resulting from the UPME auction, an additional correction is made to the tariff as a result of the real evolution of the Real Energy Equivalent Cost(CERE).

- Compañía de Electricidad de Tuluá S.A. E.S.P. - CETSA has no commitments for energy supply to third parties. Until 2035 it has commitments with a related company (Celsia Colombia S.A. E.S.P.). The contract amounts will depend on the generation of the Compañía de Electricidad de Tuluá S.A. E.S.P. - CETSA plants in the ideal dispatch versus the contracts signed and will be equal to the surplus. Such commitments are financial contracts and have no obligation of physical delivery of any particular plant. In the event that the seller does not have the energy, it is supplied from the energy exchange at the seller's expense.

- Alternegy S.A. has power and energy supply commitment agreements with distribution companies and power and energy reserve agreements with other generating companies with annually renewable supply periods.

- Bontex S.A. has power and energy supply commitment agreements with distribution companies and power reserve contracts with other generation companies with annually renewable supply periods.

- Bahía las Minas Corp. has power supply commitment contracts with distribution companies and power reserve contracts with other generation companies with annually renewable supply periods.

- Celsia Centroamérica S.A. has power supply commitment contracts with distribution companies and power and energy reserve contracts with other generation companies with annually renewable supply periods.

NOTE 47: **SIGNIFICANT EVENTS**

Impact of the COVID-19 juncture

In late 2019, the World Health Organization reported the occurrence of cases of Severe Acute Respiratory Infection (SARI) caused by a new coronavirus (COVID-19) in Wuhan, China. In March 2020, the World Health Organization declared the outbreak of coronavirus disease (COVID-19) a pandemic. In January 2020, the first cases were confirmed in the United States, followed in March 2020 by the first cases in Colombia and the rest of the countries in the Caribbean and Central American region where we operate. In the first half of 2020, the governments of these countries took significant governmental measures to address the crisis arising from the coronavirus disease pandemic in the health, social and economic areas to prevent the spread of the virus, including the temporary closure of businesses, severe restrictions on travel and mobility of people, and other relevant limitations on the operation of industries. In the second half of the year, businesses reopened, permanent restrictions on mobility were lifted while maintaining some selective restrictions, and economies began to gradually recover.

The following is a list of how the Group's operations were impacted by the measures adopted by the governments to mitigate the effects of COVID-19:

- The Cement business operations were impacted mainly during the second quarter of 2020. In this period Cementos Argos S.A. and its subsidiaries operated partially except for the operation in the United States that operated normally under strict biosafety protocols, with minor impacts on volumes mainly in the northeast of the country, and in the second half of 2020 a reactivation of the operations that were suspended or with a temporary decrease was observed, with a recovery of demand almost at the levels of volumes existing before the quarantine declaration. As of 31 December 2020, all operations were operating normally under strict biosafety protocols, with minor impacts on volumes.

  Cement business operations have been and will be affected by COVID-19, however, based on the qualitative analyses performed, the impairment assessments performed and the results obtained as of 31 December 2020, it has a reasonable expectation that it has adequate and necessary resources to continue operating in the foreseeable future, and considers that none of its operations will present difficulties that would prevent it from continuing as a going concern.

  Cementos Argos S.A. and its subsidiaries have continuous availability of loans and the financial commitments (covenants) that presented some risk of default by COVID-19 were reviewed and modified in a timely manner to ensure compliance. Likewise, they have not defaulted on the payment of principal or interest on financial liabilities and/or loans payable.

- The operations of the Energy business continued on all fronts and it was possible to ensure the provision of the electric energy service considered by the State as an essential service during the contingency.

  Celsia S.A. and its subsidiaries reviewed and adjusted the methodology used to determine the expected credit losses or impairment of receivables to reflect the substantial changes in the credit risk originated by the contingency.

- The operations of the Urban Development Business were affected by delays in some procedures due to closures of mayor's offices, notaries, environmental corporations, among others, but with a proactive approach of the Company it was possible to close most of the processes budgeted for the year. In terms of backlog and sales rates, some customers requested temporary relief, which were negotiated, always taking care of the net present value of each business. In terms of negative impacts, the most affected was Barú, since it is a tourist destination property, and this was one of the sectors most affected by the pandemic. This property presented a devaluation in its carrying amount, however, work was made in new markets such as VIS, which presents an excellent dynamic that allowed us to compensate the negative results generating for the segment a positive net valuation of investment properties. The net valuation of investment properties in the consolidated financial statement for 2020 was $67,276, a decrease of 2.4% compared to 2019. (See Note 17 Investment property).

  Regarding investments and expenses, it was possible to displace a large part of the commitments acquired, which allowed the business to close with positive figures.

In the of real estate assets for rent, hotel and commercial products are the segments that have felt the negative effects of COVID-19 the most. The combination of the national quarantine and a closed border decreased commercial activity and corporate and tourist travel. In 2019, the hotel segment and the commercial segment accounted for approximately 51% of the Pactia private equity fund's total effective gross revenue, and approximately 40% of net operating income and EBITDA. With respect to office, warehouse and self-storage products, the market has remained stable, and in some cases growing, despite the challenges of the pandemic.

During 2020, the investment in the Pactia Private Equity Fund presented an income of $12,094, of which $9,659 correspond to fund valuation and $2,435 to perceived yields, although, the result decreases by 66% compared to 2019 this remained positive despite the juncture. The Fund has developed several commercial strategies focused on sustainability and the maintenance and strengthening of the long-term relationship with its customers under the premises of adapting to the conditions of the environment and acting in a timely, close, and consistent manner. With its Gran Plaza shopping centers, the fund launched new sales channels through home delivery and marketplace Loro, as a mechanism to boost sales of each shopping center's brands. In the case of UStorage, the fund has achieved efficiencies in administration expenses, specifically in the commercialization process and marketing activities thanks to the implementation of the company's new commercial model. These strategic changes not only reflect the team's creativity and perseverance in difficult times, but also demonstrate its ability to find new opportunities that will generate a lot of value for its shareholders in the medium and long term.

- The Portfolio business operations, mainly represented by the participation in Grupo de Inversiones Suramericana S.A., presented the following impacts:
  - Insurance: Grupo Sura's subsidiaries were impacted due to the evolution of the contagion curve and the quarantines implemented in the region, which resulted in a slowdown of the economies. Revenue from insurance premiums reflect a slight growth in 2020 and renewals remained at similar levels to the previous year thanks to the initiatives to support the segments of individuals and small and medium-sized companies. Social security insurance in Colombia has presented a contraction in its revenue associated to the lower economic dynamics and the increase in unemployment in the country, with impacts mainly in the ARL, which presents a decrease in revenues of 3% in the year. Likewise, coherently with the reduction in income and the lower economic activity, during the year there was a decrease in exposure, mainly in the mobility, property and patrimonial solutions, which generated a reduction in the frequency of claims in these solutions; this added to lower claims in the health solution due to the postponement of medical procedures.

  - Pensions: in the Retirement Savings business, the loss of profitability observed during the first quarter as a consequence of the markets' reaction to the crisis was completely recovered by the end of the year. All countries closed with positive returns for this variable. Towards the end of the year there was a certain recovery in the macroeconomic variables in all the countries where Grupo Sura operates, which resulted in improved revenue in the last months. In the *Sura and Investment Management* investment business, yields for the year in Grupo Sura's voluntary businesses reached 1.2 trillion (1,200,000,000,000) USD, clients found attractive investment and savings alternatives in the portfolios offered by this segment; the business had positive net commercial flows, which together with the yield, generated a growth in assets under management of 9.6%, reaching 17. 1 trillion (17,100,000,000,000) USD and the recovery of the financial markets and the digital proximity strategies allowed fostering the commercial activity despite the confinement boosted the growth of these segments during 2020, reaching the point where these growths supported the fall that was had in the Retirement Savings segment at the level of commission income, managing to maintain the level of commission income for 2019 for Grupo Sura.

  - Investment portfolios: the fourth quarter of the year was characterized by a more optimistic environment than previous quarters, thanks to the implementation of the vaccine against COVID 19, reflecting a capital market with a greater risk appetite. The investment income of the portfolios was very close to the expected budget, and only in the case of the Colombia portfolio, which maintains an important indexation to inflation, there was a delay as a consequence of the low monthly records of this indicator.

Grupo Sura's management considers that at the end of 2020 none of its operations will present significant difficulties that would prevent it from continuing as a going concern. Likewise, impairment assessments performed at the end of 2020 do not show any impairment for any of the operations.

- Operations of the Coal business continued operating, taking into account that Sator S.A., being a company that is part of the energy chain of the country, is within the exceptions for closure in cases of total quarantines.

- Operations of the Road Concessions business were impacted by a decrease in the flow of vehicular traffic due to the closing of the economy mainly in the second and third quarter of 2020, however, the following aspects allowed cushioning the economic effects produced by the pandemic: i) assets in different productive stages (construction, operation and maintenance), ii) geographic diversification (Colombia, Aruba, Dominican Republic and Ecuador), and iii) financial assets with minimum guaranteed income (IMG), collection differentials or income for availability (where there is no traffic risk).

- Operations of the Airport Concessions business were significantly impacted by the decrease in passenger traffic due to the closure of the El Dorado airport as of 23 March 2020 and the reopening with gradual reestablishment of flights as of 1 September 2020; as well as the restrictions on tourism defined by the Colombian Government.

  The restriction of commercial operations due to the sanitary emergency caused by COVID-19, impacted the cash flow of the operation in the decrease of the portfolio collection generated by the decrease of income and the increase in payment commitments of fixed expenses for maintenance and extraordinary expenses associated to the compliance with the biosecurity standards, decreed by the national government for the operation of the airport.

  During 2020 Opain S.A. and the space holders carried out renegotiation processes of the terms of their respective lease agreements, in which agreements were reached to suspend the lease fee or to modify the variable fee collection methodology for a determined period of time.

  Due to the above, and based on the decrease in income described, the debt service coverage indicator was consequently impacted, presenting as of June 2020 a result below the value required according to the credit agreement associated with the issuance of notes on 13 August 2019 for USD 415 million and the integral Modification to the local credit agreements with Bancolombia signed on 10 December 2019 for COP 315,000 million; because of this situation, on 2 September 2020 the company obtained from the lenders a waiver for the non-compliance with the debt service coverage indicator for the calculation period of 30 June 2020.

  Likewise, on 28 May 2020, Bancolombia granted Opain S.A. the consent and waiver of the principal and interest payment obligations associated with the credit agreement with this entity, initially payable on 11 June 2020, to be made no later than 11 December 2020. On 10 December 2020, Opain S.A. is renewed and granted the consent and waiver for the payment of these obligations on 11 June 2021. In turn, in order to have additional sources of resources, on 29 April 2020, Bancolombia granted Opain S.A. the consent to release the debt service reserve account in pesos for $30,538 and thus use these resources if necessary, in the execution of the operation. As of 31 December 2020, these resources were not used and as of the date of issuance of these Financial Statements represent an important source of liquidity in case of any contingency.

  On 29 September 2020, Opain S.A. entered into the non-revolving credit agreement with Bancolombia S.A., with a 5 years term, in the amount of $100,000 million, to be used exclusively to finance the working capital needs of the Company, in accordance with the circular of the National Guarantee Fund.

  Since the National Government decreed the closure of air traffic, Opain S.A. has been in permanent contact with its financiers, keeping them informed of the evolution of the situation and the measures taken by the management to face the crisis. As part of this dialogue, the financiers have granted several contractual waivers.

  The intangible asset associated with the El Dorado International Airport concession and the excess value paid at the time of its acquisition were tested for impairment, which did not show any impairment signs in the consolidated statement of income (See Note 15 Intangibles). As indicated in Note 15 Intangibles, Opain S.A. has been working with the National Infrastructure Agency - ANI seeking different modifications to the Concession contract in order to reestablish its economic equilibrium.

  Seeking to preserve liquidity in an environment of scarce operation, the Company reduced the execution of the budget for administration and maintenance expenses (OPEX), obtaining savings of 39,982 million pesos (17% compared to 2019). Among the savings compared to the budget, reductions in utilities of 28%, in security and cleaning of 5.7%, in operating taxes of 41.7%, generated mainly by the reduction in operating income, and in maintenance of 24.6% stand out.

In relation to the impacts of COVID-19 by the application of the expected credit loss model (hereinafter ECL) under the simplified approach, an increase in the provision was observed, which is in line with the portfolio turnover at higher arrears heights. The ECL estimate considers:

- The credit risk (default risk), which has increased in relation to the debtors' businesses that have been negatively affected, increasing the ECL level 120% with respect to the ECL level as of 31 December 2019;
- The value at risk (default exposure), considering that the affected obligors have rotated to higher arrears heights observing a 108% increase in exposure, have discretionarily stopped making payments, or are taking longer than normal to pay; and
- Additionally, when considering the impact of customers classified as significant affected by the current economic climate, the ECL has been estimated under the individual analysis of expected flows, including prospective scenarios in addition to the scenarios previously included in the entity's expected credit loss model.

The measures described have contributed to improve the company's cash position in order to cushion different traffic scenarios. Going forward, Opain S.A. will continue to monitor the evolution of the pandemic and its effects on traffic in order to take additional corrective actions such as decreases in the execution of future Opex and Capex plans and debt management operations. Additionally, Opain S.A. will continue to seek mechanisms to rebalance the Concession Contract in order to improve the long-term cash flow generation profile.

As indicated in Note 19 Subsidiaries, as of 31 December 2020, Opain S.A. in its accounting presents a negative equity of $95,151, i.e., excluding the adjustments of the purchase price allocation process for the acquisition of control by Grupo Argos in January 2017. Based on the Company's liquidity position at the date of authorization of these financial statements and in the face of different traffic scenarios, Opain S.A. continues to have a reasonable expectation of having adequate resources to continue with the operation during the following concession years and the going concern accounting basis continues to be adequate. Therefore, the projected results for 2021, 2022 and 2023, as well as any compensation that Opain S.A. may receive from the contracting entity due to the pandemic generated by COVID-19, will contribute to mitigate the risk of equity impairment and insolvency risk.

Based on Opain S.A.'s current and future liquidity position, its Consolidated Financial Statements were prepared on a going concern basis and do not include any adjustments to the carrying amounts and classification of reported assets, liabilities and expenses that might otherwise be required if a going concern basis were not appropriate.

The Group believes that the financial impacts of COVID-19 for this year have been reflected in the Group's consolidated financial statements as of 31 December 2020, through lower reported EBITDA compared to the EBITDA estimated in the pre-COVID-19 scenario. The impairment assessments performed by the Group on goodwill, intangible assets, items of property, plant and equipment and investments in associates and joint ventures, which required it, showed no relevant impairment as of 31 December 2020 (See Note 14 Goodwill, Note 15 Intangibles, Note 16 Property, plant and equipment and Note 18 Investments in associates and joint ventures).

In the course of the actions taken by the companies part of the Group, savings in costs and expenses of the different subsidiaries of $541 billion (541,000,000,000) have been identified, and in the displacement or cancellation of Capex or Devex for $1.4 trillion (1,400,000,000,000). The above has strengthened the position of each of the businesses and generates the necessary conditions to guarantee the sustainability of the different operations.

The Group continues to work on the four work fronts defined within the risk management action plan associated with the COVID-19 situation, these work fronts are: life and health, operational continuity, financial health and liquidity situation, as well as philanthropy and corporate citizenship.

For the year ended 31 December 2020, the Group recognized a controlling net loss of (105,153). The Group's current assets and liabilities at 31 December 2020 amount to $6,728,134 and $6,698,121, respectively, and unrestricted cash and cash equivalents for $1,331,372 are available to continue to meet the current juncture.

As of the date of preparation of the financial statements, there is still uncertainty about the evolution of the pandemic, especially regarding the speed of recovery of the economies, the possibility of new outbreaks and the need to reactivate isolation measures, as well as the recovery of demand in the markets. Grupo Argos S.A. and its subsidiaries have and continue to closely monitor the evolution of the markets and take the pertinent measures and actions to mitigate the risks associated with the COVID-19 pandemic, having as a guiding premise of action the protection of life, health and well-being of all its stakeholders and the support and accompaniment to the provisions of the governments and authorities of each of the countries where it has presence.

NOTE 48: **EVENTS AFTER THE REPORTING PERIOD**

Between 31 December 2020 and the date of issuance of the Company's consolidated financial statements, the following subsequent events considered significant and not subject to adjustment have occurred:

1) On 4 January 2021, an indirect subsidiary of Cementos Argos S.A., a Group company, entered into a Deferred Prosecution Agreement (DPA) with the Antitrust Division of the U.S. Department of Justice (DOJ), pursuant to which the subsidiary agreed to pay a fine in the amount of USD $20 million to the U.S. Treasury for antitrust violations by certain former employees at a local sales office for the ready-mix concrete market in Savannah, Georgia. The sales office and related concrete plants involved in the conduct were acquired by the subsidiary in 2011, as part of a larger acquisition, and sold in 2019. Subject to compliance with the terms of the DPA, the DOJ has agreed to defer prosecution of any charges against the subsidiary for such violations for three years and to dismiss any charges at the end of the three-year period. As of 31 December 2020, a provision was recorded for the agreed amount of the penalty.

2) On 21 January 2021, the Board of Directors of Celsia Colombia S.A. E.S.P., a subsidiary of Celsia S.A., authorized the legal representatives of the company to enter into a credit agreement with Scotiabank Colpatria for $265,000 million with a 4-year maturity to convert to pesos and extend the term of the current credit held with this banking group in dollars. The renewal of the loan will improve the company's maturity profile with a competitive interest rate.

Additionally, it authorized the legal representatives of the company to guarantee the obligations that Termoeléctrica El Tesorito S.A. E.S.P. will acquire by virtue of the letters of credit that said company must issue in favor of Wärtsilä Finland OY for a total of EUR 42.7 million, for the payment of the construction of the generation plant. The company to be guaranteed is the corporate vehicle, with majority participation of the company, through which the 200 MW El Tesorito thermal project, located in the municipality of Sahagún, is being developed.

Also, in order to update the debt quotas according to the budgeted investment levels and to meet the operational needs of the business, which may or may not be used by the company, the Board of Directors authorized the renewal of the amount to perform credit operations with a maturity of up to two years with national or foreign financial entities through revolving or portfolio credit lines, up to a value of $400,000 million or its equivalent in dollars. The authorization will be in effect until 28 February 2022 and does not imply an increase in the company's debt position.

Finally, the Board of Directors authorized a quota to carry out derivative operations for an amount up to USD 150 million in order to implement hedges in connection with financial variables (interest rate, exchange rate) of the budget and business plans of the company's different initiatives. The term of the authorization is 28 February 2022.

3) On 3 February 2021, the minutes 078 of the General Shareholders' Meeting of the subsidiary Industrias Metalúrgicas Apolo S.A., which was in liquidation process, were registered in the Medellín Chamber of Commerce, whereby the final liquidation account was approved, and its liquidation process was completed in accordance with the regulations in force.

4) On 3 February 2021, the agency Fitch Ratings reduced the rating of the notes issued by the subsidiary Opain S.A., from BBB- to BB+ and maintained the negative outlook. This reduction does not generate any type of contractual breach of the financing contracts in pesos or dollars and does not alter the company's financial position.

Fitch's decision is explained by the lower traffic estimated by them and the resulting financial metrics. According to Fitch, the financial indicators would not be in line with other BBB- issuers. Likewise, the agency highlights that the reduction in the rating responds to the delays on the part of the granting entity in compensating the short and long term effects of the pandemic. This reduction comes after the rating agency downgraded the rating of the Republic of Colombia in April 2020.

5) On 9 February 2021, prior authorization of its Board of Directors, the subsidiary Odinsa S.A. renewed an endorsement for USD 15 million, in order to guarantee a renewed loan with Banco de Bogotá New York by Odinsa Holding Inc, a company controlled by Odinsa S.A. and through which it develops road and airport concession projects at international level.

The purpose of the aforementioned loan is to provide working capital and refinance pre-existing loans, in order to optimize their conditions. This operation does not constitute a change in the subsidiary’s debt position, nor does it represent an increase in the final amount of the endorsements granted by Odinsa S.A.

6) On 10 February 2021, with the prior authorization of its Board of Directors, the subsidiary Cementos Argos S.A., together with Argos USA LLC, as joint and several guarantors, signed a credit agreement with Banco Santander S.A. (Madrid) for an amount of USD 100 million and a 5 years term. In order to optimize the rate of this loan, Cementos Argos S.A. will maintain as collateral a pledge on a number of shares of Grupo de Inversiones Suramericana S.A. equivalent to a Loan/Securities ratio of 70%.

The proceeds of the loan will be used exclusively to prepay existing loans, thus improving the financial cost and maturity of the debt profile.

7) On 5 October 2020, with the mediation of the Colombian Chamber of Infrastructure (CCI), the National Infrastructure Agency (ANI) signed an agreement with all the country's road concessionaires to mitigate the impact on the projects of both the COVID-19 pandemic and the governmental measures to address it; The agreement recognized an exempt event of liability derived from the pandemic, displacing in 98 calendar days the times foreseen for the fulfillment of the affected obligations, the idle costs caused between 25 March and 31 May 2020 were recognized and a special procedure was agreed for the recognition of the occurrence of exempt events of responsibility directly related to the pandemic by COVID-19 as from 1 July 2020.

Also with the mediation of the Colombian Chamber of Infrastructure (CCI), on 3 February 2021, the National Infrastructure Agency (ANI) signed a new agreement with all road concessionaires to mitigate the impact on the projects of both the COVID-19 pandemic and the governmental measures to address it; in this agreement, it was recognized the impact on revenue due to the halting, by order of the National Government, of the collection of toll fees from vehicles that transited through the national territory between 26 March and 31 May 2020 and the impact due to the decrease in traffic at toll stations as a consequence of the measures adopted by the National Government and the territorial authorities referring to the mandatory preventive isolation from 25 March and until 31 August 2020.

8) On February 15, 2021, the subsidiary Opain signed a memorandum of understanding MOU with the National Infrastructure Agency ANI, through which it intends to seek mechanisms to reestablish the economic balance of the Concession Contracts of the airport management and recognize the impact on regulated and non-regulated revenue due to the restrictions that were made to commercial operations between 23 March and 1 September 2020 derived from the sanitary emergency due to COVID19.