Grupo Argos S.A.

Separated Financial Statements 2020

Separated Financial Statements as at 31 December **2020 and 2019**

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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 separated 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

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 separated 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

Claudia Patricia Álvarez Agudelo
Accountant
Registration No. 69447-T

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

To the Shareholders
Grupo Argos S.A.:

Report on the financial statements audit

Opinion

I have audited the separate financial statements of Grupo Argos S.A. (the Company), which comprise the separate statement of financial position at December 31, 2020 and the separate statements of income and 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 separate financial statements, prepared according to information faithfully taken from books and attached to this report, present fairly, in all material aspects, the separate financial position of the Company at December 31, 2020, the separate results of its operations, and its separate 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 Separate Financial Statements" section of my report. I am independent of the Company 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 separate 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 separate financial statements of the current period. These matters were addressed in the context of my audit of the separate financial statements, considered as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Assessment of the recoverability of investments in subsidiaries and a significant associate (See notes 16 and 17 to the separate financial statements)	
The key audit matter	**How our audit addressed this matter**
The Company’s separate statement of financial position as of December 31, 2020 includes investments in subsidiaries and a significant associate for $ 12,918,111 million, which represent 73% of the Company's total assets. I have identified the assessment of the recoverability of these investments as a key audit matter, because it involves a significant judgment in identifying indicators of impairment for these investments. Additionally, due to the materiality of the balance, it is considered one of the areas of highest attention in the audit.	My audit procedures to assess the recoverability of investments in subsidiaries and a significant associate included, among others, the following: • Identification of events, facts and / or circumstances that reveal the existence of objective evidence of impairment of the investments value, based on the impairment tests of the different cash-generating units in the context of the audit of the statements consolidated financial statements. • Evaluation of the work carried out by the audit team of the significant subsidiaries regarding the identification of objective evidence of impairment in the underlying assets of the investees. • Professionals with relevant knowledge and experience in the industry assisted me in: (1) evaluating the key assumptions used in the impairment test performed by the Company on its investment in this significant associate, including input data; (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 with those made by the Company.

Assessment of the valuation of investment properties in accordance with the provisions of IAS 40 - Investment Properties (See note 15 to the separate financial statements)	
The key audit matter	**How our audit addressed this matter**
The Company's separate statement of financial position as of December 31, 2020 includes a significant amount of investment properties for $2,108,885 million, mainly represented in land measured at fair value with changes in income. The Company 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 Company 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 the design, implementation and operational effectiveness of the key control established by the Company 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 Company. • Evaluation of the competence and capacity of the external professionals hired by the Company, 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 Company 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 separate 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 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 separate financial statements and my corresponding audit report, nor the management report on which I pronounce in the section on Other legal and regulatory requirements, in accordance with established in article 38 of Law 222 of 1995.

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

Regarding my audit of the separate 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 separate 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 Company's governance for the separate financial statements

Management is responsible for the fair preparation and presentation of these separate 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 separate 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 separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to the continuity of the Company and using the going concern accounting basis unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

My objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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 Company'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 separate 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 Company ceases to continue as a going concern.

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

- I communicate to those in charge with the Company's governance, 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.

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

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 separate 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.

Report about other legal and regulatory requirements

1. Based on the results of my tests, I believe during 2020:

   a) The Company's bookkeeping has been performed in conformity with legal rules and accounting pronouncements.

   b) The operations recorded in the books are in conformity with the bylaws and decisions of the General Shareholders' Meeting.

   c) The correspondence, the vouchers of accounts and the books of minutes and record of shares have been properly maintained.

   d) The management report prepared by management agrees with the accompanying financial statements, which includes evidence about free circulation of invoices issued by sellers or suppliers.

   e) The information contained in the contribution returns submitted to the Social Security System, specifically the information on affiliates and their salary base for determining contributions, has been prepared from the accounting records and supporting documentation. The Company is up to date in payment of contributions to the Social Security System.

In compliance with the requirements of articles 1.2.1.2. and 1.2.1.5. of Single Regulatory Decree 2420 of 2015, in development of the Statutory Auditor's responsibilities contained in numerals 1 and 3 of article 209 of the Code of Commerce, related to the evaluation whether the Society's management performance is in accordance with the bylaws and the orders or instructions of the General Shareholders' Meeting and if there are and are adequate the measures of internal control, preservation and custody of the Society's assets or third parties' assets in its possession, I issued a separate report dated February 24, 2021.

(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

Grupo Argos S.A.

SEPARATED 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	24,148	1,729
Trade and other receivables, net	8	302,429	223,804
Inventories, net	9	248,887	169,602
Tax assets	10	27,787	30,237
Prepaid expenses and other non-financial assets	12	5,026	1,189
CURRENT ASSETS		**608,277**	**426,561**
Non-current assets held for sale	18	-	24,478
TOTAL CURRENT ASSETS		**608,277**	**451,039**
NON-CURRENT ASSETS			
Trade and other receivables, net	8	32,062	96,511
Inventories, net	9	-	37,204
Right-of-use assets property, plant and equipment, net	20	8,777	12,817
Intangible assets, net	13	91,296	107,005
Property, plant and equipment, net	14	856	1,452
Investment property	15	2,108,885	2,108,346
Investments in associates and joint ventures	16	5,278,733	5,248,263
Investments in subsidiaries	17	8,549,998	8,925,402
Other financial assets	11	1,105,896	1,167,807
Prepaid expenses and other non-financial assets	12	6,694	4,666
TOTAL NON-CURRENT ASSETS		**17,183,197**	**17,709,473**
TOTAL ASSETS		**17,791,474**	**18,160,512**

Grupo Argos S.A.

SEPARATED STATEMENT OF FINANCIAL POSITION

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

	Notes	2020	2019
LIABILITIES			
CURRENT LIABILITIES			
Borrowings	19	237	4,252
Lease liabilities	20	1,720	2,036
Employee benefits liabilities	21	13,522	12,404
Provisions	22	253	322
Trade and other payables	23	94,586	93,764
Tax liabilities	10	7,453	1,974
Derivative financial instruments	7	-	42
Bonds and compound financial instruments	24	535	8,274
Other non-financial liabilities	25	57,883	53,332
TOTAL CURRENT LIABILITIES		**176,189**	**176,400**
NON-CURRENT LIABILITIES			
Financial liabilities	19	479,768	497,757
Lease liabilities	20	6,763	10,264
Deferred tax	10	207,369	195,402
Employee benefits liabilities	21	2,760	2,785
Bonds and compound financial instruments	24	1,125,849	1,105,207
TOTAL NON-CURRENT LIABILITIES		**1,822,509**	**1,811,415**
TOTAL LIABILITIES		**1,998,698**	**1,987,815**
EQUITY			
Share capital	26	53,933	53,933
Additional paid-in capital	26	1,354,759	1,354,759
Retained earnings		8,675,833	8,701,448
Reserves	27	3,673,583	3,513,161
(Loss) Profit for the year		(59,123)	482,739
Other components of equity	28	301,186	301,188
Other comprehensive income	27	1,792,605	1,765,469
TOTAL EQUITY		**15,792,776**	**16,172,697**
TOTAL LIABILITIES AND EQUITY		**17,791,474**	**18,160,512**

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

Jorge Mario Velásquez Jaramillo
CEO
Legal representative

Claudia Patricia Álvarez Agudelo
Accountant
Registration No. 69447-T

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Statutory auditor of Grupo Argos S.A.
Registration No. 166943-T
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(See report of 24 February 2021)

Grupo Argos S.A.

SEPARATED STATEMENT OF COMPREHENSIVE INCOME

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

	Notes	2020	2019
Income from financial activity	30	148,087	222,023
Income from real estate business	30	142,144	189,685
Equity-accounted investees net in the results of subsidiaries	30	(33,924)	433,901
REVENUE	30	**256,307**	**845,609**
Cost of ordinary activities	31	(55,103)	(99,480)
GROSS PROFIT		**201,204**	**746,129**
Administrative expenses	32	(127,478)	(141,761)
Selling expenses	33	(1,144)	(1,234)
STRUCTURE EXPENSES		**(128,622)**	**(142,995)**
Other expenses, net	35	(7,877)	(4,481)
PROFIT FROM OPERATING ACTIVITIES		**64,705**	**598,653**
Financial expenses	36	(102,770)	(102,653)
(LOSS) PROFIT BEFORE TAX		**(38,065)**	**496,000**
Income tax	10	(21,058)	(13,261)
NET (LOSS) PROFIT		**(59,123)**	**482,739**
(LOSS) EARNINGS PER SHARE FROM CONTINUING OPERATIONS (*)			
Attributable to shareholders			
Basic	37	(69)	563
Diluted	37	(69)	563

(*) Figures stated in Colombian pesos.

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

Jorge Mario Velásquez Jaramillo
CEO
Legal representative

Claudia Patricia Álvarez Agudelo
Accountant
Registration No. 69447-T

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.

SEPARATED STATEMENT OF OTHER COMPREHENSIVE INCOME

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

	Notes	2020	2019
NET (LOSS) INCOME		**(59,123)**	**482,739**
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	27.2	**(181,465)**	**98,637**
(Losses) gains of equity investments		(58,091)	85,877
Deferred tax on equity investments		(7)	-
Remeasurement of employee defined benefit liabilities		882	(5,809)
Deferred tax on employee defined benefit liabilities		-	876
Net interests in other comprehensive income of subsidiaries		(124,249)	17,693
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	27.2	**218,063**	**(16,719)**
Net gains from instruments under cash flow hedges		46	(235)
Deferred tax of cash flow hedging instruments		(13)	60
Net interests in other comprehensive income of subsidiaries		218,030	(16,544)
OTHER COMPREHENSIVE INCOME, NET OF TAX	27.2	**36,598**	**81,918**
TOTAL COMPREHENSIVE INCOME		**(22,525)**	**564,657**

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

Jorge Mario Velásquez Jaramillo
CEO
Legal representative

Claudia Patricia Álvarez Agudelo
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Grupo Argos S.A.

SEPARATED STATEMENT OF CHANGES IN EQUITY

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

	Notes	Share capital and additional paid-in capital	Legal Reserve	Other Reserves	Other Compre-hensive Income	Retained earnings	Profit for the year	Other components of equity	Total Equity
Balance disclosed as at 31 December 2018		**1,408,692**	**29,665**	**2,971,850**	**1,692,654**	**9,498,107**	**-**	**374,968**	**15,975,936**
Accumulated effect of the adoption of new standards by the equity method	3.1.1	-	-	-	-	5,595	-	-	5,595
Adjusted balance as at 1 January 2019	**26 to 28**	**1,408,692**	**29,665**	**2,971,850**	**1,692,654**	**9,503,702**	**-**	**374,968**	**15,981,531**
Profit for the period		-	-	-	-	-	482,739	-	482,739
Other comprehensive income for the period, net of tax		-	-	-	81,918	-	-	-	81,918
Comprehensive income for the period 2019		**-**	**-**	**-**	**81,918**	**-**	**482,739**	**-**	**564,657**
Ordinary dividends declared in cash		-	-	-	-	(225,890)	-	-	(225,890)
Preferential dividends declared in cash		-	-	-	-	(74,140)	-	-	(74,140)
Appropriation of reserves		-	-	511,646	-	(511,646)	-	-	-
Transfers to retained earnings		-	-	-	(9,103)	9,103	-	-	-
Other variations		-	-	-	-	319	-	(73,780)	(73,461)
Balance as at 31 December 2019	**26 to 28**	**1,408,692**	**29,665**	**3,483,496**	**1,765,469**	**8,701,448**	**482,739**	**301,188**	**16,172,697**
Balance disclosed as at 31 December 2019	**26 to 28**	**1,408,692**	**29,665**	**3,483,496**	**1,765,469**	**9,184,187**	**-**	**301,188**	**16,172,697**
Accumulated effect of the adoption of new standards by the equity method	3.1.2	-	-	-	-	(35,077)	-	-	(35,077)
Adjusted balance as at 1 January 2020	**26 to 28**	**1,408,692**	**29,665**	**3,483,496**	**1,765,469**	**9,149,110**	**-**	**301,188**	**16,137,620**
Profit for the period		-	-	-	-	-	(59,123)	-	(59,123)
Other comprehensive income for the period, net of tax		-	-	-	36,598	-	-	-	36,598
Comprehensive income for the period 2020		**-**	**-**	**-**	**36,598**	**-**	**(59,123)**	**-**	**(22,525)**
Ordinary dividends declared in cash		-	-	-	-	(242,670)	-	-	(242,670)
Preferential dividends declared in cash		-	-	-	-	(79,647)	-	-	(79,647)
Appropriation of reserves		-	-	166,922	-	(166,922)	-	-	-
Transfers to retained earnings		-	-	(6,500)	-	6,500	-	-	-
Other variations		-	-	-	(9,462)	9,462	-	-	-
Ordinary dividends declared in cash		-	-	-	-	-	-	(2)	(2)
Balance as at 31 December 2020	**26 to 28**	**1,408,692**	**29,665**	**3,643,918**	**1,792,605**	**8,675,833**	**(59,123)**	**301,186**	**15,792,776**

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

Jorge Mario Velásquez Jaramillo
CEO
Legal representative

Claudia Patricia Álvarez Agudelo
Accountant
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Grupo Argos S.A.

SEPARATED 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 (LOSS) PROFIT	**(59,123)**	**482,739**
Adjustments by:		
Dividend and interest income	(122,786)	(142,147)
Income tax expense recognized through profit or loss	21,058	13,261
Equity-accounted investees in the results of subsidiaries	33,924	(433,902)
Financial expense, net recognized through profit for the period	92,486	99,782
Loss (profit) recognized in respect to employee benefits and provisions	150	(373)
Gain on disposal of non-current assets	(12,561)	(68,857)
Gain on fair value measurement	(66,646)	(59,507)
Depreciation and amortization of non-current assets	18,378	16,390
Impairment recovery (loss), net of financial assets	(52)	939
Impairment, net of non-current assets and inventory	1,165	293
Unrealized foreign Exchange, recognised through profit or loss on financial instruments	64	(42)
Other adjustments	(5,065)	(1,001)
	(99,008)	**(92,425)**
CHANGES IN WORKING CAPITAL OF:		
Trade and other receivables	(5,120)	(106,460)
Inventories	11,783	48,011
Other assets	(7,346)	361
Trade and other payables	(9,491)	(5,943)
Other liabilities	3,974	8,030
CASH USED IN OPERATIONS	**(105,208)**	**(148,426)**
Dividends received	407,091	511,473
Income tax, reimbursed (paid)	29,695	(17,029)
NET CASH FLOW FROM OPERATING ACTIVITIES	**331,578**	**346,018**

Grupo Argos S.A.

SEPARATED STATEMENT OF CASH FLOWS

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

	2020	2019
CASH FLOW FROM INVESTING ACTIVITIES		
Financial interest received	13,036	9,052
Acquisition of property, plant and equipment	(301)	(95)
Proceeds from the sale of property, plant and equipment	40	-
Acquisition of investment property	(2,136)	(15,739)
Proceeds from the sale of investment property	10,723	54,002
Acquisition of interests in subsidiaries	(4,582)	(2,019)
Proceeds from the sale of interests in subsidiaries	3,712	134,687
Acquisition of interests in associates and joint ventures	-	(176,717)
Proceeds from the sale of investments in associates and joint Ventures	36,422	399
Acquisition of financial assets	(793)	(7,912)
Proceeds from the sale of financial assets	6,262	-
Payments for financial derivative arrangements	(10,882)	-
Restitution of subordinated debt	-	71,062
Loans granted to third parties (when resources are lent)	(1,490)	-
contribution refunds	188	4,395
CASH FLOW FROM INVESTING ACTIVITIES	**50,199**	**71,115**
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of bonds	7,979	450,000
Payment of bonds and commercial papers	(433)	(115,850)
Increase in other financing instruments	203,703	434,300
Payment of other financing instruments	(150,462)	(790,342)
Payment of lease liabilities	(1,860)	(1,808)
Collections from financial derivative arrangements with hedging of finance liabilities	-	2,538
Payments from financial derivative arrangements with hedging of finance liabilities	(227)	-
Dividends paid on ordinary shares	(238,694)	(222,756)
Dividends paid on preferential shares	(77,424)	(72,115)
Interest paid	(101,877)	(104,203)
Other cash inflows	135	-
NET CASH FLOW USED IN FINANCING ACTIVITIES	**(359,160)**	**(420,236)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**22,617**	**(3,103)**
Cash and cash equivalents at the beginning of the period	1,729	4,850
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies	(198)	(18)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**24,148**	**1,729**

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

Jorge Mario Velásquez Jaramillo
CEO
Legal representative

Claudia Patricia Álvarez Agudelo
Accountant
Registration No. 69447-T

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.

NOTES TO THE SEPARATED 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 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.

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

NOTE 2: BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Compliance status

The 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 and 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, the Company 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 separated 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, that affect the operations of Grupo Argos and its subsidiaries; for this, the Company 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 ability of Grupo Argos S.A.to continue as a going concern is not affected (see Note 41 Significant events).

2.3 Basis of preparation

The Company 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. For legal purposes in Colombia, the Separate Financial Statements are the basis for the distribution of dividends and other appropriations, are expressed in Colombian pesos as this is the functional currency, which corresponds to the currency of the main economic environment in which the Company operates, and the presentation currency for all purposes, rounded to the nearest million, unless otherwise indicated.

The Company's Separated 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, and investment property 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 Company 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 separated financial statements. Note 4 provides details of the significant accounting judgments and key sources of estimates used by the Company.

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 and of investment property 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 Company 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 separated financial statements is determined on the basis indicated, 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 Company has applied the accounting policies, judgements, estimates and significant accounting assumptions described in Note 2 Basis of presentation 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.

The Separated Financial Statements were prepared to comply with legal reporting requirements to which the Company is subject as a separate legal entity and, therefore, do not consolidate the assets, liabilities, equity or profit or loss of subordinate companies, nor do they include the adjustments or eliminations necessary for the presentation of the consolidated financial position and results of the Company and its subordinates. Investments in these companies are accounted for by the equity method as indicated below. These should be read in conjunction with the Consolidated Financial Statements.

The Separate Financial Statements have been prepared on a going concern basis and there are no material uncertainties related to events or conditions as of December 31, 2020 that would cast significant doubt on the ability of Grupo Argos S.A. to continue as a going concern.

2.4 Significant accounting policies

Below are the significant accounting policies applied by the Company in the preparation of its separated financial statements:

2.4.1 Cash and cash equivalents

Cash and cash equivalents in the separated statement of financial position and the separated 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.

Interest income generated by cash equivalents is recognized through profit for the period.

2.4.2 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 Company 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 Company 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 Company 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 Company 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.

2.4.2.1 Impairment of financial assets

The Company 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 Company applies a simplified approach on a collective basis 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. Where there is objective evidence that a financial asset is impaired, the Company recognizes an individual impairment loss provision and excludes the item from collective evaluation under the expected credit loss model.

The Company has established an impairment matrix based on past experience regarding payment collection, an increase in the number of past due payments in the portfolio that exceeds the average credit period, as well as observable changes in local and national economic conditions that are related to default. For trade receivables, which are reported net, said impairment is recorded in a separate account and the loss is recognized through administrative and selling expenses in the Company's separate statement of income. When there is confirmation that the receivable will not be recoverable, the carrying amount of the account receivable is derecognized against the associated provision.

2.4.2.2 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 through profit or loss.
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.

2.4.2.3 Derecognition of financial assets

A financial asset, or a portion thereof, is derecognized from the separated 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 Company 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.

2.4.3 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 is initially measured at cost of acquisition plus expenses and disbursements necessary to place the asset in condition to be sold. The Company 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 Company classifies 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 Company 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 mainly costs for lots, urbanization works and real estate for sale.

The Company shall recognize inventories when sold, at book value, as costs in the period in which the corresponding income is recognized.

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

Property tax corresponding to inventories of real estate for sale of Grupo Argos S.A. 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.

2.4.4 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. 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 Company 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 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.

Amortization of intangible assets for rights on concession contracts is also recognized through profit or loss, even if the Company maintains an investment associated with such rights.

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

Intangible	Lifespan	Lifespan ranges in years	Depreciation method
Patents, licenses and software	Finite	3 to 5 years	Straight-line
Concessions, franchises and rights	Finite	10 years	Straight-line (*)
Intangible assets in progress	Indeterminate		

(*) Due to the impacts caused by the COVID-19 juncture and considering that the concession has a maximum exploitation term contractually established with the State, the amortization method applied to the intangible asset generated in the takeover of Opain S.A. by Grupo Argos was reviewed. It was concluded that for the purposes of the Holding Company as an investor, the amortization method per passenger does not adequately reflect the expected consumption of the asset. Therefore, and according to the evaluation of the consumption pattern of the asset, the straight-line method was adopted to continue prospectively with the amortization of the intangible asset. The amount recognized as of December 2020 for amortization of this intangible asset amounted to $15,203, if it had been recognized under a method based on the number of passengers it would have been $12,959. The annual amortization amount as of 2021 will be $15,203.

1. **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.

2. **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.

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.

2.4.5 Impairment of tangible and intangible assets

At the end of each reporting period, the Company 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 Company 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 Company 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 Company 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 Company 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 the estimation of 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 Company 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 Company expects to derive from the asset.

The following variables should be excluded from the estimate of future cash flows that the Company 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 Company 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 Company 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.

2.4.6 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 Company, which are used in the operation of the entity.

The Company 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 Company'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.

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
Machinery, furniture and office, computer and communication equipment	3 to 30 years
Transport equipment	3 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 Company 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 their inherent risks have already been incorporated in the flows.

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.

2.4.7 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 Company 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.
- Expenses for routine maintenance of investment property.

In its subsequent measurement, the Company 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 Company 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.

Subsequent disbursements related to additions to investment properties that are capitalizable correspond to:

- The purchase price of lots that increase the area of investment properties.
- Costs of new construction that generate a higher fair value of the property.

Such values must be regarded by independent experts in the valuation immediately following the additions.

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 will be transferred to inventory when the Company establishes plans for its real estate development as inventory, that is, when it has formally applied for urbanization, construction, subdivision, subdivision and/or public space intervention licenses, in order to prepare a property for sale on an individual basis, either directly or through agreements with potential buyers.

However, in the case of parceling licenses that do not allow their execution in phases, the Company will review the portion of lots on which it contemplates the intention to begin a specific development plan to facilitate its disposition as an Urbanized Lot and that portion will be the one to be reclassified to inventory.

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 retained earnings.

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

Property tax corresponding to investment property of Grupo Argos S.A. 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.

2.4.8 Investments in associates and joint arrangements

An associate is an entity over which the Company 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.

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 a joint 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.

The Company has elected to account for investments in associates and joint ventures at cost in its separate financial statements, in accordance with the measurement models permitted by IAS 27. Therefore, it recognizes investments in associates and joint ventures under the cost method; subsequently, they continue at cost except for associates considered as investment entities, which are accounted for at fair value using the exception in IAS 28 Investments in Associates and Joint Ventures, paragraph 19.

The Company Recognizes a joint operation, when the contractual arrangement is structured through a separate vehicle or otherwise, by assessing the entitlements granted to the Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company recognizes all losses.

When the Company 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 Company 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.

The Company 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 make it possible 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

2.4.9 Investments in subsidiaries

The Company controls an investee when it has power over, is exposed to, or is entitled to, variable returns from its involvement in the investee and has the ability to influence those returns through its power over the investee. The Company assesses whether or not it controls an investee if facts and circumstances indicate that there are changes in one or more of the three elements of control mentioned above. In assessing control, it considers existing substantive 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. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to unilaterally direct the relevant activities of the investee. The Company considers all relevant facts and circumstances in assessing whether voting rights in an investee are sufficient to confer power on the investee, including:

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

Investments in subsidiaries are accounted for in the separated financial statements using the equity method, unless the investment or a portion thereof 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.

Under the equity method, investments in subsidiaries are initially recorded in the separated statement of financial position at cost and are subsequently adjusted to account for the Company's share of profit or loss and other comprehensive income (OCI).

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 Company 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 Company'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 Company 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 Company discontinues the use of the equity method in subsidiaries in relation to the portion that is classified as held for sale. Any retained portion of an investment in a subsidiary 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 subsidiary there is a loss of control, the use of the equity method is discontinued and any retained interest in the subsidiary is recognized in accordance with the applicable regulations following its classification.

In case the Company 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 statement of comprehensive income for the current and comparative periods of the previous year.

2.4.12 Leases

The Company 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 Company 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 Company uses the definition of a lease in IFRS 16 Leases.

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

   The Company 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 Company 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 Company's accounting policy for subsequent measurement of investment property.

At the commencement date of the lease, the Company 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 Company has reasonable assurance that it will be exercised and penalties for cancellation of the lease, if the term of the lease reflects that the Company 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 Company 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 Company 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 Company presents the right-of-use assets and lease liabilities separately in the separated statement of financial position. Right-of-use assets that meet the definition of investment property are presented within the investment property item.

The Company 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 separated statement of comprehensive income.

In the separated statement of cash flows, the Company 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 Company 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 Company as a lessor.** At the commencement or amendment of a contract containing a lease component, the Company 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 Company classifies the leases as finance or operating leases, assessing the extent to which risks and rewards of ownership of the asset affect it. The Company 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 Company Recognizes amounts owed by lessees under finance leases as receivables at the amount of the Company'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.

2.4.13 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 the Company are recognized at the value received, net of direct issue costs.

   Repurchase of the Company'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 Company, 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 Company'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 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.

d. **Financial liabilities.** Are classified at fair value through profit or loss or at amortized cost, using the effective interest method. The Company 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 Company 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 Company 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 section 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 Company 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 Company derecognizes a financial liability if, and only if, the obligations expire, are cancelled or fulfilled. The difference between the carrying amount of the derecognized financial liability and the consideration paid and payable is recognized through profit or loss.

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.

2.4.14 Hedge accounting

The Company 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 Company 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 Company 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 Company, hedges are classified and accounted for as follows, once the criteria for hedge accounting are met:

1. **Fair value hedges.** 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.

2. **Cash flow hedges.** 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 only the ineffective portion of the derivative is recognized in the profit or loss account as they arise, 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.

3. **Hedges 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 controlling company, regardless of whether the net investment is held directly or through an intermediate controlling 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.

2.4.15 Employee benefits

Post-employment benefit and defined contribution plans. The Company 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 Company recognizes benefit plans classified as contribution plans in profit or loss 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 Company recognizes benefit plans classified as defined benefit plans as an asset or liability in the separated 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 of said plan, 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 Company 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 Company 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

Correspond to the 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 Company cannot withdraw the offer related to the benefits or when the Company 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.

2.4.16 Provisions

Provisions are recognized when the Company 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 the Company's best estimate of future expenditures required to settle the present obligation and are discounted using a discount rate according to the nature of the obligation. The provision expense is presented in the separated 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 Company 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 Company recognizes any impairment loss on the assets associated with the contract.

A restructuring provision is recognized when the Company 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 Company's control are not recognized in the separated statement of financial position but are disclosed as contingent liabilities.

2.4.17 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 1.5% of the taxable equity (1.5% for year 2019, 0.5% 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 end of each annual period, provided that they are related to the same tax authority, there is a legal right to do so and the Company 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 Company recognizes a deferred tax liability for taxable temporary differences relating to investments in subsidiaries and 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 Company 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 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 Company intends to settle them simultaneously.

2.4.18 Foreign currency

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 (OCI) 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).

2.4.19 Income recognition

The Company's income arise mainly from the sale of goods, the rendering of services, returns on investments and the equity method on investments. Its obligations from contracts with customers are fulfilled at a given time and revenue recognition is made at that time.

The majority of the Company'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.

Exceptionally, income from a small number of leases and easements contracts is determined in relation to the volume of mineral material extracted by the lessee and the beneficiary of the easement.

Also, in most contracts, there is no judgment involved in assigning the contract price because there is a fixed unit price for each good or service sold. Therefore, the assignment of the transaction price is the total contract price divided by the number of units (for the sale of goods) or services delivered (for the rendering of services). When the sales prices of each good or service are different, the determination of the price is established by reference to the independent sales prices of each good or service, when it is possible to separate them.

a. **Sale of goods.** A single performance obligation is established for the sale of goods. The Company 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 Company 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 Company 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 Company 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 satisfied at some point in time.

   The Company provides some services for the development of lots whose performance obligation is fulfilled over time and income is recognized at the time when progress is made in fulfilling the obligation. In these contracts, advance payments are required before the service is provided.

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 subsidiaries 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 Company 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 subsidiaries. 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 subsidiaries.

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

f. **Contract balances**

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 Company 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.

Trade receivables: a receivable represents the Company'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.

Contract liabilities: a contract liability is the obligation to transfer goods or services to a customer for which the Company has previously received consideration from the customer. The payment of a consideration by a customer before the Company 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 Company transfers the goods or services to the customer.

2.4.20 Materiality

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

2.4.21 Statement of cash flow

The Company 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:** correspond to 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, and dividends received from associates, joint ventures, and financial instruments.

b. **Cash flows from investing activities:** correspond to flows from the activities of 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), and interest received from investments.

c. **Cash flows from financing activities:** correspond to 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, obtaining and repaying loans, issuing bonds and commercial papers and cancelling them, derivatives that hedge financial liabilities and dividend payments.

2.4.22 Related parties

For the purposes of IAS 24 Related Party Disclosures, the Company 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 Company 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.

NOTE 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

Financial Reporting Standard	Subject of the amendment	Detail
		requires lessees and lessors to make more extensive disclosures than required by IAS 17 Leases. 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.

Financial Reporting Standard	Subject of the amendment	Detail
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. 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.

Application of IFRS 16 Leases

The Company applied IFRS 16 Leases from 1 January 2019. The Company 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 separated equity in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 was not restated.

On transition to IFRS 16 Leases, the Company 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.

The Company as a lessee: as a lessee, the Company leases a significant number of assets, including real estate, vehicles, and riverine fleet. The Company recognizes right-of-use assets in leases and lease liabilities.

On initial recognition, the Company 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 separated statement of financial position under IAS 17 Leases.

The Company 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.

The Company as a lessor: The Company is not required to make any adjustments on transition to IFRS 16 Leases for leases in which it acts as lessor, except for subleases. At the date of transition and the reporting period, the Company does not sublease any asset.

Impact of applying IFRS 16 Leases

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

	2019
Right-of-use assets under lease - Property, plant and equipment (increase of 6.45% of assets) (*)	13,220
Right-of-use assets under lease - Investment property	-
Deferred tax assets (liabilities)	-
Lease liabilities (increase of 6.45% of liabilities)	(13,220)
Total equity	**-**

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.

Given the election not to restate the Company's comparative information for the first-time adoption of IFRS 16, it should be considered that:

- The separated statement of income at 31 December 2019 presents depreciation of right-of-use assets for $2,340 as selling and administrative expenses. Also included are interest expenses associated with lease liabilities for $828.

When measuring lease liabilities that were classified as operating leases, the Company discounted the lease payments using its incremental interest rate at 1 January 2019. The weighted average rate applied is 6,45%.

	January 1 2019
Operating lease commitments at 31 December 2018, as disclosed in IAS 17 Leases in Grupo Argos' separate financial statements.	16,897
Effect of discounting using the incremental interest rate as of 1 January 2019	(3,277)
(less) Exemption from recognition for leases of low value assets	-
(less) Exemption from recognition for leases with less than 12 months' duration	(400)
(plus) Reasonably certain renewal options to be exercised	-
Lease liabilities Recognized at 1 January 2019	**13,220**

As a result of applying the equity method in subsidiaries, the Company recognized at 1 January 2019 the difference from the transition from IAS 17 Leases to IFRS 16 Leases directly in equity through retained earnings for $5,595.

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

3.1.2 Standards incorporated in Colombia as of 1 January 2020 - Regulatory Decree 2270 of 13 December 2019.

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). • 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.

Financial Reporting Standard	Subject of the amendment	Detail
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 Company opted not to apply this amendment in its separated 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 the Company 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 Company 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 Company will opt for application in these terms.

According to the analysis performed by the Company's management, no accounting impacts have been recognized in the Separate Financial Statements for tax positions that are likely to be rejected by the tax authorities.

However, as of December 2020, an impact of the adoption of IFRIC 23 via the equity method was recognized for Odinsa and its subsidiaries, in which it recognized in equity a value of $35,125 and due to the holding interest, the value in the Company is:

Equity	Estimated impact 1 January 2020
Investments in associates and joint ventures	(35,077)
Total assets	**(35,077)**
Total liabilities	**-**
Retained earnings	(35,077)
Equity attributable to owners of the company	**(35,077)**
Non-controlling interests	-
TOTAL EQUITY	**(35,077)**

Regarding fiscal year 2019 and earlier, there is no evidence that the Company will assume an uncertain tax position that would imply in any case a recognition of amounts for such concept in the financial statements.

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.

Other standards incorporated in Colombia as of 1 January 2020 did not generate significant impacts on the Company's separated 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 ▪ 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).

Financial Reporting Standard	Subject of the amendment	Detail
		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 them to be capable of operating in the manner intended by the management as of the beginning of the

Financial Reporting Standard	Subject of the amendment	Detail
		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.

Financial Reporting Standard	Subject of the amendment	Detail
		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 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 Company will quantify the impact on the separated 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 will be carried out.

As at 31 December 2020 the Company has not adopted any standards or improvements to standards in advance.

NOTE 4: SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATES

In applying the Company's accounting policies, which are described in Note 2 Basis of presentation and significant accounting policies, the 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 Company's accounting policies that have a significant effect on the amounts recognized in the separated 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 Company 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:

a. Subsidiaries - Entities over which the Company has control

In determining control, the Company 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 Company controls a company even when less than half the voting rights are retained are:

(a) Investment in P.A. Ganadería Rio Grande. Management has evaluated the degree of influence that the Company 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 Company 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 Company does not control a company even though it holds more than half of the voting rights are:

(b) Consorcio Constructor Nuevo Dorado and Consorcio Mantenimiento Opain. Management has assessed the degree of influence that the Company 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.

(c) Patrimonio Autónomo (autonomous equity) Hacienda Niquía. Management assessed the degree of influence that the Company 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 Company does not have the current capacity to decide on the activities that most impact the entity's performance.

b. Associates - Entities over which the Company has significant influence

Judgment is applied in assessing significant influence. The Company 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 Company 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.

c. 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 Company 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 Company 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 Company 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.

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 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 Company 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 Company's financial statements.

4.1.4 Determination of the term of the lease of contracts with renewal options

Under certain leases, there is the option to lease the assets for additional periods. The Company 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 Company 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 Company 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 Company or the lessor.

4.1.5 Distinction between investment property and inventories

The Company 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 Company, this classification may be difficult. Therefore, the Company 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 Company 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.

4.1.6 Current income tax

The Company recognizes current income tax amounts in the separated 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 Company 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.

To date, no tax positions have been identified that may be disputed by the tax authorities and for which the tax treatment adopted by the Company is not found to be accepted and therefore should be recognized in the separate statement of financial position; and 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.

4.1.7 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.

4.1.8 Recognition of revenue and costs from construction activities

Since recognition 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. These estimates do not normally vary significantly from subsequent actual measurements.

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

As described in Note 2 Basis of presentation and significant accounting policies, the Company 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 2.4.4 Intangible assets in note 2 Basis of presentation 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 based on the consumption pattern of these assets.

4.2 Key data on uncertainty in estimates that represent 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 Company and, in the case of contingent assets, an income for the Company, but will only be resolved in the future when one or more events occur or may occur.

The Company 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 Company'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. Events giving rise to contingent assets is not recorded but disclosed (Note 22 Provisions and Note 39 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.

4.2.2 Impairment of assets, investments in associates and joint ventures, property, plant and equipment and intangibles

The Company assesses at least at each annual closing date of the statement of financial position or whenever market or business conditions present significant changes, whether there is any indication of impairment of assets. If such an indication exists, the Company estimates the recoverable amount of the asset or the cash-generating unit.

For assessing the appropriateness of performing the full impairment test, the Company will perform a 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 paragraph 2.3.5 Impairment of tangible and intangible assets.

In the case of associates and joint ventures, the events that allow establishing whether there is objective evidence that these investments may be impaired can be seen in note 2.4.8 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 (Note 16.6 Impairment analysis investments in associates and joint ventures).

4.2.3 Fair value of investment property

In order to determine the fair value, the Company 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 (Note 15 Investment Property).

4.2.4 Deferred income tax

The Company 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.

Exception from IAS 12 Income Tax, on investments: The Company 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 (Note 10.7 Unrecognized taxable temporary differences from investments in subsidiaries, associates and joint ventures).

4.2.5 Fair value of financial instruments

The Company 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. (Note 7.5 Fair value of financial instruments).

NOTE 5: CHANGE IN POLICIES AND RECLASSIFICATIONS OF ITEMS IN THE FINANCIAL STATEMENTS.

5.1 Change in policies

During 2020, the Company began the application of IFRIC 23 Uncertainty over Income Tax Treatments as explained in section 3.1.1 on standards incorporated in Colombia from 2020.

During the 2019 period, the Company changed its leasing policy as a result of the entry into force of IFRS 16 Leases as explained in section 3.1.1 on standards incorporated in Colombia from 2019.

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5.2 Reclassification of Items in the Financial Statements

During 2020, the Company did not make any reclassification on its comparative figures. On the other hand, the Company made changes in the presentation of items in the separate income statement that implied a greater openness of revenue reported at the closing of 2019:

	As at 31 December 2020	As at 1 January 2020	As at 31 December 2019
Income from financial activities	148,087	222,023	-
Income from real estate business	142,144	189,685	-
Equity-accounted investees net in the results of subsidiaries	(33,924)	433,901	-
Revenue	**256,307**	**845,609**	**845,609**

NOTE 6: CASH AND CASH EQUIVALENTS.

The total balance of this item at the end of the reporting period, as shown in the Separated Statement of Cash Flows, can be reconciled to the related items in the Separated Statement of Financial Position as follows:

Breakdown of cash	2020	2019
Cash and banks	1,678	1,337
Cash equivalents (*)	22,470	392
Total cash and cash equivalents	**24,148**	**1,729**

(*) The following are the cash equivalents held by the Company at the end of the reporting period:

Breakdown of cash equivalents	2020	2019
Collective portfolios and investment funds	7,913	392
Trusts	14,557	-
Total cash equivalents	**22,470**	**392**

During 2020, the following transactions did not involve cash movement:

- Of the total bond issuance for $136,500, 94% was made through exchange of ordinary bonds as detailed in Note 24 Bonds and Compound Financial Instruments.
- Crossing of dividends receivable from Odinsa for $71,241 with which were paid bank loans of the Company with ITAU Bank for $45,000 and Bancolombia Bank for $26,241.
- Contribution of a lot in Barú for $40,040 for the development of the Hotel Sofitel Calablanca project (See Note 16.3 Contributions, contribution refunds and/or changes in the ownership interests in associates and joint ventures).

Cash equivalents correspond to resources available to the Company managed through liquidity funds.

At 31 December 2020 and 2019, the Company has no current or non-current restricted cash or cash equivalents.

NOTE 7: FINANCIAL INSTRUMENTS.

7.1 Capital risk management

The Company'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 components of equity, as disclosed in Note 19 Financial obligations, Note 24 Bonds and compound financial instruments, Note 25 Other non-financial liabilities, Note 27 Reserves and other comprehensive income and Note 28 other components of equity.

The Company manages its capital to ensure its ability to continue as a going concern. Similarly, it strategically designs an efficient and flexible capital structure, consistent with growth, investment and credit rating plans. To this end, indicators of leverage, coverage, solvency and profitability have been established. Said structure is reviewed periodically or whenever there are relevant changes in the strategy.

In the same way, the Company manages capital risk through the rotation of portfolio assets and the management of healthy debt levels (measured mainly in terms of Gross Debt / Dividends and Net Debt / Portfolio Value) that allow it to develop its strategy and seek to maximize the generation of shareholder value.

The Company is not subject to external capital requirements, which is why all leverage decisions and target capital levels are made with the premise of generating value for shareholders, while maintaining an investment grade credit rating. Also, debt term and composition is consistent with the capital cycles of each investment.

7.2 Financial instrument categories

	2020	2019
Financial Assets		
Cash and cash equivalents (Note 6)	24,148	1,729
Prepayment purchase of financial investments (Note 11)	793	1,441
Financial assets measured at fair value through profit or loss (Note 11)	1	830
Financial assets measured at fair value through other comprehensive income – OCI (*) (Note 11)	1,105,102	1,165,536
Financial assets measured at amortized cost (Note 8)	334,491	320,315
Total financial assets	**1,464,535**	**1,489,851**
Financial assets classified as non-current assets held for sale	-	1,524
Total financial assets including non-current assets held for sale	**1,464,535**	**1,491,375**
Financial liabilities		
Derivatives in Hedging Relationships	-	42
Financial liabilities measured at amortized cost (Notes 19, 23 and 24)	1,700,975	1,709,254
Total financial liabilities	**1,700,975**	**1,709,296**

* 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.

7.2.1 Financial liabilities measured at amortized cost

	2020	2019
Bonds and commercial paper in circulation (Note 24)	1,111,008	1,099,288
Financial liabilities (Note 19)	480,005	502,009
Trade and other payables (Note 23)	94,586	93,764
Preferential shares classified as compound financial instruments (Note 24)	15,376	14,193
Total financial liabilities measured at amortized cost	**1,700,975**	**1,709,254**

At the closing of 2020 and 2019, the financial liabilities presented by the Company correspond to short- and long-term loans, ordinary bonds, suppliers and payables.

7.2.2 Reclassification of financial assets

During 2020 and 2019 no changes in the business model for managing and administering financial assets were made, 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 Company, for presentation purposes, did not offset financial assets and liabilities and has no relevant offsetting agreements.

7.3 Financial risk management objectives

The Company's financial policies are defined by the Treasury Committee and managed and seek to ensure a sound financial structure and to maintain the 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 Company 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 Company 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 Company 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 Company'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 Company'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), 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 Company 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, fluctuations in exchange rates have a direct impact on cash and on the financial statements. The Company monitors foreign exchange rate risk by analyzing balance and cash flow exposure.

The Company's general policy is to limit the effects of exposure to exchange rate risk. When the Company makes 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.

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 Company's exposure to changes in the exchange rate against the U.S. dollar, based on the nominal amounts of monetary assets and liabilities after incorporating hedges made with derivative financial instruments, is presented below:

Exposure to U.S. dollar and other currencies (In thousands of dollars)	**2020**	**2019**
Monetary assets	1,019	885
Monetary liabilities	(304)	(424)
Net exposure	**715**	**461**

Exposure to U.S. dollar and other currencies (In millions of Colombian pesos)	**2020**	**2019**
Monetary assets	3,497	2,899
Monetary liabilities	(1,042)	(1,390)
Net exposure	**2,455**	**1,509**

7.3.2.1 Foreign currency sensitivity analysis

The Company's general policy is to limit the effects of exposure to exchange rate risk. When the Company carries out investment, financing and operating activities, it is possible to manage this risk by selecting the appropriate hedging instrument.

The Company performs various sensitivity analyses in order to quantify the impact of exchange rates on results. In general terms, benefits from increases in exchange rates, which is 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 markets of the United States, the Caribbean and Ecuador. The hedging structures of the Company allow it to maintain a balanced net position in the statement of income and of financial position.

The Company 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 when applicable. 20% represents the sensitivity percentage used when reporting foreign exchange risk internally to key management personnel and 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. 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.

The sensitivity analysis to currency translation risk shows that a 20% devaluation of the Colombian peso against the U.S. dollar would have the following impact on income before taxes:

	In millions of Colombian pesos	
	2020	**2019**
Impact in profit before taxes	410	283

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.

7.3.2.2 Foreign currency derivative contracts

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

Derivative instruments contracted by the Company to hedge foreign exchange risk are generally designated as cash flow hedge instruments. At the closing of 2020, the Company has no outstanding foreign exchange derivative instruments.

7.3.3 Interest rate risk management and inflation indexes

The Company is exposed to interest rate risks because of the disbursement of borrowings 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.

The reference interest rates in the Colombian financial market that generate exposure to the Company are the CPI and IBR, and the international reference rate LIBOR for loans in U.S. dollars.

This monitoring is done through the Treasury Committee, considering the cash flow projections in the short and medium term, in order to establish the efficient index and term compositions. For support, quantitative models are used that allow analyzing the duration, using interest rate curves. Another efficient mechanism for the management of this risk is the interest rate derivatives.

The Company believes that most of its debt should be indexed to indicators such as CPI and IBR, since the structure of revenue, costs, and expenses. At the closing of 2020, it had financial obligations and bonds payable at a nominal value of $1.59 trillion (1,590,000,000,000) (2019 $1.59 trillion), with an average life of 6.3 years (2019 6.4 years) and an average cost of 4.82% EAR (2019 7.03% EAR).

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 floating rate liabilities, an analysis is prepared assuming that the amount of the liability outstanding at the end of the reporting period has been the liability outstanding for the entire year.

Based on the exposure of the Company's debt to market rates, an increase of 100 PBS (basic points) in the CPI would affect the cost of debt by $9,807 (2019 $9,060); an increase of the same magnitude in the Bank Reference Indicator (BRI) would increase it by $4,851 (2019 $5,033).

7.3.3.1 Contracts derived from interest rates and inflation indexes

Derivative instruments entered into by the Company to cover interest rate risk are designated as cash flow hedging instruments. The Company does not hold any derivative instruments to cover this risk that have not been designated as hedging instruments. The value recognized through other comprehensive income (OCI) for the valuation of these derivative instruments is detailed in Note 27 Reserves and other comprehensive income (OCI).

At the end of 2020, the Company has no outstanding interest rate derivative instruments.

Type of instrument	Hedged item	Underlying rate	Notional value of the underlying - Amount of the derivative instrument		Rate of the derivative instrument	Expiration of the derivative instrument	Fair value of the asset (liability) derivative instrument	
			2020	2019			2020	2019
CPI Swap	Ordinary bonds	CPI	-	100,000	3.72%	10-Jun-2020	-	(42)
								(42)

	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	-	100,000	-	(42)
Total cash flow hedging	**-**	**100,000**	**-**	**(42)**

7.3.4 Credit risk management

Credit risk is defined as the potential failure to meet contractual obligations arising from the Company's business activities. The Company's cash inflows come from four main sources:
- Dividends from subsidiaries and associates.
- Lot sales.
- Portfolio activities.
- Financial returns.

Of the sources of income for the Company, there are no credit risks on resources coming from divestments, financial returns and dividends, due to the nature of these flows. In the case of real estate sales, this risk is managed through the following mechanisms:

- Analysis of counterparties and their technical, financial and administrative qualities, using qualitative and quantitative criteria.
- Disposal policies that require advance payment of a percentage of the value of the property.
- Definition of maximum client concentration thresholds in relation to the total portfolio.
- Contractual clauses and required collaterals.

The Company periodically performs impairment analysis of its financial assets, including an analysis of expected losses in the portfolio. Details of trade current and other receivables are shown in Note 8 trade and other receivables, net. As of 31 December 2020 and 2019, these balances constitute the maximum credit risk exposure.

7.3.5 Liquidity risk management

Liquidity risk is generated when there is no close relationship between the capital structure and 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 Company and working capital needs. Likewise, through the design and monitoring of the capital structure, the Company 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 Company 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 Company 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.

In the COVID19 uncertainty scenario, the Company adjusted its minimum cash policies and disbursed liquidity borrowings to maintain flexibility in working capital management. This excess liquidity is invested in highly liquid fixed-income instruments and savings accounts.

7.3.5.1 Maturity analysis of non-derivative financial liabilities

The maturity profile of the Company's non-derivative financial liabilities previously agreed upon is detailed below. The tables have been designed based on the undiscounted cash flows of the financial liabilities, taking into account the date on which payments must be made. Additionally, they include both interest and capital cash flows. To the extent that interest is floating rate, the undiscounted amount is derived from the last known interest rate at the end of the reporting period. The contractual maturity is based on the minimum date on which payment must be made.

31 December 2020	Weighted average effective rate	3 months to 1 year	1 to 5 years	5 years or more	Total	Carrying amount
Non-interest-bearing		94,586	68	-	94,654	94,654
Fixed-rate instruments	5.78%	6,990	128,728	-	135,718	122,504
Variable rate instruments	4.61%	68,545	1,022,846	863,901	1,955,292	1,468,441
Other liabilities		847	3,389	11,140	15,376	15,376
Total 31 December 2020		**170,968**	**1,155,031**	**875,041**	**2,201,040**	**1,700,975**
31 December 2019						
Non-interest-bearing		93,764	57	-	93,821	93,821
Fixed-rate instruments	5.78%	7,138	135,352	-	142,490	123,798
Variable rate instruments	7.13%	105,013	1,309,982	898,225	2,313,220	1,477,442
Other liabilities		847	3,389	9,957	14,193	14,193
Total 31 December 2019		**206,762**	**1,448,780**	**908,182**	**2,563,724**	**1,709,254**

7.3.5.2 Maturity of derivative financial instruments

At the closing of 2020 the Company has no derivative financial assets. The detail of the maturity profile of the Company's derivative financial assets as of 2019 was as follows:

	1 year or less	1 to 5 years	5 years or more	Total	Carrying amount
As at 31 December 2019					
Swaps (net)	(42)	-	-	(42)	(42)
Total (net)	**(42)**	**-**	**-**	**(42)**	**(42)**

7.4 Collaterals

Following is the breakdown of Collateral guarantees for financial assets and liabilities provided by the Company:

In 2020, the market value of the Company's financial assets pledged as collateral for financial liabilities is $1,146,646 (2019 $1,479,613). These collaterals correspond to 36,724,303 shares of Grupo Sura S.A. (2019 - 36,724,303 shares) and 9,093,972 shares of Grupo Nutresa S.A. (2019 9,093,972 shares).

From the total of shares pledged as collateral, 22,686,275 (2019 - 13,364,075) pledged back the loans disbursed during 2018 and 2019, with a balance to date of $444,700. The remaining shares have been pledged for an indefinite period of time in order to provide the Company with financial flexibility.

7.5 Fair value

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

	Carrying amount	Fair value	Carrying amount	Fair value
	2020		2019	
Financial Assets				
Measured at fair value through OCI				
Equity investments *(1)	1,105,895	1,105,895	1,168,501	1,173,928
Measured at fair value through profit and loss				
Other investments (1)	1	1	830	830
Measured at amortized cost				
Cash and cash equivalents	24,148	24,148	1,729	1,729
Trade and other receivables (2) and (3)	334,491	338,559	320,315	322,871
Total financial assets	**1,464,535**	**1,468,603**	**1,491,375**	**1,499,358**
Financial liabilities				
Measured at fair value through OCI				
Derivative financial instruments (5)	-	-	42	42
Measured at amortized cost				
Financial obligations (2)	480,005	488,871	502,009	507,862
Bonds and securities in circulation (2) and (4)	1,111,008	1,195,778	1,099,288	1,159,884
Preferential shares classified as debt	15,376	15,376	14,193	14,193
Suppliers and payables **(3)	94,586	94,586	93,764	93,764
Total financial liabilities	**1,700,975**	**1,794,611**	**1,709,296**	**1,775,745**

* The decrease in equity investments is mainly due to the valuation adjustment of Grupo Nutresa shares for ($63,341) (2019 $85,963). In 2019, this category includes non-current assets held for sale for $1,524.

** This amount includes $85,846 of dividends payable (December 2019, $79,647).

In paragraph 7.5.1, in accordance with reference number (1), (2), (3), (4) and (5), the significant valuation variables for each of the instruments described above are described.

7.5.1 Description of significant valuation variables

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	Technical description of valuation	Significant variables
Financial Assets				
Measured at fair value through OCI				
Equity investments	1	Market prices (Colombian Stock Market)	(1)	Share price
Measured at fair value through profit and loss				
Equity investments	1	Market prices	(1)	Trust's Unit Value
Measured at amortized cost				
Trade and other receivables	2	Discounted cash flows	(2) y (3)	The discount rate used corresponds to the agreed effective rate indexed to the CPI or the Company's average debt rate in the absence of the agreed rate.
Financial liabilities				
Measured at fair value through profit and loss				
Derivative financial instruments	2	Fair value	(5)	Swap derivative instruments: Interest rate swap curve for rates denominated in dollars, to discount flows in dollars; and IBR swap curve for rates denominated in pesos, to discount flows in pesos. LIBOR, CPI, TRM.
Measured at amortized cost				
Financial obligations	2	Discounted cash flows	(2)	The discount rate used corresponds to the market rate for loans under similar conditions.
Bonds in circulation	2	Discounted cash flows	(4)	Discount rate yielded by the zero coupon curve.
Preferential shares classified as debt	2	Discounted cash flows	(2)	The discount rate used corresponds to the market rate.
Suppliers and payables	2	Discounted cash flows	(3)	The discount rate used corresponds to the effective rate agreed and indexed to the CPI.

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

(1) Quoted market prices: the fair values of these investments are determined by reference to published quoted prices in active markets, for the financial instrument in question.

(2) Market discount rate: future cash flows are discounted to present value at the market rate for loans with similar conditions on the measurement date according to the days of maturity.

(3) The Company assessed that the fair values of receivables, dividends receivable and payable, suppliers, payables and other current liabilities approximate their carrying values due largely to the short-term maturities of these assets. Future cash flows of receivables or payables maturing in more than 12 months are discounted to present value at the market rate for loans in similar conditions at the measurement date, according to the days of maturity.

(4) The fair value is calculated by discounting the future cash flows with the zero coupon curve of the ordinary bonds issued by the Company.

(5) The measurement method of the swap financial instrument uses the derivative financial instrument's own cash flows, which are then discounted to their present value. The right is projected using the CPI curve and the obligation corresponds to the same amount in the payment periods during the life of the instrument. Since both flows correspond to future values, they are discounted to present value using the rates of the OIS COP curve (Overnight Index Swap, on the Bank Reference Indicator (BRI) Overnight rate negotiated in the OTC market). The difference between the inflow and the outflow represents the net value of the derivative at the evaluated cut. For the measurement of the forward financial instrument, it uses the exchange rates set in the contract, the spot rate, the exchange rate at the valuation date and the discount factor in dollars for the obligation and in pesos for the right.

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

	Financial liabilities	Bonds and compound financial instruments	Lease liabilities	Dividend liabilities	Trade liabilities and other liabilities	Derivative (Assets) / liabilities for financial liabilities hedging	Cash flow from financing activities for financial liabilities
Balance at the beginning of the period 1 January 2020	**502,009**	**1,113,481**	**12,300**	**79,647**	**14,117**	**42**	**1,721,596**
Issuance of bonds	-	7,979	-	-	-	-	7,979
Payment of bonds and commercial papers	-	(433)	-	-	-	-	(433)
Increase in other financing instruments	203,703	-	-	-	-	-	203,703
Decrease in other financing instruments	(150,462)	-	-	-	-	-	(150,462)
Payments for lease liabilities	-	-	(1,860)	-	-	-	(1,860)
Collections from financial derivative contracts with financial liability hedging	-	-	-	-	-	(227)	(227)
Dividends paid on ordinary shares	-	-	-	(238,694)	-	-	(238,694)
Dividends paid on preferential shares	-	-	-	(77,424)	-	-	(77,424)
Interest paid	(33,401)	(67,238)	(649)	-	(589)	-	(101,877)
Other cash inflows	-	135	-	-	-	-	135
Total changes by cash flows from financing activities	**19,840**	**(59,557)**	**(2,509)**	**(316,118)**	**(589)**	**(227)**	**(359,160)**
Unrealized exchange rate difference (effect of changes in foreign exchange rates)	-	-	-	-	56	-	56
Fair value measurement	-	-	-	-	-	(42)	(42)
Recognition of leases	-	-	263	-	-	-	263
Interest caused	29,397	71,277	649	-	557	-	101,880
Other changes	(71,241)	1,183	(2,220)	322,317	(5,401)	227	244,865
Total changes other than cash flows in financial liabilities	**(41,844)**	**72,460**	**(1,308)**	**322,317**	**(4,788)**	**185**	**347,022**
Balance at the end of the period 31 December 2020	**480,005**	**1,126,384**	**8,483**	**85,846**	**8,740**	**-**	**1,709,458**

	Financial liabilities	Bonds and compound financial instruments	Lease liabilities	Dividend liabilities	Trade liabilities and other liabilities	Derivative (Assets) / liabilities for financial liabilities hedging	Cash flow from financing activities for financial liabilities
Balance at the beginning of the period 1 January 2019	**857,153**	**777,208**	**-**	**87,852**	**2,699**	**(2,672)**	**1,722,240**
Issuance of bonds	-	450,000	-	-	-	-	450,000
Payment of bonds and commercial papers	-	(115,850)	-	-	-	-	(115,850)
Increase in other financing instruments	434,300	-	-	-	-	-	434,300
Decrease in other financing instruments	(790,342)	-	-	-	-	-	(790,342)
Payments for lease liabilities	-	-	(1,808)	-	-	-	(1,808)
Collections from financial derivative contracts with financial liability hedging	-	-	-	-	-	2,538	2,538
Dividends paid on ordinary shares	-	-	-	(222,756)	-	-	(222,756)
Dividends paid on preferential shares	-	-	-	(72,115)	-	-	(72,115)
Interest paid	(40,182)	(60,200)	(828)	-	(2,993)	-	(104,203)
Total changes by cash flows from financing activities	**(396,224)**	**273,950**	**(2,636)**	**(294,871)**	**(2,993)**	**2,538**	**(420,236)**
Unrealized exchange rate difference (effect of changes in foreign exchange rates)	-	-	-	-	(22)	-	(22)
Recognition of leases	-	-	14,108	-	-	-	14,108
Interest caused	41,080	62,323	828	-	2,927	-	107,158
Other changes	-	-	-	300,860	(2,688)	176	298,348
Total changes other than cash flows in financial liabilities	**41,080**	**62,323**	**14,936**	**300,860**	**217**	**176**	**419,592**
Balance at the end of the period 31 December 2019	**502,009**	**1,113,481**	**12,300**	**93,841**	**(77)**	**42**	**1,721,596**

NOTE 8: TRADE AND OTHER RECEIVABLES, NET.

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

	2020	2019
Trade receivables		
Domestic customers (1)	102,296	121,232
Foreign customers (1)	-	8,100
Other receivables		
Receivables from related parties (Note 38)	218,377	177,216
Income and other receivables (2)	12,360	13,612
Employee receivables (3)	2,697	1,602
Impairment for doubtful accounts	(1,239)	(1,447)
Total trade and other receivables, net	**334,491**	**320,315**
Current	302,429	223,804
Non-current	32,062	96,511
Total trade and other receivables, net	**334,491**	**320,315**

(1) At the closing of 2020, there was a balance receivable of $102,296 corresponding mainly to the sale of lots Pajonal San José Manzana 1A and lot 2A Barú Calablanca whose maturities are agreed even until 2022, complying with the payment schedules in the established terms.

At the end of 2019, there was a receivable for $129,332, which mainly corresponds to the sale of lots Pajonal San José Block 1A, 2A Barú Calablanca, Alameda del Río, Volador Oriental, Block 24 Alejandría stage 1, Block C Clúster Institucional, Santa Isabel Concesión, Pajonal Oreja 53 and Villa Carolina VIII.

(2) Corresponds mainly to dividends receivable from Grupo Nutresa S.A. for $7,343 payable in March 2021 and educational sponsorships for $2,494.

In 2019, (2) Corresponds mainly to dividends receivable from Grupo Nutresa S.A. for $6,922 payable between January and March 2020 and sponsorships for $3,292, of which $1,946 correspond to direct employees.

(3) Employee receivables do not include key management personnel balances, which are grouped under related party receivables.

During 2020, there were no transfers of financial assets, nor portfolio endorsed or negotiated with banks or other economic entities.

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 the maturities for trade and other receivables as of 31 December:

	2020	2019
Unmatured trade receivables	328,609	318,791
Matured trade receivables not impaired (1)	5,882	1,524
Impaired trade receivables (2)	1,239	1,447
Total gross receivables	**335,730**	**321,762**
Impairment for doubtful accounts	(1,239)	(1,447)
Total net receivables	**334,491**	**320,315**

(1) Age of matured but not impaired receivables

	2020	2019
Ageing of matured but not impaired receivables		
Matured between 1-30 days (*)	3,754	1,294
Matured between 31-90 days	3	59
Matured between 91-180 days	79	171
Matured between 181-360 days (**)	2,046	-
Matured more than one year	-	-
Total matured receivables not impaired	**5,882**	**1,524**
Average age (days)	**104**	**32**

(*) Corresponds mainly to the outstanding balance of $3,500 from the Miramar V project.
(**) Includes mainly outstanding receivables from the sale of the Pajonal Oreja 53 strip for $1,949.

(2) Age of impaired receivables:

	2020	2019
Between 0-90 days	377	334
Between 91-180 days	-	45
Between 180-360 days	-	88
Between 1-3 years	862	980
Total impaired receivables	**1,239**	**1,447**

The movement in impairment for doubtful accounts at 31 December is detailed below:

	2020	2019
Balance at the beginning of year	1,447	509
Impairment losses	461	1,238
Reverted impairment losses	(448)	(300)
Recovered balances	(221)	-
Balance at the end of year	**1,239**	**1,447**

NOTE 9: INVENTORIES, NET.

The balance of inventories, net, at 31 December 2020 comprises

	2020	2019
Urbanized lots	245,781	199,856
Real estate for sale	3,106	6,950
Total inventories, net	**248,887**	**206,806**
Current	248,887	169,602
Non-current	-	37,204
Total inventories, net	**248,887**	**206,806**

The cost of inventories recognized as cost of sales at 31 December 2020 is $32,148 (2019 $41,026). (See note 31 - cost of real estate business).

None of the lots in the inventory are pledged as collateral for liabilities, nor do they have any restrictions or liens that limit their disposition.

As of 31 December 2020, non-current inventories were transferred to current inventories, for the redefinition of the term of the business plans. The increase in the inventory of urban development works corresponds mainly to the transfer of Pajonal's largest land lots from investment property to inventories, related to the project Pajonal Stage 1 Block 1 $16,789, Block 4 $13,469, Block 5 $14,153, Block 6 $11,469, Block 2 $12,139.

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 Company contributed in October 2020, a lot in Barú for $40,040 for the development of the Hotel Sofitel Calablanca project. The Company recognized in the result for the year a profit for $5,034, which corresponds to the profit realized with third parties, 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 16.3 Contributions, contribution refunds and/or changes in the ownership interests in associates and joint ventures).

NOTE 10: CURRENT AND DEFERRED INCOME TAX.

10.1 Current tax assets

Current tax assets at 31 December comprise:

	2020	2019
Recoverable balance in private liquidation of income tax (*)	27,787	30,237
Total current tax assets	**27,787**	**30,237**

(*) At 2020, current tax assets consist mainly of:

- Self-withholdings for $35.672.
- Deduction at source made to the Company for $1.048.
- Current income tax liability ($8.972).

10.2 Current tax liabilities

Current tax liabilities at 31 December comprise:

	2020	2019
Self-withholdings	7,453	1,974
Total current tax liabilities	**7,453**	**1,974**

In 2020 the current tax liability includes:

- Self-withholdings $7,453 corresponding to taxable dividends received from Odinsa and sales of lot inventories.

Tax provisions applicable and in force

The income tax in Colombia is settled by 2020 at a rate of 32% according to Law 2010 of 2019. For the taxable period 2019, 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 economic associates or 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 by paid tax of 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:

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

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

	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 50% of the Industry and Commerce Tax (ICA) 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.

10.3 Income tax recognized through profit or loss for the period

	2020	2019
Current tax		
For the current year	8,972	5,762
Previous year's adjustment	139	(6,752)
Total current tax	**9,111**	**(990)**
Deferred tax		
Changes in temporary differences	13,573	13,189
Changes in laws and tax rates	(1,626)	-
Uncompensated losses, tax credits and excess presumptive income used	-	1,062
Total deferred tax for the year	**11,947**	**14,251**
Total tax expense related to continuing operations	**21,058**	**13,261**

The determination of the effective rate applicable to the Company is as follows:

Income Tax	**2020**	**2019**
(Loss) earnings before income tax and discontinued operations	(38,065)	496,000
Income Tax (Current + Deferred)	**21,058**	**13,261**
Effective tax rate	55.3%	2,7%

The reconciliation between earnings before taxes and taxable net liquid income is as follows:

Reconciliation of the effective tax rate	**Reconciliation of current accounting and fiscal tax**	**Deferred tax for the year**	**Reconciliation of the effective tax rate**	**Reconciliation of current accounting and fiscal tax**	**Deferred tax for the year**	**Reconciliation of the effective tax rate**
		2020			**2019**	
(Loss) Earnings before income tax and discontinued operations	(38,065)	-	(38,065)	496,000	-	496,000
Statutory tax rate in (%)	32%	-	32%	33%	-	33%
Current tax expense at the legal rate applicable to the Company	**(12,181)**	**-**	**(12,181)**	**163,680**	**-**	**163,680**
Effect of permanent tax differences and others						
Untaxed dividends and shares	(118,756)	-	(118,756)	(134,485)	-	(134,485)
Sale of listed investments and untaxed fixed assets	(7,440)	-	(7,440)	(20,241)	-	(20,241)
Tax expenses for the period	43,172	-	43,172	18,080	-	18,080
Income from measurement at fair value and other untaxed income	13,340	-	13,340	(154,444)	-	(154,444)
Expenses or other similar items not taxed	90,976	-	90,976	126,420	-	126,420
Effect of temporary differences						
Receivables, other items	-	10,378	10,378	-	5,018	5,018

Investments	-	5,451	5,451	-	5,101	5,101
Property, plant and equipment	-	(3,712)	(3,712)	-	9,503	9,503
Financial liabilities	-	508	508	-	(3,813)	(3,813)
Employee Benefits	-	(17)	(17)	-	(74)	(74)
Provisions	-	95	95	-	(1,051)	(1,051)
Other items	-	(756)	(756)	-	(433)	(433)
	9,111	**11,947**	**21,058**	**(990)**	**14,251**	**13,261**

	2020	2019
Current tax and deferred tax in profit or loss		
Deferred tax	11,947	14,251
Occasional Income Tax	2,961	180
Presumptive Income Tax	6,011	5,582
Adjustment of current tax estimate for previous years	139	(6,752)
Current and deferred tax	**21,058**	**13,261**
Effective tax rate (in %)	55.3%	2.7%

The income tax rate applicable to the 2020 taxable period is 32% (2019 32%). Given that the Company is taxed on presumptive income and occasional profits, the tax amounts were not reduced, while profit for the period was affected by the juncture, a situation that generated a significant increase in the Company's effective tax rate, which was 55.3%.

10.4 Income tax recognized directly in equity and other comprehensive income (OCI)

Balances of deferred taxes recognized through equity, generated by temporary differences of transactions recognized through other comprehensive income are detailed as follows:

	2020	2019
Deferred tax		
Cash flow hedges	-	(14)
Valuation of financial instruments	102	96
Total deferred tax recognized through other comprehensive income (OCI)	**102**	**82**

10.5 Current tax assets and liabilities and deferred tax balances

	2020	2019
Current tax assets	27,787	30,237
Current tax liabilities	(7,453)	(1,974)
	20,334	**28,263**

The balance of deferred tax assets and liabilities is presented below, net of non-current liabilities:

	2020	2019
Deferred tax assets	214,058	202,771
Deferred tax liabilities	(421,427)	(398,173)
Total deferred tax liabilities	**(207,369)**	**(195,402)**

Changes in deferred tax assets and liabilities is shown below:

2020	Opening Balance	Included in results	Included in other comprehensive income	Final balance
Current assets	(36,323)	(10,378)	-	(46,701)
Associates and joint ventures	(11,779)	(4,492)	-	(16,271)
Other equity investments	(33,420)	(959)	(7)	(34,386)
Property, plant and equipment	37,446	1,405	-	38,851
Investment property	(281,756)	2,306	-	(279,450)
Intangible Assets	1,854	-	-	1,854
Other non-current assets	3,589	(1,495)	-	2,094
Provisions	1,936	(94)	-	1,842
Employee Benefits	116	17	-	133
Financial liabilities	3,813	(508)	(13)	3,292
	(314,524)	**(14,198)**	**(20)**	**(328,742)**
Tax losses	86,173	2,251	-	88,424
Excess presumptive income	32,949	-	-	32,949
	119,122	**2,251**	**-**	**121,373**
	(195,402)	**(11,947)**	**(20)**	**(207,369)**

2019	Opening Balance	Included in results	Included in other comprehensive income	Final balance
Current assets	(31,305)	(5,018)	-	(36,323)
Associates and joint ventures	(9,979)	(1,800)	-	(11,779)
Other equity investments	(30,119)	(3,301)	-	(33,420)
Property, plant and equipment	(60)	37,506	-	37,446
Investment property	(234,747)	(47,009)	-	(281,756)
Intangible Assets	1,854	-	-	1,854
Other non-current assets	2,094	1,495	-	3,589
Provisions	885	1,051	-	1,936
Employee Benefits	(894)	134	876	116
Financial liabilities	-	3,753	60	3,813
	(302,271)	**(13,189)**	**936**	**(314,524)**
Tax losses	86,173	-	-	86,173
Excess presumptive income	34,011	(1,062)	-	32,949
	120,184	**(1,062)**	**-**	**119,122**
	(182,087)	**(14,251)**	**936**	**(195,402)**

10.6 Unrecognized deductible temporary differences, unused tax losses and unused tax credits

Unused deductible temporary differences, excesses of presumptive income, tax losses are as follows:

	2020	2019
Unused losses and tax credits		
More than five years	216,822	216,822
No time limit	199,962	199,962
	416,784	**416,784**
Excess presumptive income over ordinary liquid income		
One year later	-	28,177

More than one year and up to five years	104,471	119,583
	104,471	**147,760**
Total unused tax benefits	**521,255**	**564,544**

As of 2020, a deferred tax was recognized for $393,529, due to its probable utilization expectation.

Unused tax benefits	**2020**	**2019**
Amount of tax shields on which deferred tax was calculated	393,529	393,529
Amount of tax shields for which no deferred tax was calculated (*)	127,726	171,015
Total unused tax benefits	**521,255**	**564,544**

(*) Tax shields expiring in 2020 were offset by $ 40,383.

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.

Tax returns for the years 2016, 2017, 2018, 2019 and 2020 are subject to review by the tax authority as they have not yet become final. Management and the tax legal advisers consider that the amount recorded as taxes payable is sufficient to cover any liabilities that may be established with respect to those years.

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

	2020	**2019**
Investments in subsidiaries	2,707,405	2,869,801
Investments in associates and joint ventures	2,838,039	2,864,750

In accordance with paragraph 39 of IAS 12 Income Taxes, the Company applied the deferred tax recognition exception to investments in subsidiaries, associates, and joint ventures in which the timing of the reversal of the temporary difference is controlled and it is not likely to reverse in the foreseeable future.

NOTE 11: OTHER FINANCIAL ASSETS.

The following table shows the composition of the other financial assets at the end of the periods:

	2020	**2019**
Financial assets at fair value through other comprehensive income (1)	1,105,102	1,165,536

Advance payment for purchases of financial assets (1)	793	1,441
Financial assets at fair value through profit or loss (2)	1	830
Total other financial assets	**1,105,896**	**1,167,807**
Non-current	1,105,896	1,167,807
Total other financial assets	**1,105,896**	**1,167,807**

(1) Financial assets measured at fair value through other comprehensive income are as follows:

	2020	2019
Grupo Nutresa S.A. (*)	1,085,851	1,149,192
Other investments	20,044	17,785
Total non-current	**1,105,895**	**1,166,977**

(*) As of 31 December 2020, the Company has a 9.83% (2019 9.83%) interest in Grupo Nutresa S.A., 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 strategic medium- and long-term purposes. Thus, the accounting recognition of its valuation is made in the other comprehensive income (OCI), using active market prices (Colombian Stock Exchange). For investments that are not listed on the stock exchange are valued using financing rounds and the value of the trust unit.

Considering that some investments do not have level 1 input data (quoted prices) and the figures are not representative, the Company assumes the position of holding them at cost.

Prepayment for the purchase of financial assets was drawn for the acquisition of a financial asset that will be measured with changes in other comprehensive income.

The balance of these investments at 31 December is detailed below:

Investment	2020	2019
Grupo Nutresa S.A.	1,085,851	1,149,192
Stem INC.	6,639	4,963
Occipital INC.	3,662	3,171
Cimcon lighting INC.	3,596	3,634
Innowatts	2,164	2,019
Bird Rides INC.	1,813	-
Fondo de Capital Privado Progresa Capital (*)	834	1,221
Plaza Mayor Medellín Convenciones y Exposiciones	507	507
Fondo Regional de Garantías del Caribe Colombiano S.A.	424	424
Triple A Barranquilla S.A. E.S.P.	252	252
Aeropuerto de Barranquilla S.A.	153	153
Scoot Networks INC.	-	1,441
Total other investments	**1,105,895**	**1,166,977**

(2) The breakdown of financial assets measured at fair value through profit and loss is as follows:

	2020	2019
Agricultural Development Title (*)	-	830
Fiduciary Alliance - Prado Mar Trust	1	-
Total Non-Current	**1**	**830**
Total financial assets at fair value through profit or loss	**1**	**830**

(*) This equity investment is classified as measured at fair value through profit or loss, however, level 1 inputs (quoted prices) are not available and the figure is not representative, therefore, the Company assumes the position of holding it at cost. This item was divested in 2020.

Dividends recognized in the revenue item of the separated statement of income for financial assets measured at fair value through changes in other comprehensive income for the period ended December 31 are listed below:

	Investments held at the end of the period	
	2020	2019
Grupo Nutresa S.A.	29,372	27,689
Fondo Regional de Garantías del Caribe Colombiano S.A.	49	36
Other investments	-	159
Total dividend income	**29,421**	**27,884**

NOTE 12: PREPAYMENTS AND OTHER NON-FINANCIAL ASSETS.

The balance of prepaid expenses and other non-financial assets at 31 December comprises:

	2020	2019
Employee benefit plan assets, net (1)	6,694	4,666
Other current tax assets (2)	1,487	11
Prepayment for purchases of services (3)	2,327	309
Insurance (4)	1,210	863
Other prepaid expenses	2	6
Total prepaid expenses and other non-financial assets	**11,720**	**5,855**
Current	5,026	1,189
Non-current	6,694	4,666
Total prepaid expenses and other non-financial assets	**11,720**	**5,855**

1. In 2020 and 2019 corresponds to resources managed by Protección S.A. to fund the employee benefit plans, net of the liability from the actuarial calculation of the same benefit (Note 21 Employee benefits liabilities).

2. Industry and commerce taxes $1,462 (2019 $11) and VAT credit balance $25 (2019 $0).

3. Comprising prepayments on construction contracts $2,171 (2019 $0), and purchase of goods and services $156 (2019 $309).

4. In 2020 and 2019 corresponds to civil and contractual liability insurance.

NOTA 13: INTANGIBLES, NET.

Intangible assets of the Company at 31 December are detailed below:

	2020	2019
Concessions, franchises and rights	137,172	137,172
Patents, licenses and software	2,197	1,983
Intangible assets in progress	-	214
Total intangible assets other than capital gains, gross	**139,369**	**139,369**
Accumulated amortization	48,073	32,364
Total intangible assets other than capital gains, net	**91,296**	**107,005**

As of December 31, 2020 and 2019, intangible assets under development do not include capitalization of borrowing costs and will begin to be amortized when they become available for use.

Changes in intangible assets are presented below:

	Concessions, franchises, and rights (*)	Patents, licenses, and software	Intangible assets in progress	Total
1 January 2020	**137,172**	**1,983**	**214**	**139,369**
Transfer to other accounts	-	214	(214)	-
Historical cost as of 31 December 2020	**137,172**	**2,197**	**-**	**139,369**
1 January 2020	**30,743**	**1,621**	**-**	**32,364**
Amortization	15,203	506	-	15,709
Amortization and impairment	**45,946**	**2,127**	**-**	**48,073**
Total intangible assets, net at 31 December 2020	**91,226**	**70**	**-**	**91,296**

	Concessions, franchises, and rights (*)	Patents, licenses and software	Intangible assets in progress	Total
1 January 2019	**137,172**	**12,866**	**262**	**150,300**
Transfers	-	(10,883)	-	(10,883)
Transfer from or to other groups of intangibles	-	-	(48)	(48)
Historical cost as of 31 December 2019	**137,172**	**1,983**	**214**	**139,369**
1 January 2019	**18,545**	**12,122**	**-**	**30,667**
Amortization	12,198	382	-	12,580
Transfers	-	(10,883)	-	(10,883)
Amortization and impairment	**30,743**	**1,621**	**-**	**32,364**
Total intangible assets, net at 31 December 2019	**106,429**	**362**	**214**	**107,005**

(*) Corresponds to the rights on contracts acquired in the purchase of Opain.

Lifespans of intangible assets are:

Intangible	Lifespan	Lifespan ranges in years	Depreciation method
Patents, licenses and software	Finite	3 to 5 years	Straight line
Concessions, franchises and rights	Finite	10 years	Straight line (*)
Intangible assets in progress	Indeterminate		

(*) Due to the impacts caused by the COVID-19 juncture and considering that the concession of El Dorado International Airport has a maximum term of operation 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 best the expected consumption of the asset reflects for the Holding Company, 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, which generated an impact of the change in the estimate of $1,496 that were recognized in profit of 2020 and are detailed as follows:

	Contract rights on Opain
Historical cost as of 31 December 2019	**137,172**
Accumulated amortization as of 1 January 2020	**30,743**
Amortization by number of passengers January to September 2020	9,906
Adjustment to straight-line amortization estimate January to September 2020	1,496
Straight-line amortization estimate October to December 2020	3,801
Accumulated amortization as of 31 December 2020	**45,946**
Contract rights on Opain, net as of 31 December 2020	**91,226**

The annual amortization amount beginning in 2021 will be $15,203.

Amortization of intangibles is recognized as an expense in the separated statement of income under the heading of administrative and selling expenses, as applicable, and impairment losses are recognized as expenses in the statement of income.

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.

The book values and remaining amortization periods for other intangible assets is:

Intangible	Remaining amortization period	2020	2019
Patents, licenses and software	1 year	70	362
Concessions, franchises and rights	7 years	91,226	106,429
Intangible assets in progress	Indeterminate	-	214
		91,296	**107,005**

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 Company 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.

NOTE 14: PROPERTY, PLANT AND EQUIPMENT.

The balance of property, plant and equipment, net as of 31 December, comprises:

	2020	2019
Constructions and buildings	308	317
Other assets	247	338
Furniture, office, computer and communication equipment	156	634
Machinery and equipment	145	163
Total property, plant and equipment, net	**856**	**1,452**

	Constructions and buildings	Machinery and equipment	Furniture, office, computer and communication equipment	Other assets	Total
1 January 2020	**350**	**177**	**4,852**	**651**	**6,030**
Additions	-	-	5	-	5
Sales and withdrawals	-	-	-	(54)	(54)
Historical cost	**350**	**177**	**4,857**	**597**	**5,981**
1 January 2020	**33**	**14**	**4,218**	**313**	**4,578**
Depreciation of the period	9	18	483	76	586
Sales and withdrawals	-	-	-	(39)	(39)
Depreciation and impairment	**42**	**32**	**4,701**	**350**	**5,125**
Total property, plant and equipment at 31 December 2020	**308**	**145**	**156**	**247**	**856**

	Constructions and buildings	Machinery and equipment	Furniture, office, computer and communication equipment	Other assets	Total
Balance at 1 January 2019	**187**	**44**	**4,852**	**584**	**5,667**
Additions	163	133	-	67	363
Historical cost at 31 December 2019	**350**	**177**	**4,852**	**651**	**6,030**
Balance at 1 January 2019	**25**	**10**	**3,376**	**234**	**3,645**
Depreciation of the period expense	8	4	842	79	933
Depreciation and impairment	**33**	**14**	**4,218**	**313**	**4,578**
Total property, plant and equipment at 31 December 2019	**317**	**163**	**634**	**338**	**1,452**

The Company has buildings and structures, classified as for administrative use, which are included in property, plant and equipment and are measured by the revalued cost method.

During the 2020 period there was no capitalization of costs for loans in buildings and construction in progress.

As of 31 December 2020 and 2019, no property, plant and equipment assets have been pledged as collateral for the performance of obligations or payables to third parties.

The Company has no contractual commitments for the acquisition of property, plant and equipment; additionally, no compensation was obtained by third parties for impaired, lost or abandoned property, plant and equipment. The Company has adequate insurance policies to protect its productive assets, whose cover comprises mainly material damages caused by fire, earthquake, weak current, natural disasters, terrorism, and other risks.

The Company has not presented any changes in accounting estimates that have a significant impact on the period affecting residual values, lifespans and depreciation methods.

NOTE 15: INVESTENT PROPERTY.

The balance of investment property at 31 December comprises:

	2020	2019
Land	2,107,826	2,107,287
Constructions and buildings	1,059	1,059
Total	**2,108,885**	**2,108,346**

For determination of the fair value of the investment property, independent firms with extensive experience and recognition in the market were hired. To estimate these fair values, the firms used the appropriate valuation techniques for the case, using the guidelines of IFRS 13 Fair Value and International Valuation Standards (IVS), the most commonly used for the case being the market comparison approach and the residual value approach.

All valuations are made under the comparative market value approach and with the residual value technique, both valuation methodologies are internationally recognized. The resulting differences in value opinions were reconciled into a final commercial value opinion for the property.

Input data for the fair value estimate is classified as Level 2 input data within the fair value hierarchy, which also corresponds to the complete estimate, associated with offer prices, appraisals or similar property transactions 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.

Below are the Company's revenue and expenses directly related to the investment property:

	2020	2019
Lease income of investment Property	2,120	2,767
Direct expenses related to investment property	33,205	33,601
Direct expenses related to investment property that did not generate lease income	20,637	21,397

At 31 December 2020, the Company has no contractual obligations to acquire, construct or develop investment property, nor are there any restrictions on any investment property.

Reconciliation of investment property

	2020	2019
Historical cost as of 1 January	**2,108,346**	**2,105,213**
Gain from measurement at fair value (*) (Note 30) (1)	66,420	32,482
Additions (2)	2,136	15,739
Dispositions	-	(8,497)
Transfers to/from investment property (3)	(68,017)	(36,591)
Historical cost as of 31 December	**2,108,885**	**2,108,346**

(1) As of 31 December 2020, the fair value of all investment properties was adjusted. The main amounts correspond to the properties Pajonal, Aguadulce, Campoalegre, El Morro, Minas Lili, Miramar Puerto Colombia, Pradomar, Insignares, Tamalameque, La Inmaculada and Barú. (2019, predios Tamalameque, Barú, La Inmaculada, Agua Viva, Bocatocino, Loma China, Pavas Molina, Pajonal, Pedrera, Pocihueica, Recoveco, Volador Oriental, Don Jaca, Aguadulce, Campo Alegre, Minas Lili, Miramar Puerto Colombia, Pradomar, El Morro, Insignares).

(2) Corresponds to capitalized disbursements for the adaptation of the Pavas Molina land in Barranquilla and adaptations to the Barú land.

(3) As of 31 December 2020, corresponds to the transfer of the larger Pajonal land lots to inventories for the Pajonal Block 1, Block 2, Block 4, Block 5 and Block 6 project for a value of $68,017.

The Company has no contractual obligations or restrictions on the investment property.

NOTE 16: INVESTMENTS IN ASSOCIATES AND JOINT VENTURES.

16.1 General information on associates and joint ventures

The general information on associates and joint ventures for the periods indicated is as follows:

Company name associate or joint venture	Main activity	Country	Interests and voting rights (*)		Investment classification	Book Value	
			2020	2019		2020	2019
Grupo de Inversiones Suramericana S.A.	Financial	Colombia	27.66%	27.66%	Associate	4,368,113	4,368,113
Fondo de Capital Privado Pactia Inmobiliario	Real estate management	Colombia	37.18%	37.20%	Associate	879,792	870,133
Internacional Ejecutiva de Aviación S.A.S.	Executive air transport	Colombia	33.33%	33.33%	Associate	4,591	4,591
P.A. Hacienda Niquía	Real estate management	Colombia	51.00%	51.00%	Associate	2,818	2,818
Promotora de Proyectos S.A.	Financial	Colombia	33.68%	33.68%	Associate	-	1,165
P.A. Fideicomiso Hotel Calablanca Barú	Real estate management	Colombia	77.81%	-	Joint venture	22,422	-
P.A. Contingencias Consorcio Constructor Nuevo Dorado	Management and payments	Colombia	30.00%	-	Joint venture	664	-
Consorcio Constructor Nuevo Dorado (in liquidation)	Execution of EPC construction contract	Colombia	30.00%	30.00%	Joint venture	328	1,250
Pactia S.A.S.	Real estate management	Colombia	50.00%	50.00%	Joint venture	5	5
Consorcio Mantenimiento Opain (in liquidation)	Maintenance and complementary services of works	Colombia	30.00%	30.00%	Joint venture	-	188
Total investments in associates and joint ventures						**5,278,733**	**5,248,263**

(*) Of the associates and joint ventures of the Company, for the associate Grupo de Inversiones Suramericana S.A. the percentage of ownership with voting rights is different from that indicated. The percentage economic interests as at December 2020 and 2019 is 22.29%, taking into account the issue of non-voting preferential shares by this associate. For other investments in associates the percentage of ownership is equal percentage of economic interests.

All investments in associates and joint ventures are accounted for at cost except for Fondo Capital Privado Pactia Inmobiliario which is accounted for at fair value. Of these investments, the only one listed in the stock market is Grupo de Inversiones Suramericana S.A., whose market value at 31 December 2020 for ordinary shares is $25,280 COP per share (2019 $34,000 COP per share). However, the market value of the share is lower than the book value and no impairment is generated because the business fundamentals and the valuation made do not imply impairment (Note 16.6). The value of the Fondo Capital Privado Pactia Inmobiliario unit is $11,708.19 COP (2018 $11,579.66 COP).

16.2 Corporate purpose of 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 Medellín (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.

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 alliance gives life to a real estate fund, which is structured through the constitution of a Private Equity Fund, which 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. Its main office is in Medellín 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.

Consorcio Constructor Nuevo Dorado (in liquidation): has as its corporate purpose the execution of the EPC construction contract for the modernization and expansion of El Dorado International Airport; To this end, it may carry out all the activities and perform all the necessary and complementary acts, including, but not limited to, the conclusion of any type of contract, the acquisition of fixed assets and, in general, the goods and inputs necessary for the provision of the services under its responsibility, the opening of current accounts, the conclusion of guarantee contracts and the rendering of services that are accessory or complementary to those that constitute its main object, on the understanding that the Consortium will be entitled to participate in all the necessary and convenient operations that complement its main object. The liquidation process was initiated in October 2019.

The Consorcio Constructor Nuevo Dorado is classified as a joint venture because decisions are taken unanimously by the members of the Administrative Committee, regardless of the percentage of participation of each consortium partner.

Patrimonio Autónomo Hacienda Niquía – P.A. Niquía: alliance between Grupo Argos S.A., Londoño Gómez S.A.S., Arquitectura y Concreto S.A.S. and Situm S.A.S. (merged with Grupo Argos S.A. in 2017), which aims to execute the Hacienda Niquía project. It acts solely and exclusively through its spokesperson and administrator Fiduciaria Bancolombia S.A. The binding agreement was signed on 6 December 2013, which defines the general terms and conditions of the alliance, including the rules for the contribution of assets. Its main domicile is in Medellín (Colombia).

Internacional Ejecutiva de Aviación S.A.S. – IEA S.A.S.: its main corporate purpose is the provision of public, unscheduled commercial air transport services for passengers and cargo, including the performance of charter flights on domestic and international routes in accordance with the regulations in force and international conventions on civil aviation, as well as the performance of activities and services complementary and related to such air transport service. Likewise, the company may provide all ground handling and aircraft handling services at the airport, in accordance with the national and international regulations in force. Its main domicile is in Medellín (Colombia).

Consorcio Mantenimiento Opain (in liquidation): the purpose of the consortium formed under the civil consortium modality is to provide maintenance services for the works that are part of the modernization and expansion stage of

Bogota's El Dorado International Airport, as well as complementary works and services, in accordance with the definitions set forth in this agreement and those applicable under the Concession Contract and the EPC Contract. The process of liquidation was initiated on 25 January 2020.

The services to be provided by the consortium will be executed directly by the parties, without prejudice to the possibility of subcontracting them to third parties.

The Opain Maintenance Consortium is classified as a joint venture because decisions are taken unanimously by the members of the Administrative Committee, regardless of the percentage of participation of each consortium partner.

Promotora de Proyectos S.A.: its main corporate purpose is to undertake activities that will make public and private investment more dynamic, generate employment and foreign currency, replace imports, increase investment in the industrial, agro-industrial, commercial and service sectors and contribute to the creation and consolidation of companies. The main office is located in Medellín (Colombia). The Board of Directors is made up of five principal members and five alternate members. The Company has two principal and two alternate members.

Pactia S.A.S.: its principal corporate purpose is the professional management and administration of a portfolio of real estate assets, regardless of their legal form, including, but not limited to, the operation and lease of shopping centers, corporate buildings, warehouses, distribution centers, logistics parks, hotels and other similar projects. Its main domicile is in Medellín (Colombia). The Board of Directors is comprised of four principal members, the Company participates with two principal members and two alternate members.

P.A Contingencias Consorcio Constructor Nuevo Dorado: its purpose 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.

P.A Fideicomiso Hotel Calablanca Barú: its purpose is the real estate administration for the development of the Hotel Barú Calablanca project.

16.3 Contributions, contribution refunds and/or changes in the ownership interests in associates and joint ventures

Below are the changes presented in the ownership interest in associates and joint ventures for the indicated periods:

P.A Contingencias Consorcio Constructor Nuevo Dorado: Acquisition of 30% interest for $664.

Consorcio Mantenimiento Opain: A profit distribution of $300 was received, of which $188 is restitution of contributions and $112 is profit. Additionally, income of $3 was recognized.

Pactia S.A.S.: As of December 2020, the Company has received dividends of $5,194.

Consorcio Constructor Nuevo Dorado: According to the recoverability analysis performed by the Company, an impairment loss of $920 was recognized for the restatement of the equity in the investment compared to its book value.

Fondo de Capital Privado Pactia Inmobiliario: Profits for $2,435 were received. Additionally, interests decreased from 37.20% to 37.18% due to an increase in the number of outstanding units.

P.A fideicomiso Hotel Calablanca Barú: It is constituted with a contribution of the lot Hotel Calablanca Barú for an amount of $40.040 and unrealized profits were recognized for ($17,619) in line with an equity interest of 77.81%.

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.

Promotora de Proyectos S.A.: The result of the investment analysis indicates a high probability that the profitability of the funds managed by the investment will be below expectations, thus generating an impairment of $1,165.

During 2019, the following changes were made in the ownership interest of associates and joint ventures:

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 Equity Fund received a capitalization from Protección S.A. which together with the movements indicated, generated that the participation percentage increased from 32.14% in 2018 to 37.20% in 2019.

Pactia S.A.S.: as of December 2019, the Company has received dividends for $5,186.

Consorcio Constructor Nuevo Dorado: as of December 2019, the Company has received profit distributions for $17,797 and contribution refunds for $4,205, which did not imply changes in the interests percentage.

Consorcio de Mantenimiento Opain: as of December 2019, the Company has received profit sharing for $29.

Promotora de Proyectos S.A: in December 2019 the Company made a capitalization of $230 increasing its participation from 30.73% (December 2018) to 33.68% (December 2019).

Occidental de Empaques: on 2 January 2020, Grupo Argos S.A., Cementos Argos S.A. and Smurfit Kappa Centroamérica SLU signed an agreement for the sale of all the shares of Compañía Occidental de Empaques S.A., whose formalization is subject to the approval of the Superintendence of Industry and Commerce (note 18).

16.4 Summary Financial Information

The summary financial information included in the following tables represents the values presented in the financial statements of associates or joint ventures most significant for the company, prepared in accordance with the International Financial Reporting Standards.

	Grupo de Inversiones Suramericana S.A.	PEF Pactia Inmobiliario	Other Associates and Joint Ventures
December 2020			
Current assets (*)	Not applicable	Not applicable	57,888
Non-current assets (*)	Not applicable	Not applicable	264,801
Total assets	**70,941,764**	**3,952,373**	**322,689**
Current liabilities (*)	Not applicable	Not applicable	54,856
Non-current liabilities (*)	Not applicable	Not applicable	189,223
Total liabilities	**42,400,039**	**1,507,558**	**244,079**

Equity	**28,541,725**	**2,444,815**	**78,610**
Revenue	20,837,912	262,247	102,962
Net income from continuing operations	342,906	(13,489)	4,247
Net income after discontinued operations	336,237	(13,489)	4,247
Other comprehensive income	481,700	27,672	6,134
Total comprehensive income	**817,937**	14,183	**10,831**
Dividends paid to the owner	81,173	2,435	5,309

	Grupo de Inversiones Suramericana S.A.	PEF Pactia Inmobiliario	Other Associates and Joint Ventures
December 2019			
Current assets (*)	Not applicable	Not applicable	50,203
Non-current assets (*)	Not applicable	Not applicable	121,107
Total assets	**69,037,834**	**3,871,876**	**171,310**
Current liabilities (*)	Not applicable	Not applicable	67,391
Non-current liabilities (*)	Not applicable	Not applicable	68,258
Total liabilities	**40,946,830**	**1,435,639**	**135,649**
Equity	**28,091,004**	**2,436,237**	**35,661**
Revenue	21,328,165	269,976	120,630
Net income from continuing operations	1,606,035	104,433	49,308
Net income after discontinued operations	1,718,680	104,433	49,308
Other comprehensive income	(110,004)	985	698
Total comprehensive income	**1,608,676**	**105,419**	**219,944**
Dividends paid to the owner	70,309	8,677	23,012

(*) The associates Grupo de Inversiones Suramericana S.A. and Fondo de Capital Privado Pactia Inmobiliario present the statement of financial position in order of liquidity, and therefore the breakdown of current and non-current assets and liabilities is not included.

Additional summarized financial information for associates and significant joint ventures is provided below:

	Grupo Inversiones Suramericana S.A.	PEF Pactia Inmobiliario	Other Associates and Joint Ventures
December 2020			
Cash and cash equivalents	3,311,225	157,864	22,474
Current financial liabilities (*)	Not applicable	Not applicable	23,866
Non-current financial liabilities (*)	Not applicable	Not applicable	142,498
Financial liabilities (*)	10,728,550	1,393,150	166,364
Depreciation and amortization expense	525,631	419	14,486
Interest income	785,554	8,054	378
Interest expenses	731,400	99,119	6,902
Income tax expense	453,537	-	4,799

	Grupo Inversiones Suramericana S.A.	PEF Pactia Inmobiliario	Other Associates and Joint Ventures
December 2019			
Cash and cash equivalents	2,346,157	44,271	13,348

Current financial liabilities (*)	Not applicable	Not applicable	23,638
Non-current financial liabilities (*)	Not applicable	Not applicable	68,054
Financial liabilities (*)	9,888,705	1,331,891	91,692
Depreciation and amortization expense	503,768	443	12,078
Interest income	917,669	3,194	137
Interest expenses	716,162	108,514	6,102
Income tax expense	650,706	-	8,610

(*) The associate Grupo de Inversiones Suramericana S.A. presents the statement of financial position in order of liquidity, and therefore does not include the breakdown of current and non-current assets and liabilities.

16.5 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 significant unrecognized commitments with joint ventures and associates as 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. However, as of December 2020, the Company has commitments to lend $768 as lender to Promotora de Proyectos S.A. with a term of 18 months and a rate of 9% EAR, of which $523 has been disbursed as of 31 December.

The Company has as collateral for financial liabilities 36,724,303 (2018 - 36,724,303) shares of Grupo de Inversiones Suramericana S.A. and 9,093,972 (2018 - 9,093,972) shares of Grupo Nutresa S.A.

16.6 Impairment analysis

The Company 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 Company tests the assets for impairment. The minimum required tests are currently underway to ensure that they are completed within the annual period.

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.

In the case of publicly traded companies, their fair values were compared with the share prices as of 31 December 2020, subtracting the transaction or sale costs in the stock market. However, the value of the shares in the market is lower than the book value, due to the overreaction of the stock markets, none of the investments in associates and joint ventures suffered impairment at 31 December 2020, because although the current contingency situation brought challenges in the short term for operations in financial terms, according to the analyses performed, the ability of the companies to do business and maintain their positions of participation in the market in which they operate has not been affected, which will allow them to continue to have expectations of growth and profit generation in the long term.

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.

With respect to Promotora de Proyectos S.A., $1,165 was recognized in income due to the high probability that the profitability of the managed funds will be below the Company's expectations.

16.7 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 31 December 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	35.53%	35.53%	26.75%	26.75%

The Company recognizes its interest in the associate Grupo Sura S.A. at cost in its separate financial statements, as described in note 2.4.8 Investments in associates and joint arrangements.

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 2.4.2 Financial assets and presented in Note 11 Other financial assets.

NOTE 17: INVESTMENTS IN SUBSIDIARIES.

17.1 Overview and corporate purpose of subsidiary companies

Name of the subsidiary	Main activity	Place of incorporation and operations	Functional currency	Portion of direct shareholding		Type of interests	Book value	
				2020	2019		2020	2019
Cementos Argos S.A.(*)	Cements and related products	Colombia	Colombian Pesos	58.07%	57.98%	Direct	3,976,988	4,069,839
Celsia S.A.	Energy	Colombia	Colombian Pesos	52.93%	52.93%	Direct	2,448,998	2,448,774
Odinsa S.A.	Engineering and Architecture	Colombia	Colombian Pesos	94.99%	94.99%	Direct	1,929,335	2,110,767
Sociedad Concesionaria Operadora Aeroportuaria Internacional - Opain S.A.	Concessions	Colombia	Colombian Pesos	30.00%	30.00%	Direct	37,832	132,350
Sator S.A.S.	Coal mining exploitation	Colombia	Colombian Pesos	96.76%	96.76%	Direct	113,702	121,707
Valle Cement Investments Ltd.	Financial	British Virgin Islands	United States dollars	8.19%	8.19%	Indirectly through Cementos Argos	37,894	36,362
P.A. Ganadería Río Grande.	Livestock Business	Colombia	Colombian Pesos	13.39%	13.39%	Direct	5,121	5,059
Summa S.A.S.	Any lawful activity	Colombia	Colombian Pesos	25.00%	25.00%	Direct	128	97
Concretos Argos S.A.S. (**)	Mixes and concretes	Colombia	Colombian Pesos	0.00%	0.00%	Indirectly through Cementos Argos	-	-
Fucol S.A. liquidated	Metallurgy	Colombia	Colombian Pesos	-	51.59%	Direct	-	447

Industrias Metalúrgicas Apolo S.A. in liquidation	Metallurgy	Colombia	Colombian Pesos	89.54%	76.62%	Direct	-	-
Total							**8,549,998**	**8,925,402**

(*) For the subsidiary Cementos Argos S.A. the percentage of economic right participation as of December 2020 is 49.14% (2019 49.07%), is different from the percentage with voting rights of 58.07% (2019 57.98%). The above taking into account the issuance of non-voting preferred shares issued by this subsidiary.

(**) The book values of these investments is rounded to zero when expressed in millions of Colombian pesos.

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.

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.

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 until May 2016 was Bogotá (Colombia) when it changed its name and address to Medellín (Colombia) and its term expires on 31 December 2100.

Sociedad Concesionaria Operadora Aeroportuaria Internacional 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 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 Opain without including the adjustments indicated above presents a negative equity as of 31 December 2020 of ($95,151).

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.

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.

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.

Concretos Argos S.A.: incorporated on 22 April 1985. Its corporate purpose is the exploration, exploitation, transport, benefit, integral use, commercialization 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 Bogota (Colombia) and the term of duration is until 8 September 2093. Control of this company is held through Cementos Argos S.A.

Industrias Metalúrgicas Apolo S.A. in liquidation: incorporated on 6 March 1958. Since 2001 year-end, the company has suspended 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 Medellín (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.

Servicios Corporativos Integrales S.A.S. - SUMMA: incorporated on 7 December 2016. Its corporate purpose is to provide specialized business services in Colombia and abroad to companies linked to Grupo Empresarial Argos or to third parties, in any area that can create value for its clients; to provide consulting or intervention services in any of the businesses of the companies that make up Grupo Empresarial Argos or to third parties; to carry out all those acts that are intended to exercise the rights and comply with the obligations, legal or conventional, derived from the existence and activities developed by the Company and to carry out any other legal economic activity both in Colombia and abroad. Its domicile is in Medellín (Colombia).

Patrimonio Autónomo Ganadería Rio Grande: established on 14 August 2017. It includes all activities related to the operation and administration of the business of breeding and marketing of livestock, biotechnology and maintenance of the farms where the heads of livestock are located. Through the execution of a joint account agreement, in which the assets associated with the livestock business were contributed, the Fundación Grupo Argos, as managing partner, manages and operates the assets related to this business on its own.

17.2 Changes in the ownership interest of a subsidiary

As of 31 December 2020, the following changes were made in the ownership interests of subsidiaries:

Cementos Argos S.A.: In March 2020 the Company acquires an additional 0.09% interest in Cementos Argos S.A. corresponding to 1,039,826 common shares for $4,581.

Fundiciones Colombia S.A. liquidated: On 11 August 2020, the company's commercial registry was cancelled, liquidating the investment of 1,288,221,566 shares representing a 51.59% interest, and receivables for $328 million were assigned in favor of the Company.

Industrias Metalúrgicas Apolo S.A. in liquidation: on 28 October 2020, an Extraordinary Shareholders' Meeting was held at which an amendment to increase the Company's capital was approved, as well as a capitalization of debt. As a result of the capitalization, the Company's participation amounted to 89.54%, represented by 467,381,638 shares. Likewise, the Assembly approved the final liquidation account of the company, generating a portfolio recovery for the amount of $325 in favor of Grupo Argos S.A.

Odinsa S.A.: in October 2020, the Company acquired 140 common shares of Odinsa S.A. for $1.

As of 31 December 2019, the following changes were made in the ownership interests of subsidiaries:

Celsia Colombia S.A. E.S.P.: in March 2019 all 6,495,205 shares of Celsia Colombia S.A. E.S.P. were sold to the subsidiary Celsia S.A. for $122,792 corresponding to a 1.87% ownership interests.

Odinsa S.A.: in April 2019 the Company acquires an additional 0.09% over Odinsa S.A. corresponding to 179,372 shares for a value of $1,884, in July 2019 acquires 0.0016% corresponding to 3,157 shares for a value of $33, in September acquires 0.0046% corresponding to 8,941 shares for a value of $94 and in December 2019 acquires 0.0004% corresponding to 770 shares for a value of $8. In turn, the sale of Odinsa in 2017 represented cash in 2019 for a value of $11,895.

Sociedad Concesionaria Operadora Aeroportuaria Internacional Opain S.A.: the Company received payments for subordinated debt as follows: to capital, in June 2019 for $47,999 and in August for $6,524, to interest of subordinated debt for $16,538.

17.3 Significant restrictions and commitments

No significant restrictions exist on the ability of direct subsidiaries to transfer funds to the Company in the form of cash dividends, loan repayments, advances or otherwise.

17.4 Impairment analysis

The Company 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 assets. If such an indication exists, the Company performs impairment tests on the assets. The minimum required tests are currently being performed to ensure that they are completed within the annual period.

Impairment tests are performed through a combination of different valuation techniques, mainly under the Discounted Free Cash Flow (DFCF) methodology and addition of parts to find its value in use. These valuations take as a reference a base line of results such as the budget and financial projections approved by the management of each business. Also, the discount rate used was the Weighted Average Cost of Capital (WACC) or the Cost of Equity (Ke) of each one.

In the case of publicly traded companies, their fair values were compared to the stock prices as of 31 December 2020, less the transaction or sale costs in the stock market. Notwithstanding, the value of the shares in the market is lower than the book value, due to the overreaction of the stock markets, none of the investments in subsidiaries suffered impairment of value as of 31 December because although the current contingency situation brought challenges in the short term for the operations in financial terms, according to the analyses performed, the capacity of the companies to do business and maintain their positions of participation 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.

NOTE 18: NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS.

At 31 December 2020, the following changes took place:

2,402 shares of Compañía Colombiana de Empaques Bates S.A. were sold for $5,427 with an associated cost of $5,427, with a sale date of 15 January 2020.

1,075,500 shares of Compañía Occidental de Empaques S.A. were sold for $36 with an associated cost of $22,955, which sale date was 27 March 2020.

The assignment of rights of the private equity fund BTG Pactual for $ 835, between Grupo Argos S.A. and Grupo Nutresa, signed on 18 June 2020, was recorded.

At 31 December 2019, non-current assets held for sale correspond to the investment of:

- 1,080,000 shares of Compañía Occidental de Empaques S.A. for $22,954.
- 2,402 shares of Compañía Colombiana de Empaques Bates S.A. for $1,524. This investment was classified as a financial instrument measured at fair value for $1,524. This classification generated a deferred tax liability of $96.

As of 31 December 2020 and 2019, the Company has no non-current assets held for sale that are classified as discontinued operations.

NOTE 19: FINANCIAL OBLIGATIONS.

The following is a summary of the composition with financial entities held by the Company as of 31 December:

	2020	2019
Promissory notes in local currency	479,937	501,952
Other obligations	68	57
Total financial obligations	**480,005**	**502,009**
Current	237	4,252
Non-current	479,768	497,757
Total financial obligations	**480,005**	**502,009**

The financial obligations consist mainly of the obligations acquired with national banks, the balance of which at 31 December is $497,700 (2019 $497,700). These loans are secured with a collateral of 36,724,303 (2019 36.724.303) shares of Grupo de Inversiones Suramericana S.A.

Breakdown of the Company's loans with national banks at nominal value

Financial institution	Maturity	Currency	Amount of loan	Agreed interest rate	Balance of debt 2020	Balance of debt 2019
Bancolombia	2025	COP	30,000	IBR+1.93%	392,200	-
Banco de Bogotá	2024	COP	92,500	IBR+2%	52,500	52,500
Banco Popular	2024	COP	100,000	IBR+2%	35,000	40,000
Bancolombia	2022	COP	19,500	IBR+1.59%	-	19,500
Bancolombia	2023	COP	460,000	IBR+1.86%	-	385,700
Total					**479,700**	**497,700**

During 2020, Banco de Bogotá's loan contract for $52,500, had a maturity extension modification of 24 months with a current rate of IBR + 2% vs IBR + 1.57%; Banco Popular for $35,000 extended its maturity by 24 months and

Bancolombia $392,200 modified its maturity from 2022 and 2023 to 2025, with a current rate of IBR+ 1.93% vs IBR +1.86%.

During 2019 the Banco de Bogotá loan contract for $92,500 had a modification consisting in a rate reduction from BRI + 2% to BRI + 1.57% and a 6 months increase on the maturity date. With respect to the other loans, no modifications were made to the original conditions of the loan contracts.

During the reported periods, there were no defaults on principal or interest payments on financial liabilities and/or loans payable.

NOTE 20: LEASES.

20.1 Leases as a lessee

20.1.1 Lease arrangements

The Company performed the evaluation of the lease agreements during 2020 and the terms of the most significant non-cancellable leases vary for building leases of 8 years and vehicle leases of 3 years, signed with Leasing Bancolombia S.A., which mature in 2026. Additionally, it was identified that there are no significant lease arrangements that provide restrictions related to dividend distribution, additional indebtedness or to new lease arrangements, nor are there contingent quotas, renewal options or escalation clauses.

As of 31 December 2020, recognized real estate leases are linked to the consumer price index (CPI).

20.1.2 Right-of-use assets and liabilities

The balance of right-of-use lease assets and liabilities comprises:

2020	Right-of-use lease assets					Ending balance of lease liabilities
	Opening balance	Additions	Depreciation	Other changes	Ending balance	
Constructions and buildings	10,405	-	(1,106)	(2,417)*	6,882	7,240
Land transport equipment	1,525	263	(775)	196	1,209	1,243
Right-of-use improvements in other people's properties	887	-	(201)	-	686	-
Right-of-use assets/liabilities, net	**12,817**	**263**	**(2,082)**	**(2,221)**	**8,777**	**8,483**

(*) Corresponds to the return of an auditorium-type room at the Company's administrative headquarters as part of the cost and expense reduction plans undertaken to manage the health emergency generated by Covid-19.

2019	Right-of-use lease assets					Ending balance of lease liabilities
	Opening balance	Additions	Depreciation	Other changes	Ending balance	
Constructions and buildings	-	11,784	(1,423)	44	10,405	10,714
Land transport equipment	-	2,706	(800)	(381)	1,525	1,586
Right-of-use improvements in other people's properties	-	1,004	(117)	-	887	-
Right-of-use assets/liabilities, net	**-**	**15,494**	**(2,340)**	**(337)**	**12,817**	**12,300**

The contractual cash flows of lease liabilities classified by maturity at 31 December are:

	2020	2019
One year or less	2,185	2,643
1 to 3 years	3,301	4,723
3 to 5 years	2,889	3,905
5 onwards	1,676	3,989
Total contractual cash flows from lease liabilities	**10,051**	**15,260**
Effect of discounting lease liabilities	(1,568)	(2,960)
Total lease liabilities	**8,483**	**12,300**
Current	1,720	2,036
Non-current	6,763	10,264
Total lease liabilities	**8,483**	**12,300**

20.1.3 Items recognized in the statement of income and cash flows from leases

Leases	2020	2019
Interest expense on lease liabilities	649	828
Variable lease payment expense	1	3
Expenses related to short-term leases	932	925
Expenses related to low value asset leases	234	239
Cash flows from leasing (including interest)	(2,509)	(2,636)

20.1.4 Renewal options

The Company's leases contain renewal options that can be exercised to extend the lease term from one year to six years, that can be exercised up to one year before the end of the non-cancellable period of the contract.

Generally, the Company can exercise these renewal options because of the financial and operating facilities they provide. Renewal options are only exercisable by the Company and not by the lessor. The Company 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, meanwhile, it reassesses whether it is reasonably safe to exercise the options if there is a significant event or change in the circumstances under its control.

20.2 Leases as a lessor

20.2.1 Financial leases

The Company does not have any financial lease arrangements in which it acts as the lessor.

20.2.2 Operating leases

The Company enters into lease arrangements as lessor mainly on land, buildings and constructions, mainly on land in Pajonal, Corporative lot, Hacienda Campo Alegre.

Lase income recognized by the Company during 2020 was $2,421 (2019 $3,207).

NOTE 21: EMPLOYEE BENEFITS LIABILITIES.

Employee benefits are classified as:

	2020	2019
Short-term employee benefits	13,027	11,933
Post-employment benefits	36,852	33,269
Plan assets	(33,597)	(30,013)
Total employee benefits	**16,282**	**15,189**
Current	13,522	12,404
Non-current	2,760	2,785
Total employee benefits	**16,282**	**15,189**

21.1 Short-term employee benefits

The following are recognized as short-term employee benefits: vacations, bonuses, extralegal premiums, collective life insurance, health insurance and education policies, among others.

For retired employees in Colombia, a death benefit is granted which is increased in accordance with the Consumer Price Index (CPI), up to the equivalent of five times the current legal minimum monthly wage (SMLV).

21.2 Post-Employment Employee Benefits

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 Company's employees belong to a public retirement benefit plan managed by the Government, or a private pension fund. The Company is required to contribute a specific percentage of the payroll costs to the retirement benefit scheme.

Regarding the retirement pensions assumed by the Company, the most recent actuarial valuation of the present value of the defined benefit obligation was performed as of 31 December 2020. The present value of the defined benefit obligation, current service cost and related past service cost were measured using the projected unit credit method.

The amount included in the Statement of Financial Position for the entity's obligation under defined benefit plans, defined contribution plans, the movement in the present value of the benefit obligation in the current year and changes in the fair value of plan assets in the current period are as follows:

	2020	2019
Present value of obligations, net at 1 January	**33,119**	**24,656**
Cost of current service	1,101	1,010
Interest expenses	2,099	1,765
New defined benefit plan measures net of contributions	579	5,535
Actuarial gain (loss) from changes in:		
Financial assumptions	71	71
Demographic assumptions	136	418
Benefits paid directly by the Company	(327)	(336)
Other changes	(94)	-
Fair value of plan assets at 31 December	(40,290)	(34,679)
Present value of obligations at 31 December	**(3,606)**	**(1,560)**
Defined contribution plan liabilities	167	150
Reclassification of Plan Assets	6,694	4,666
Post-Employment Benefits	**3,255**	**3,256**
Present value of obligations at 31 December	36,852	33,269

Fair value of plan assets at 31 December	(33,597)	(30,013)
Present value of obligations at 31 December	**3,255**	**3,256**

Retirement Benefit

The retirement benefit is equal to 75% of the average monthly salary, payable for life, subject to the following limits:

- Minimum payment equal to the minimum monthly wage.
- Maximum payment equal to 25 minimum monthly salaries.

In addition, two additional payments are made, one in June and one in December. For participants who retire after 25 July 2005, the June payment is eliminated, except for participants who receive less than three minimum wages. After 31 July 2011, all participants who retire are not eligible for the June payment, therefore, they 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 Company´s plan, thereby reducing the 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.

In the event of the participant's 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 wages.
b) Maximum payment of 10 minimum monthly wages.

Social Security Contribution Benefit

Corresponds to a post-retirement benefit in addition to the statutory pension plan (retirement benefit), in which the Company assumes the payment of health contributions to social security entities. The beneficiary or beneficiaries are those established by legal provisions.

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.

The following is the expenditure of defined contributions for 2020 and 2019, which includes the expenditure of compulsory pension contributions and severance payments:

	2020	2019
Defined contribution expenses	1,938	2,051

Main actuarial assumptions

(1) The main actuarial assumptions used to determine the obligations for the defined benefit plans are as follows:

	2020	2019
Discount rate	6.17%	6.52%
Salary increase	3.80%	4.40%
Pension increase	3.30%	4.15%
Inflation rate (%)	3.25%	3.35%

(2) (2) Below is a detail of the mortality rates used to determine plan longevity conditions:

	2020		2019	
Age	Women	Men	Women	Men
35	0.06%	0.11%	0.06%	0.11%
40	0.09%	0.16%	0.09%	0.16%
45	0.13%	0.23%	0.13%	0.23%
50	0.19%	0.34%	0.19%	0.34%
55	0.29%	0.51%	0.29%	0.51%
60	0.43%	0.77%	0.43%	0.77%
65	0.69%	1.27%	0.69%	1.27%
70	1.14%	2.11%	1.14%	2.11%
75	1.92%	3.40%	1.92%	3.40%

Sensitivity analysis

The following table shows the effect of a 1% change in the inflation rate and a 1% change in the discount rate on the defined post-employment benefit plan obligation:

	Total
Change in discount rate	
Increase in discount rate by +1%	36,619
Decrease in the discount rate by -1%	37,088
Change in inflation rate	
Increase in inflation rate by 1%	33,667
Decrease in inflation rate by -1%	33,739
Change in mortality rate	
10% increase in mortality rate	2,967
Decrease in mortality rate by -10%	3,223

There was no change in the methods and assumptions used in preparing the sensitivity analysis of previous years.

Expected contributions for the next few years financed from own resources:

	2020
2021	328
2022	318
2023	311
2024	302
2025	293
Assessment date +6 years to assessment date +10 years (5 years)	77,674

As required by Decree 2131 of 2016, the principal assumptions used for purposes of actuarial valuations under Decree 1625 of 2016 and partial pension commutations under Decree 1833 of 2016 are as follows:

	2020
Inflation rate (%)	3.64%
Discount rate (%)	4.80%
Minimum wage increase (%)	3.64%

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 2020:

	Assumptions Decree 1625 of 2016 (Decree 2131 of 2016)	Assumptions Employee Benefits (IAS 19)	Difference
Present value of defined benefit plan obligations at 31 December 2020	2,661	3,088	427
Present value of defined benefit plan obligations at 31 December 2019	2,733	3,105	372

NOTE 22: PROVISIONS.

As of 31 December 2020, provisions of $253 include a balance of $103 with the National Tax and Customs Directorate (Dirección de Impuestos y Aduanas Nacionales - DIAN) for a magnetic media process of 2016. Also, as required by the National Environmental Licensing Authority (Autoridad Nacional de Licencias Ambientales - ANLA), a provision of $150 is made for the dismantling of Tamalameque.

As a result of the liquidation of Industrias Metalúrgicas Apolo S.A., the provision of $219 was recovered.

As of 31 December 2019, provisions include a balance for $103 with the National Tax and Customs Directorate DIAN for a 2016 magnetic media process. And a balance of $219, corresponding to the obligations of Industrias Metalúrgicas Apolo S.A. in liquidation. The recognition of the latter was made taking into account the 76.62% ownership interests in said company.

NOTE 23: TRADE LIABILITIES AND OTHER PAYABLES.

Trade liabilities and other payables at 31 December comprise:

	2020	2019
Dividends payable	64,310	59,629
Payables to related parties (Note 38)	23,812	22,498
Other payables	3,433	3,535
National suppliers	2,645	7,533
Overseas suppliers	386	569
Total trade liabilities and other payables	**94,586**	**93,764**
Current	94,586	93,764
Total trade liabilities and other payables	**94,586**	**93,764**

The Company has implemented financial risk management policies to ensure that all payables are paid in accordance with pre-agreed credit terms.

NOTE 24: BONDS AND COMPOUND FINANCIAL INSTRUMENTS.

Bonds and compound financial instruments are detailed as follows:

	2020	2019
Bonds and commercial papers in circulation (1)	1,111,008	1,099,288
Preferential shares classified as compound financial instruments (2)	15,376	14,193
Total bonds and compound financial instruments	**1,126,384**	**1,113,481**
Current	535	8,274
Non-current	1,125,849	1,105,207
Total bonds and compound financial instruments	**1,126,384**	**1,113,481**

(1) On 28 October the Company successfully performed the ordinary bond exchange operation for a total amount of $136,500. This transaction is the first private debt exchange operation carried out in the country, representing a milestone in the Colombian capital market and contributing to its development and deepening.

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 the Company to take advantage of attractive interest rates offered by the market.

In addition to the benefits in terms of market development, this first operation allows the Company to strengthen its cash flow over the next 4 years and increase the maturity of a portion of the bonds issued by an additional 3 years.

94% of the issuance was paid in kind and therefore the issuance does not lead to an increase in the Company's leverage, beyond the costs and expenses associated with the transaction. The total quota of the Company's Ordinary Bonds and Commercial Paper Issuance and Placement Program (the "Program") is $2,350,000 of which, after the above mentioned transaction, $1,936,500 has been placed.

The bonds are rated AA+ issued by BRC Investor Services S.A. and were placed with the following characteristics:

Series	C
Subseries	C7
Term	7 years
Offered Rate of Return	2.65% EAR
Price	100,025
Interest Payment Period	Overdue quarter
Basis	365
Issue Date	28/10/2020
Maturity Date	28/10/2027
Amount demanded	$136,500
Principal amortization	At maturity
Coupon payment	Every 28 January, 28 April, 28 July and 28 October until maturity
Amount awarded	$136,500

On 28 August 2019 the Company issued $450,000 in ordinary bonds.

In 2017, the Company had issued $350,000 in commercial paper, which it fully repaid in 2018.

On 10 September 2014 the Company issued $1 trillion (1,000,000,000,000) in ordinary bonds.

The nominal amounts of the outstanding series with different maturities and amounts are shown below:

Issuer	Placement date	Term	Rate	Issues standing at: 2020	2019
Bonds					
Grupo Argos S.A.	10/09/2014	15 years	CPI + 4.24%	390,104	390,104
Grupo Argos S.A.	10/09/2014	10 years	CPI + 3.95%	137,318	254,318
Grupo Argos S.A.	28/08/2019	3 years	DTF+ 5.78%	123,500	123,500
Grupo Argos S.A.	28/08/2019	15 years	CPI + 3.20%	168,535	168,535
Grupo Argos S.A.	28/08/2019	6 years	CPI + 2.44%	157,965	157,965
Grupo Argos S.A.	28/10/2020	7 years	CPI + 2.65%	136,500	-

Details of the conditions are included in the Prospectus for the Issuance and Placement of Ordinary Bonds and Commercial Papers for September 2014 and August 2019.

(2) The Company's preferential shares confer on their holders the right to receive a preferential dividend of $4 (four Colombian pesos) per share, which will be paid in preference to the ordinary shares, provided that a dividend has been declared from the funds legally available for this purpose. In no case may the preferential dividend be accumulated for subsequent years. In each case, the first dividend payment will correspond to those decreed by the Company after the shares have been subscribed.

For subsequent recognition and measurement, the Company identified the debt and equity components by evaluating the contractual terms of the instrument and the obligations as issuer. Given the contractual obligation of the issuer to pay the minimum annual dividend to the holders of the shares, the issuance 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 financial liability component must be measured at least in each interim period and its effects Recognized in profit or loss for the period. The equity component is not subject to subsequent measurement.

The Company determined the liability component by discounting the cash flows corresponding to the minimum preferential dividend, which were calculated in perpetuity. Considering the difficulty of identifying in the market a financial instrument with the same characteristics of the issuance, the discount rate of the financial liability was determined with reference to the average cost of the Company's debt.

At the end of each reporting period, the Company has 211,827,180 preferential shares outstanding (2019 - 211,827,180 shares)).

NOTE 25: OTHER NON-FINANCIAL LIABILITIES.

The balance of other liabilities at 31 December comprises:

	2020	2019
Income received in advance (1)	41,033	37,139
Other prepayments and advances received (2)	15,533	14,300
Industry and commerce tax	564	947
Deduction at source	565	714
Sales tax	111	84
Sales tax withheld	77	148
Total other non-financial liabilities	**57,883**	**53,332**

(1) During 2020 and 2019 corresponds to the income related to the costs of urban development pending execution on the lots sold, net of amortization of prior periods recognized in profit in the current period.
(2) The increase corresponds to prepayments received from clients for the sale of lots.

Outstanding performance obligations

The Company's contracts are primarily for the delivery of goods and services within the next 12 months, for which the practical expedient in paragraph 121(a) of IFRS 15 Revenue from Contracts with Customers applies.

Revenue to be recognized in future periods on development contracts and lot sales, when the remaining performance obligations are satisfied, is Recognized as follows:

	2020	2019
Within a year	22,489	51,565
Later than a year	34,077	-

Contractual balances from contracts with customers

The balance of receivables, contract assets and contract liabilities from contracts with customer as at 31 December comprises:

	2020	2019
Trade receivables	99,462	121,861
Contract liabilities	56,566	51,565

NOTE 26: SHARE CAPITAL

The balance of the share capital issued 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 (2019 211,827,180 shares)	13,239	13,239
Total	**53,933**	**53,933**

Preferential shares confer the following rights on the holders:

1) To receive a preferential dividend of $4 (four 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.

2) 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.

3) To have priority in the reimbursement of contributions in the liquidation process, provided that the Company's external liabilities have been fully covered.

4) To be called to Shareholders Meetings in the same manner and within the same time limits as the holders of ordinary shares.

5) 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 (2019 - 5,702,432 shares). The ordinary shares held by associates and joint ventures are: 229,295,179 (2019 - 229,295,179 shares). At 31 December 2020, the ordinary shares outstanding are 645,400,000 shares (2019 - 645,400,000 shares).

As of 31 December 2020, there were no share acquisition transactions.

Reconciliation of ordinary shares

	Number of shares	Share capital	Additional paid-in capital
Balance at 31 December 2019 (*)	**651,102,432**	**40,694**	**553**
Balance at 31 December 2020 (*)	**651,102,432**	**40,694**	**553**

(*) Includes 5,702,432 repurchased own shares.

Reconciliation of preferential shares

	Number of shares	Share capital	Additional paid-in capital
Balance at 31 December 2019	**211,827,180**	**13,239**	**1,354,206**
Issuance of preferential shares	-	-	-
Balance at 31 December 2020	**211,827,180**	**13,239**	**1,354,206**
Total ordinary and preferential shares at 31 December 2019	**862,929,612**	**53,933**	**1,354,759**
Total ordinary and preferential shares at 31 December 2020	**862,929,612**	**53,933**	**1,354,759**

There were no issues or repurchase of shares during the reporting period.

NOTE 27: RESERVES AND OTHER COMPREHENSIVE INCOME.

27.1 Reserves

The balance of reserves at 31 December comprises:

	2020	2019
Legal reserves (1)	29,665	29,665
Mandatory reserves (2)	405,988	5,988
Other occasional reserves (3)	3,237,930	3,477,508
Total reserves	**3,673,583**	**3,513,161**

1. Legal reserves

The Company 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 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.

2. Mandatory reserves

Mandatory reserves include the reserve for the repurchase of shares of $405,988 (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).

3. Other occasional reserves

The balance of the other reserves comprises:

	2020	2019
Reserves for future investments	3,068,003	3,307,581
Reserves for future expansion	163,427	163,427
Reserves for social responsibility activities	6,500	6,500
Subtotal reserves investments, future expansions and social responsibility	**3,237,930**	**3,477,508**

The other occasional reserves are freely available to shareholders.

The Shareholders Meeting, in its ordinary meeting held on 26 March 2020, appropriated the profits and as reserves for future investments $160,422 (2019 - $505,146) and $6,500 (2019 $6,500 released in 2020) to be used for social responsibility activities.

27.2 Other comprehensive income (OCI)

	2020	2019
Gains and losses on equity investments	425,970	610,886
New measures of defined benefit obligations	(33,436)	(27,491)
Cash flow hedges	(88,330)	(39,189)
Revaluation of property, plant and equipment	3,648	3,714
Exchange differences on translation of foreign operations	1,484,753	1,217,549
Total other comprehensive income (OCI)	**1,792,605**	**1,765,469**

During 2020, the Company made reclassifications from other comprehensive income to retained earnings ($5,421) sale of Compañía Colombiana de Empaques Bates and revaluation of property, plant and equipment by equity method ($4,041) for a total of ($9,462).

Likewise, during 2020, other comprehensive income (OCI) was recognized in the amount of $36,598, detailed as follows:

- Changes in investments measured at fair value: Nutresa ($63,341), Fondo Progresa recycling for ($386), Colombiana de Empaques Bates $3,903 and other investments Veronorte Project $1,733.
- Deferred tax for cash flow hedging ($13).
- Deferred tax on equity investments ($7)
- Cash flow hedges $46.
- Remeasurements of defined benefit liability $882.
- Movements of equity-accounted investees of subsidiaries in the following items: revaluation of property, plant and equipment $3,975, measurements of defined benefit liabilities ($6,827) profit and loss on equity investments ($121,397), net income on cash flow hedging instruments ($49,174) and exchange difference on translation of foreign operations $267,204.

NOTE 28: OTHER COMPONENTS OF EQUITY.

When the proportion of equity held by non-controlling interests in subsidiaries changes, the Company shall adjust the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiary. The Company 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 company.

Accordingly, the balances of other components of equity correspond to the equity method for other changes in equity of subsidiaries 2020 $301,186 (2019 $301,188).

NOTE 29: DIVIDENDS.

The General Shareholders' Meeting of the parent company, held on 26 March 2020, declared cash dividends on common shares of $376 pesos per share (2019 $350 pesos per share), payable in four quarterly installments of $94 pesos per share (2019 $87.50 pesos per share) beginning in April 2020 and a total amount of $242,670 (2019 $225,890).

Additionally, preferred cash dividends were declared at the 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	Shares	$ per share per year	2020
Ordinary Dividends	645,400,000	376	242,670
Preferential Dividend	211,827,180	376	79,647
Total	**857,227,180**		**322,317**

Dividends declared	Shares	$ per share per year	2019
Ordinary Dividends (*)	645,400,000	350	225,890
Preferential Dividend (*)	211,827,180	350	74,139
Total	**857,227,180**		**300,029**

(*) The General Shareholders' Meeting at which these dividends were declared was held on 28 March 2019.

NOTE 30: REVENUE.

The following is an analysis of the Company's revenue:

	2020	2019
Financial activity (1)	148,087	222,023
Real estate (2)	66,065	130,195
Income from valuation of investment property (3)	66,420	32,482
Income from valuation of private equity funds (4)	9,659	27,008
Equity method (5)	(33,924)	433,901
Total revenue	**256,307**	**845,609**

(1) As of December 2020, the financial activity corresponds to:

a. Sale of 1,075,500 Odempa shares for $36,422 (2019 sale for $122,792 of 6,495,205 shares of Celsia Colombia S.A. E.S.P. to Celsia S.A.).

b. Dividends for $111,665 (2019 $99,231), which were declared by:

- Grupo de Inversiones Suramericana S.A. $82,244 (2019 $71,347).
- Grupo Nutresa S.A. $29,372 (2019 $27,689).
- Fondo Regional de Garantías del Caribe Colombiano S.A. $49 (2019 $37).
- Compañía Colombiana de Empaques Bates S.A. $0 (2019 $158).

(2) Income from the real estate business as of December 2020 corresponds to:

- Recognition for amortization of deferred income on land in the city of Barranquilla (projects Portal Empresarial Norte 4, Miramar IV, Centro Internacional Caribe, Portal Empresarial Norte, Villa Carolina VIII, Lago Alto, Alejandría Etapa 1, Barú Calablanca, Pajonal San José, Santa Isabel) and sale of lot Alejandría Stage 1, Centro Internacional Caribe, Clúster Institucional , and Assignment Hotel Calablanca lot for $48,554 and profits from the project Lago Alto and Bora Río for $3. 616. (2019 Sale of lot Block C1 of the Institutional Cluster, Block 24 of Alejandría stage 1, Block 1 Pajonal San José, EDS and concession of Santa Isabel, 2A Calablanca Barú for $66. 674, recognition of deferred income on land in the city of Barranquilla projects Portal Empresarial Norte 4, Miramar IV, Palmas del Rio, CIC, Portal Genovés, Portal Empresarial Norte, Villa Carolina VIII, Lago Alto, Alejandría Etapa1, Pajonal San José, and Barú for a value of $16,745).
- Income from easements $82 (2019 $52).
- Income from sale and purchase guarantee $30 (2019 $600).
- Income from forest harvesting $240 (2019 $0).
- Lease income $2,421 (2019 $3,207).

- Dividends from Fondo de Capital Privado Pactia Inmobiliario for $2,435 (2019 $8,677), Consorcio Mantenimiento Opain $115 (2019 $29), Pactia S.A.S. $5,194 (2019 $5,186), Fiduciaria Bogotá P.A Alameda del Río $3,378 (2019 $10,944), PA TATA $0(2019 284).
- Distribution of profits of Constructor Nuevo Dorado $0 (2019 $17,797).

(3) Corresponds to the net income from fair value adjustment of the investment property of Agua Viva, Bocatocino, Loma China, Pavas Molina, Pocihueica, Pajonal, Pedrera, Recoveco, Volador oriental and Don Jaca, Agua Dulce, Campo Alegre, El Morro, Minas Lili, Miramar Puerto Colombia, Pradomar, Insignares, Barú, Tamalameque and La Inmaculada.

(4) Corresponds to the fair value adjustment of the associated investment in Fondo de Capital Privado Pactia Inmobiliario $9,659 (2019 $27,008).

(5) As of 31 December 2020 ($33,924) (2019 $433,901) corresponds to equity method of the following subsidiaries:

	2020	2019
Celsia S.A.	131,949	250,634
Cementos Argos S.A.	39,712	60,738
Valle Cement Investments Ltd.	1,925	1,803
P.A. Ganadería Río Grande.	62	11
Summa - Servicios Corporativos Integrales S.A.S.	12	(53)
Celsia Colombia S.A. E.S.P.	-	810
Fucol S.A. (liquidated).	(234)	(7)
Sator S.A.S.	(3,194)	(8,374)
Opain S.A.	(89,647)	3,224
Odinsa S.A.	(114,509)	125,115
Total equity accounted investees	**(33,924)**	**433,901**

NOTE 31: COST OF ORDINARY ACTIVITIES.

Selling costs at December 31 comprises:

	2020	2019
Cost of financial activity (1)	22,955	58,454
Cost of the real estate business (2)	32,148	41,026
Total cost of ordinary activities	**55,103**	**99,480**

(1) Cost of financial activity in 2020 corresponds to the cost of sale of 1,075,500 shares of Compañía Occidental de Empaques S.A. (2019 corresponds to the cost of sale of 6,495 shares of Celsia Colombia S.A. E.S.P. sold to Celsia S.A.)

(2) Cost of the real estate business at the end of 2020 corresponds to the actual costs for urban development works executed in relation to the deferred income of the lots Pen, Miramar IV, Pen 4, Palmas del Rio, Lago alto, Villa Carolina VIII, Portal Genovés, CIC, Clúster Institucional, Alejandría Stage 1, Pajonal San Jose, Santa Isabel and Barú Calablanca, and the sale of the lot Alejandría Etapa 1 Block 26, Assignment Hotel Calablanca, CIC A1, C7, and Clúster Institucional A2. (2019 corresponds to the actual executed costs of the deferred income of the lots Pen, Miramar IV, Pen 4, Palmas del Rio, Lago Alto, Villa Carolina VIII, Portal Genovés, CIC, and the sale of the lot Manzana C1 of the Institutional Cluster, Alejandría Stage 1, Pajonal San José, Santa Isabel, Barú).

NOTE 32: ADMINISTRATIVE EXPENSES.

Administrative expenses as of 31 December comprise:

	2020	2019
Staff expenses (1)	37,158	44,838

Taxes (2)	27,796	30,892
Services	18,600	18,299
Depreciation and amortization	18,378	16,391
Fees	9,412	9,030
Maintenance and repairs	4,557	5,291
Memberships, insurance and other minor expenses	3,642	5,145
Travel expenses (3)	3,570	6,958
Miscellaneous	3,199	3,753
Leases	1,166	1,164
Total administrative expenses	**127,478**	**141,761**

(1) The decrease is mainly due to lower variable compensation, actuarial calculations, personnel training, bonuses and severance payments.

(2) The decrease corresponds to lower Industry and Commerce (ICA) Tax and property tax payments related to real estate business lots.

(3) Corresponds to the decrease in hotels, food, air and land tickets.

NOTA 33: SELLING EXPENSES.

Selling expenses at 31 December include:

	2020	2019
Staff costs	560	509
Taxes	184	196
Legal (1)	181	307
Fees (2)	102	63
Miscellaneous	43	45
Services (3)	39	19
Travel expenses (4)	16	76
Contributions and affiliations	14	13
Insurance	5	6
Total selling expenses	**1,144**	**1,234**

(1) In 2020, notary and license fees decrease due to the behavior of lot sales.

(2) Fees for technical strategy advisory increased in 2020.

(3) The increase corresponds to technical assistance services for the Riemer and Prolongación de la 65 projects.

(4) Corresponds to the decrease in travel for hotels, food, air and land tickets.

NOTE 34: EMPLOYEE BENFITS EXPENSES.

The balance of employee benefit expenses generated during the periods presented by each significant category is as follows:

	2020	2019
Wages and salaries	19,224	20,249
Social security contributions	2,182	2,351
Other short-term employee benefits	12,327	13,946
Total short-term employee benefit expenses	**33,733**	**36,546**
Post-employment benefit expenses, defined contribution plans	1,387	1,541
Post-employment benefit expense, defined benefit plans	1,660	4,796
Total post-employment employee benefit expense	**3,047**	**6,337**
Other staff costs	765	2,330
Total other employee benefit expenses	**765**	**2,330**
Total selling and administrative employee benefits	**37,545**	**45,213**
Other post-employment and defined benefit plan expenses	-	6
Total employee benefit expense	**37,545**	**45,219**

The decrease is perceived in post-employment benefit expenses, defined benefit plans, since a lower value was recorded in the actuarial service costs and in other personnel expenses, the training item was reduced.

NOTE 35: OTHER (EXPENSES) INCOME, NETO.

At 31 December, comprise:

	2020	2019
Other earnings (1)	2,592	479
Gain on recovery of impairment of inventories, investments, receivables	513	1,110
Gain on disposal of investment property, investment property	33	5,433
Total other income	**3,138**	**7,022**
Donations (2)	(5,898)	(4,241)
taxes (3)	(2,550)	(4,756)
Other net gains (loss)	(1,627)	(1,481)
Net loss on disposal of other assets	(940)	(1,025)
Total other expenses	**(11,015)**	**(11,503)**
Total other (expenses) income, net	**(7,877)**	**(4,481)**

(1) Corresponds to reimbursements of balance in favor of the Municipality of Medellin $1,463, reimbursements of expenses for contracts and records of real estate sales $924, income for administrative services $17 and benefit rights $188.

(2) Corresponds mainly to donations made to the Grupo Argos Foundation.

(3) Consists of tax on financial transactions of $2,478 (2019 $3,712) and other taxes for $72 (2019 $1,044).

NOTE 36: FINANCE EXPENSES, NET.

At 31 December, comprise

	2020	2019
Other financial income	51	277
Total financial income	**51**	**277**
Exchange differences	(92)	(2,468)
Other financial expenses	(810)	(698)
Valuation loss or amortized cost (1)	(5,067)	(834)

(Losses) Gains from valuation of financial assets at fair value (2)	(9,433)	17
Interest (3)	(87,419)	(98,947)
Total financial expenses	**(102,821)**	**(102,930)**
Total financial expenses, net	**(102,770)**	**(102,653)**

(1) Corresponds mainly to the amortized cost of bonds for $4,840.
(2) Corresponds to the valuation of derivative financial instruments.
(3) The Company did not capitalize borrowing costs.

NOTE 37: (LOSS) EARNINGS PER SHARE.

	2020	2019
	Pesos per share	**Pesos per share**
Basic (loss) earnings per share		
From continuing operations	(69)	563
Total basic (loss) earnings per share	**(69)**	**563**
Diluted (loss) earnings per share		
From continuing operations	(69)	563
Total diluted (loss) earnings per share	**(69)**	**563**

37.1 Basic earnings per ordinary share

The earnings and the weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2020	2019
(Loss) profit for the year attributable to controllers of the company	(59,123)	482,739
(Loss) earnings used in the calculation of basic earnings per share	(59,123)	482,739
(Loss) earnings used in the calculation of basic earnings per share from continuing operations	(59,123)	482,739
Weighted average number of ordinary shares for basic earnings per share purposes	857,227,180	857,227,180

37.2 Diluted earnings per share

The (loss) earnings used in the calculation of diluted earnings per share are as follows:

	2020	2019
(Loss) earnings used in the calculation of total basic earnings per share	(59,123)	482,739
(Loss) earnings used in the calculation of diluted earnings per share	(59,123)	482,739
(Loss) earnings used in the calculation of diluted earnings per share from continuing operations	(59,123)	482,739

The weighted average number of ordinary shares for diluted earnings per share purposes is reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	2020	2019
Weighted average number of ordinary shares used in calculation of basic earnings per share	857,227,180	857,227,180
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	857,227,180	857,227,180

NOTE 38: RELATED PARTIES.

Transactions with related parties - Income and Expenses	Entities with significant influence on the Company		Investments in associates		Investments in joint ventures		Investments in subsidiaries		Member of the Board of Directors		Key Management Personnel		Grand total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Dividend income	82,244	71,347	2,435	8,677	5,309	23,012	-	-	-	-	-	-	89,988	103,036
Leases as lessor	-	-	-	-	-	-	1,987	2,820	-	-	-	-	1,987	2,820
Income from the sale of goods and services	-	-	18	92	-	-	30	122,792	-	-	-	-	48	122,884
Transfers according to financial agreements to the entity	-	-	-	-	-	-	5,429	5,668	-	-	192	373	5,621	6,041
Total income	**82,244**	**71,347**	**2,453**	**8,769**	**5,309**	**23,012**	**7,446**	**131,280**	**-**	**-**	**192**	**373**	**97,644**	**234,781**
Services received and remuneration	1,122	999	3,098	4,088	-	-	192	184	889	801	25,179	40,857	30,480	46,929
Leases as a lessee	-	-	1,132	1,364	-	-	-	-	-	-	-	-	1,132	1,364
Transfers according to financial agreements from the entity	-	-	501	667	-	-	-	-	-	-	-	-	501	667
Total expenses	**1,122**	**999**	**4,731**	**6,119**	**-**	**-**	**192**	**184**	**889**	**801**	**25,179**	**40,857**	**32,113**	**48,960**

Transactions with related parties - Receivables and Payables	Entities with significant influence on the Company		Investments in associates		Investments in joint ventures		Investments in subsidiaries		Key Management Personnel		Grand total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Business Current Accounts	-	-	547	7	5	-	81,993	86,770	-	-	82,545	86,777
Loans	-	-	-	-	-	-	-	-	-	-	-	-
Dividends and/or shares receivable	18,907	17,837	-	-	-	-	110,654	66,451	-	-	129,561	84,288
Receivables from management employees	-	-	-	-	-	-	-	-	6,271	6,151	6,271	6,151
Total receivables	**18,907**	**17,837**	**547**	**7**	**5**	**-**	**192,647**	**153,221**	**6,271**	**6,151**	**218,377**	**177,216**
Associated Suppliers	-	-	268	250	-	-	2008	2,230	-	-	2,276	2,480
Dividends payable	21,536	20,018	-	-	-	-	-	-	-	-	21,536	20,018
Total payables	**21,536**	**20,018**	**268**	**250**	**-**	**-**	**2,008**	**2,230**	**-**	**-**	**23,812**	**22,498**
Right-of-use assets	**-**	**-**	**5,925**	**9,333**	**-**	**-**	**-**	**-**	**-**	**-**	**5,925**	**9,333**
Right-of-use liabilities	**-**	**-**	**6,234**	**9,620**	**-**	**-**	**-**	**-**	**-**	**-**	**6,234**	**9,620**

The outstanding amounts are not guaranteed and will be settled in cash. No collaterals have been pledged or received.

These amounts are measured at amortized cost since they have an agreed remuneration condition. The rate for these receivables is the cost of the Company's short-term debt plus an additional two hundred basic points. For payables it is the cost of the Company's debt.

The Company has granted loans to key management personnel at preferential interest rates but subsequently values the instrument at comparable market rates.

Transactions between the reporting company and its related parties are realized on terms equivalent to those of transactions between independent party.

The average term of receivables from related parties with respect to the sale of goods is 30 days, except for companies in liquidation which is 12 months.

At the closing of 2020, receivables from related parties include $79,966 (2019 $86,391) from the sale of 9,704,318 shares of Odinsa S.A. to the subsidiary Sator S.A.S. and include interest.

Payables to key personnel have an average term of 60 days. The average term of the loans for 2020 is 7 years, agreed at a rate of 5.52% EAR, (in 2019 the loans had a term of 7 years at a rate of 5.6%).

In 2020 the Company has not received or granted any collateral for balances receivable from or payable to related parties.

Transactions between the reporting Company and its related parties are performed under conditions equivalent to those existing in transactions between independent parties.

Compensation to key management personnel

Compensation awarded to key management personnel during the year was as follows:

	2020	2019
Short-term benefits	25,421	40,677
Post-Employment Benefits	559	573
Termination benefits	88	408
Total compensation awarded to key management personnel	**26,068**	**41,658**

The 2019 amount includes increased contributions to institutional funds as part of plan assets.

NOTE 39: CONTINGENT ASSETS AND LIABILITIES.

Certain contingent conditions may exist at the date the financial statements are issued, which may result in income or expense for the Company. 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 management and its legal advisors. The estimation of contingencies involving income or expense necessarily involves an exercise of professional judgment and is a matter of opinion. In estimating contingencies in legal proceedings that are pending in favor of or against the Company, the legal advisors evaluate, among other aspects, the merits of the claims, past rulings of the courts in this respect and the current status of the proceedings on a case-by-case basis.

The Company believes that these matters will be resolved without any material effect on our operations, financial position or results of operations.

The most significant contingencies that were not recognized as provisions in the financial statements are indicated below:

39.1 Contingent assets

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. (company absorbed by Grupo Argos).

Likewise, a claim for nullification and reinstatement of rights is filed against the DIAN, requesting the refund of the excess payment made for the CREE tax for taxable year 2016 for $539.

39.2 Contingent liabilities

The Company does not present contingent liabilities subject to disclosure.

NOTE 40: EMISSIONS. REPURCHASES AND REIMBURSEMENT OF DEBT OR CAPITAL.

In October 2020, the Company performed out the first bond exchange on the series issued in 2014 for 10 years for $117,000. maturing in 2024, for a new series of bonds for $136,500 maturing in 2027 and whose transaction costs amounted to $433.

In June 2019, the Board of Directors authorized the legal representatives to take the necessary steps to increase the global quota of the issuance and placement program of ordinary bonds and commercial papers of Grupo Argos S.A. for an additional $850,000, of which $450,000 were issued in August 2019, distributed in 3 series: 3 years $123,500 at a fixed rate, 6 years $157,965 and 15 years $168,535 indexed to the CPI. In addition, in September the third series of bonds, issued in 2014 for $114,963, matured.

NOTE 41: SIGNIFICANT EVENTS.

State of sanitary emergency due to coronavirus COVID-19

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 the Company has a presence through its subsidiaries.

On 17 March 2020, the Colombian government declared a state of health emergency due to the COVID-19 coronavirus. Since the declaration of emergency by the National Government, and after several extensions of the mandatory isolation, Grupo Argos S.A. and its subsidiaries have adopted the following measures to mitigate the risks associated with the emergency, which have been deployed during the reporting period and subsequent to the date of preparation of the financial statements as of 31 December 2020.

The Company's risk management continues to focus on the permanent follow-up of strategic risks and the monitoring of the operational risk management system.

That is why in the context associated with COVID-19, the Company follows up on: (1) risks affecting human talent, (2) risks on compliance with the business plan of the portfolio companies, (3) risks on changes in the economic, political and regulatory environment, and (4) risks that imply affectations to the financial flexibility and liquidity status.

Within the action plan defined to address these risks, four work fronts were established: life and health (risk 1), operational continuity (risk 2), financial health and liquidity situation (risks 3 and 4), as well as philanthropy and corporate citizenship.

In order to preserve the life and health of its employees, the Company implemented the remote work modality as of 16 March as well as all the necessary technological tools for this end. It also developed a comprehensive health monitoring program for all its employees, which includes a permanent follow-up through a virtual survey of health status, the answers to which are handled by medical professionals and the labor risk insurance company. In addition, the Company has the necessary protocols and biosecurity elements for the moment when the necessary conditions are met to return to the offices.

In relation to operational continuity, the Company has temporarily suspended investments that are not related to the management of the emergency. Additionally, it has carried out a budget reduction in costs and expenses for 2020, building a dynamic exercise that will propose additional savings that will be adjusted to the duration of the contingency.

It should be noted that the Company's activity does not involve participation in production processes but is based on monitoring and strategic accompaniment of the companies in which it invests. For this reason, no material impact on the operation has been identified, since there are robust processes that guarantee the normal development of the activities of the collaborators in remote work conditions.

In relation to the compliance with the business plan of the companies that are part of Grupo Argos, including Cementos Argos S.A., Celsia S.A. and Odinsa S.A., and in the framework of its role as strategic architect, Grupo Argos S.A. continues actively accompanying, in periodic follow-up tables, each one of the fronts described above.

Regarding the financial health and liquidity status, due to the capital structure management carried out during 2019, the Company has no debt maturities during 2020 and 2021. The above, together with the monetary policy decisions that have driven the reduction of benchmark interest rates, have generated stability in the financial cost by way of interest payments and the necessary flexibility in terms of debt renewal risk. In addition, it took advantage of the banking system's initiatives to postpone interest payments for the coming months until the end of 2020. In order to guarantee the necessary cash for the operation under volatile scenarios, disbursements of $150,000 were made between March and April through borrowings with flexible rate conditions and terms.

Likewise, the Company's main income results from the dividends received from the investments of its investment portfolio, which were decreed by the corresponding Shareholders' Meetings in March 2020 and have not been altered or modified in amount or term. Although the Company's method of participation in some of its subsidiaries has been affected by the current situation, according to the analyses performed, the ability of these companies to do business and maintain their participation positions in the market in which they operate has not been affected.

The Company has strongly supported important social causes by linking itself to the year 2020, through the Fundación Grupo Argos, with donations of more than $5,200, which are aimed at strengthening the country's hospital system and with food aid to more than 5,000 vulnerable families that depend on informal work.

Likewise, the measures taken from the human, operational and financial perspectives have been brought to the permanent attention of the Company's Board of Directors.

Urban Development Business and Pactia Private Equity Fund

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 we were able 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, we were working in new markets such as the 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 separate financial statement for 2020 was $66,420, an increase of 104.4% compared to 2019. (See Note 15 Investment property).

In terms of 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 market 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 conjuncture. 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.

NOTE 42: EVENTS AFTER THE REPORTING PERIOD.

1) 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.

2) 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..