

Grupo Argos Corporate Presentation

December 2020

 **GRUPO ARGOS**
Inversiones que transforman


ARGOS


CELSIA


ODINSA


SUMMA



Important Note

This presentation contains certain forward-looking representations and information related to **Grupo Argos** and its subsidiaries based on currently known facts, expectations and forecasts, circumstances and assumptions regarding future events. Many factors could cause the future results, performance or achievements of **Grupo Argos** and its subsidiaries to be different from those expressed or assumed herein.

If any unforeseen situation should arise, or the premises or estimates should prove to be incorrect, forward-looking results could vary significantly compared to those mentioned herein. Forward-looking representations are made on this date, and **Grupo Argos** and its subsidiaries do not intend or assume any obligation whatsoever from updating these forward-looking declarations as the result of new information, future events or any other factor.

Grupo Argos Corporate Presentation

An aerial photograph of a large, greenish-blue reservoir nestled between steep, forested hills. In the foreground, a concrete dam structure is visible, featuring a small white building with a yellow staircase on the left and a circular concrete structure in the water. A paved road with a yellow guardrail runs along the right side of the reservoir. Several high-voltage power lines with metal pylons stretch across the lower right portion of the image. The background shows more hills and a small town in the distance.



2012

2019

- ▲ **FOCUS:** Investments related with the cement industry
- ▲ **ASSETS:** In different sectors and segments of the economy
- ▲ **MANAGEMENT:** Passive managed portfolio

- ▲ **FOCUS:** Infrastructure asset manager, focus on capital allocation
- ▲ **ASSETS:** Articulated portfolio focused on cement, energy, concessions and real estate
- ▲ **MANAGEMENT:** Active roll as investments manager, capable of managing companies to excel profitable growth and maximize value



2012

- ▲ **Assets:** COP 27 trillion
- ▲ **Revenues:** COP 6.7 trillion
- ▲ **Ebitda:** COP 1.6 trillion
- ▲ **Net profit:** COP 344 billion
- ▲ **Employees:** 9,700
- ▲ **5 business** strategic
- ▲ **Board of Directors:** 100% men



2019

- ▲ **Assets:** COP 54 trillion
- ▲ **Revenue:** COP 14.4 trillion
- ▲ **Ebitda:** COP 3.9 trillion
- ▲ **Net profit:** COP 0.5 trillion
- ▲ **Employees:** 14,000
- ▲ **3 strategic business**
- ▲ **Board of Directors:** 43% women and 57% independent

*Data last twelve months (LTM) as of Sep 2020

WHO WE ARE

Grupo Argos at a glance

- ▲ **Liquid vehicle¹** to invest in infrastructure in Colombia
- ▲ Strategic focus in **Cement, Energy, Road and Airport Concessions**
- ▲ Solid and articulated portfolio with ~ **USD 14 billion²** in consolidated assets
- ▲ **Balanced** in regions, currency, and sectors
- ▲ One of the most **important players** in infrastructure in the Americas
- ▲ Operating in markets with significant **growth potential**

1. Average daily volume last twelve months: COP 5.2 bn. Source: BVC

2. AUM its calculated last twelve months to September 2020

USD as of 30/09/2020 (1 USD = 3,827 COP)



PORTFOLIO

Strategic portfolio focused on infrastructure

STRATEGIC In Infrastructure



USD **2.5** bn
MARKET CAP^{*1}

USD **3.8** bn
REVENUES ^{*2}

USD **1.0** bn
EBITDA ^{*2}

CEMENT



^{*3} **58.1%**

^{*7} Revenues: USD 2.4 bn
EBITDA: USD 0.4 bn

ENERGY



52.9%

^{*7} Revenues: USD 0.9 bn
EBITDA: USD 0.4 bn

CONCESSIONS



^{*8} **99.9%**

Revenues: USD 0.3 bn ⁷
EBITDA: USD 0.1 bn ⁷

PORTFOLIO of USD 1.9
billions⁶ composed by:



^{*4} **37.2%**



Desarrollo
Urbano

100%



^{*5} **27.7%**



9.8%

¹ Mkt Cap in USD as of 30/09/2020 (1 USD = 3,827 COP) ² Revenues & EBITDA LTM Mar 2020 in USD ³ Cementos Argos 58.1% ordinary shares and 49.1% of outstanding shares ⁴ 50% participation in the managing vehicle, ⁵ Grupo Argos and its related companies adds to 35.9% ⁶ Portfolio valued at Market prices for Grupo Sura and Nutresa, unit value for Pactia as of sep 2020 and book value for urban development ⁷ Corresponds to recurrent revenues and Ebitda for 2020 sep YoY ⁸ Grupo Argos and its related companies adds to 99.9%

WHO WE ARE?

In the last 5 years we have been able to diversify the contribution in terms of Ebitda

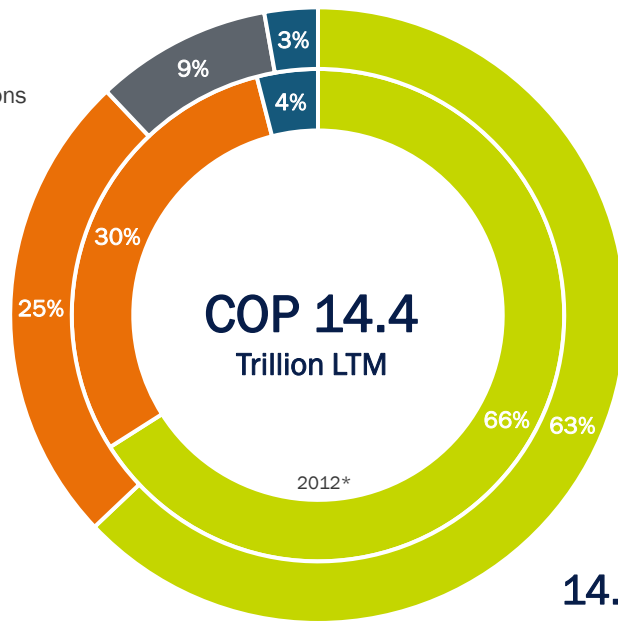
COP **54** trillion
Consolidated Assets (Sep 2020)

COP **463** billion
Consolidated Net Profit (LTM Sep 2020)

COP **108** billion
Net Profit of the parent company (LTM Sep 2020)

Consolidated Revenues

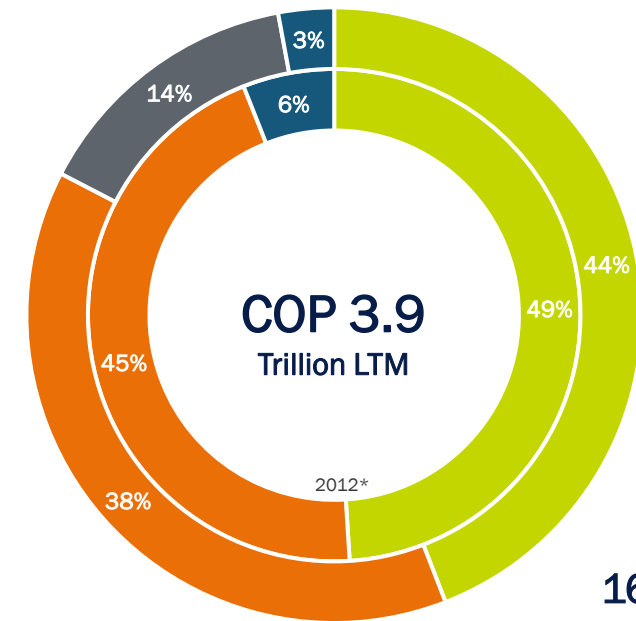
- Cement
- Energy
- Concessions
- Other



Sep 2020**

14.1%
Revenues CAGR 2014-2019

Consolidated Ebitda



Sep 2020**

16.8%
Ebitda CAGR 2014-2019

* As of December 2012
** Last Twelve Months Sep 2020

HOW WE GENERATE VALUE

Key messages that support our value generation strategy



STRATEGY

Odinsa: Capital structure optimization to leverage growth



Strategy

- ▲ **Consolidation and growth** of the business in toll roads and airport concessions to become a regional leader
- ▲ Plan and execute projects for the **development of the regions in which we operate**

During 2019 we achieved



Cashouts for over
COP 3 trillion



Acquisition
Concesión Túnel de Oriente



Structuring of
3 private initiatives

STRATEGY

Celsia: Energy platform of Grupo Argos



Strategy

- ▲ Consolidate the portfolio in strategic assets
- ▲ Become one of the most powerful **platforms in the energy segment in the region**, leaders in innovation applied to customer service, and in the development of renewable energies

During 2019 we achieved



Double the number of users,
achieving 1,1 million



Capital turnovers for over
COP 4,4 trillion



Closed strategic partnerships
for COP 1,4 trillion

STRATEGY

Cementos Argos: Efficiencies achieved reflected in companies results



Strategy

- ▲ Decrease leverage ratio below **3.5 times net debt/ Ebitda**
- ▲ **Responsible and efficient** cash flow management
- ▲ Continue innovating in products to maintain leadership in the construction materials segment

During 2019 we achieved



Lighter and flexible operation to maintain leadership



Divestment of 28 concrete companies in United States for USD 95 million



Decrease in debt during 2019 for over COP 430 billion and COP 950 billion the last two years

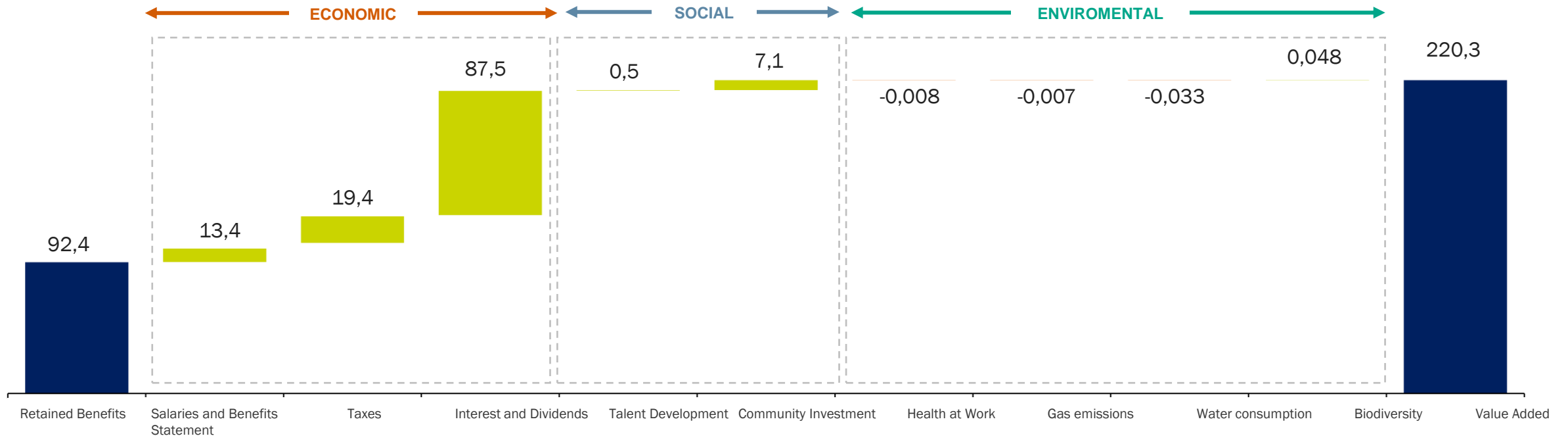


Green Cement

HOW WE GENERATE VALUE

We added 2.4 times what we took from society equivalent to USD 220.3 million

Value added statement of Grupo Argos 2019 (USD million)



Economic Dimension:

Payments of taxes, salaries, interests and dividends that are positive to the economy, boosting productivity and competitiveness of the country. It represents 55% of the net value that we deliver to society

Social Dimension:

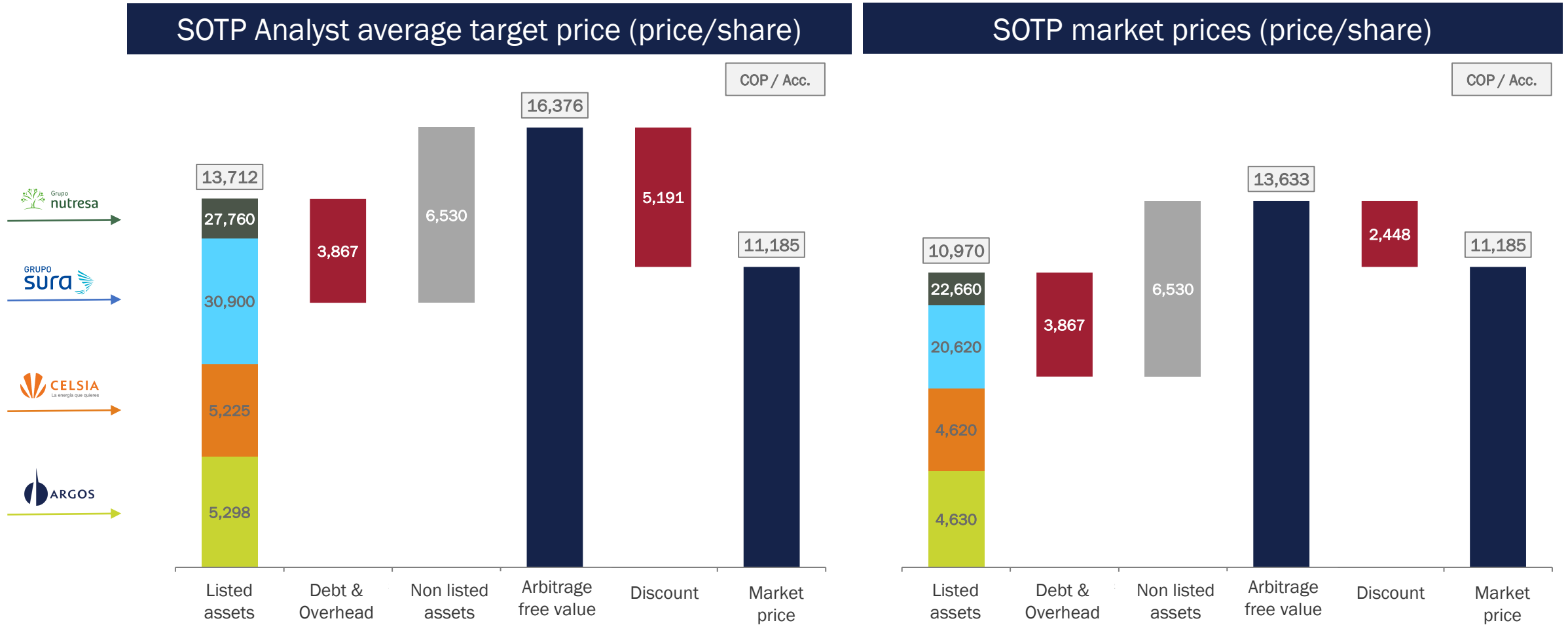
Greater contribution to the community infrastructure made by the urban development business, which is estimated to have benefited the community in USD 7.1 million

Environmental Dimension:

Marginal negative impacts, since activity is not intensive in the use of natural capital. We work actively to contribute to the conservation of the ecosystems through the Grupo Argos Foundation

SOTP

Share price affected by market liquidity, not reflecting companies' fundamental value



*Data as 30/09/2020

** Objective market price








*** non-listed assets in book value

**** Prices per share

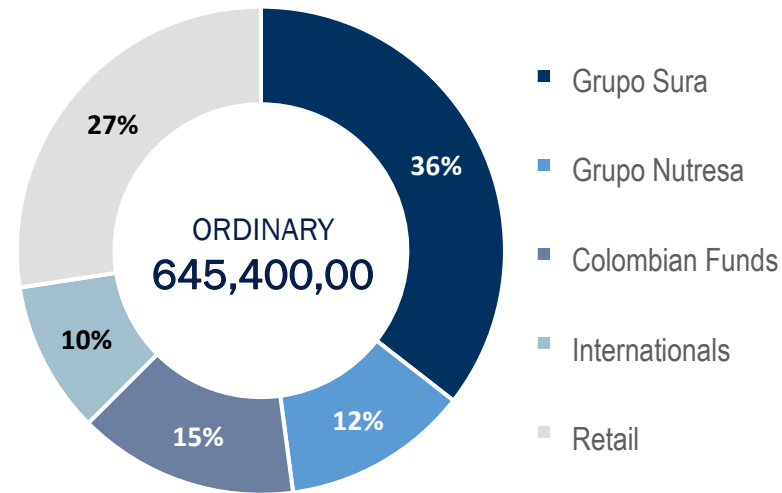
HOW WE GENERATE VALUE

Committed with our corporate governance – 57% independent board members

Board of Directors

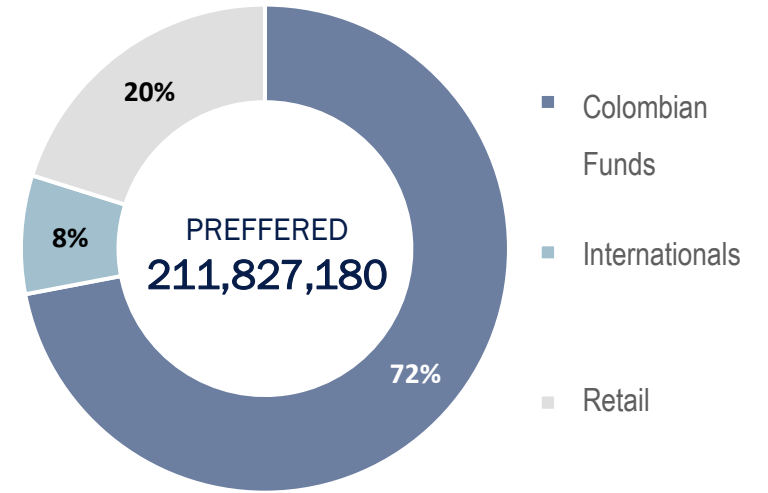
	ROSARIO CÓRDOBA (Chair of the Board) - Independent
	CLAUDIA BETANCOURT Non – Independent
	ANA CRISTINA ARANGO Independent
	ARMANDO MONTENEGRO Independent
	JORGE URIBE Independent
	GONZALO PEREZ Non - independent
	CARLOS GALLEGO Non - independent

Shareholders



Figures as of June 30, 2020

Recognitions



Preferred shares do not carry voting rights

Affiliations

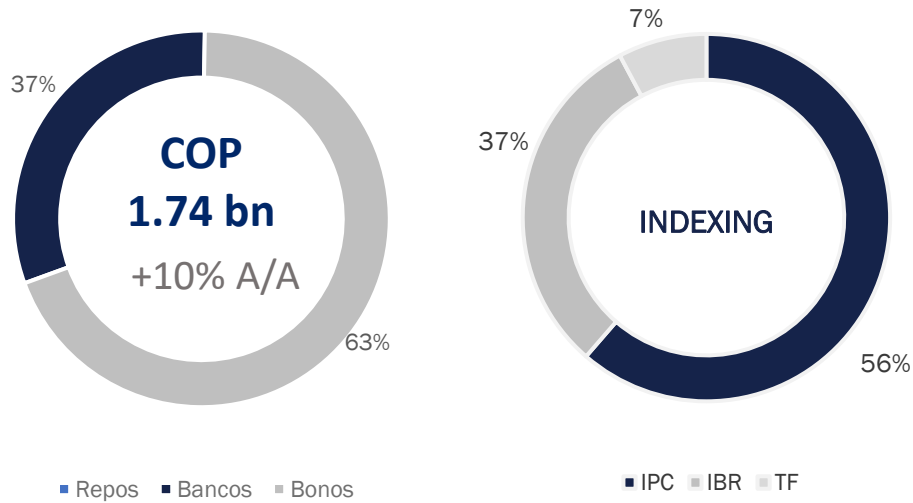


SEPARATE RESULTS GRUPO ARGOS Q3'2020

The maturity profile and favorable cost of debt ensure valuable financial flexibility

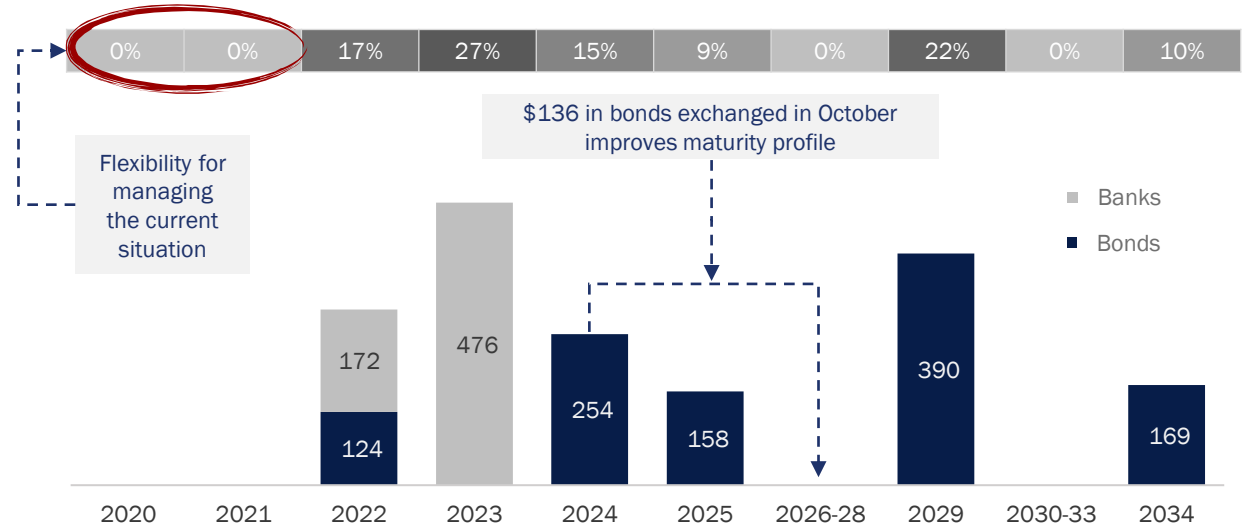
Indebtedness¹

COP billion



Maturity profile (capital)

COP billions



Gross Debt / Dividends

4.5x

Vs 2.2x in September 2019

Gross Debt / Portfolio²

16.9%

Vs 11.5% in September 2019

Cost of Debt

5.0%

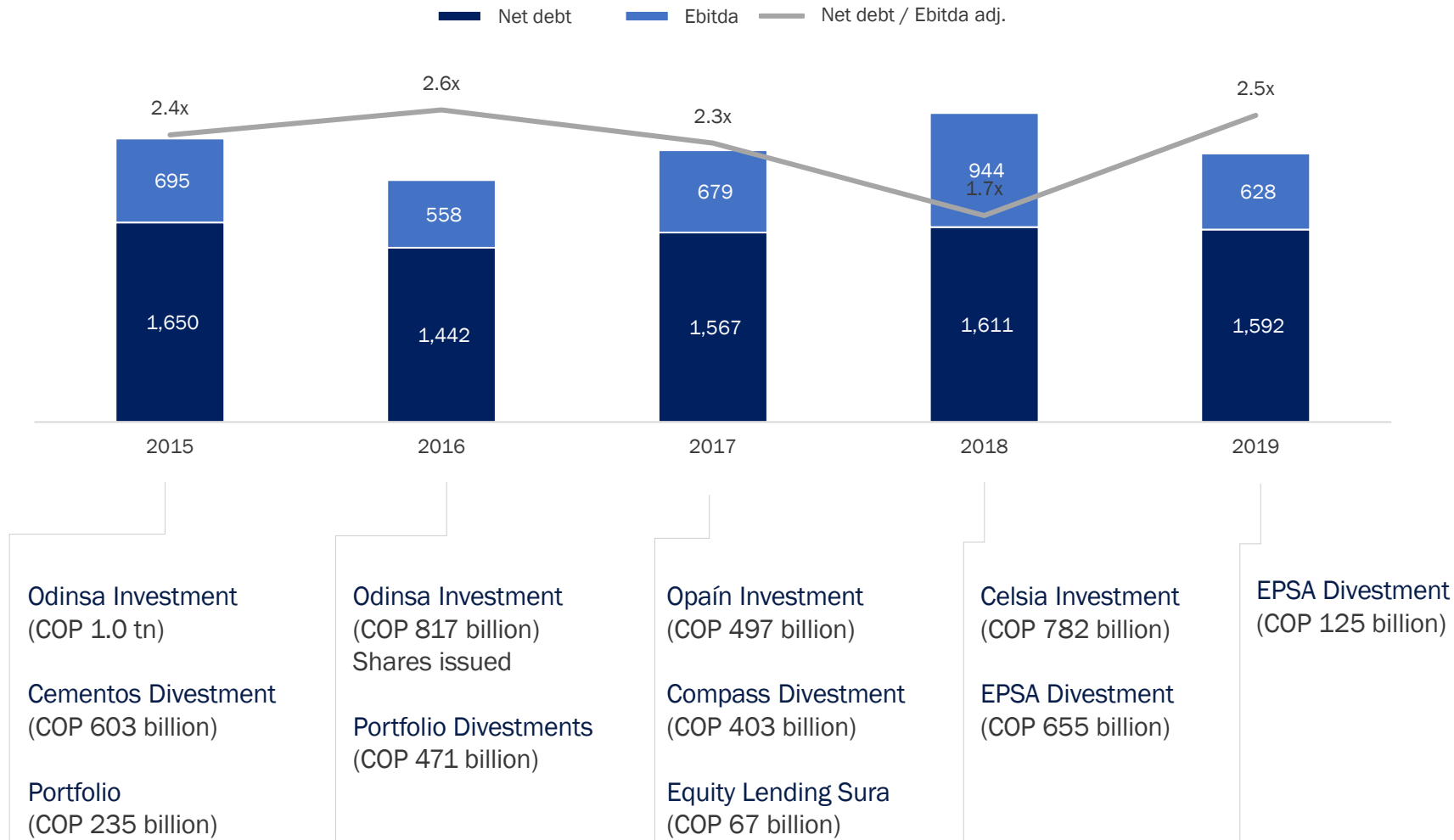
Vs 7.0% in September 2019

Increase in leveraging ratios is due to the impact of the current situation on dividend deferrals to guarantee the solvency of CemArgos and Odinsa and on the dividends we did not receive from Opain. A gradual recovery of flows will return indicators de 2019 levels

1 Only includes principal balance 2. Portfolio of listed shares at the monthly closing price + share of Pactia

CAPITAL STRUCTURE

Leverage ratios evolution in line with efficient capital allocation strategy



From 2015 to 2018 Grupo Argos has:

Invested + COP 3.1 trillion

Divestments for COP 2.4 trillion

Efficient debt management supporting growth

2019 ends with healthy leverage ratios

Adjusted EBITDA

+	EBITDA
-	Equity Method
+	Dividends received
+	Divestments profit
=	Adjusted EBITDA

GRUPO ARGOS INDIVIDUAL RESULTS

Fitch and S&P maintain Grupo Argos rating and remain confident with the company's strategy

FitchRatings

CALIFICACIÓN EMISOR¹

AAA

Stable
June 2020

"Grupo Argos's ratings are based on a solid capital structure, as well as a history of stability and strengthening of the flow of dividends received in recent years. The Stable Outlook reflects its robust capital structure with medium-term debt maturities, which mitigates, to some extent, the higher leverage expected in 2020 and 2021 (...) "

S&P Global

CALIFICACIÓN EMISOR Y PEC²

AA+

Stable
May 2020

"The organization has demonstrated access to the capital market or to financing through banks." The ratification of the rating will depend on the organization's ability to "(...) recover the financial situation it had in previous years in the following 12 to 24 months even under the scenario in which some of the restrictions are maintained"



AA
Fitch



AAA
Fitch (Celsia Col.)

AA+
S&P



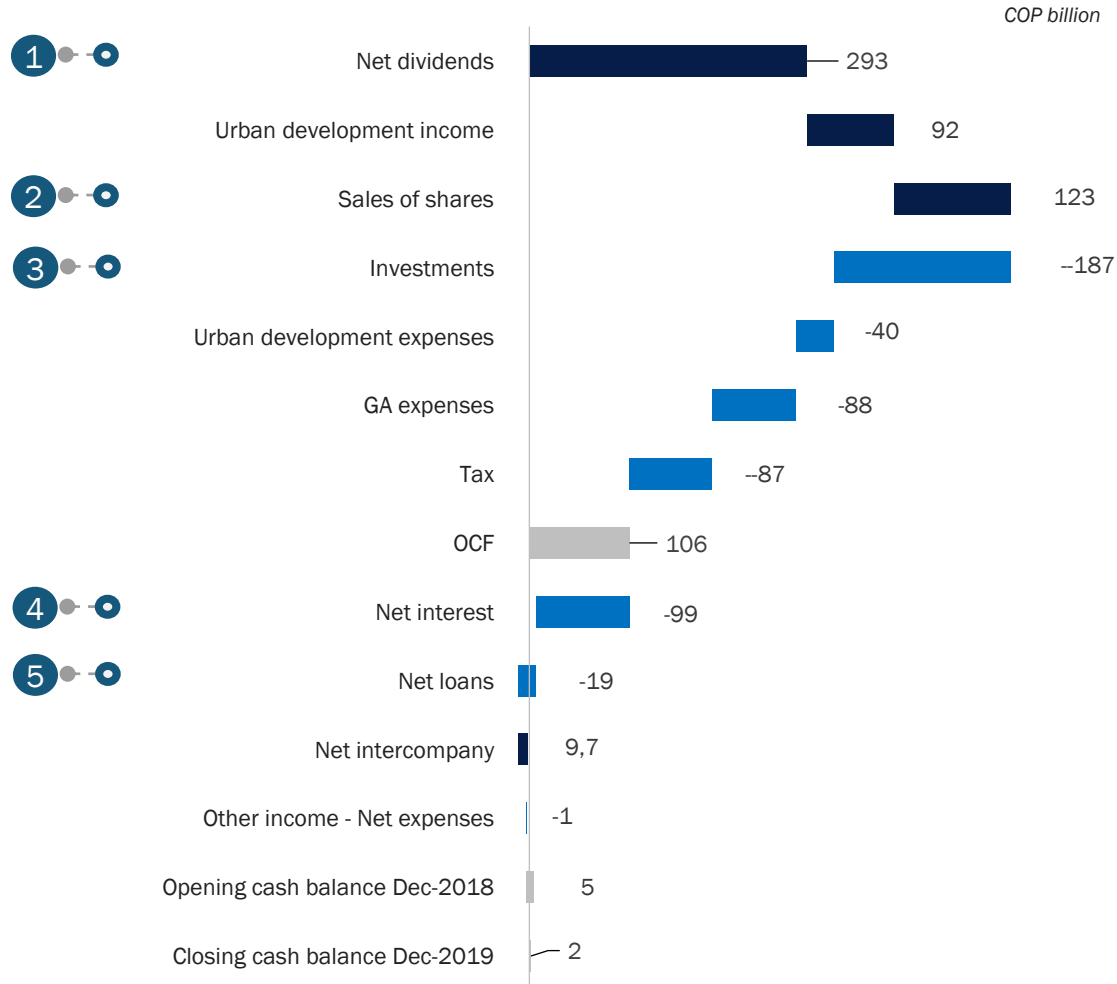
AA-
Fitch

¹ Fitch's rating refers to Grupo Argos separately. S&P refers to Grupo Argos consolidated 2 Issuance and Placement Program

GRUPO ARGOS 2019 CASH FLOW

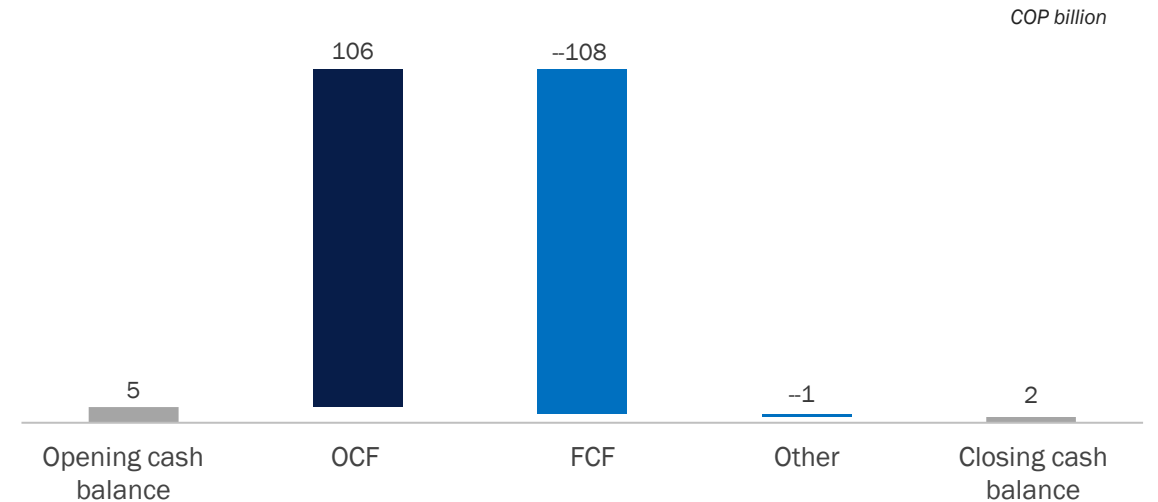
We ended 2019 with cash flow equivalent to one day of the Company's revenue

Cash flow



Notes

1. Dividends received: **COP 588**, dividends paid: **COP 295**
2. Sale of 6,495,205 shares in Epsa: **COP 123**
3. Pactia capitalization: **COP 176**, purchase of shares in Odinsa: **COP 2**
4. Financial expenses: **COP 105**, financial returns: **COP 6**
5. Issuance and maturity of bonds: **COP 335**, amortization of bank debt: **COP 354**



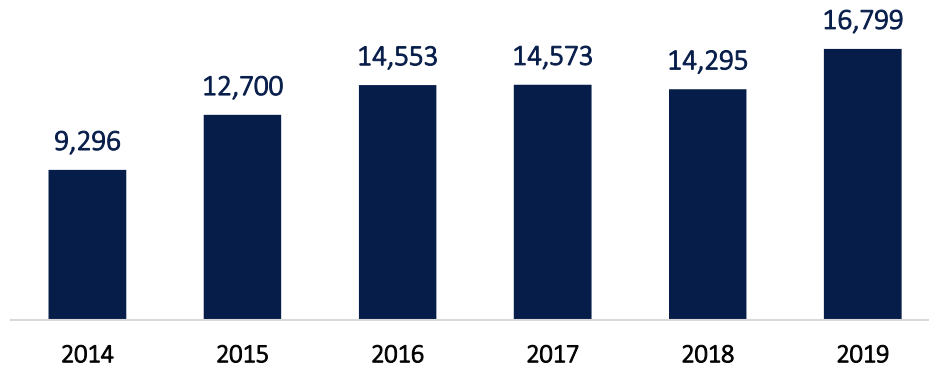
FINANCIAL RESULTS

Discipline that has translated into positive results with Ebitda CAGR 16% in the last 5 years

Consolidated revenues of Grupo Argos

(COP billion)

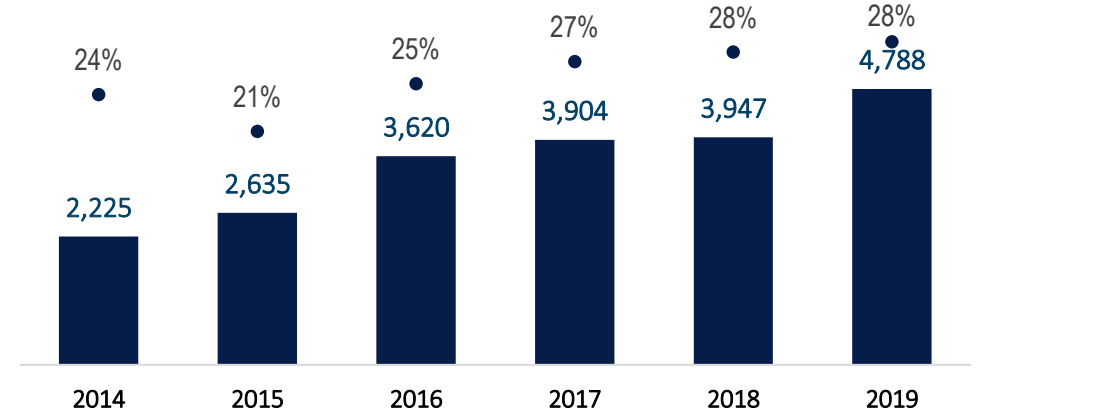
CAGR (2014 - 2019) 12,6%



Consolidated Ebitda of Grupo Argos

(COP billion)

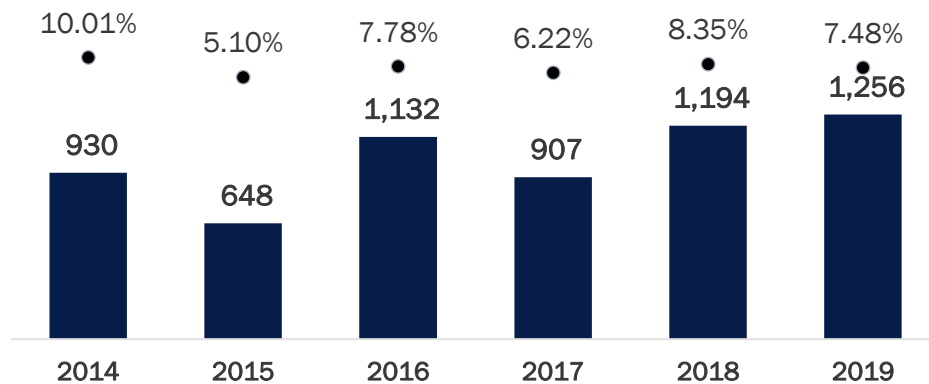
CAGR EBITDA (2014 - 2019) 16,6%



Net Profit

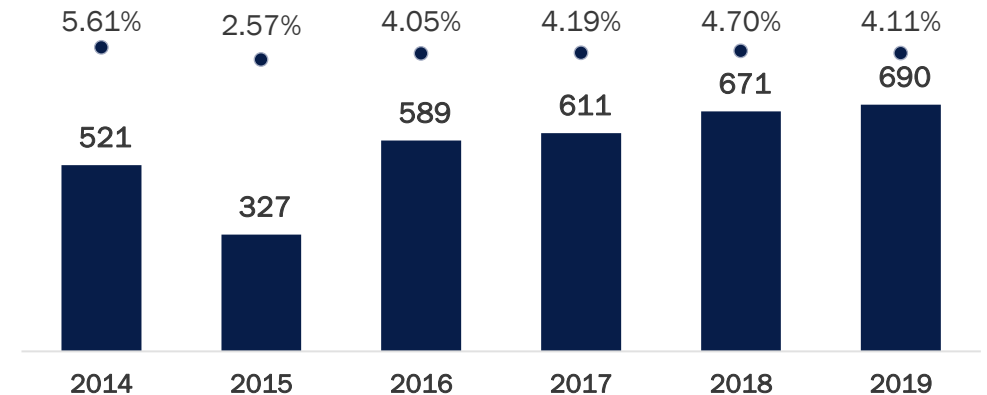
(COP billion)

CAGR (2014 - 2019) 6,2%



Net Profit of the Holding Company

(COP billion)

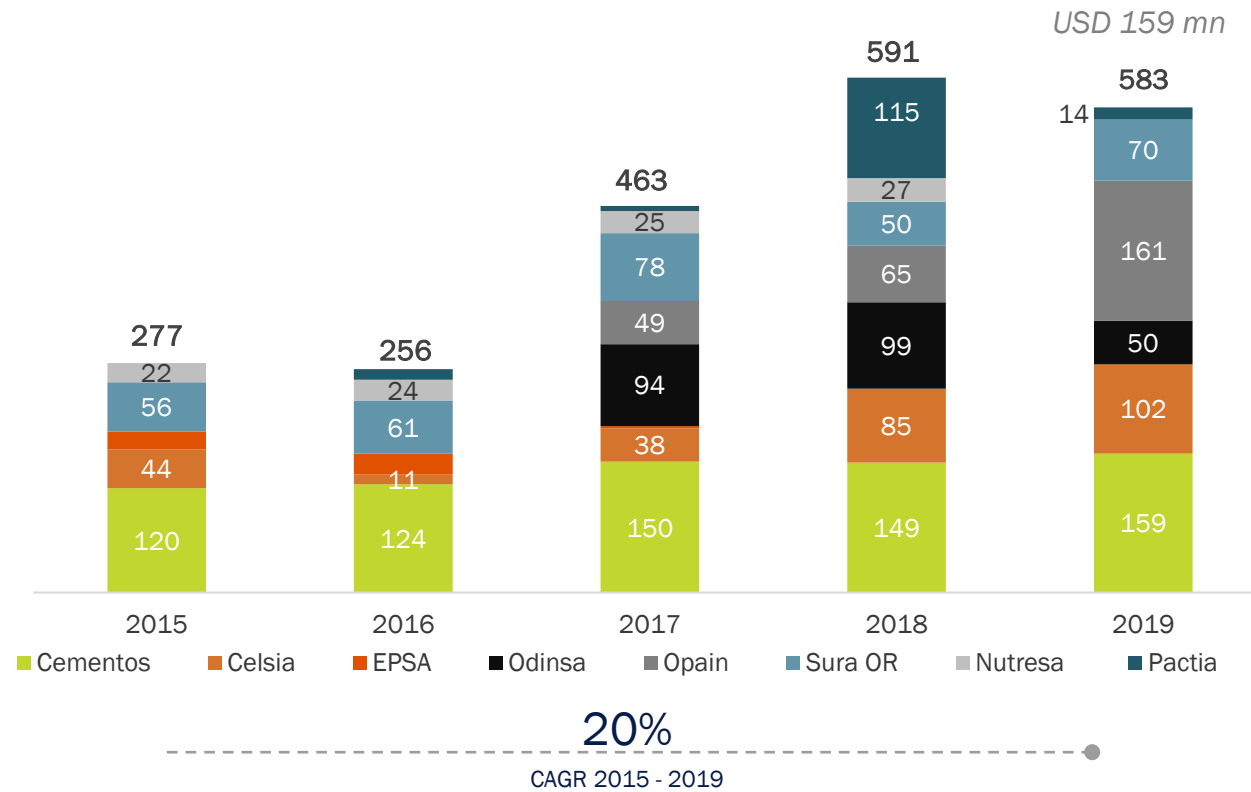


HOW WE GENERATE VALUE

We increased the dividends flow with a positive spread of COP 200 billion

HISTORIC DIVIDENDS

COP billions

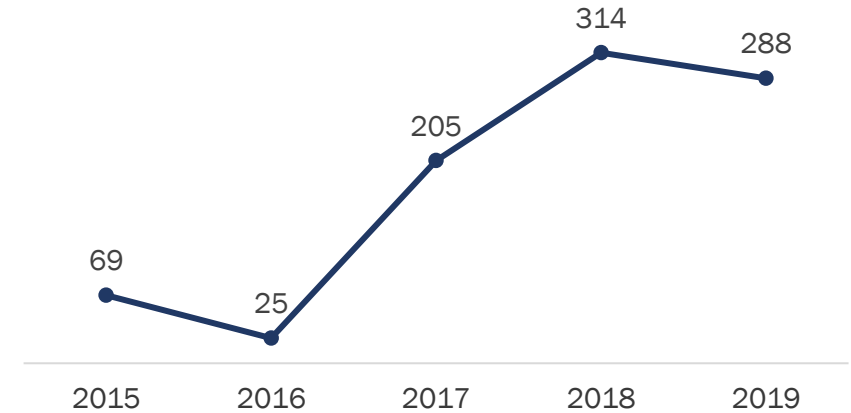


■ Cementos ■ Celsia ■ EPSA ■ Odinsa ■ Opain ■ Sura OR ■ Nutresa ■ Pactia¹

Positive dividend spread
(received - paid)

+ 4.2x

between 2016 and 2019

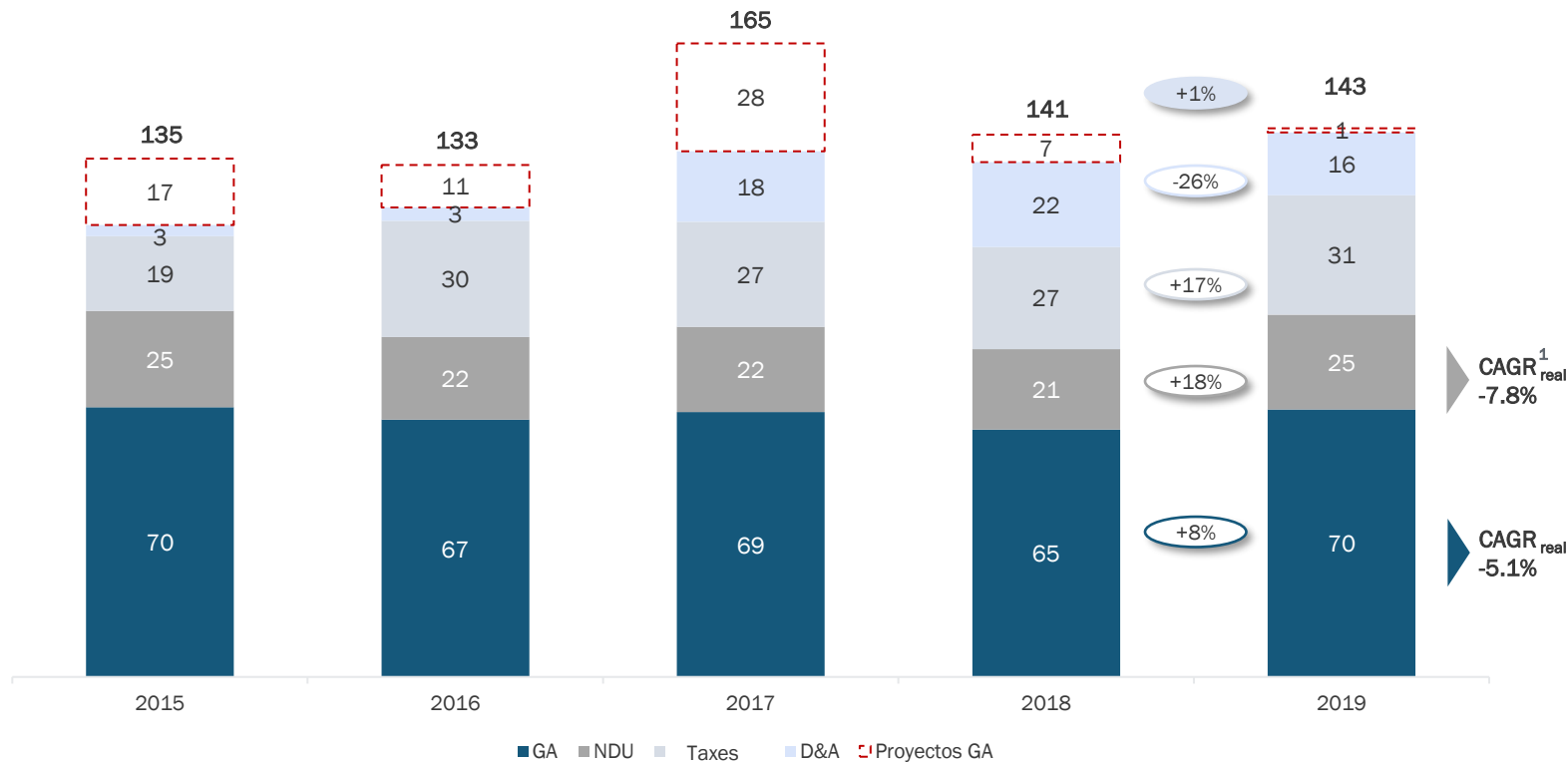


HOW WE GENERATE VALUE

In the last 5 years, controllable management expenses of Grupo Argos have decreased 5.1% in real terms

SG&A

COP billions



*The costs associated with specific investment and divestment projects are not recurrent and depend on the dynamics and magnitude of the projects. According to the activity of the holding they should be registered as costs, but in the accounting, they are recorded as expense

**Excludes depreciation and taxes

** AUM 2019 average with market prices and book value = COP 19 trillion

*** International equity funds: Morningstar, Prudential, Parnassus, JP Morgan, Vanguard, Trowe

GA: Grupo Argos

NDU: Negocio Desarrollo Urbano

Grupo Argos Controllable
Management Cost

-5.1%

CAGR (2015 - 2019)

Real Estate Business
Expenses

-7.8%

CAGR (2015 - 2019)

Recurrent expenses GA*/ AUM**
2019

0.5%

Vs. 0.82% average fee from international
equity funds**



“Become an asset manager that enables the investment of institutional capital in the infrastructure sector in Latin America.

Grupo Argos has demonstrated its ability to transform and grow businesses in this region, such as Cementos Argos, Celsia and Odinsa. We have the capacity and the trajectory, which allows us to take advantage of this unique knowledge to continue strengthening our articulated portfolio of assets in the region.”

COVID-19



 **GRUPO ARGOS**
Inversiones que transforman

 **ARGOS**

 **CELSIA**

 **ODINSA**

 **SUMMA**

Keeping our commitment to the priorities defined at the beginning of the situation



Life, health and wellbeing → our number one priority

- Over 10,000 tests, equivalent to over 73% of the population.



New work realities as competitive leverage

- 30% of collaborators working remotely and 70% in operations
- 100% of Grupo Argos collaborators work remotely



Job conservation and vendor support


- We have maintained the jobs of our more than 14,000 collaborators, contributing to financial sustainability and prepared for reactivation

The emergency plan has been fully executed as of September guaranteeing the flexibility required

						
1	CAPEX (Uses – billions)	\$ 293	\$ 160	\$ 415	\$ 868 (100%*)	
2	OPEX (Uses – billions)	\$ 45	\$ 324	\$ 119	\$ 508 (101%*)	
3	Liquidity loans (Sources – billions)	\$ 443	\$ 684	\$ 117	\$ 1,394 (100%*)	
4	Reimbursed taxes (billions)		\$ 50	\$ 10	\$ 92 (100%*)	
Cash effect (billions)		\$ 781	\$ 1,218	\$ 661	\$ 202	\$ 2,862

* Execution of emergency plan
Approximate figures in billions of pesos
Odinsa includes airport and highway concessions

Anexxes Financial Results 3Q20

 **GRUPO ARGOS**
Investments that transform



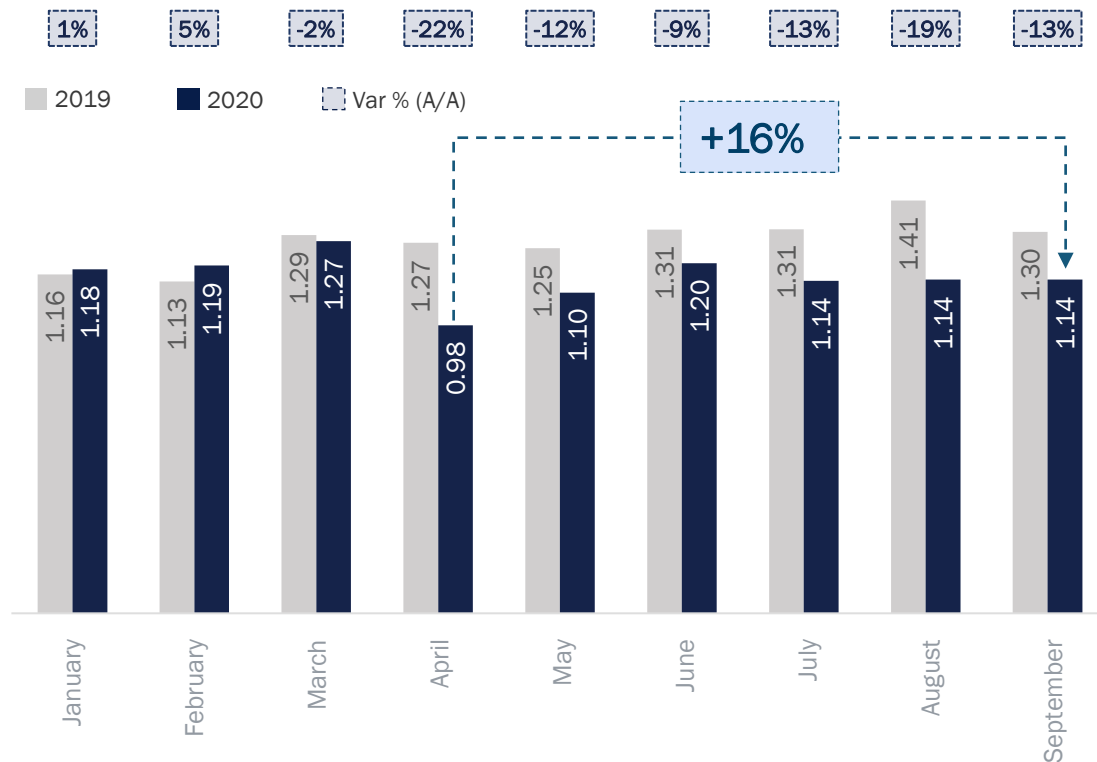
nosotros es tan bueno como todos juntos" Ray Kroc

CONSOLIDATED RESULTS GRUPO ARGOS Q3'2020

Gradual revenue and profitability recovery confirm a positive trend

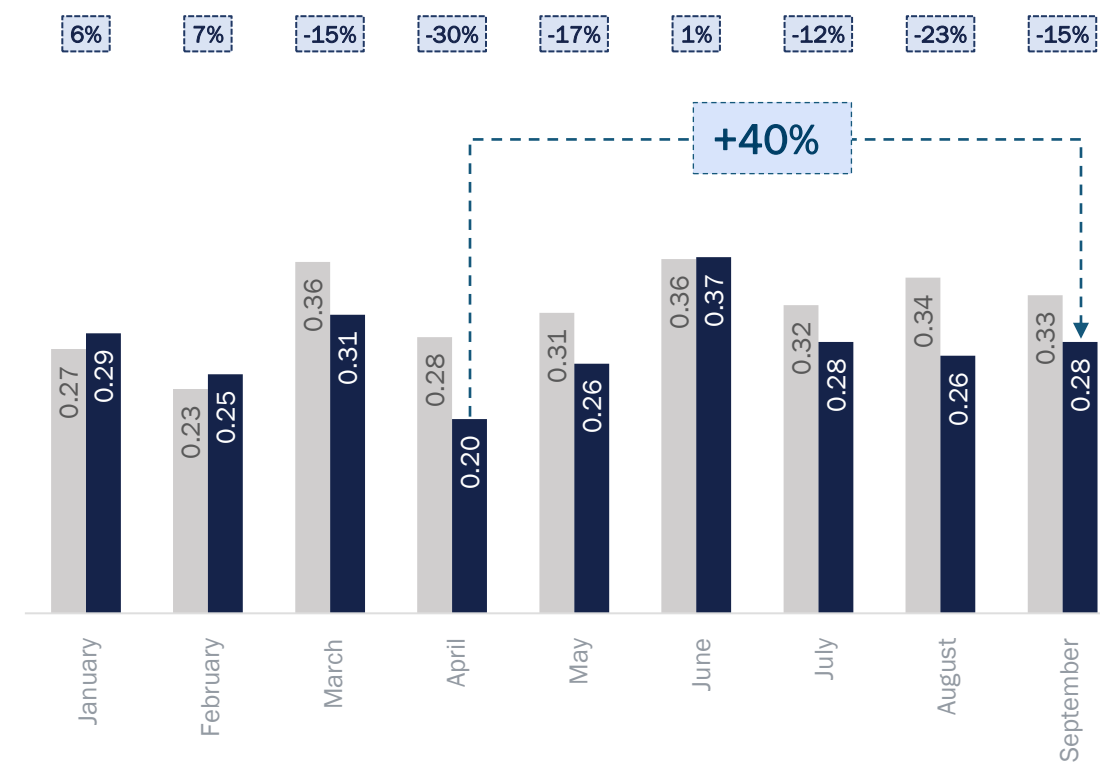
Monthly Revenue

COP billions



Monthly Ebitda

COP billions



Gradual revenue recovery
since April (+16%)



Agility and commitment to cost and
expense savings



40% increase in consolidated EBITDA
since April

Corporate commitment to adapt to a challenging environment that shows signs of recovery

RELEVANT FIGURES

COP billions	Q3 - 2020	Q3 - 2019	Var.(%)	Sep-2020	Sep-2019	Var.(%)
Revenue	3,453	5,228	-34%	10,415	12,858	-19%
Costs, expenses and other income	3,027	4,248	-29%	9,143	10,673	-14%
Operating Profit	426	980	-57%	1,272	2,185	-42%
Ebitda	857	1,413	-39%	2,566	3,449	-26%
<i>Margin Ebitda</i>	<i>25%</i>	<i>27%</i>	<i>-221 pb</i>	<i>25%</i>	<i>27%</i>	<i>-219 pb</i>
Profit Before Taxes	146	639	-77%	357	1,250	-71%
Taxes	68	123	-45%	191	291	-34%
<i>Current</i>	69	171	-60%	228	372	-39%
<i>Deferred</i>	-1	-48	-98%	-37	-81	n/a
Net profit	78	516	-85%	166	959	-83%
Net controller profit	7	301	-98%	-16	566	<i>n/a</i>
<i>Net controller margin</i>	<i>0%</i>	<i>6%</i>	<i>-554 pb</i>	<i>0%</i>	<i>4%</i>	<i>-439 pb</i>

COP **+500** billion

Total OPEX savings achieved as of September for dealing with the current situation

COP **~80** billion

Decrease in structural expenses compared to the previous year

PROFORMA (Cumulative divestments)*

COP billion	Q3 - 2020	Q3 - 2019	Var.(%)	Sep-2020	Sep-2019	Var.(%)
Revenue	3,453	4,141 ³	-17%	10,378 ¹	11,685 ²	-11%
Ebitda	857	1,102 ³	-22%	2,572 ¹	3,112 ²	-17%
Net profit	78	267 ³	-71%	172 ¹	684 ²	-75%
Net controller profit	7	169 ³	-96%	-10 ¹	421 ²	-102%
<i>Margin Ebitda</i>	<i>25%</i>	<i>27%</i>	<i>-179 pb</i>	<i>25%</i>	<i>27%</i>	<i>-364 pb</i>

1. Excludes divestment in Odempa (Revenue COP 37 billion, Ebitda: -COP7 billion, Net controller profit : -COP 6 billion)

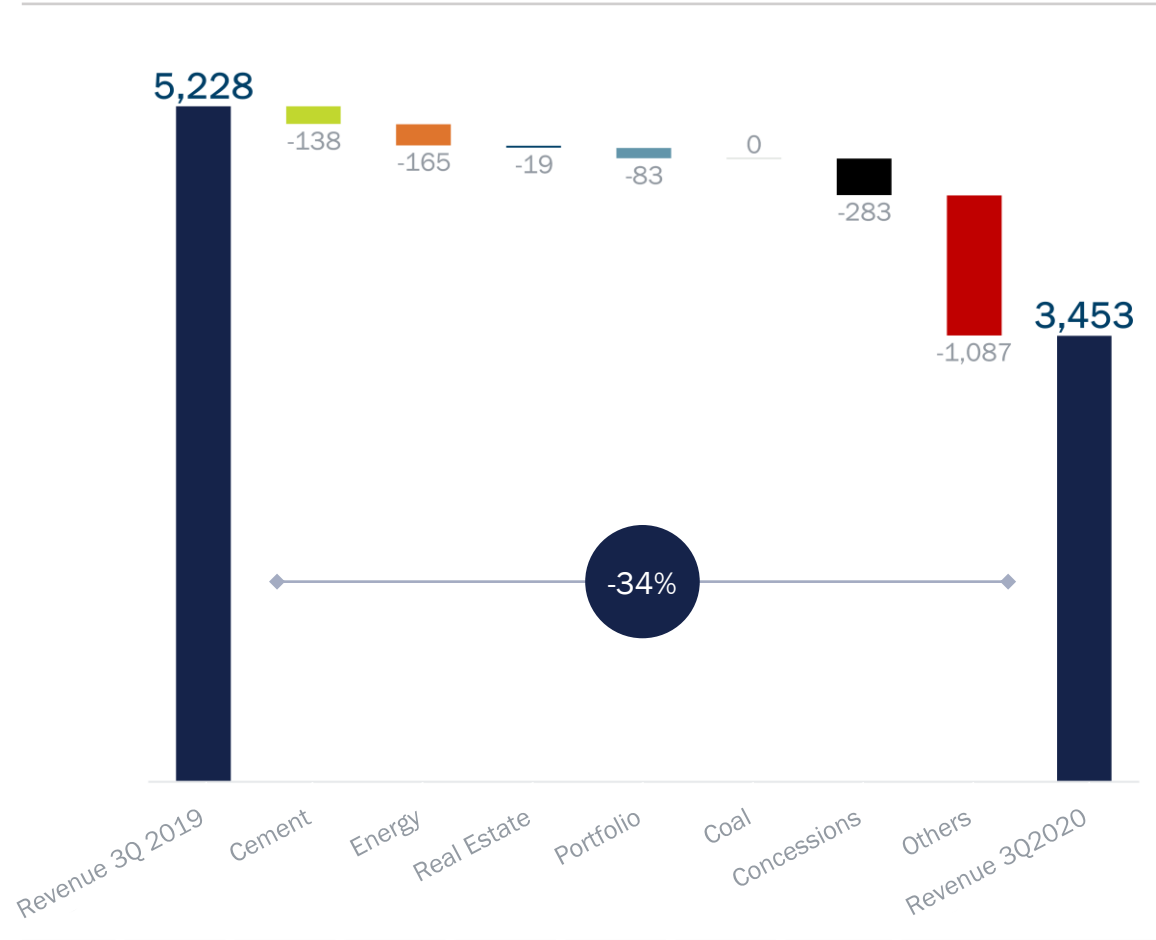
2. Excludes divestment in Omya and Carton (Revenue: COP 86 billion, Ebitda: COP 27 billion, Net controller profit: COP 13 mil mn) and Zona Franca (Revenue: COP 1.087 billion, Ebitda COP 311 billion, Net controller profit: COP 132 billion)

3. Excludes divestment in Zona Franca (Revenue: COP 1.087 billion, Ebitda COP 311 billion, Net controller profit: COP 132 billion)

Business contributions surpass projections made at the start of the pandemic

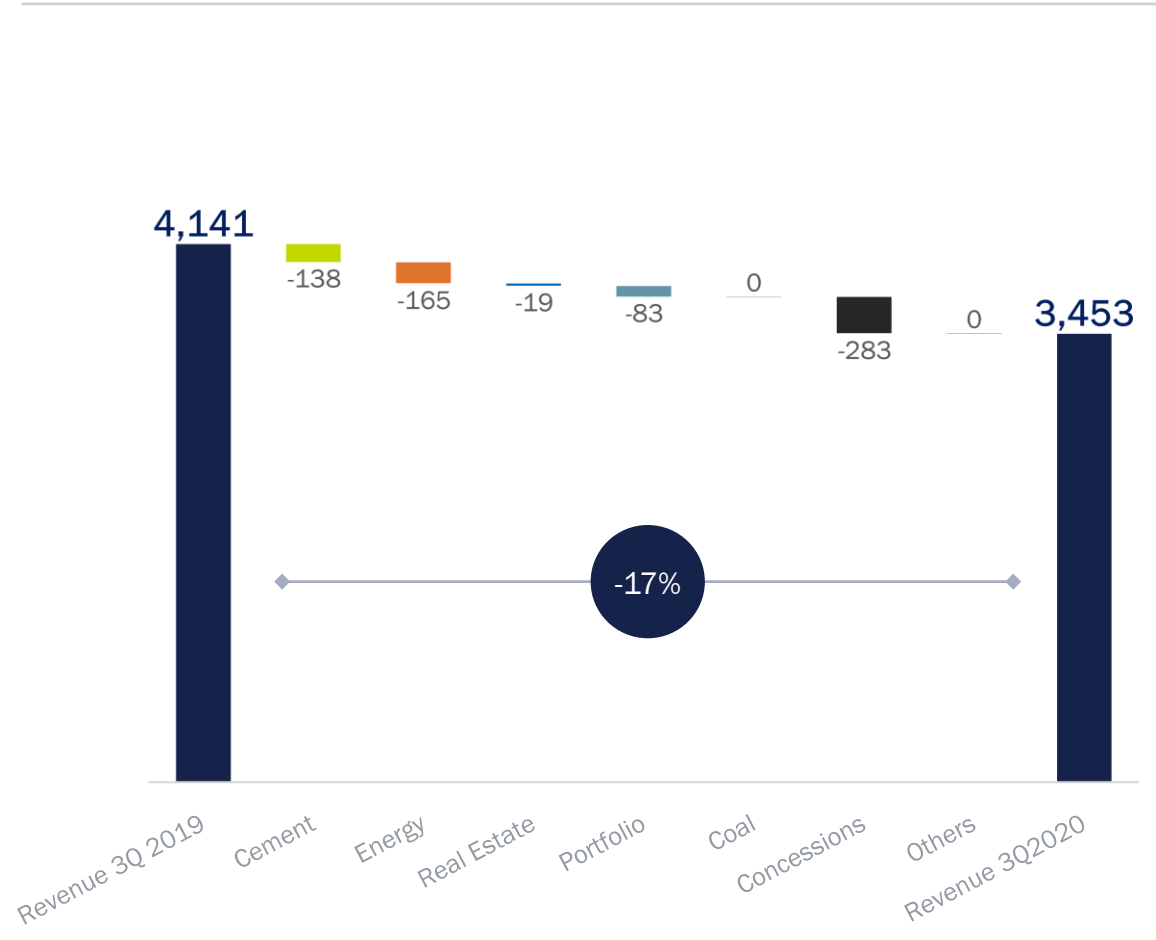
Consolidated revenue Q3'2020

COP billions



Consolidated Revenue Q3'2020 (PROFORMA)

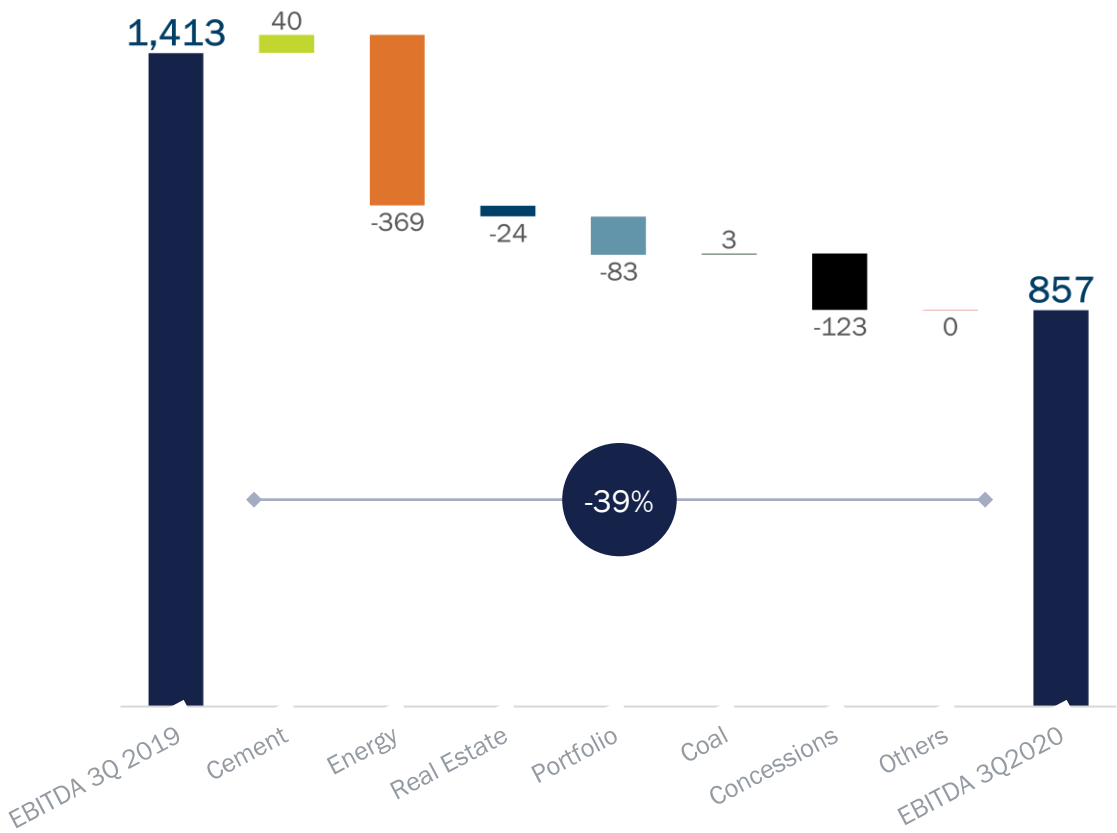
COP billions



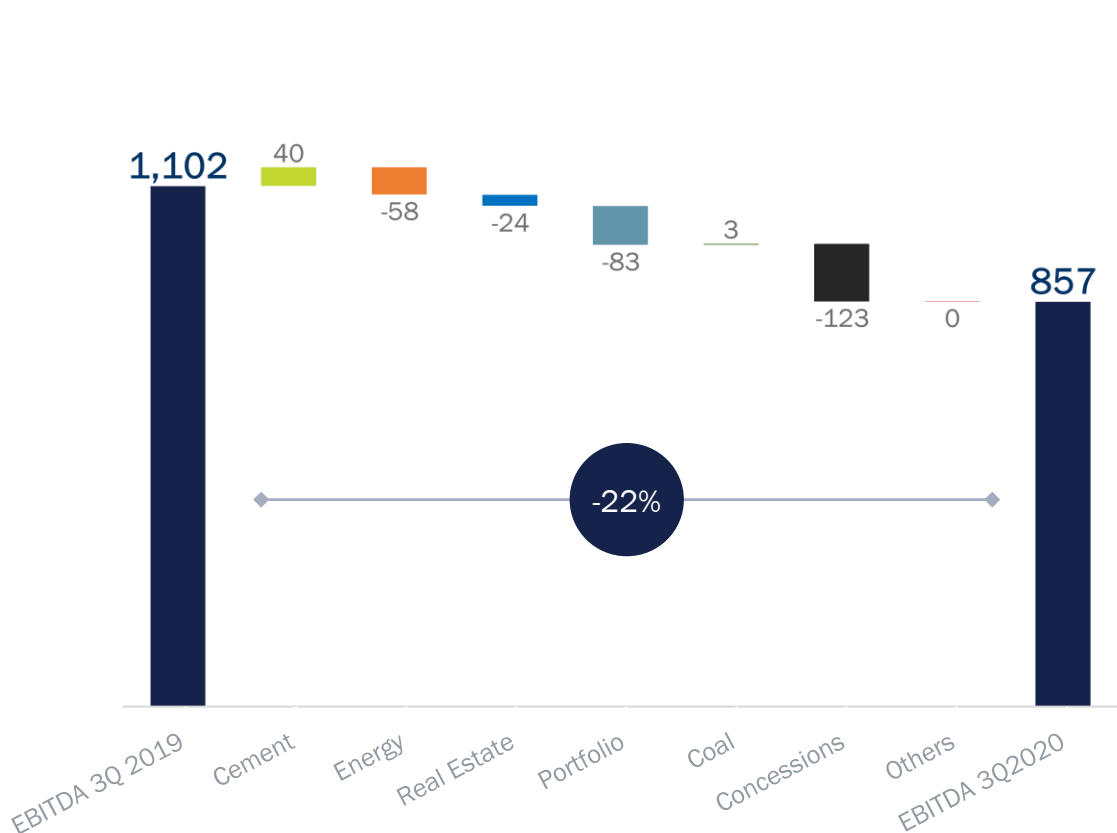
* Excludes divestment in Zona Franca (Revenue: COP 1.087 mil mn), which enters under the “others” item of the revenue

Business contributions surpass projections made at the start of the pandemic

Consolidated Ebitda Q3'2020 COP billions

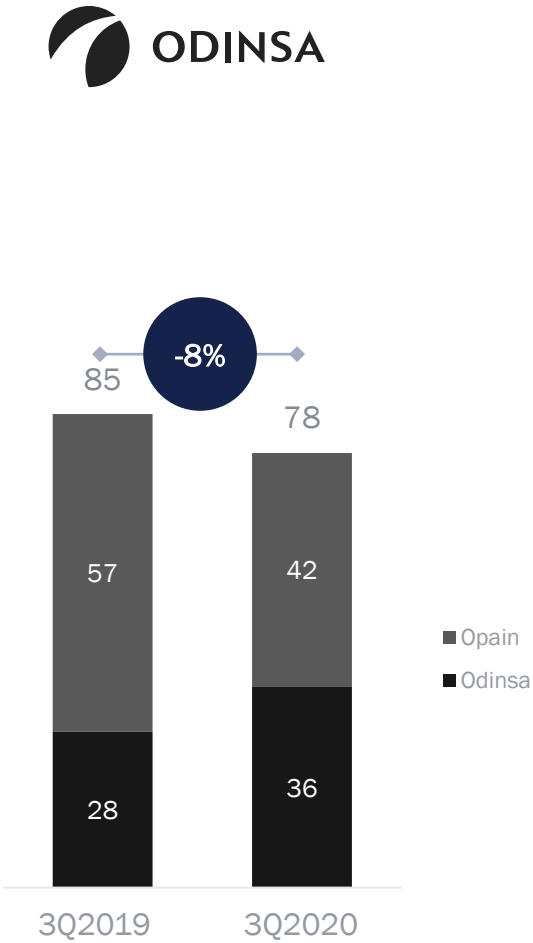
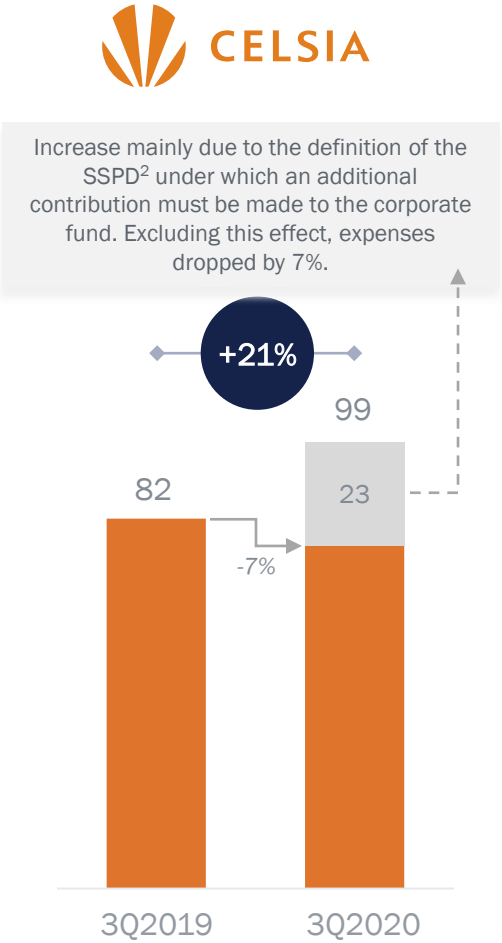
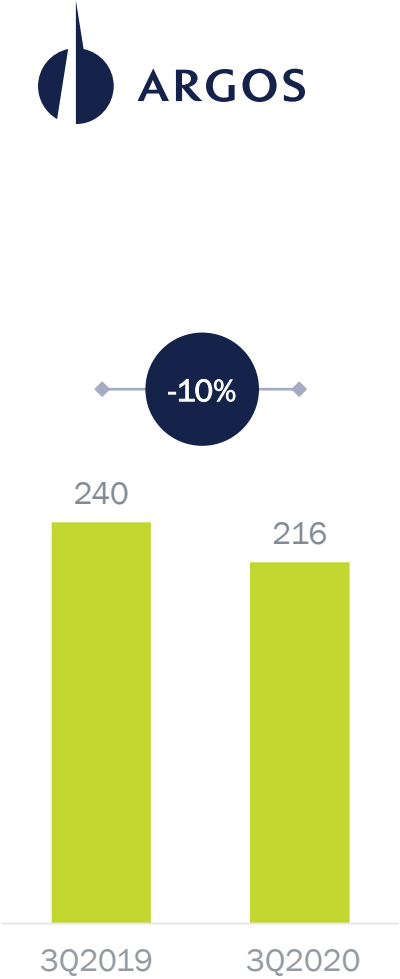
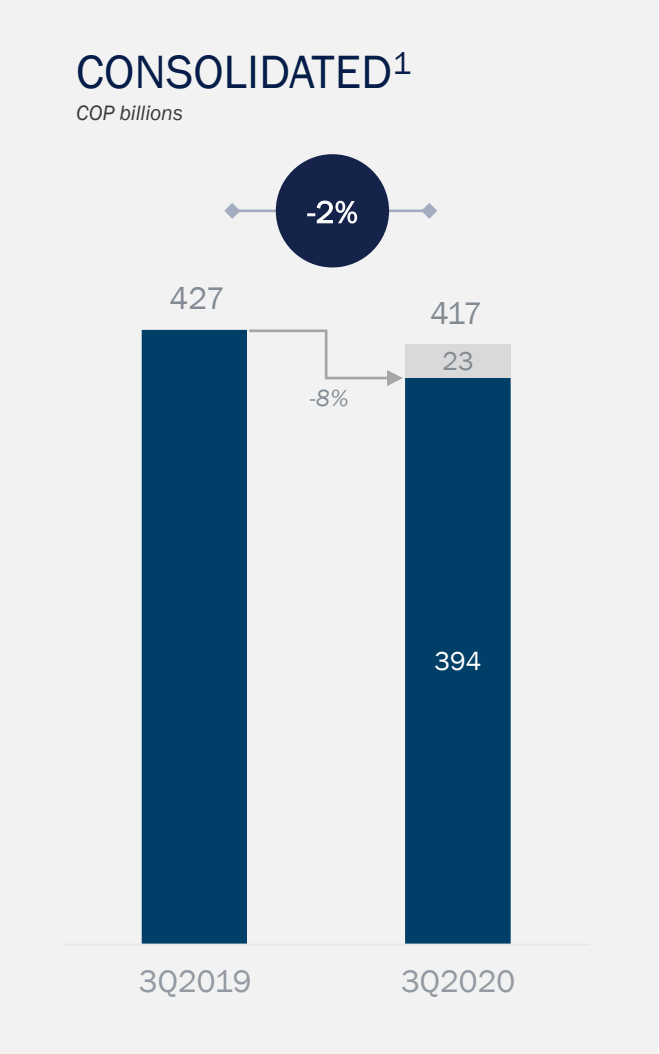


Consolidated Ebitda Q3'2020 COP billions



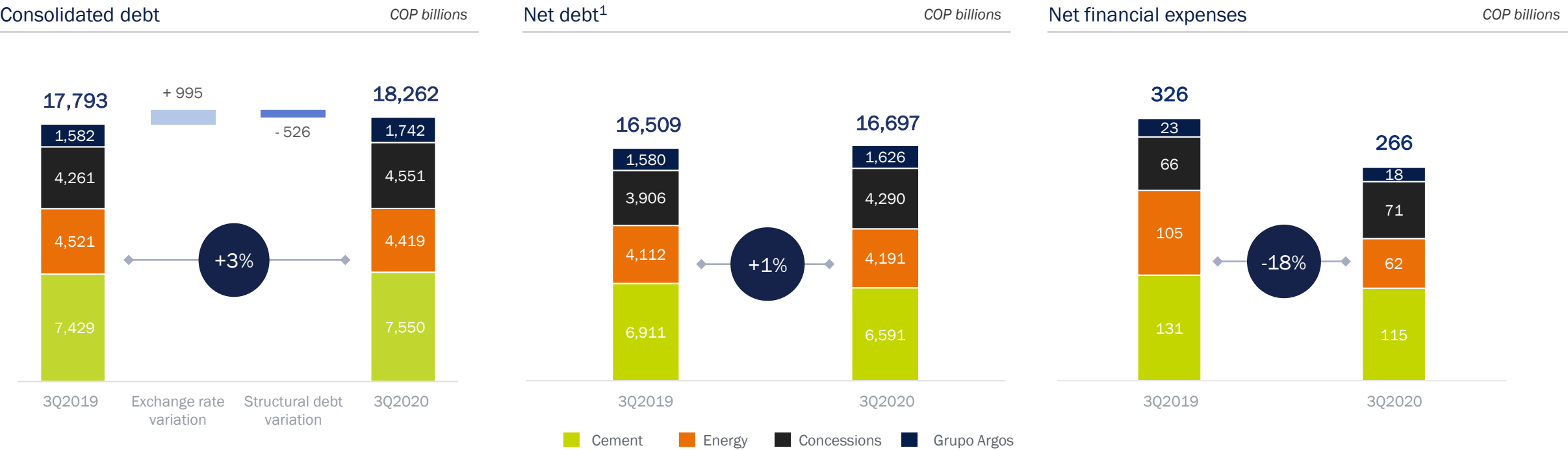
* Excludes divestment in Zona Franca (Revenue: COP 1.087 mil mn), which enters under the “others” item of the revenue

Savings in structural expenses in line with strategy implemented



1. The consolidated amount may differ from the sum of the affiliate amounts due to consolidation adjustments. 2. Superintendent of Residential Utilities

A lower cost of debt was reflected by a COP 60 billion decrease in financial expenses



- ▲ COP 192 billion in payments were made during the quarter.
- ▲ **Net Debt** for Q3'2020 closed at COP 16.69 billion and was **decreased by COP 45 billion** during the quarter compared to 2Q2020
- ▲ Financial expenses decreased 18% (YoY), benefiting from favorable interest rates.
- ▲ Grupo Argos performed the **first private debt exchange operation in Colombia for COP 136.5 billion** (Half life goes from 5.5 to 5.7 years)

1. Cash in Odinsa includes the sum of the holding and the concessions

Successful bond conversion to improve credit profile and better manage the current situation

RELEVANT FIGURES

COP billions	Q3 – 2020	Q3 – 2019	Var.(%)	Sep-2020	Sep-2019	Var.(%)
Revenue	24	256	-91%	253	660	-62%
Costs and other expenses	3	-2	-225%	43	65	-34%
GA expenses	27	24	12%	98	103	-58%
Operating Profit	-6	234	-88%	111	493	-77%
Ebitda	0	238	-103%	125	505	-75%
Margin Ebitda	0%	93%	n/a	49%	76%	n/a
Profit before taxes	-23	210	-111%	30	419	-93%
Taxes	5	10	-49%	15	14	10%
Current	2	1	34%	7	-1	n/a
Deferred	3	9	-67%	8	15	-47%
Net profit	-29	199	-114%	15	405	-96%
Net margin	-119%	78%	n/a	6%	61%	n/a

COP **136** billion

Bond exchange to ensure attractive rates and optimize maturity curve

AA+

7-year bond rating

PROFORMA (Cumulative divestments)*

	Q3 – 2020	Q3 – 2019	Var.(%)	Sep-2020	Sep-2019	Var.(%)
Revenue	24	124 ¹	-81%	216 ²	392 ³	-45%
Ebitda	-7	106 ¹	n/a	112 ²	295 ³	-62%
Net profit	-29	67 ¹	-143%	3 ²	195 ³	-98%
Ebitda Margin	-29%	86%	n/a	52%	75%	n/a

1. Excludes divestment in Zona Franca (COP 132 billion)

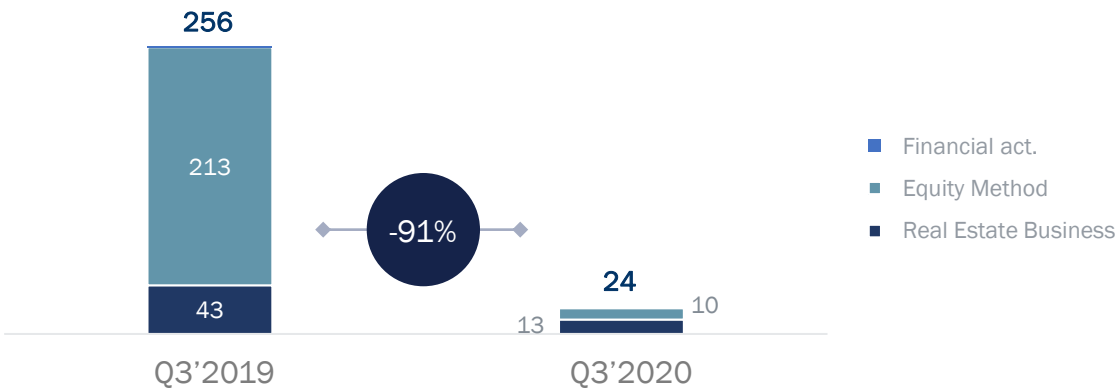
2. Excludes: sale of Odempa (Revenue COP 36 billion, Ebitda COP 13 billion and Net Profit COP 13 billion)

3. Excludes: 2019 sale of EPSA shares (Revenue COP 123 billion, Ebitda COP 64 billion and Net Profit COP 64 billion), Disinvestment in Zona Franca (COP 132 billion) and sale of shares in Omya and Carton (COP 13 billion)

2020 cumulative expenses remain 4% below expenses as of September 2019

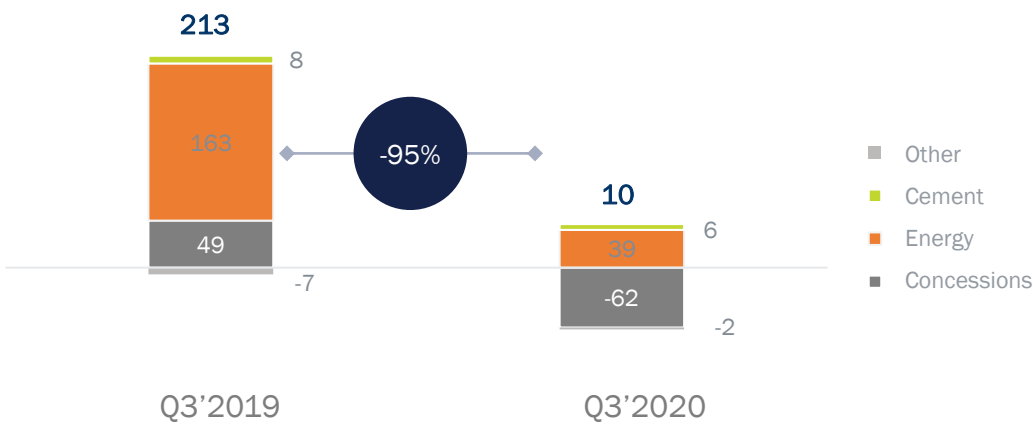
1. Revenue distribution Q3'2020

COP billions



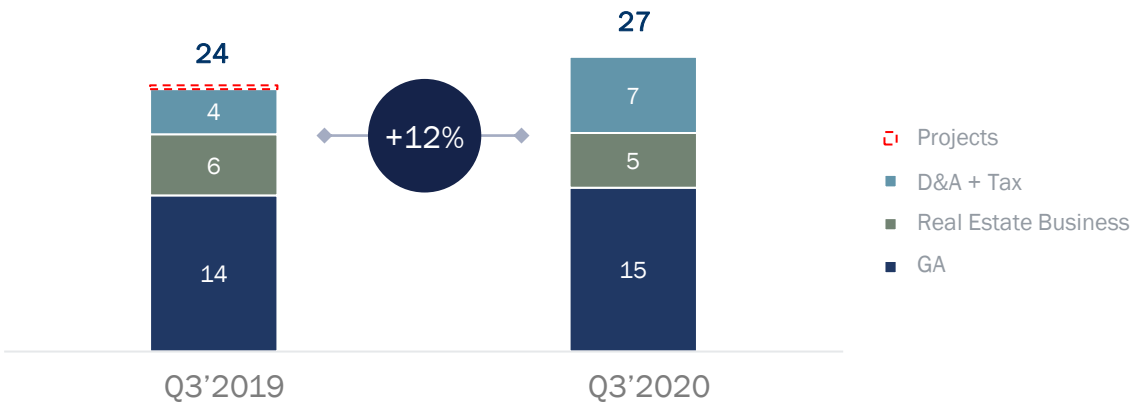
2. Equity method distribution Q3'2020

COP billions



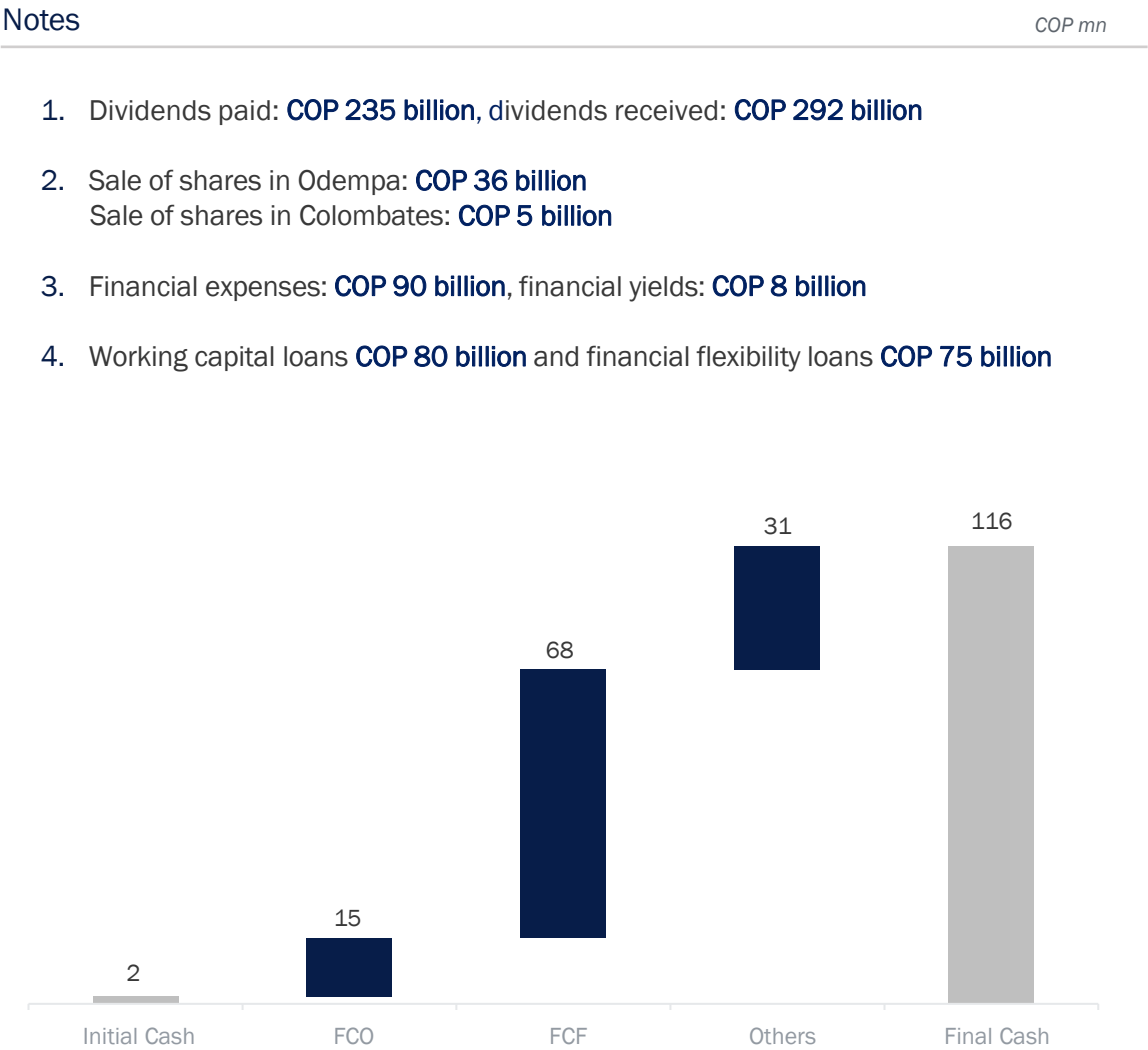
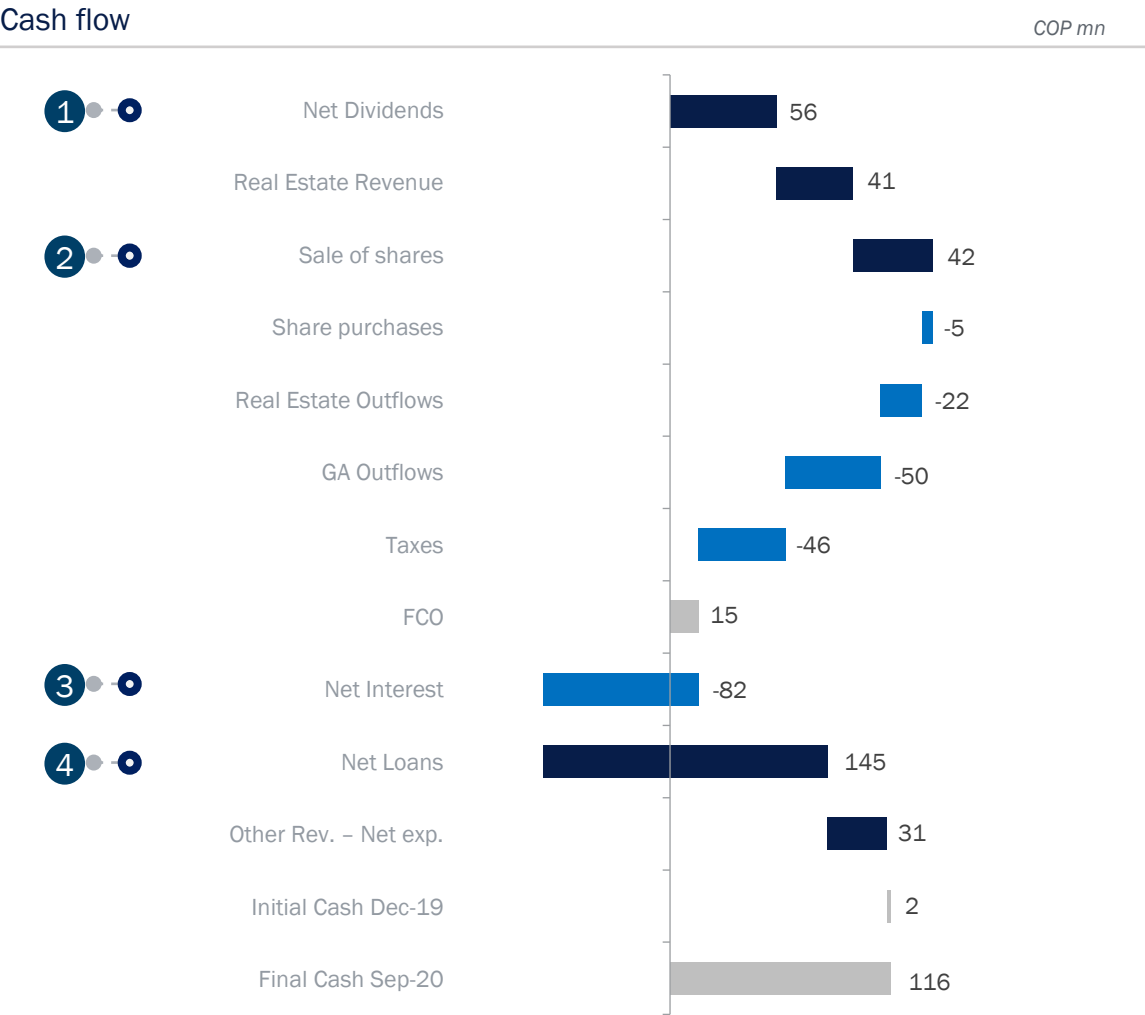
3. Controllable expenses 3T2020

COP billions



- Expenses increased during the period (+12%) mainly due to D&A but the cumulative amount for the year remains lower than the figure for September 2019 (-4% YOY)
- Equity Method revenue for 2019 includes the divestment in Zona Franca Celsia for COP 132 billions
- Impact on the Equity Method contribution from the concessions business mainly from losses at Opain due to airport closures

116 billion in cash as a response to the situation





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