

# Investors Presentation

june 2018





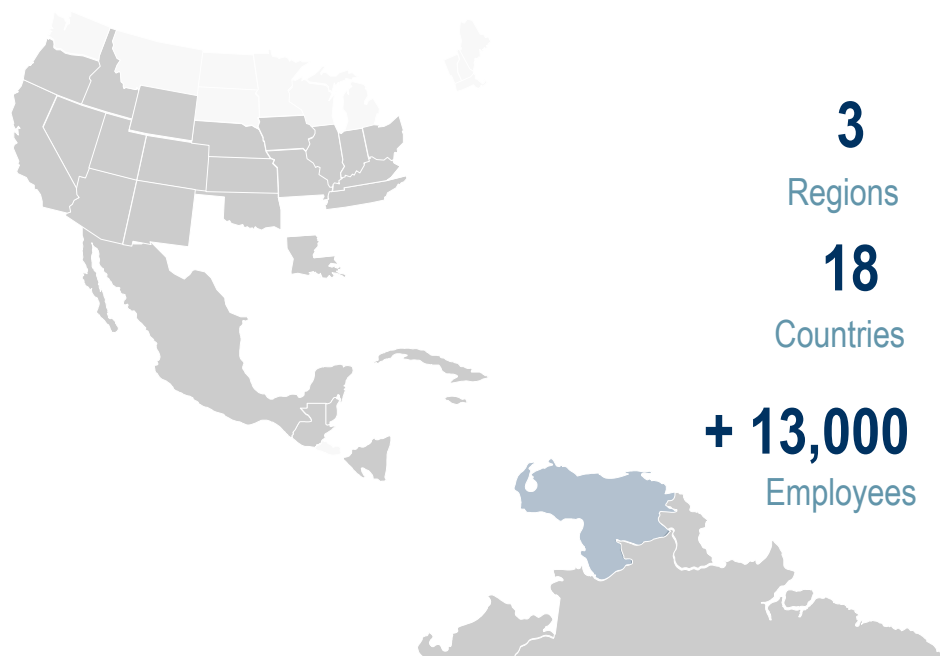
## IMPORTANT NOTE

This presentation contains certain forward-looking information and statements related to GRUPO ARGOS and its subsidiaries that are based on knowledge of current events, expectations and forecasts, circumstances, and assumptions of future events. Many factors could cause the future results, performance or achievements of GRUPO ARGOS and its subsidiaries to be different to those expressed or assumed herein.

If an unforeseen situation occurs, or the premises or estimations are shown to be incorrect, the future results may be considerably different to those stated herein. The forward-looking statements are made to this date, and GRUPO ARGOS and its subsidiaries do not claim nor assume any obligation to update these forward-looking statements as a result of new information, future events or any other factor.



## GRUPO ARGOS AT A GLANCE



- Only liquid vehicle to invest in infrastructure in Colombia
- Strategic focus in **Cement, Energy, Road and Airport Concessions**
- Solid and articulated portfolio with ~ **USD 16 billion in AUM**
- **Balanced** in regions, currency, and sectors
- One of the most **important players in infrastructure in the Americas**
- Operating in markets with significant **growth potential**



## SOLID TRACK RECORD - BUILDING REGIONAL PLATFORMS

"Grupo Argos transforms domestic companies into leading regional champions"

Setting the stage...

...to expand...

...and consolidate market leadership



**ARGOS**

Cement

Market Cap.<sup>(1)</sup>

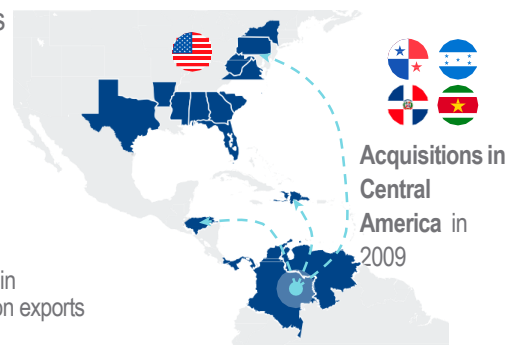
**US\$4.6bn**

- ◆ **Merger of 8 Colombian cement companies in 2005** to become a strategic domestic player in the market

More than 15 structural and bolt-on acquisitions in the US along with a comprehensive overhaul and organic expansion program between 2005 and 2016



State-of-the-art plant in Cartagena focusing on exports



12 cement plants & 24m tons of cement per annum



+375 concrete plants & 18m cubic meters of concrete per annum



4 cement player

Top 2: cement player in the Caribbean Central and America



1 cement player



**CELSIA**

Power

Market Cap.<sup>(1)</sup>

**US\$1.7bn**

- ◆ Entry into the power business through the acquisition of a controlling stake in Celsia in 2010



27 facilities



2,387MW installed capacity



7,125GWh annual power generation

Leading position in Colombia, Panamá and Costa Rica

Currently replicating the model with Odinsa

## BALANCED PORTFOLIO FOCUSED IN INFRASTRUCTURE



Mkt Cap<sup>1</sup> Revenue<sup>2</sup> EBITDA<sup>2</sup>  
**USD 5.9 bn USD 5.0 bn USD 1.4 bn**

### STRATEGIC - In Infrastructure

#### Cement



**58.0%<sup>3</sup>**

LTM Mar 17 Revenues: USD 2.9 bn  
 EBITDA: USD 0.5 bn

#### Energy



**52.9%**

LTM Mar 17 Revenues: USD 1.1 bn  
 EBITDA: USD 0.4 bn

#### Concessions



**99.8%<sup>8</sup>**

LTM Mar 17 Revenues: USD 0.3 bn (+0.3 bn of Opaín<sup>7</sup>)  
 EBITDA: USD 0.2 bn (+0.1 bn of Opaín<sup>7</sup>)

### PORTFOLIO

Manages a portfolio of USD 3.4 billion<sup>6</sup> composed by:

34.6%<sup>4</sup>



100%



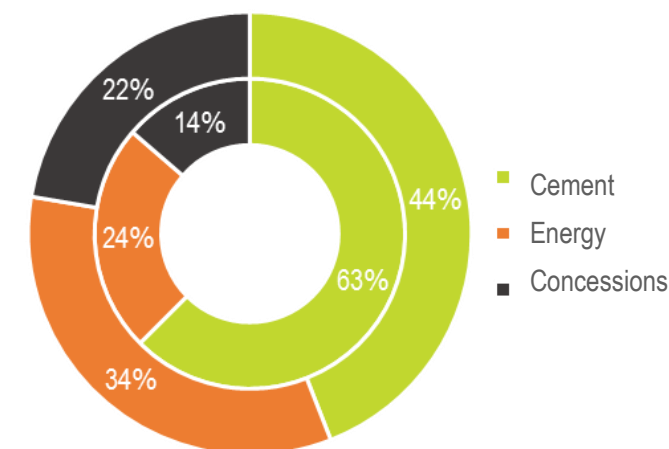
27.7%<sup>5</sup>



9.8%



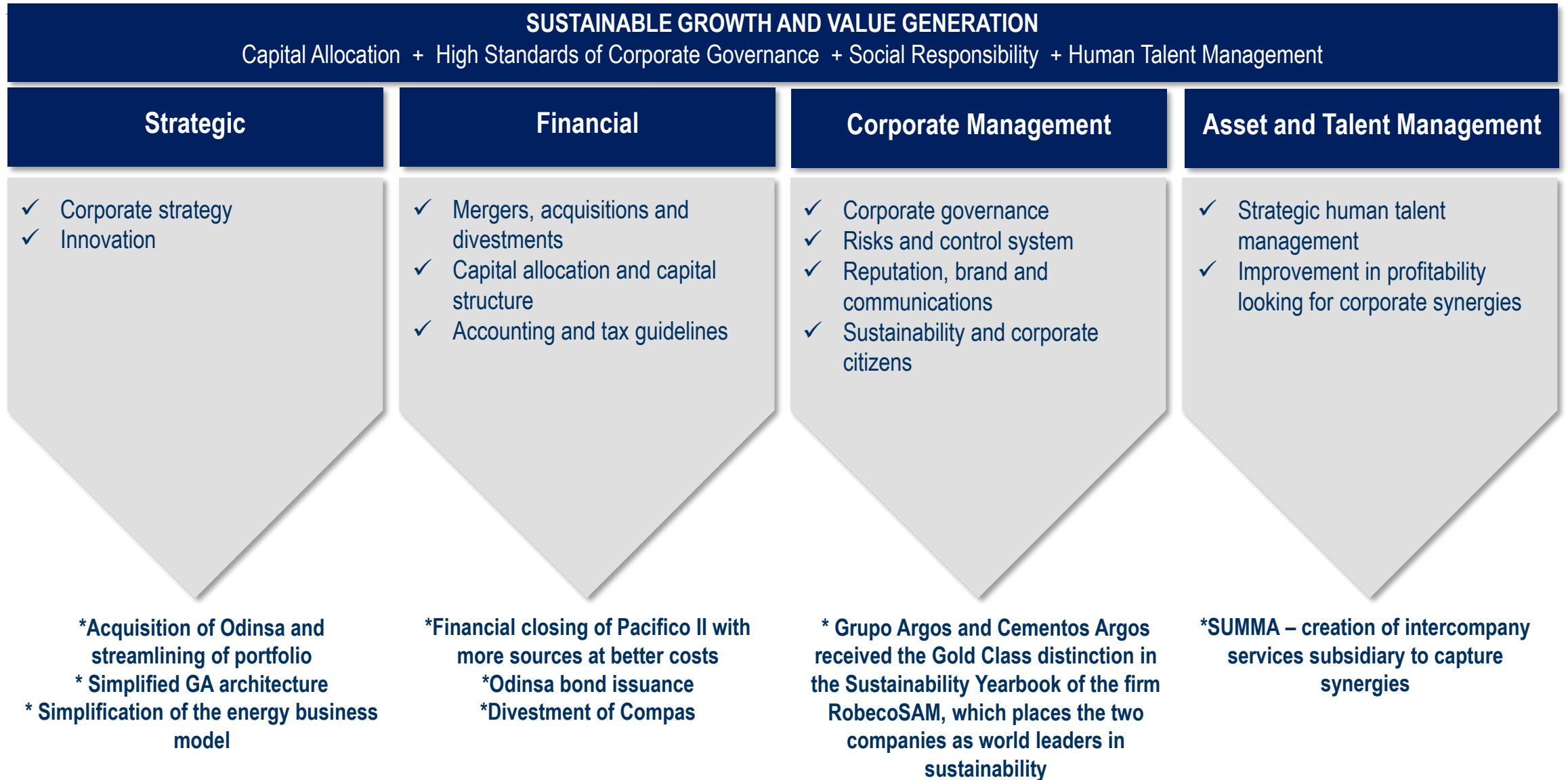
### Revenue and Ebitda contribution from Strategic Portfolio



- Outer Circle: EBITDA contribution LTM Mar18 (USD 1.2 bn)
- Inner Circle: Revenue contribution LTM Mar18 (USD 4.6 bn)

<sup>1</sup> Mkt Cap in USD as of 3/31/2018 (1 USD = 2,900 COP) <sup>2</sup> Revenues & EBITDA LTM Mar 2018 in USD <sup>3</sup> Cementos Argos 58% ordinary shares and 469.1% of outstanding shares <sup>4</sup> 50% participation in the managing vehicle, 34.6% Economic right with the entrance of Protección Pension Fund <sup>5</sup> Grupo Argos and its related companies adds to 35.9% <sup>6</sup> Portfolio valued at Market prices for Grupo Sura and Nutresa, unit value for Pactia as of Mar 31 2018 and book value for urban development business as of Mar 2018 <sup>7</sup> Corresponds to recurrent revenues and Ebitda for 2017 <sup>8</sup> Grupo Argos and its related companies adds to 99.7%

## STRATEGIC ARCHITECT PRINCIPLES



## VARIABLE REMUNERATION SCHEME OF GRUPO ARGOS MANAGEMENT SEEKS TO ALIGN SHAREHOLDERS AND COMPANIES OBJECTIVES

### Bonuses for organizational results = Compensation strategy of Grupo Argos that seeks:

- **Align companies interests with those of shareholder**, seeking for the long term sustainability of the business
- Recognize and encourage **high performance** of the different teams to achieve greater levels of group competitiveness and alignment with the objectives of the organization
- Encourage **long-term thinking**
- Strengthen competitiveness in terms of compensation, in line with the organizational strategy, to **attract, motivate and retain the best talent**
- Reward superior performance

#### Short term objectives

- ✓ EBITDA
- ✓ Net income for the parent company
- ✓ Primary surplus
- ✓ Budget execution

#### Long term objectives

- ✓ ROCE
- ✓ CFO / EBITDA
- ✓ CFO / Interest
- ✓ SPREAD TSR

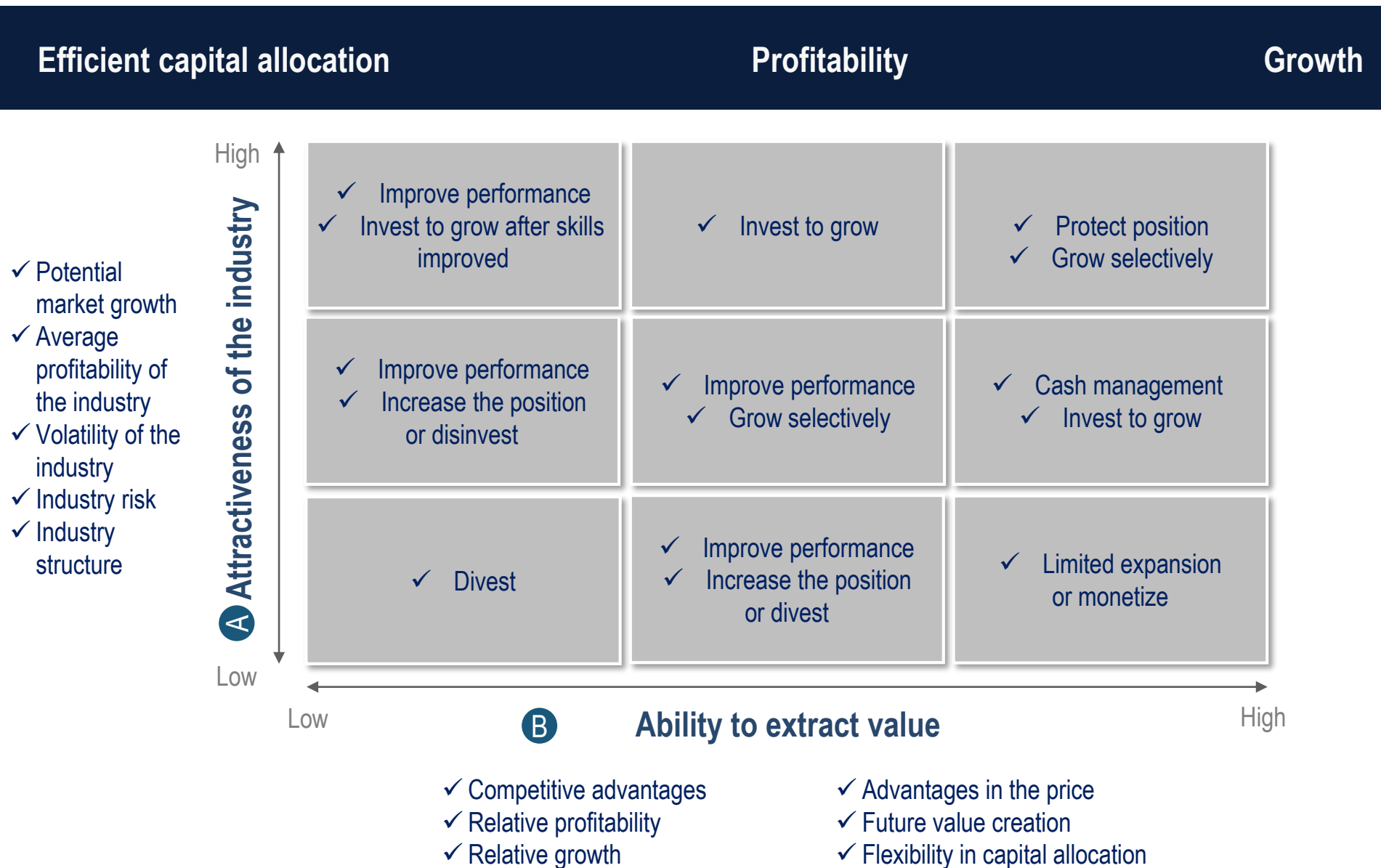
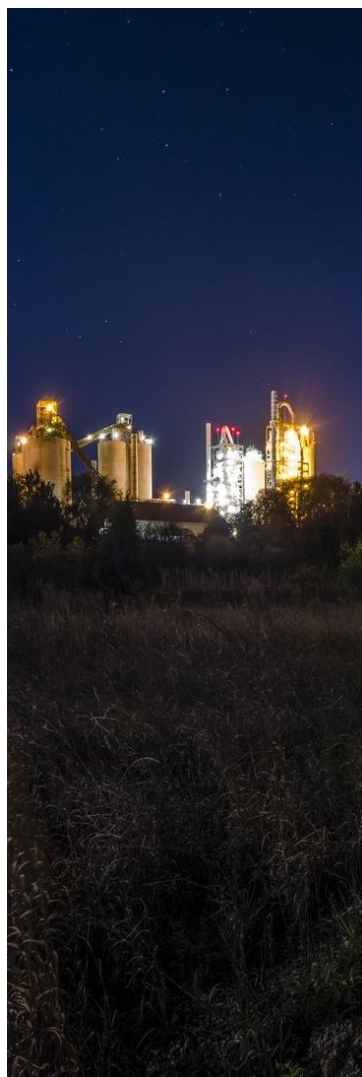
#### Sustainability

Maintain the category in the DJSI, or obtain a score higher than the score obtained the previous year





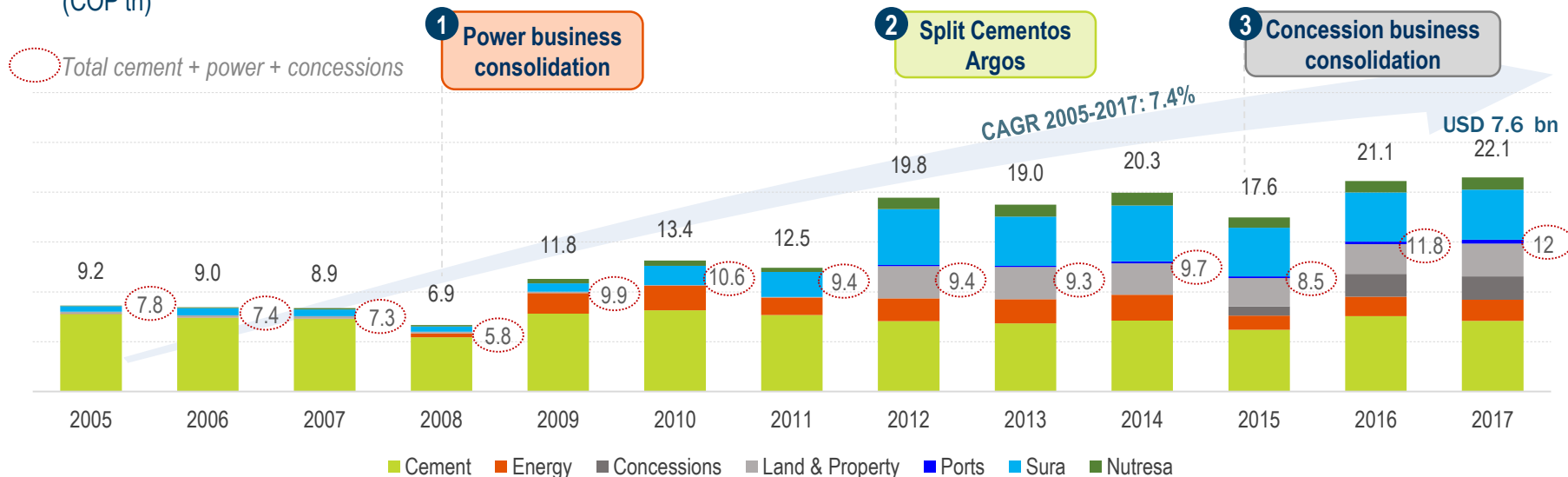
## FOLLOWING A METHODOLOGY FOCUSED ON PROFITABILITY



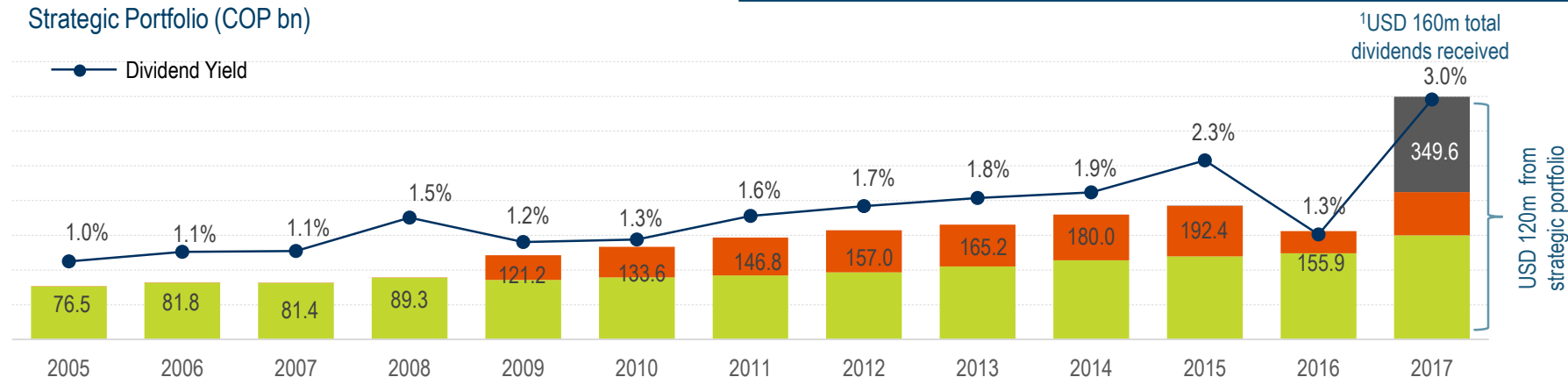


# WITH A GROWING DIVIDEND POLICY THAT CONFIRMS PROFITABILITY GUIDELINE

## PORTFOLIO EVOLUTION (COP tn)

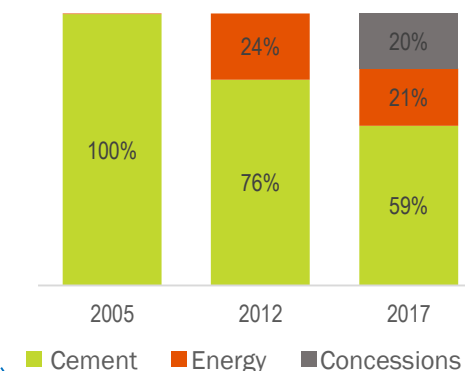


## DIVIDENDS RECEIVED (CEMENT + POWER + CONCESSIONS) Strategic Portfolio (COP bn)

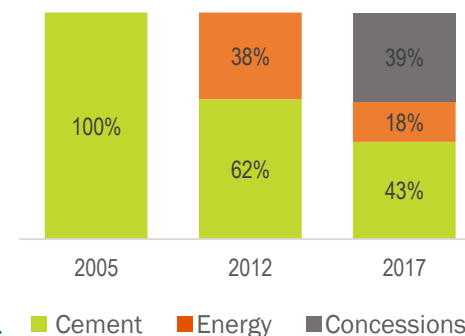


<sup>1</sup> Total Value received by Grupo Argos in cash flow during the year from all of its portfolio in dividends = COP 463 bn (USD 156 m) +80% YoY

## STRATEGIC PORTFOLIO Evolution (%)



## DIVIDENDS RECEIVED FROM STRATEGIC PORTFOLIO Evolution (%)



## AND PROVEN TRACK RECORD THAT RESPONDS TO A CLEAR GUIDELINE OF OUR STRATEGY

### 2017: MARKED BY THE DYNAMISM AND DISCIPLINE IN THE IMPLEMENTATION OF OUR STRATEGY

MAXIMIZING PORTFOLIO VALUE → ACTIVE MANAGER

#### Profitable Growth

##### Strategic, selective, and profitable mergers, acquisitions and divestments

- 1 Finalized acquisition of Opain for USD 166m
- 1a Divestments of Odinsa's portfolio for USD 77m + Swaps for USD 22m
- 2 Divestment of Compas for USD 136m
- ✓ Real estate development business with cash flow generation of USD 61m

**USD 450m**

\* Opain + Odinsa divestments + Compas + Real Estate



##### Simplification and focus

- ✓ Simplified architecture of GA
- 1a Completion in the focus and reshaping of Odinsa's portfolio
- 3 Reorganization of the energy business

**USD 830m**

\* Issuance of shares in Celsia + Takeover bid of Epsa



#### Portfolio Profitability

##### Capture Synergies and strengthen new business models

- ✓ SUMMA begins operations with savings over USD 20m in its first year

**USD 21m**

Synergy savings



##### Efficiency: Operational, financial cycle and Capex

- ✓ **BEST program** in the Colombian cement business positions the regional as one of the most efficient in LATAM
- ✓ Issuance of fixed income securities for our business group of ~ USD 670m
- ✓ **Odinsa – better access to capital** after issuance of bonds for USD 135m and disbursement for Pacifico 2
- 3 **Celsia's capital structure optimization** in progress

**COP 1 bn**

\* Issuance of fixed income securities in the business group (includes recent issuance of Celsia in Panama for USD320m)



# 1 THAT BEGINS WITH THE CONSOLIDATION OF THE INFRASTRUCTURE PILLAR THROUGH THE ACQUISITION OF ODINSA AND THE CONTROL OF OPAIN



**ODINSA - 99%**

Of voting rights after successful takeover bid

(last transaction 43.8% of the company with 83% acceptances in GA PF shares)

**CONTROL**

Acquisition of

**OPAIN**

**35% +**

Odinsa

**30%**

Grupo Argos



Between April 2015 and December 2016 Grupo Argos acquired **98.6%** of Odinsa through a series of transactions.

**total transactions = USD 630m**

\*Current participation **99.8%**

Currently private company = focus companies management in long term initiatives and access capital more efficiently

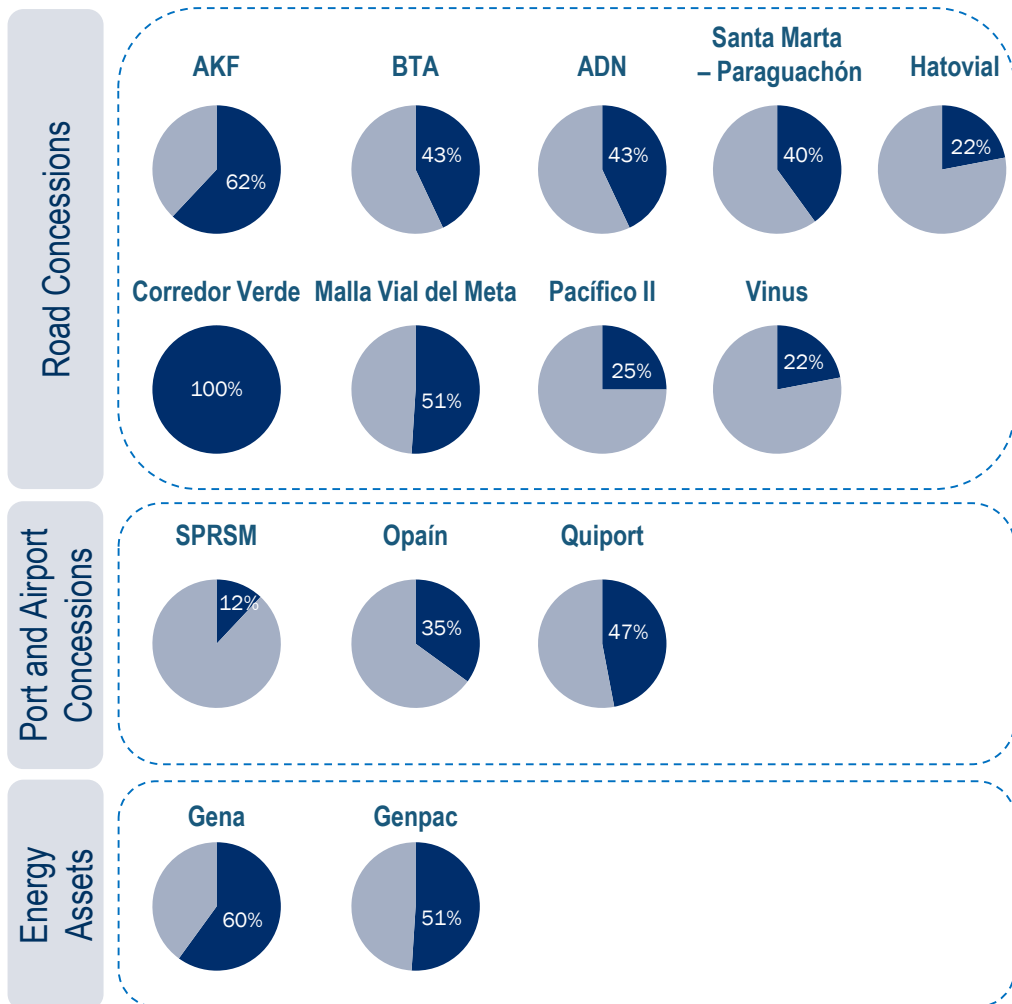
**Grupo Argos Support** Odinsa's strategic plan of

consolidating the **airport concession business** with the **acquisition of control of OPAIN** through a non solicited offer to buy

**30% = USD 170m**



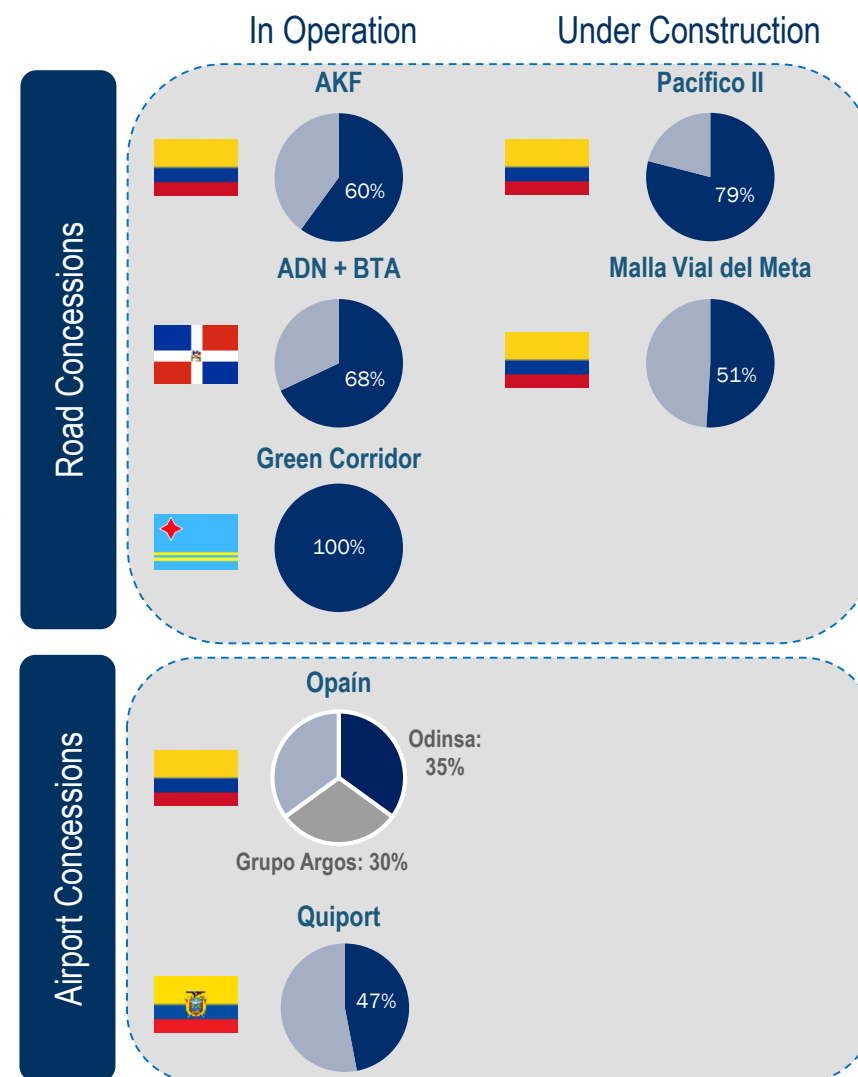
# 1a FOLLOWED BY A SUCCESSFUL CONSOLIDATION IN THE CONCESSIONS BUSINESS: A CLEAR EXAMPLE OF OUR ROLE AS STRATEGIC ARCHITECTS



- FROM:**
- 3 business lines
  - 14 assets
  - Governance 5 / 15 assets
  - 1 co-control

2015 - 2017

- TO:**
- 2 business lines
  - 8 assets
  - Governance 7 / 8 assets
  - 1 co-control
  - Balanced portfolio
    - (Operation / Construction)
    - Revenues (COP / USD)



## 2 WITH DIVESTMENTS THAT REAFFIRM OUR COMMITMENT TO EFFICIENTLY MANAGE OUR INVESTMENT PORTFOLIO

### Strategic Rational

- **Fulfillment of investment thesis**
- Exercise role of active holding
- **Focus** on cement, energy and roads and airports concessions
- **Financial flexibility** to efficiently manage portfolio
- Different alternatives of **access to capital**



### Multiples

**Amount of the transaction**

**USD 139m**

**25.2x**

**EV/EBITDA 2016**



### Contribution to the strategy

Change in debt profile Amortization:

**USD 43 m**

Gross debt/Ebitda 2.2x YE2017

Financial flexibility to leverage

**strategic portfolio growth**



### 3 CELSIA'S TRANSACTION IN LINE WITH OUR CORPORATE STRUCTURE SIMPLIFICATION STRATEGY AND ALLOWS EPSAS'S VALUE RECOGNITION

#### Simplification of the strategic architecture of Grupo Argos

- Consolidation of the energy business in a single vehicle
- Greater clarity of the holding structure for the market



#### CELSIA'S FOLLOW ON

**USD 510m**  
330 million shares

Total demand  
**USD 690m**  
Bit to Cover 1.37x



#### Strengthening of the energy business

- Capitalization with the issuance of 350 million shares
- Strengthen the capital structure necessary for the businesses to continue its profitable growth
- Leverage reduction
- Strengthening of Celsia's cash flow

#### Value reveal

- Recognition of the value of EPSA, unleashing a cascade of value for both the shareholders of Grupo Argos and those of Celsia



#### EPSA'S TENDER OFFER RESULTS

Price: COP 18,900/share  
Acceptances for: USD 250m

**61.3%**  
participation in Epsa After  
successful tender offer



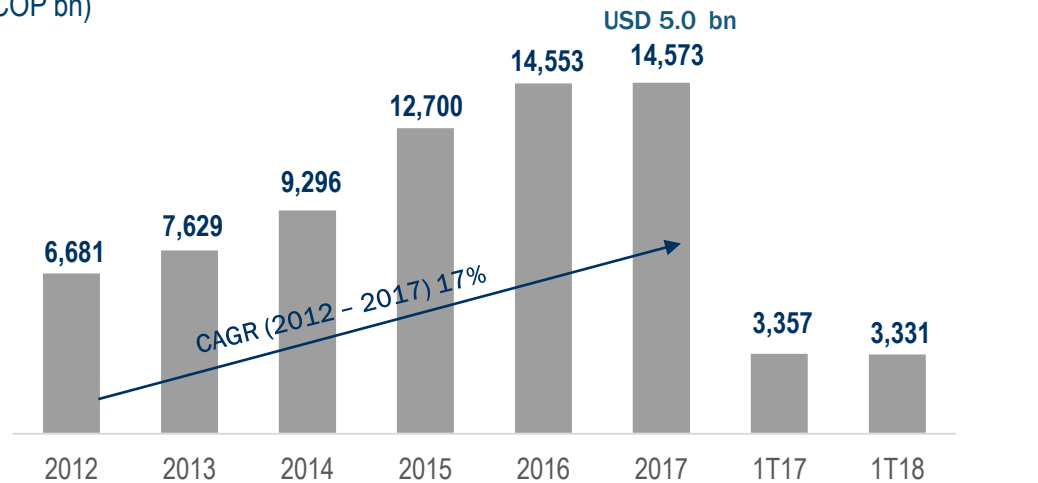
#### In a framework of transparency and equitability for minority shareholders

- Market operations
- Independent valuers
- Decisions taken by independent members of the board of directors of Celsia

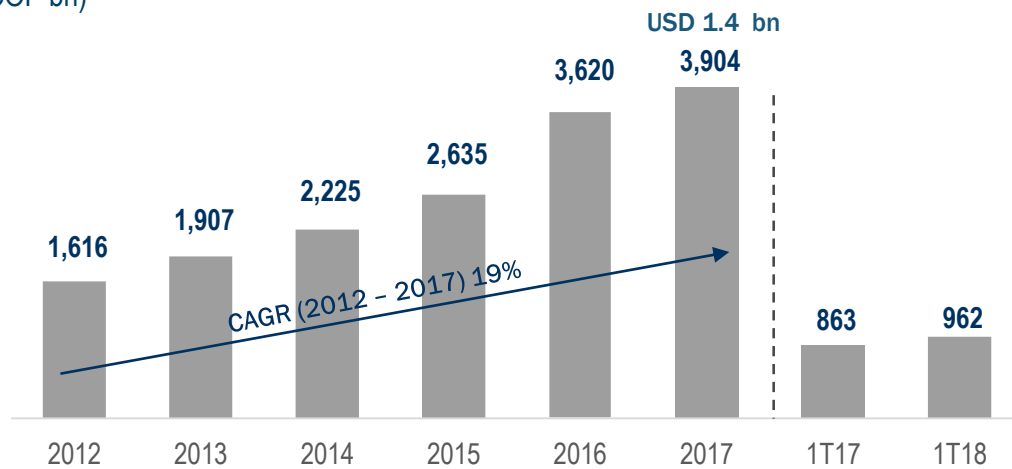


# STRATEGY THAT HAS TRANSLATED INTO GROWING RESULTS

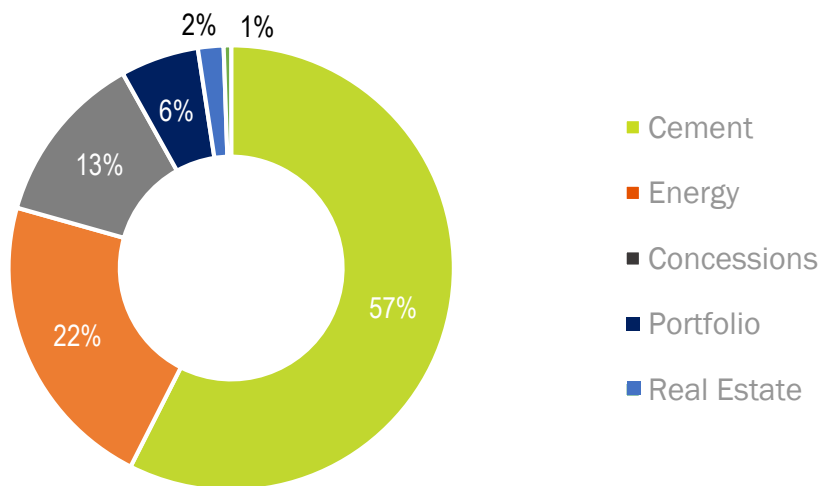
GRUPO ARGOS CONSOLIDATED REVENUES  
(COP bn)



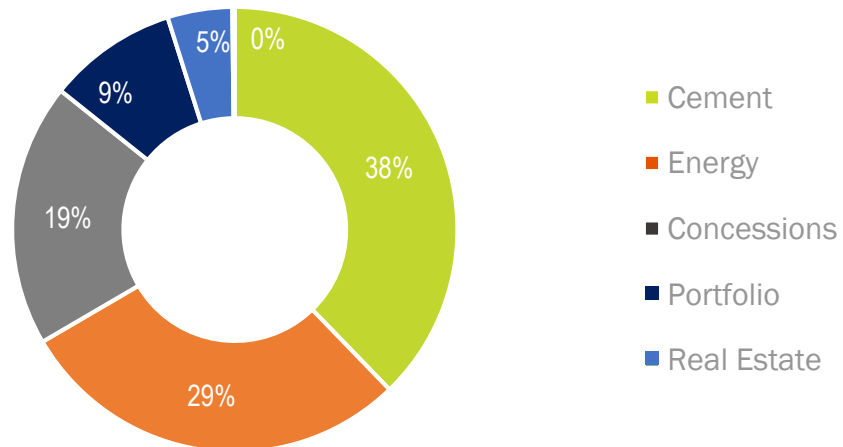
GRUPO ARGOS CONSOLIDATED EBITDA  
(COP bn)



GRUPO ARGOS REVENUE CONTRIBUTION BY BUSINESS  
(%) 2017

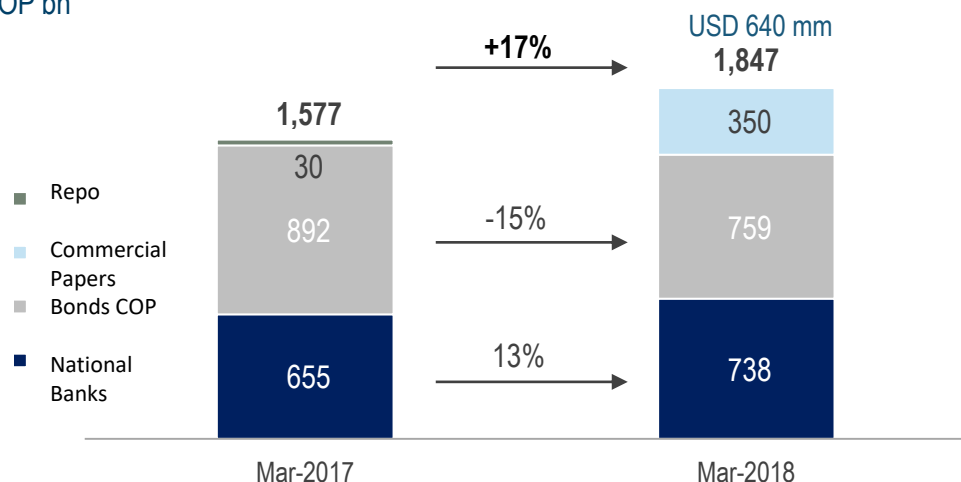


GRUPO ARGOS EBITDA CONTRIBUTION BY BUSINESS  
(%) 2017



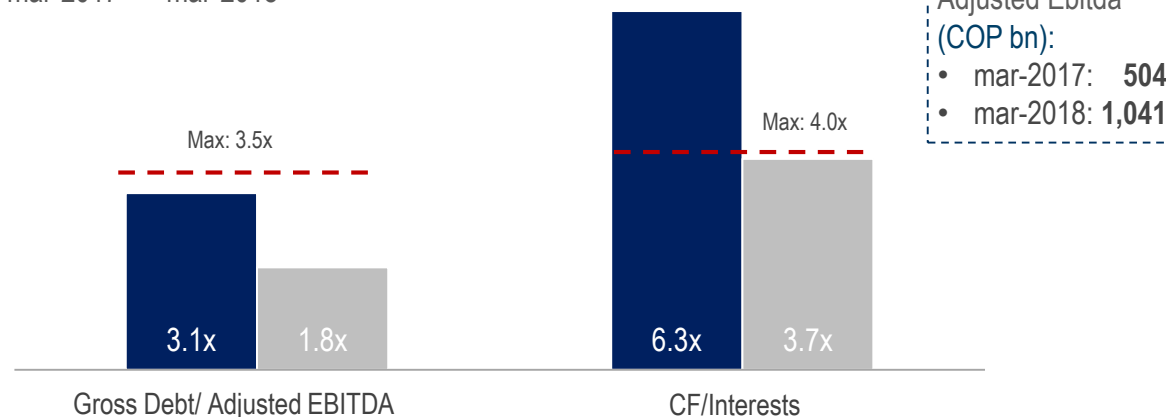
# LEVERAGE INDICATOR AT THE INDIVIDUAL LEVEL THAT PROVIDE FLEXIBILITY TO CONTINUE PORTFOLIO GROWTH

## DEBT COP bn



## LEVERAGE RATIOS

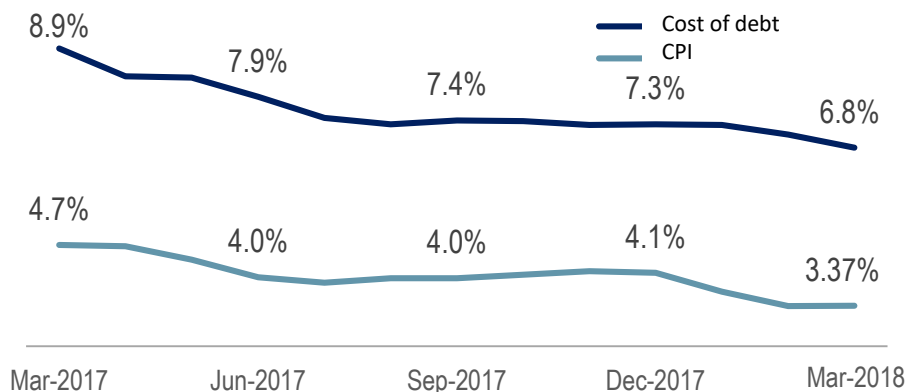
■ mar-2017 ■ mar-2018



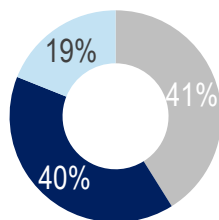
Adjusted Ebitda\*\* (COP bn):

- mar-2017: 504
- mar-2018: 1,041

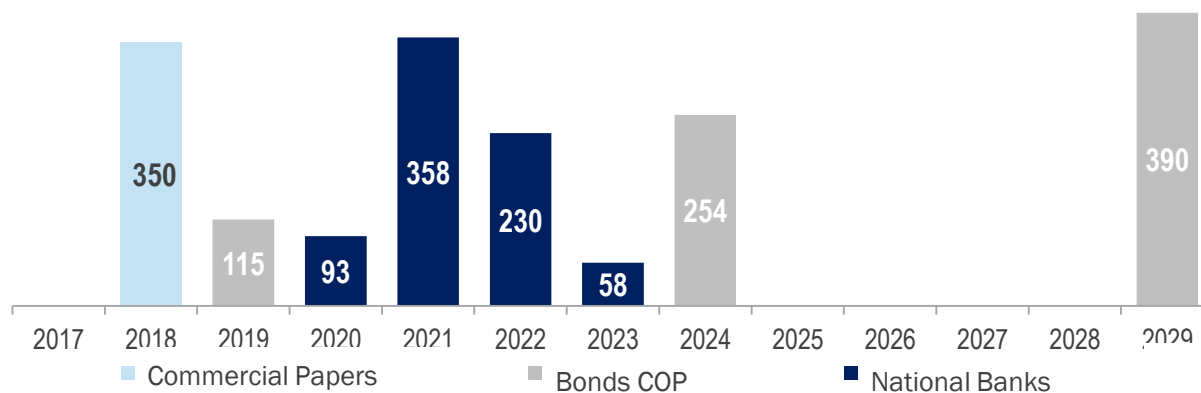
## COST OF DEBT\*



## Indexation



## DEBT PROFILE COP bn



\* Only includes capital balance. Inflation for the month

\*\*Adjusted EBITDA = EBITDA (-) equity method (+) received dividends (+) profit of divestments - risk rating agency method

## SOLID COMMITMENT TO CORPORATE GOVERNANCE

### BOARD OF DIRECTORS

**ROSARIO CORDOBA**

(Chair of the Board) - Independent



**CLAUDIA BETANCOURT**

Non – Independent



**ANA CRISTINA ARANGO**

Independent



**ARMANDO MONTENEGRO**

Independent



**JORGE URIBE**

Independent



**DAVID BOJANINI**

Non – Independent

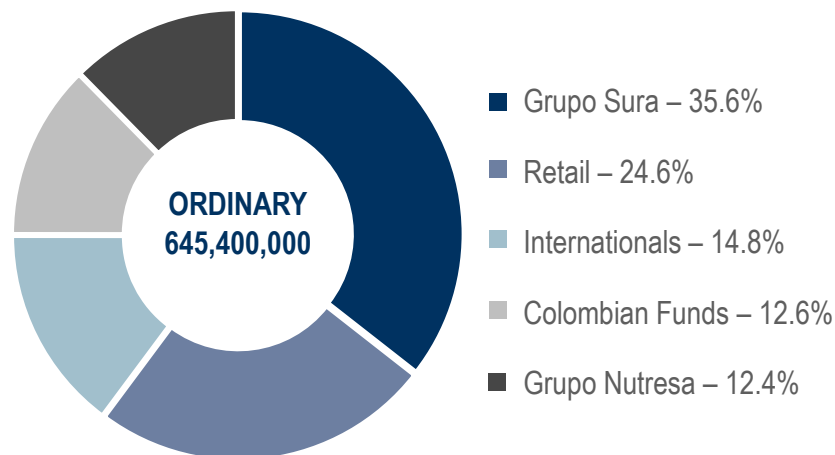


**CARLOS GALLEGO**

Non – Independent



### SHAREHOLDERS



Figures as of March 31, 2017

### RECOGNITIONS



Dow Jones  
Sustainability Indexes



FTSE4Good



**ROBECOSAM**  
Sustainability Award  
Gold Class 2018



**EMPRESAS ACTIVAS**  
ANTICORRUPCIÓN  
NEGOCIOS CON PRINCIPIOS



Preferred shares do not carry voting rights

### AFFILIATIONS



**HACIA**  
**LA INTEGRIDAD**



The CEO Water Mandate



# PROVEN TRACK RECORD, SOLID RESULTS, FLEXIBLE ACCESS TO CAPITAL MARKETS, AND SOUND CORPORATE GOVERNMENT WILL CONTINUE TO LEAD THE GROWTH OF OUR ECONOMIC GROUP

## CLEAR STRATEGY

Proven track  
Record

+

Corporate  
governance

+

Financial  
flexibility

+

Strategic human  
talent  
management

### Cementos Argos

- Efficiency Strategy to lever future growth
- Argos as a regional platform
- Attractive valuation



### Celsia

- Solid growth platform after successful follow-on
- Entering into a new market – renewable energy
- Seeking for profitable opportunities with predictable long term cash flow

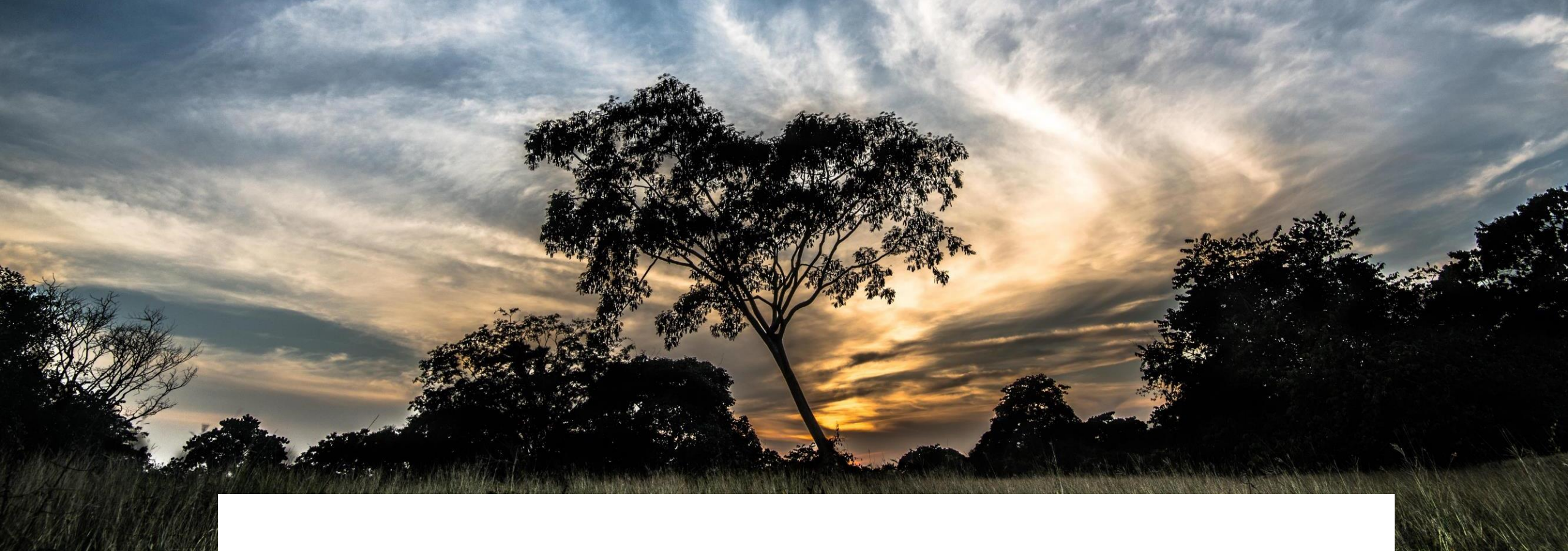
### Odinsa

- Platform with regional reach
- Balanced portfolio (stage of assets, currency exposure, maturity of projects)
- Attractive investment vehicle (credentials and corporate governance standards)
- Solid proprietary pipeline



## VALUE GENERATION





# Annexes





GRUPO ARGOS

**Concession Business**

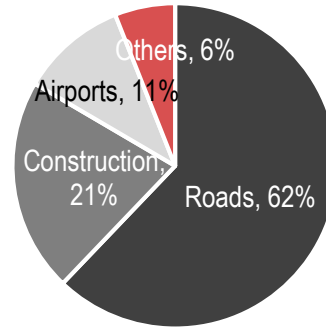


## ACTIVE TRANSFORMATION IN THE CONCESSION BUSINESS

### Key Figures (LTM Mar 2018)

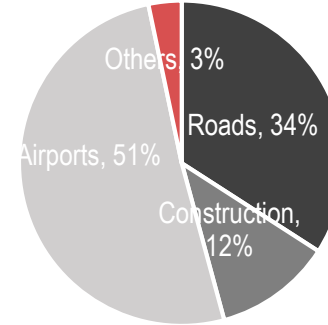


Revenue by business with equity method



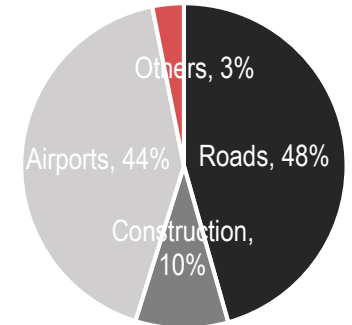
Revenues LTM Mar18 Odinsa + Equity Method: USD 280 mm  
EBITDA 2017 Odinsa + Equity Method : USD 180 mm

Revenue by business adjusted\*



Adjusted Revenues LTM Mar18 Odinsa + Equity Method + Opain consolidation: USD 550 mm  
Adjusted Ebitda LTM Mar18 Odinsa + Equity Method + Opain consolidation : USD 250 mm

EBITDA by business adjusted\*



- ✓ Leader in the road and airport concession industry in Colombia
- ✓ Long-term infrastructure concessions in two specific business segments, at any stage of the value chain: **Roads and Airports**
- ✓ Structural position in Colombia and **active player in the industry in LATAM**
- ✓ **Adequate mix of mature assets and brownfield projects** that give stability without sacrificing growth
- ✓ Major holdings in assets with **decision-making power**
- ✓ Privileged positioning to **benefit from potential growth of the infrastructure sector**
- ✓ Anti-cyclical industry promoter of economic growth, with institutional and state support
- ✓ High standards of corporate governance

\*Odinsa includes Opain and Quiport through the equity method, for this exercise we have included 100% of revenues and EBITDA from Opain as with other assets that consolidate 100%

# RATIONAL BEHIND THE ROAD CONCESSION BUSINESS

## GEOGRAPHICAL ENVIRONMENT



- ✓ Presence in developing countries with a **high deficit in infrastructure**

Global competitiveness index – Quality of roads\*

Country	Position / 138
Ecuador	24
Chile	30
Dom. Republic	54
Mexico	58
Peru	110
<b>Colombia</b>	<b>120</b>



- ✓ **Government bet to dinamize economy through infrastructure** (4G's, tertiary roads, free housing, "Mi Casa Ya", house rate subsidies)
- ✓ **4G program approved = USD 20.7 bn**
- ✓ **Stable regulatory and institutional framework** with efficient market mechanisms
  - ✓ ANI



- ✓ Sector consolidation in Colombia – a sign of the maturity that is being gained by the sector



## ODINSA'S STRATEGY

- ✓ **Consolidate strategic corridors** in Colombia and the region
- ✓ **Experience and credentials** as a constructor and sponsor
- ✓ **Balanced portfolio** in terms of mature and Green field projects

- ✓ **Solid relationship with the government**
- ✓ Participation in: 1 4G Project and 1 PPP
- ✓ **Total capex committed for 4G program = USD 1.1 bn (5.2% of total 4G program)**
- ✓ **Strong corporate governance**

- ✓ **Strong balance sheet**
- ✓ **Credentials to participate in other projects**

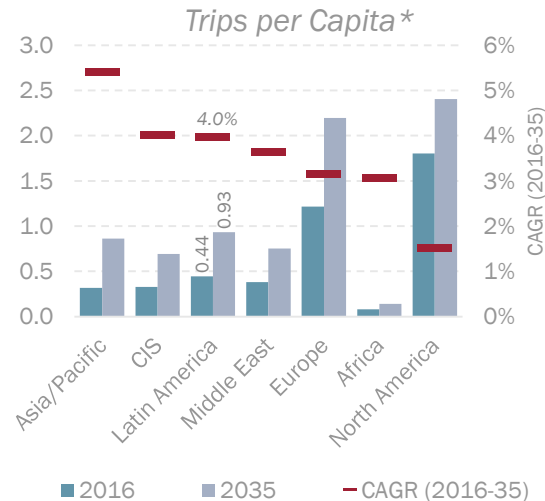
\*Source: World Economic Forum

# RATIONAL BEHIND THE AIRPORT CONCESSION BUSINESS

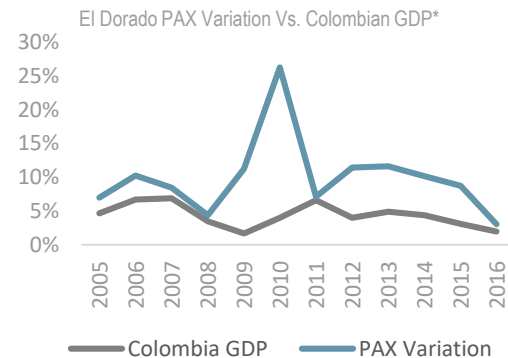
## GEOGRAPHICAL ENVIRONMENT



- ✓ For the next 20 years the middle class will grow in about 2 bn, **leveraging the growth of air traffic**
- ✓ Most of the growth in traffic will come from **emerging countries**
- ✓ **70% of traffic growth will be in the current network**, the remaining 30% will be on new routes



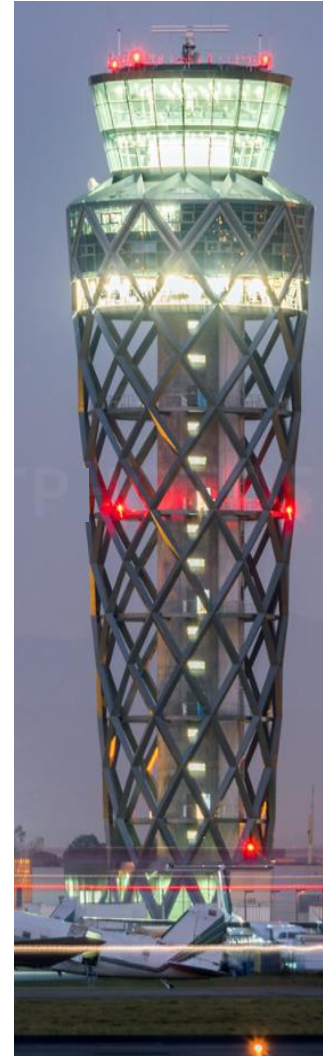
- ✓ **Growing passenger traffic above GDP growth**
  - ✓ Avg growth PAX in El Dorado Airport above GDP (2005 – 2016) of 2.61x



## ODINSA'S STRATEGY

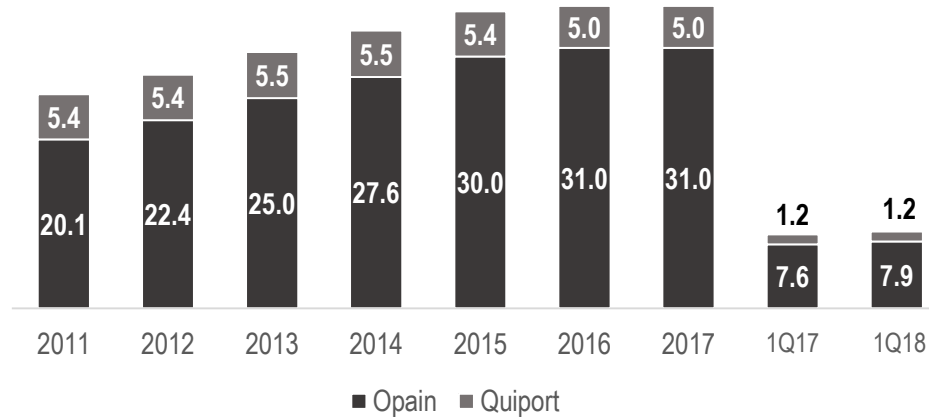
- ✓ **Busiest airports** in Colombia and Ecuador to take advantage of the regional traffic growth
- ✓ **Strategic geographic location** of El Dorado that positions it as a hub to connect the region with the world

- ✓ **Controlling stake in Opain** to lead value creating strategies
- ✓ **Construction of voluntary works** in Opain for US\$135 mm
- ✓ **Increase non commercial revenues** to reach regional standards (non regulated revenues el Dorado ~USD 2.7 per PAX vs USD 5.8 in LAC)

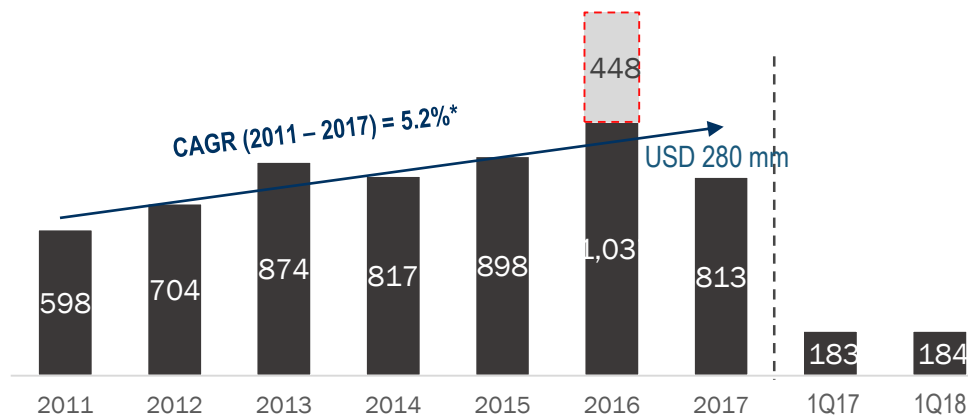


## 2018 BEGINS WITH A 4% GROWTH IN AIRPORT CONCESSIONS AND STABILITY IN ROAD CONCESSION TRAFFIC

### PASSENGERS MM PAX

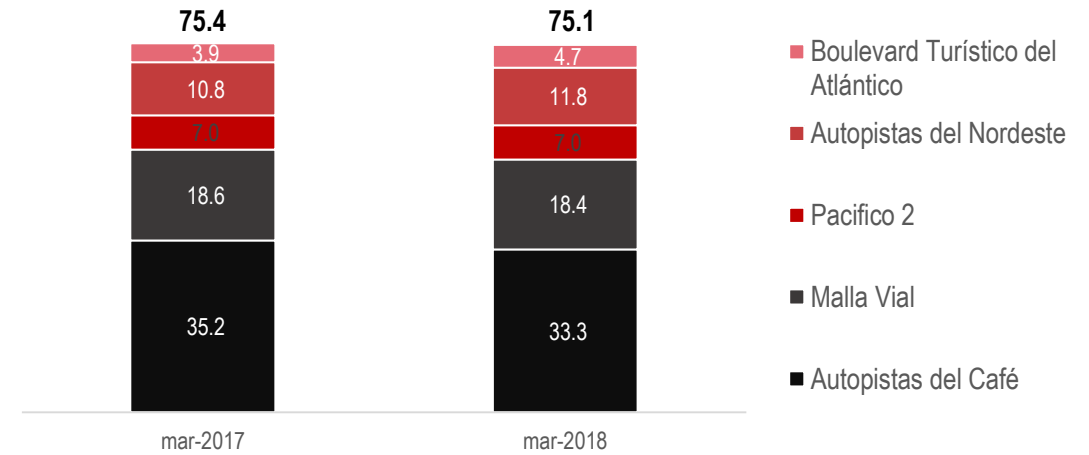


### REVENUES COP\$ bn

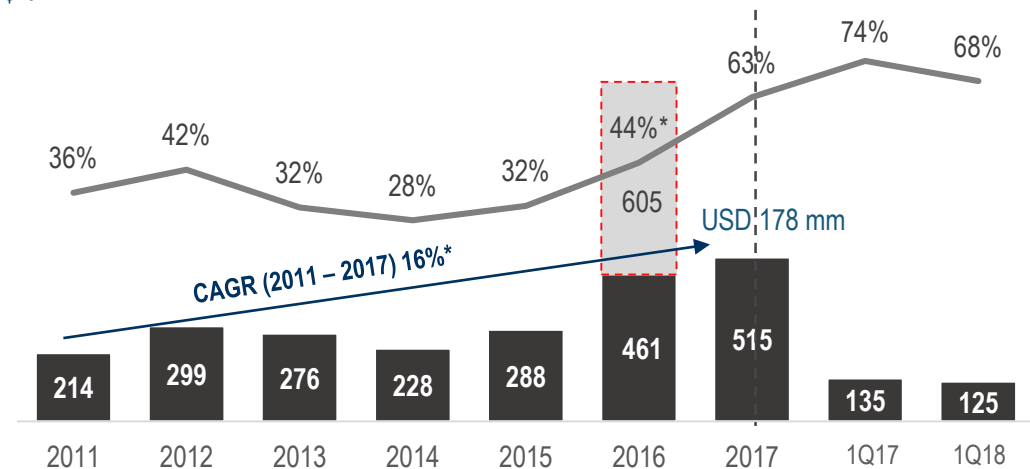


### TPD

Number of cars 2017 - thousands



### EBITDA – EBITDA MARGIN (%) COP\$ bn



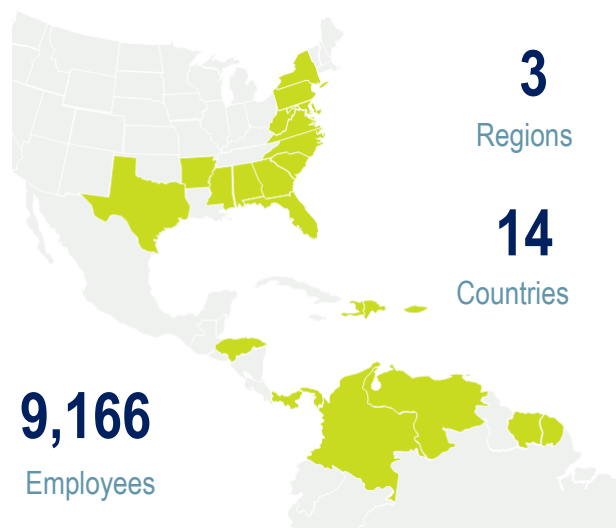
\*Taking into account only recurrent revenues and EBITDA



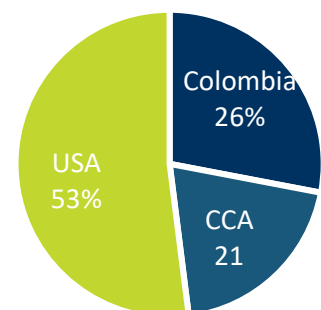


## Cement Business

# CEMENT AND CONCRETE LEADER IN THE AMERICAS



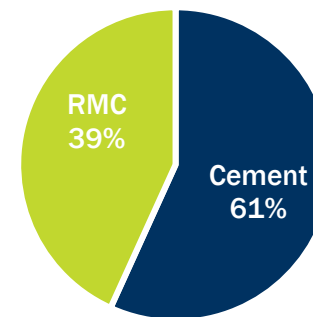
Revenue by Geography



LTM Mar2018: USD 2.9 bn

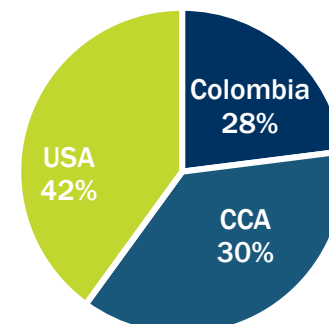
Key Figures (2017)

Product Mix



Cement Volume LTM Mar18: 16.1 Mtpa  
 RMX Volume LTM Mar18: 10.4 Mcmpa

EBITDA by Geography



LTM Mar2018: USD 520mm



**33**  
Ports/  
terminals



**372**  
Concrete  
plants



**94**  
Dispatch facilities  
and warehouses



**13**  
Cement  
plants



**2.600**  
Mixers



**9**  
Grinding  
plants



**24M ton**  
Cement  
Installed  
Capacity



**18M m3**  
Concrete  
Installed  
Capacity

- ✓ **#1 or #2 positions** in key emerging and developed interconnected markets in the Americas
- ✓ Undertaking **strategic investments to further enhance efficiency** and competitiveness. Materializing results via cash cost reduction with BEST initiative
- ✓ **Flexible operations with vertical integration** and extensive **logistics network**
- ✓ Operating in countries with significant **growth potential**
- ✓ Benefiting from the **recovery of the US** thanks to a **privileged footprint**
- ✓ Ability to **scale operations to be highly efficient** in the Caribbean and Central America
- ✓ Included in the Dow Jones Global and Emerging Markets sustainability index, for 5 consecutive years  
 Selected as the cement company most sustainable worldwide according to the Dow Jones Sustainability Index



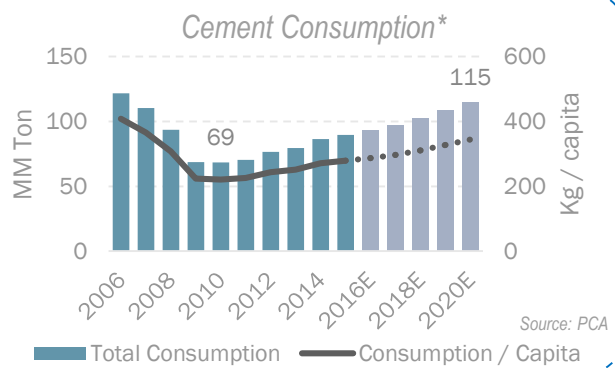
# RATIONAL BEHIND THE CEMENT BUSINESS

## GEOGRAPHICAL ENVIORNMENT



USA

- ✓ Residential sector main driver for cement demand recovery
- ✓ Infrastructure plan of USD 1 Tr for the next 10 years



COL

- ✓ Government ambitious infrastructure investments (4G's, tertiary roads, free housing, "Mi Casa Ya", house rate subsidies). 4G approved USD 20.7 bn
- ✓ Low cement consumption per capita (265 Kg)
- ✓ Housing structural deficit of 27,000 houses/year

~1.3%  
contribution to  
total GDP in  
2017



CCA

- ✓ High long term growth prospects and strategic interconnection of all regions.
- ✓ Positive market dynamics with significant infrastructure projects underway

*	Honduras	Panama
GDP 17e growth	~6%	~5.6%
Infra Inv. USD MM	130	270



## CEMENTOS ARGOS STRATEGY

- ✓ Acquisition of a cement plant in Martinsburg to become 4th largest cement producer in the USA
- ✓ Plants strategically located near centers of high growth and demand
- ✓ Replicate BEST program
- ✓ Expansion strategy has proven to be successful (US 4.3Bn invested in 10 years, organic and inorganic)

- ✓ BEST Program: Improving operational efficiencies
- ✓ Backlog: +72% of awarded functional unites to provide cement for the 4G's

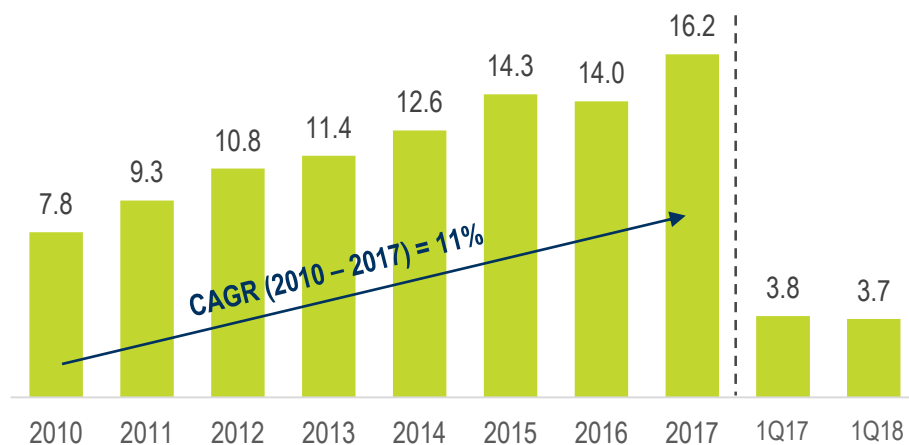
- ✓ Highly efficient capital allocation through scalable network
- ✓ Control of 47% of the cement and clinker seaborne trade market

\*Source: PCI, Realrisk report

# RESULTS THAT EVIDENCE A GROWING OPERATION BENEFITED BY GEOGRAPHICAL DIVERSIFICATION

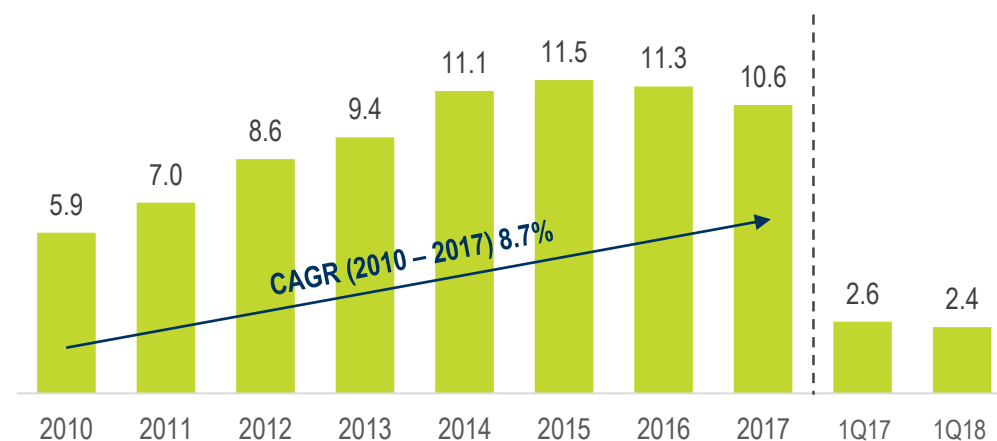
## CEMENT VOLUME

Mtpa



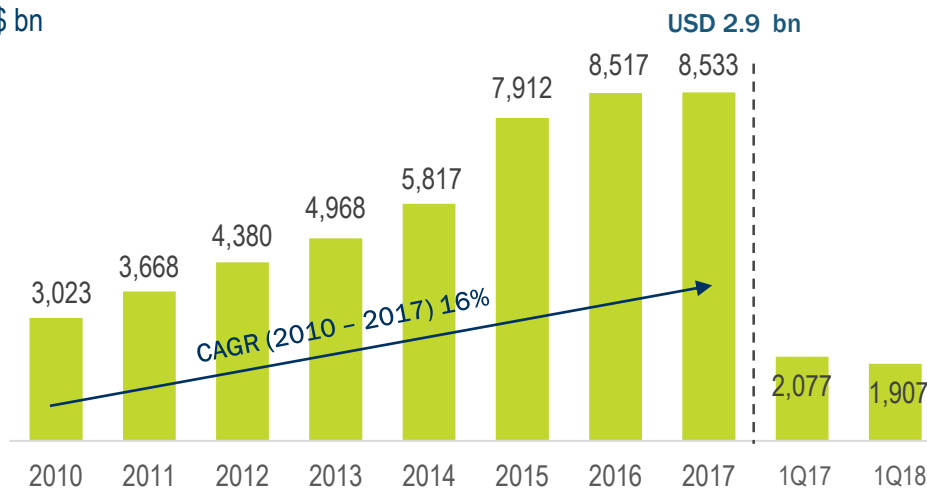
## RMX VOLUME

Mcmpa



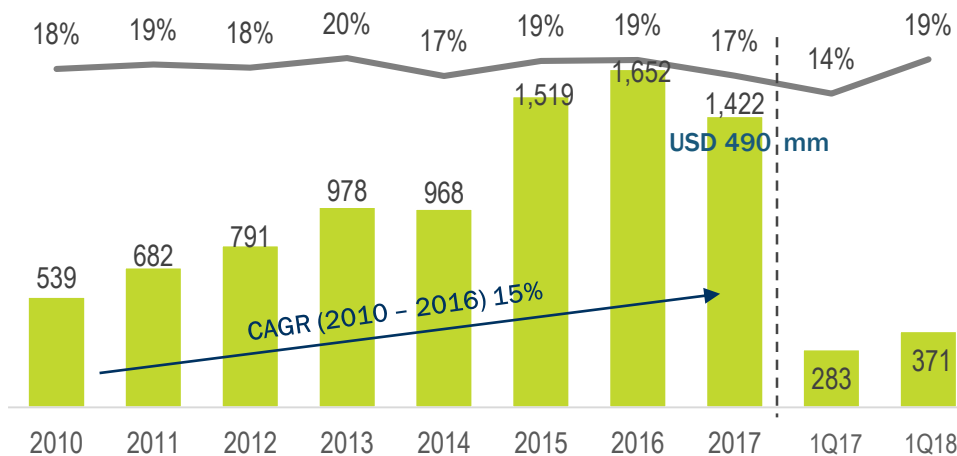
## REVENUES

COP\$ bn



## EBITDA - EBITDA MARGIN (%)

COP\$ bn







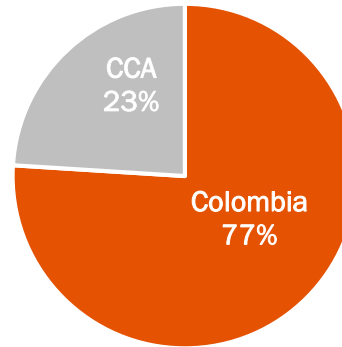
**Energy Business**



## A PROCESS OF SUCCESSFUL TRANSFORMATION AND GROWTH WITH FOCUS



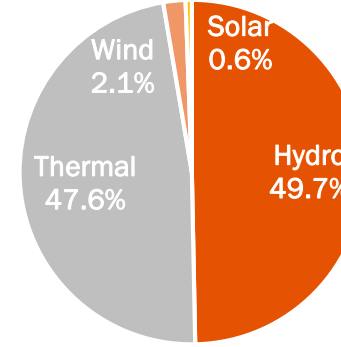
Revenue by Geography



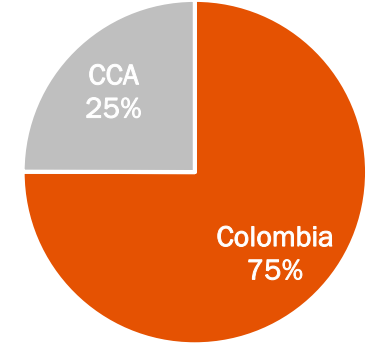
LTM Mar18: USD 1.1 bn

Key Figures (LTM Mar2018)

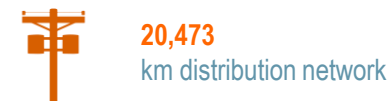
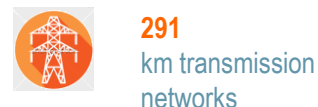
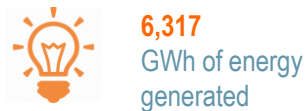
Revenue by type of generation



EBITDA by Geography



LTM Mar18: COP SD 380 mn



- ✓ Relevant position in the power sector: Leader in Gx (2nd Panama and 4th Colombia)
- ✓ **Diversification of assets** by geography, types and generation technologies
- ✓ Leader in the development of **renewable energies** and Distributed Energy
- ✓ **Stability in flows T + D + C** contributing to the predictability of revenues
- ✓ **Vertically integrated:** Generation, transmission, distribution and commercialization
- ✓ Innovation Focus:
  - ✓ Become a strong player in large-scale unconventional renewable energies connected to the grid.
  - ✓ First solar facility in Colombia to start operations (Celsia Solar Yumbo with 10MW)

# RATIONAL BEHIND THE POWER SECTOR BUSINESS

## GEOGRAPHICAL ENVIRONMENT

Colombia + Panama + Costa Rica

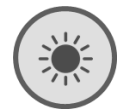


- ✓ Energy consumption **growth potential** (low per capita consumption).
- ✓ Developing economies with attractive growth that will require **additional capacity**

Per Capita Energy Consumption kWh\*



- ✓ **Regulated sector** with efficient market mechanisms



- ✓ Governments that encourage the execution of **renewable projects**.
  - ✓ Colombia Law 1715



## CELSIA'S STRATEGY

- ✓ **Leader** in the countries where it operates
- ✓ **Project Pipeline** to capture growth opportunities
  - ✓ Hydro (+350 MW)
  - ✓ Solar farms (+200 MW)
  - ✓ Wind farms
  - ✓ Plan 5 Caribe (Transmission) – with guaranteed revenue
- ✓ Vertically integrated (T+C+D) in the energy business that translates into efficiencies

- ✓ **High predictability of cash flows** in the T+C+D businesses

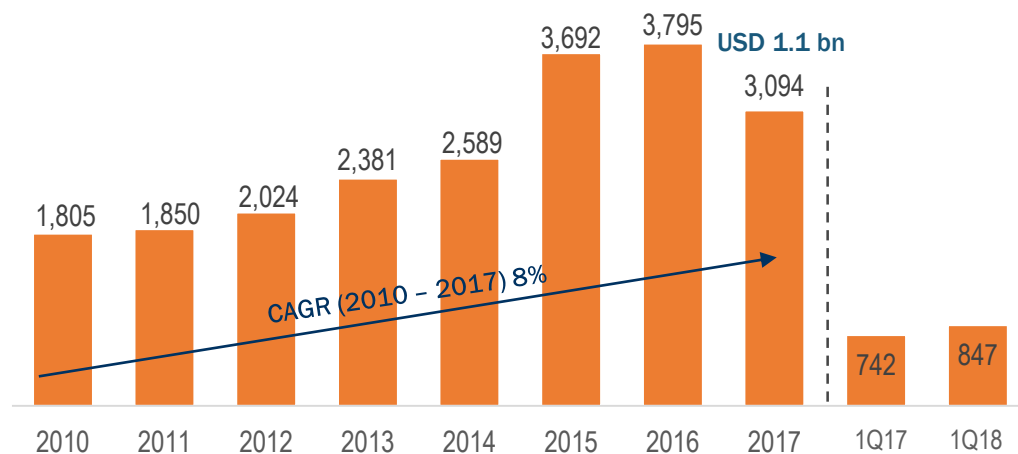
- ✓ **Leaders in the development of non-conventional renewable energies and distributed energy**
- ✓ **Innovation platform** seeking new business opportunities

## WITH EBITDA GENERATION THAT SUPPORTS GROWTH STRATEGY IN RENEWABLES

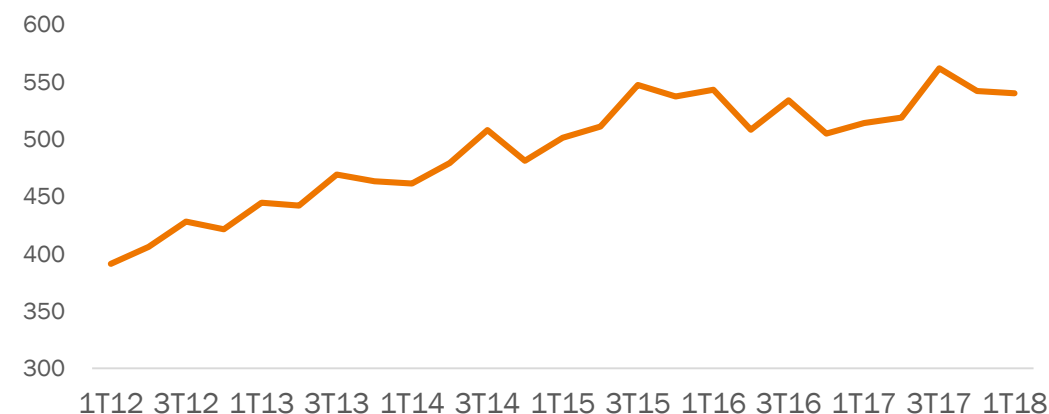
GENERATION  
GWh



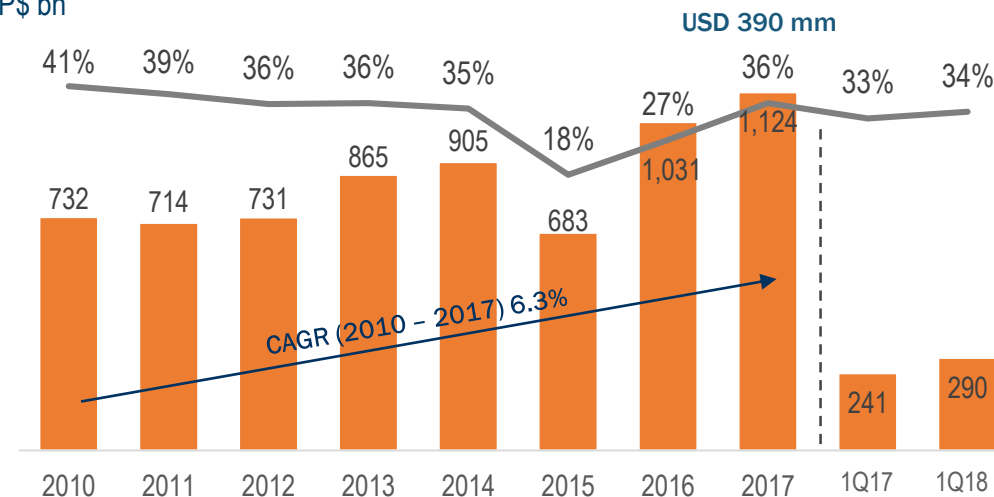
REVENUES  
COP\$ bn



REGULATED AND NON REGULATED MARKET SALES  
GWh



EBITDA - EBITDA MARGIN (%)  
COP\$ bn



\* Results affected by El Niño phenomenon 2H15 and 1H16





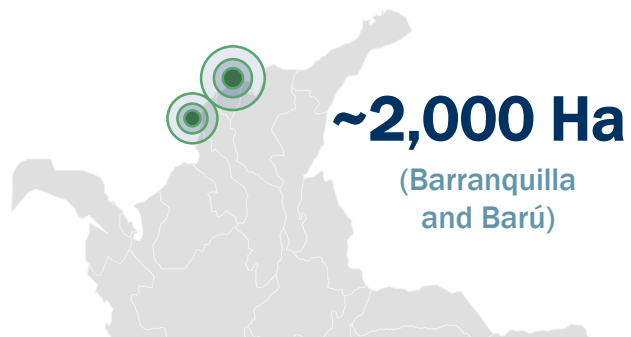
GRUPO ARGOS

**Real Estate Business**



## LAND BANK WITH CASH GENERATION POTENTIAL

Situm



**416 Ha developed up to 2017**



- ✓ ~ 2.000 Ha to develop between Barranquilla and Barú
  - Land development in Barranquilla: 833 Ha equivalent to 2.5x Central Park in NYC
  - Land development in Barú: 1,180 Ha. Tourism potential and second home. Structuring stage with parcel license
- ✓ 35 years of expertise
  - Orderly planning, optimizing investment, verifying costs that are appropriate for the operation and increase efficiency
  - Synergy opportunities for development of all the groups lands assets
- ✓ Solid demographics in the region that supports continued development according to potential demand

# PROPERTY JOINT VENTURE WITH USD 1.2 BN OF ASSETS UNDER MANAGEMENT

Pactia

**3**  
Countries

**14**  
Colombian States



**~ 720,000 m2**

Shopping centers, offices, warehouses, self-storage and hotels

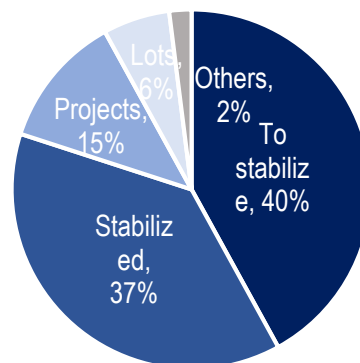


**COP 3.4 tn / USD 1.2bn**  
million in assets



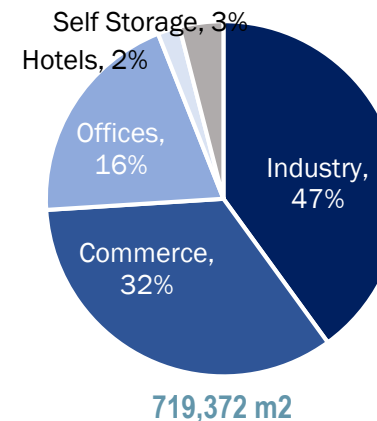
**>1,800**  
commercial units

Distribution by asset

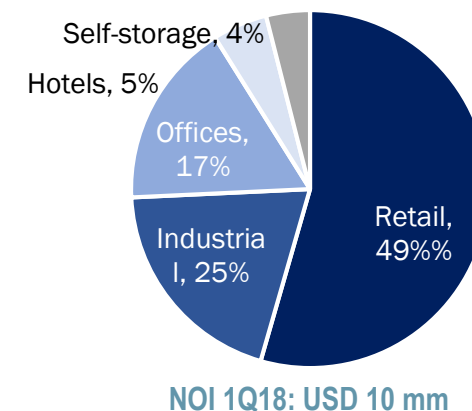


Key Figures 2017

GLA



NOI



- ✓ Real estate developers with growth potential in Colombia and the region
- ✓ Investment plan of ~ COP 1 bn (USD 367mn)
- ✓ Investors that add to the table: Internationalization (Grupo Argos), Operational experience (Concreto), Access to institutional investors (Proteccion)
- ✓ EBITDA CAGR projected 2016 – 2026: 21%
- ✓ Over 300,000 of m2 under development
- ✓ 61 Assets:
  - 15 shopping centers in operation + 8 independent stores + 2 shopping centers in development
  - 3 logistics parks + 12 custom industrial projects + 1 active in development
  - 11 Corporate buildings + 3 assets under development
  - 5 Hotels in operation + 2 active in development
  - + 3,400 storage units in 8 properties

\* Grupo Argos has a 36.3% stake in Pactia as of 3Q17