



Investors Presentation

march 2018



GRUPO ARGOS

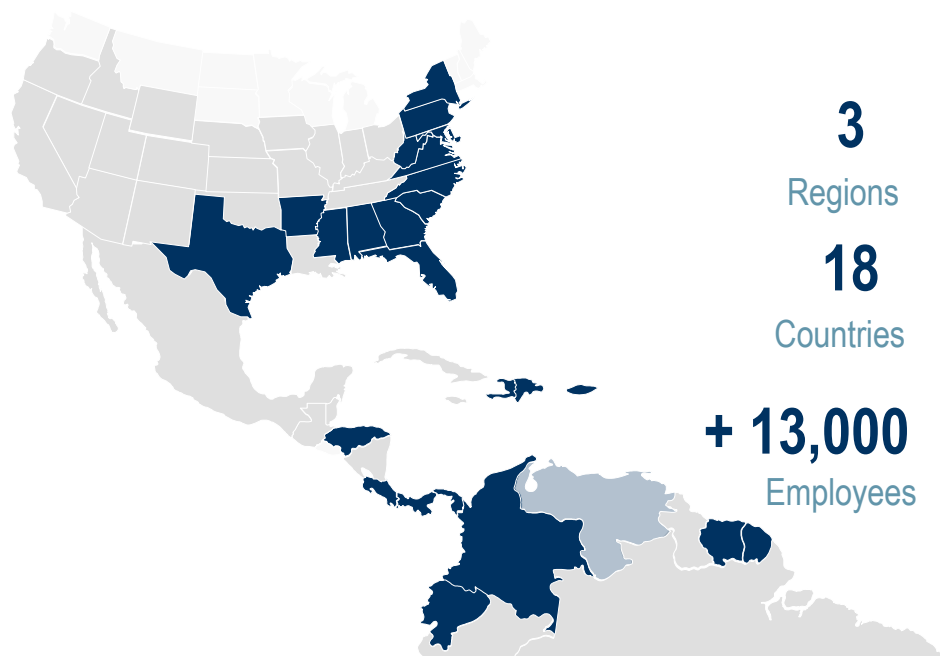


IMPORTANT NOTE

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**



HOLDING WITH A BALANCED PORTFOLIO FOCUSED IN INFRASTRUCTURE



Mkt Cap¹ Revenue² EBITDA²
USD 5.9 bn USD 4.9 bn USD 1.3 bn

STRATEGIC - In Infrastructure

Cement



55.3%³

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

Energy



52.9%

LTM Dec 17 Revenues: USD 1.0 bn
 EBITDA: USD 0.4 bn

Concessions



99.7%⁸

LTM Dec 17 Revenues: USD 0.3 bn (+0.3 bn of Opaín⁷)
 EBITDA: USD 0.2 bn (+0.1 bn of Opaín⁷)

PORTFOLIO

Manages a portfolio of USD 3.2 billion⁶ composed by:

36.3%⁴



100%



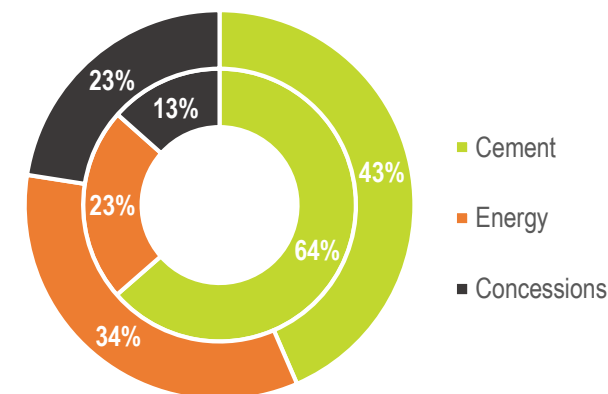
27.7%⁵



9.8%



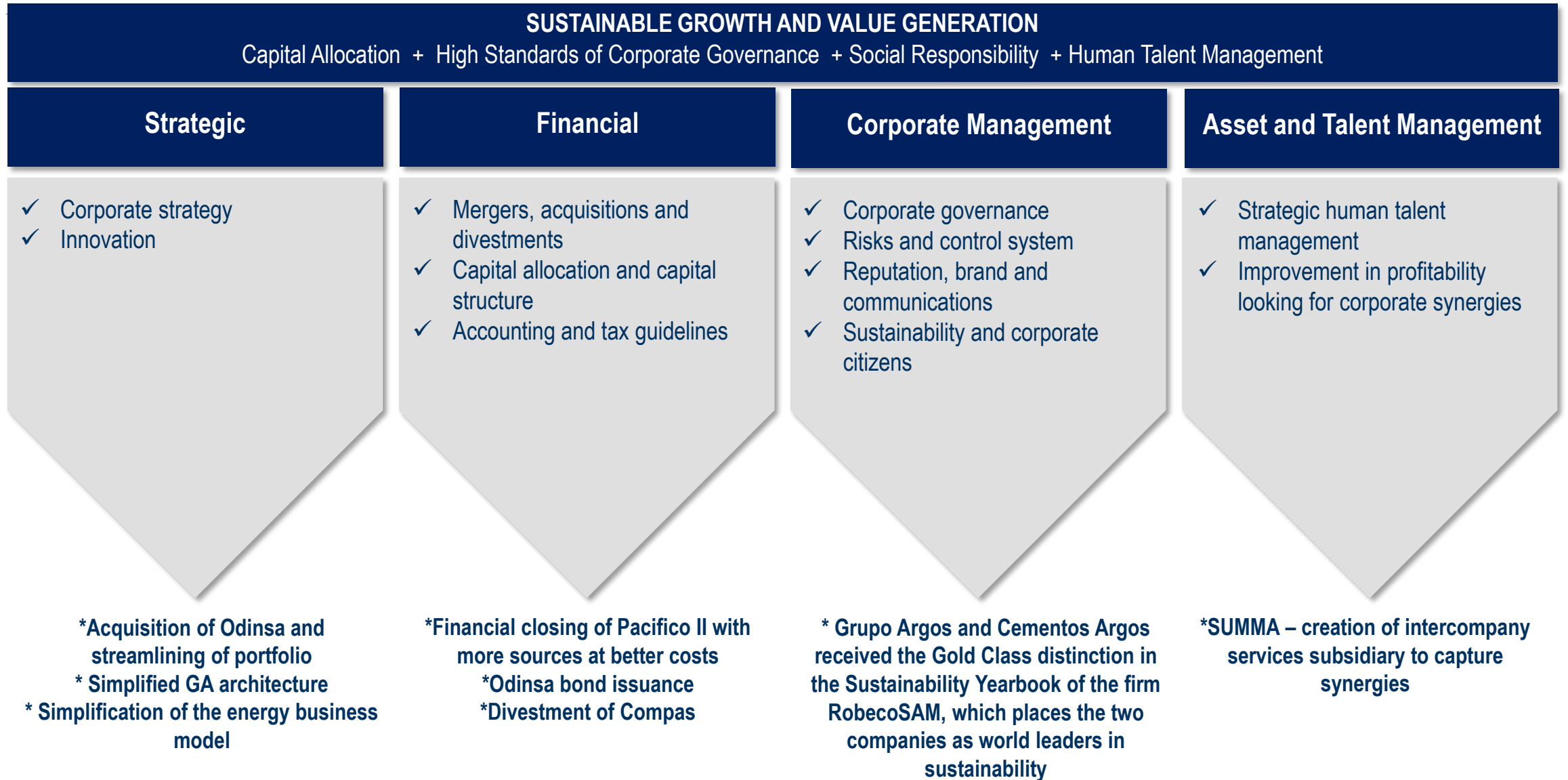
Revenue and Ebitda contribution from Strategic Portfolio



- Outer Circle: EBITDA contribution 2017(USD 1.1 bn)
- Inner Circle: Revenue contribution 2017 (USD 4.5 bn)

¹ Mkt Cap in USD as of 12/31/2017 (1 USD = 2,971 COP) ² Revenues & EBITDA Dec 17 in USD ³ Cementos Argos 55.3% ordinary shares and 46.83% of outstanding shares ⁴ 50% participation in the managing vehicle, 36.3% Economic right with the entrance of Protección Pension Fund 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 Dec 31 2017 and book value for urban development business as of Dec 2017 ⁷ Corresponds to recurrent revenues and Ebitda for 2017 ⁸ Grupo Argos and its related companies adds to 99.7%

WITH STRATEGIC ARCHITECT PRINCIPLES



VARIABLE REMUNERATION SCHEME OF GRUPO ARGOS MANAGEMENT SEEKS TO ALIGN SHAREHOLDERS AND COMPANIES OBJECTIVES – PROFITABILITY MAIN GOAL

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

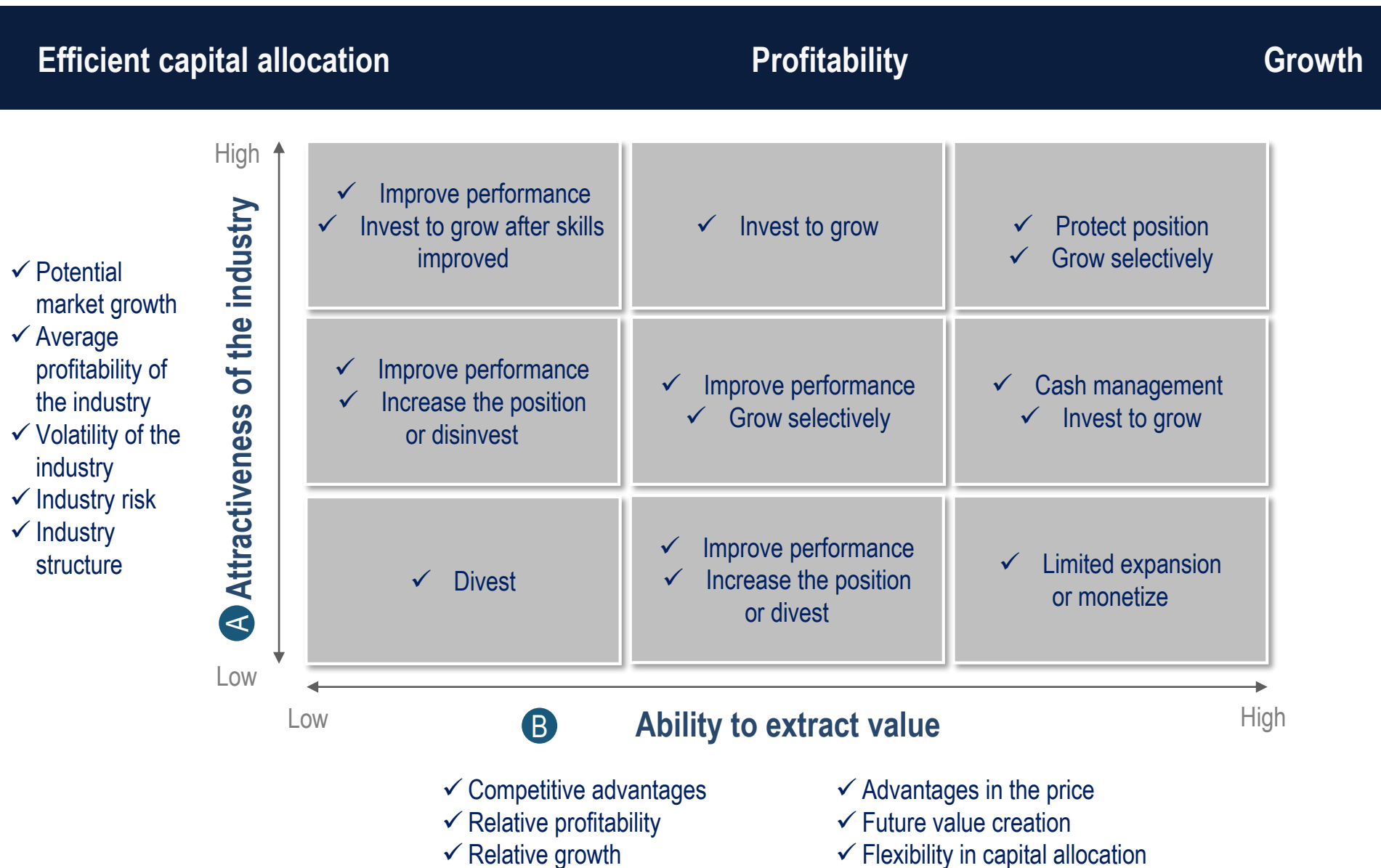
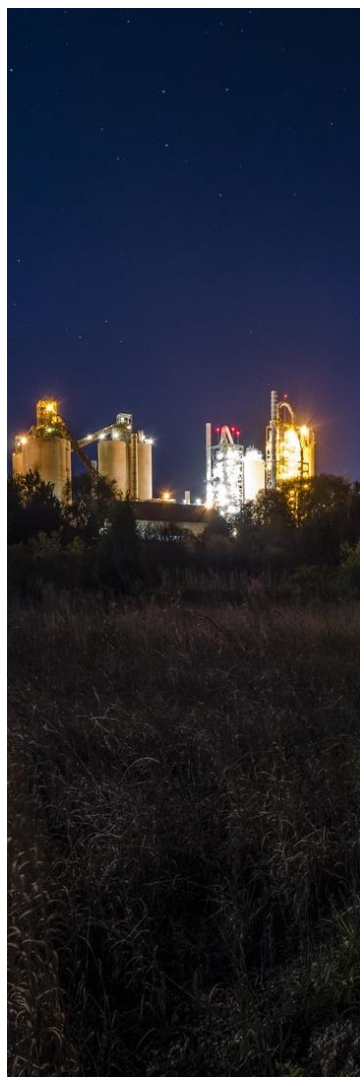
- ✓ ROCE
- ✓ CFO / EBITDA
- ✓ CFO / Interest
- ✓ SPREAD TSR

Sustainability

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

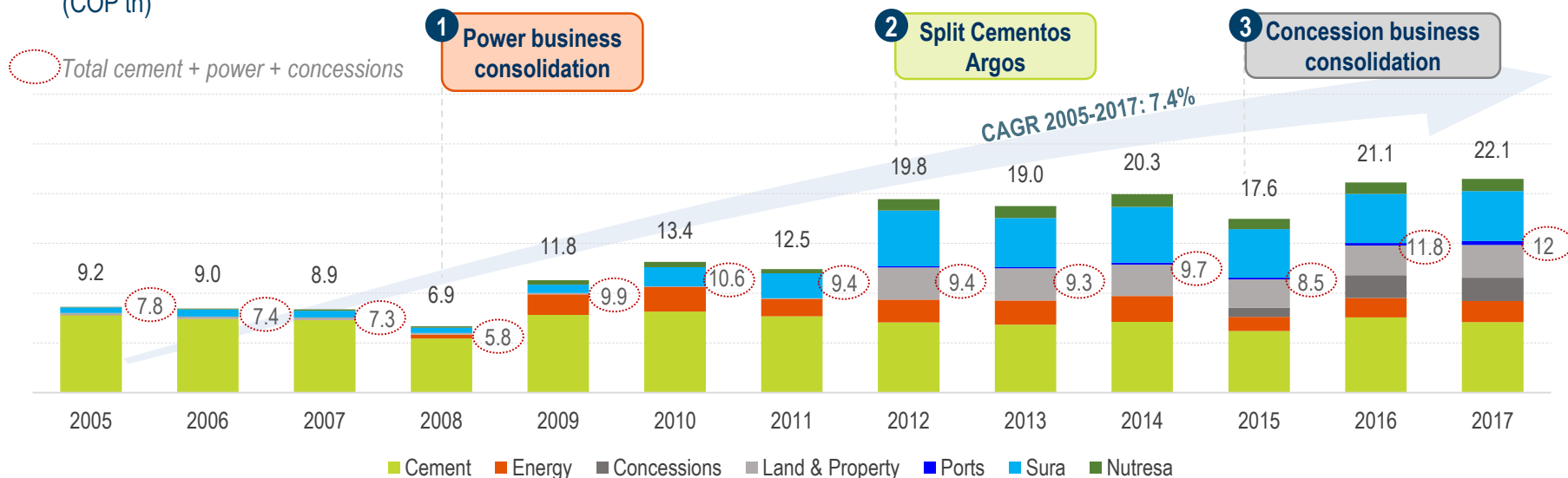


FOLLOWING A METHODOLOGY FOCUSED ON PROFITABILITY

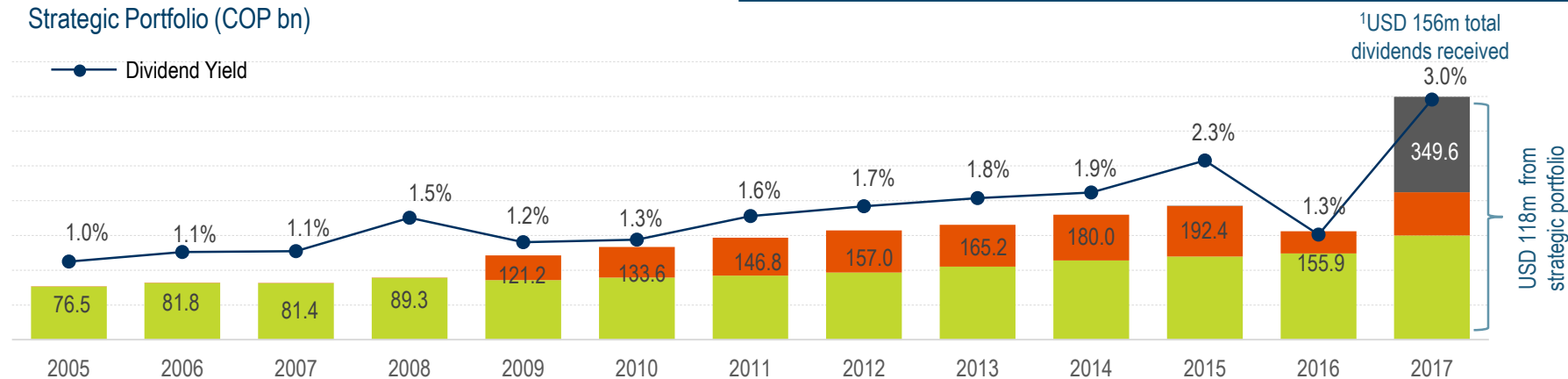


WITH A GROWING DIVIDEND POLICY THAT CONFIRMS PROFITABILITY GUIDELINE

PORTFOLIO EVOLUTION (COP tn)

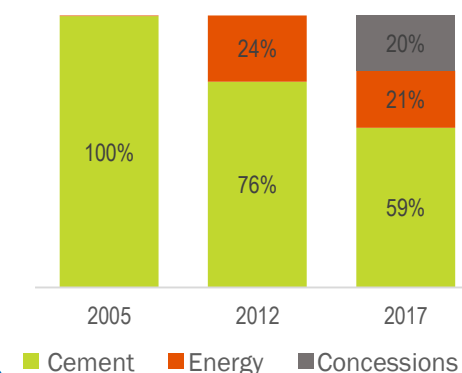


DIVIDENDS RECEIVED (CEMENT + POWER + CONCESSIONS) Strategic Portfolio (COP bn)

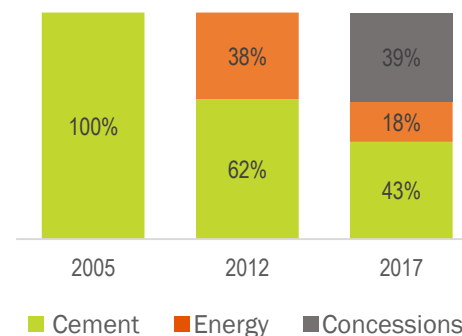


¹ Total Value received by Grupo Argos in cash flow during the year from all of its portfolio in dividends = COP 463 bn (USD 156 m) +80% YoY
(1 USD = 2,971 COP)

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 438m

* 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 808m

* 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 20m

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 611m

*Current participation **99.7%**

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

Grupo Argos Support Odinsa's strategic plan of

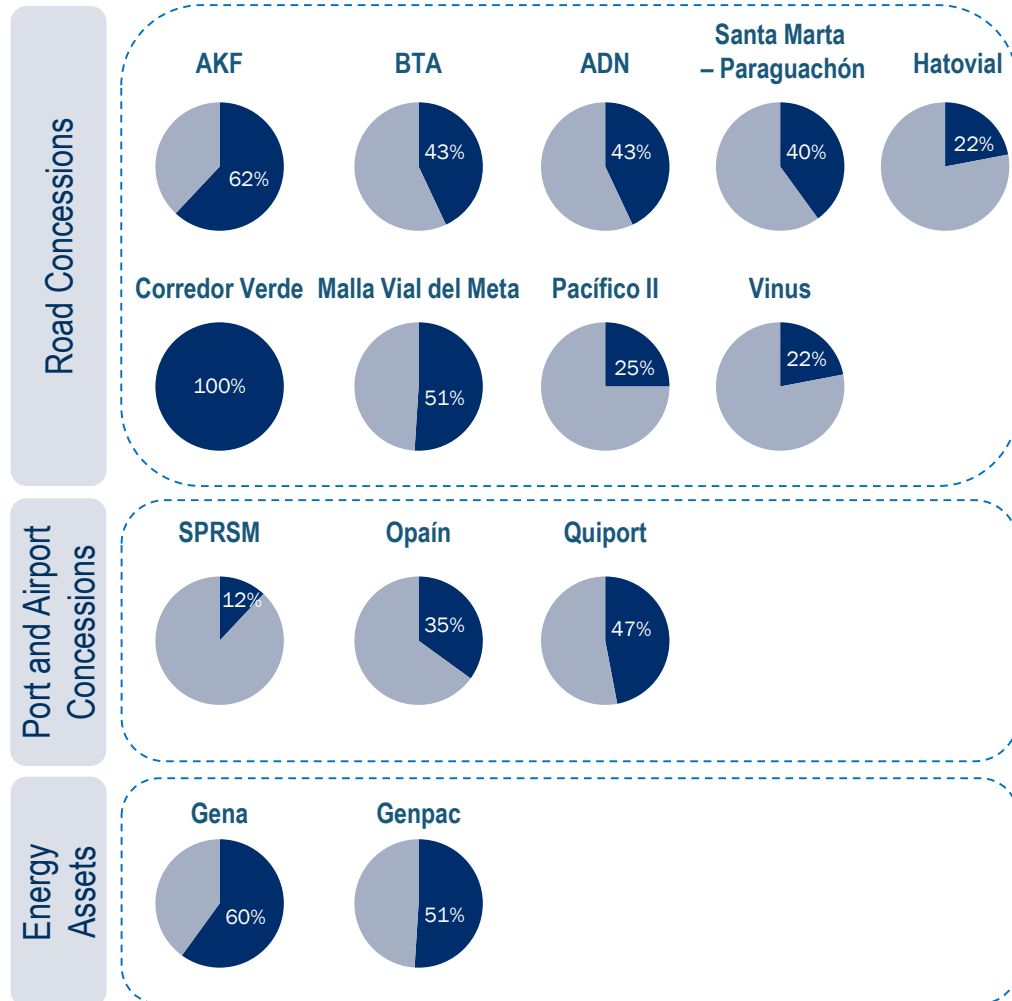
consolidating the **airport concession business** with the

acquisition of control of OPAIN through a non solicited

offer to buy

30% = USD 160m

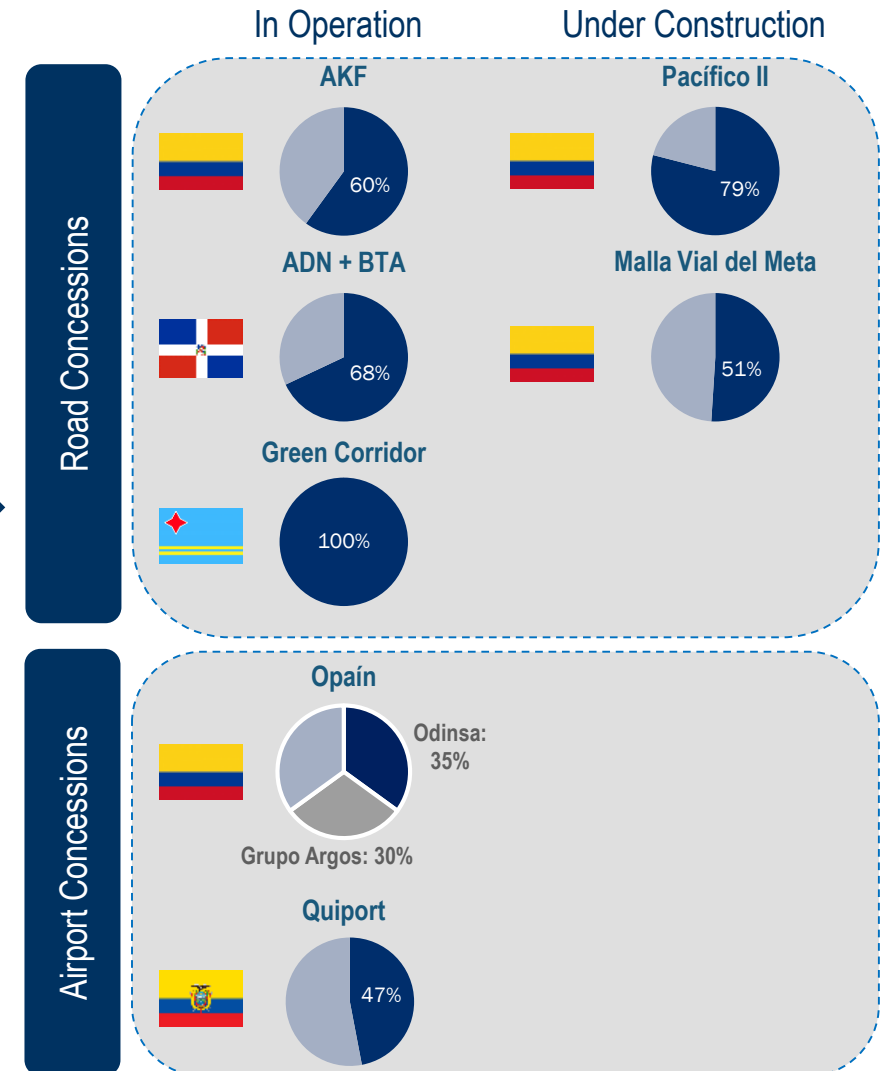
1a FOLLOWED BY A SUCCESSFUL CONSOLIDATION IN THE CONCESSIONS BUSINESS: A CLEAR EXAMPLE OF OUR ROLE AS STRATEGIC ARCHITECTS



- 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 135m

25.2x

EV/EBITDA 2016



Contribution to the strategy

Change in debt profile Amortization:

USD 65m

Gross debt/Ebitda 2.3x

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 493m
330 million shares

Total demand
USD 670m
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 246m

61.3%
participation in Epsa After
successful tender offer

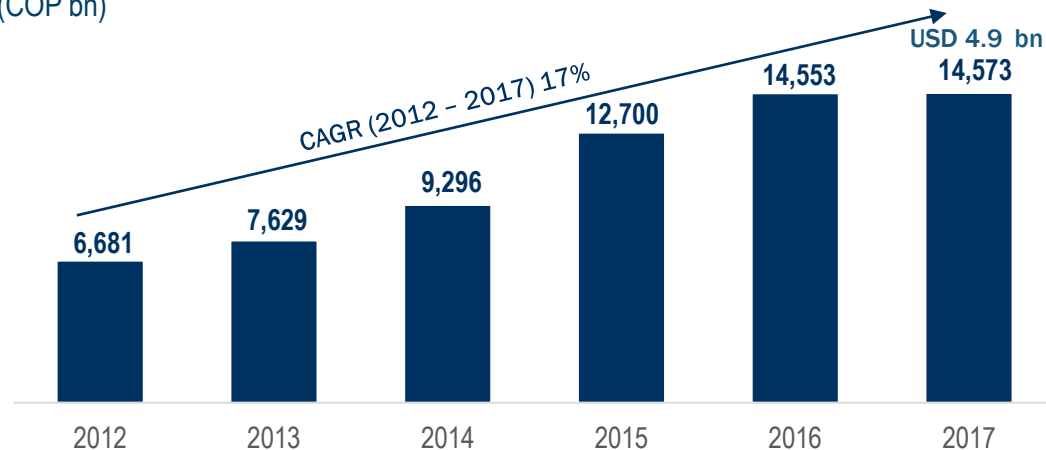


In a framework of transparency and equitability for minority shareholders

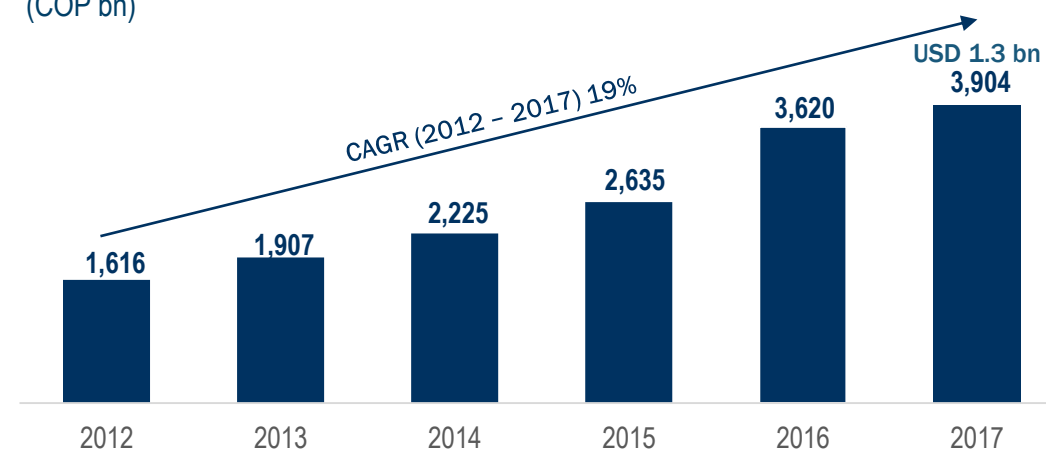
- Market operations
- Independent valuers
- Decisions taken by independent members of the board of directors of Celsia

STRATEGY THAT HAVE TRANSLATED INTO GROWING RESULTS

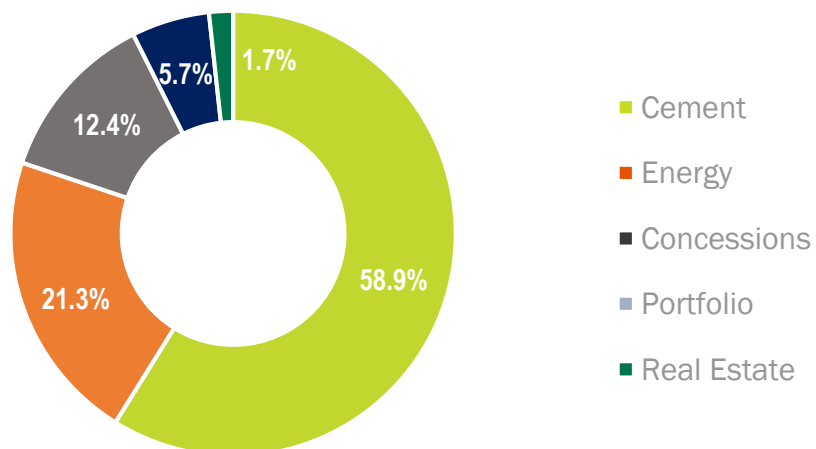
GRUPO ARGOS CONSOLIDATED REVENUES
(COP bn)



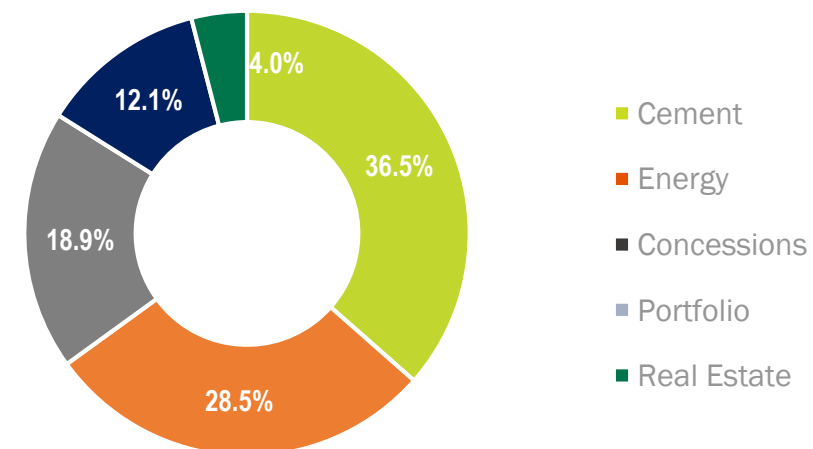
GRUPO ARGOS CONSOLIDATED EBITDA
(COP bn)



GRUPO ARGOS REVENUE CONTRIBUTION BY BUSINESS
(%) 2017

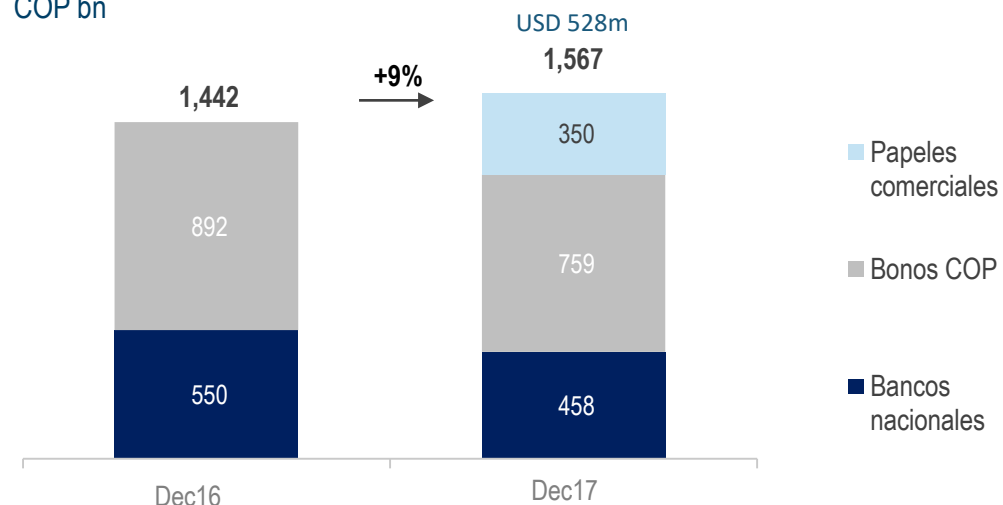


GRUPO ARGOS EBITDA CONTRIBUTION BY BUSINESS
(%) 2017

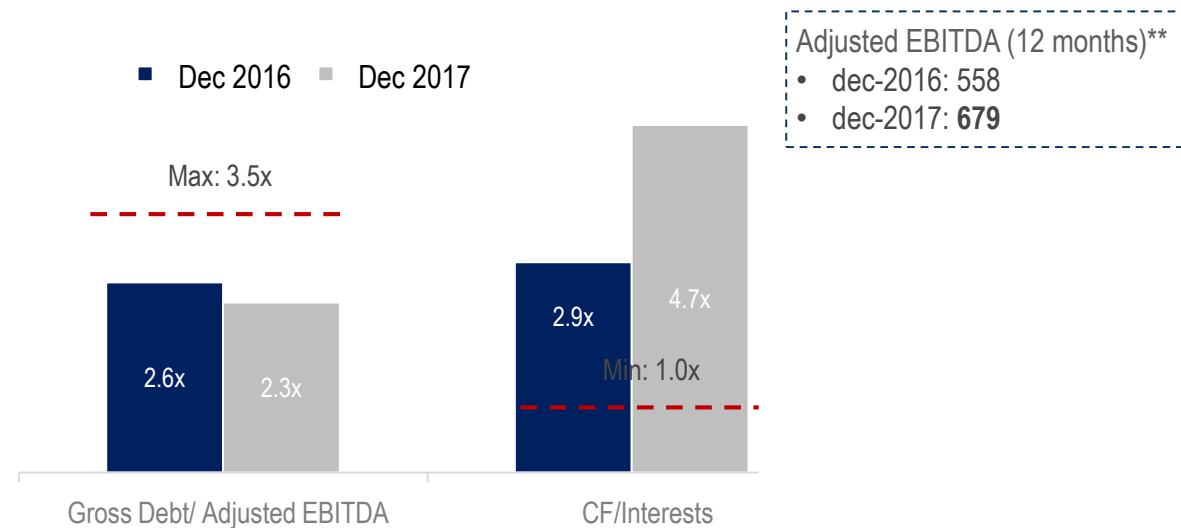


WITH LEVERAGE INDICATOR AT THE INDIVIDUAL LEVEL IN MINIMUM OF 2.3X

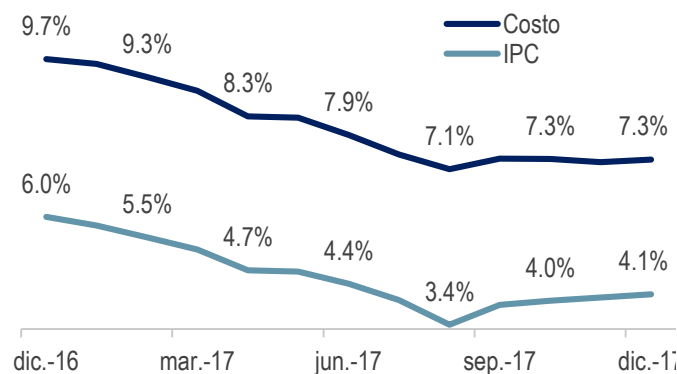
DEBT COP bn



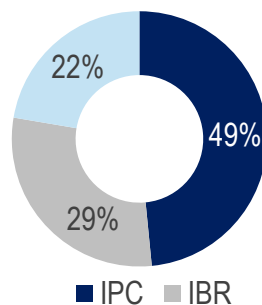
LEVERAGE RATIOS



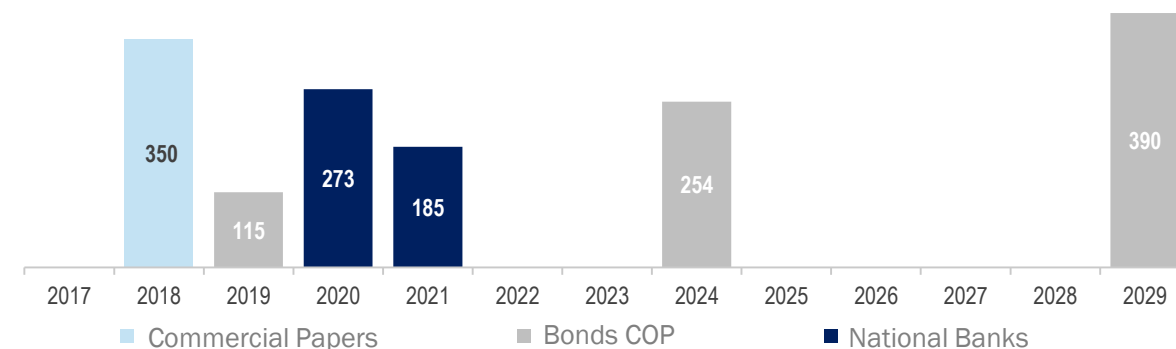
COST OF DEBT*



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

RECOGNITION AND SOLID COMMITMENT TO CORPORATE GOVERNANCE

BOARD OF DIRECTORS

ROSARIO CORDOBA

(Chair of the Board) - Independent



MARIO SCARPETTA

Independent



ANA CRISTINA ARANGO

Independent



ARMANDO MONTENEGRO

Independent



JORGE URIBE

Independent



DAVID BOJANINI

Non – Independent

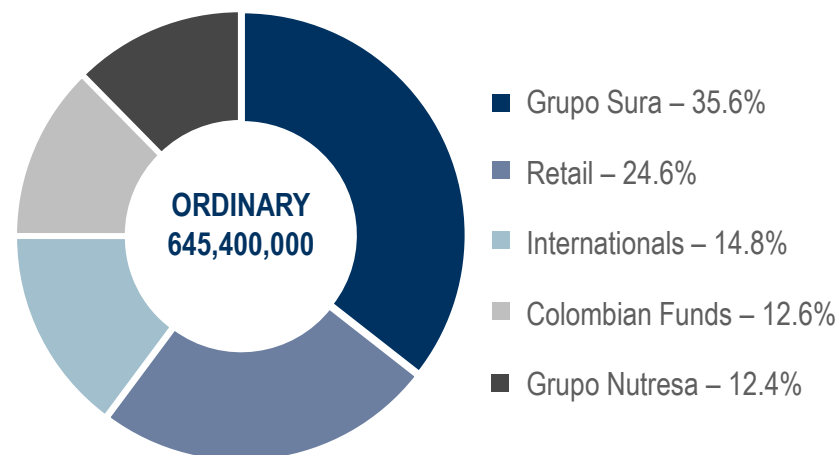


CARLOS GALLEGO

Non – Independent



SHAREHOLDERS



Figures as of December 31, 2017



Preferred shares do not carry voting rights

RECOGNITIONS



Dow Jones
Sustainability Indexes



FTSE4Good



ROBECOSAM
Sustainability Award
Gold Class 2018



**EMPRESAS ACTIVAS
ANTICORRUPCIÓN**
NEGOCIOS CON PRINCIPIOS

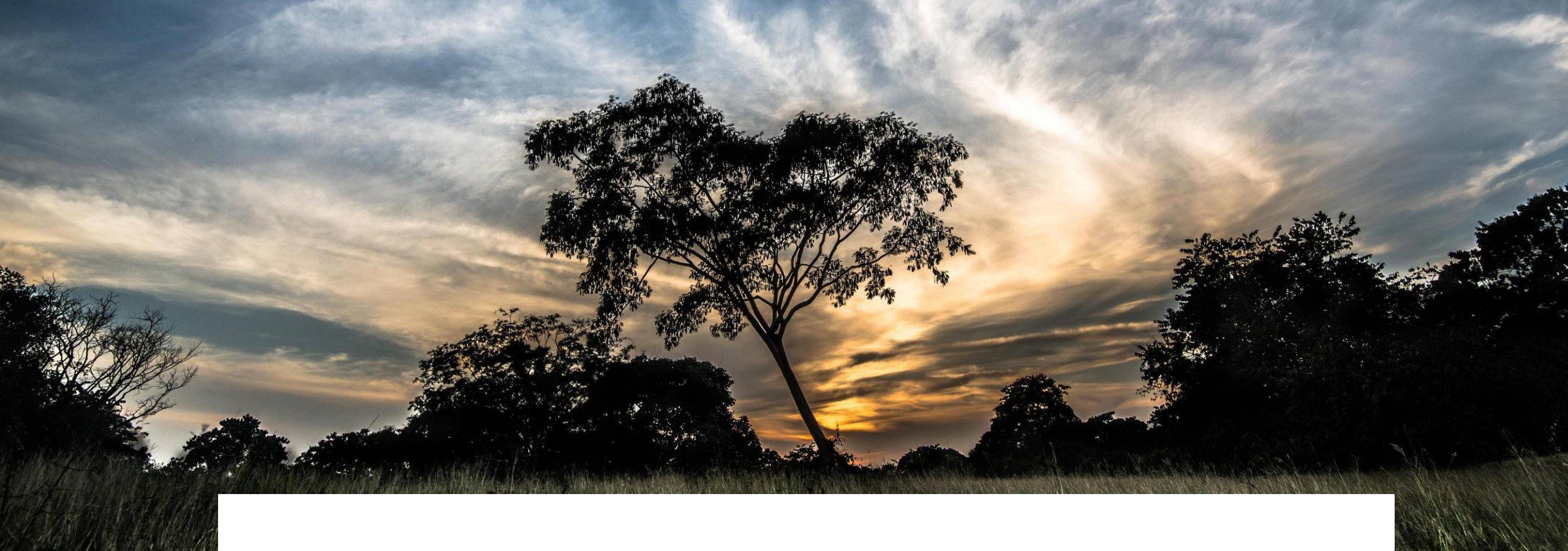
AFFILIATIONS



**HACIA
LA INTEGRIDAD**



The CEO Water Mandate



Annexes



GRUPO ARGOS

Concession Business

ACTIVE TRANSFORMATION IN THE CONCESSION BUSINESS



4

highway concessions in operations



2

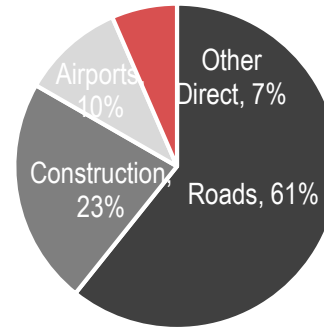
concessions under construction



2

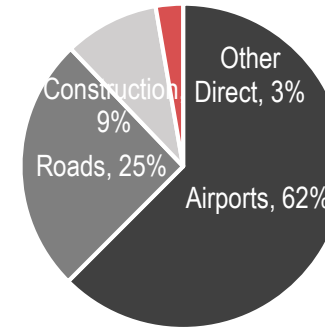
Airport concessions

Revenue by business with equity method 2017

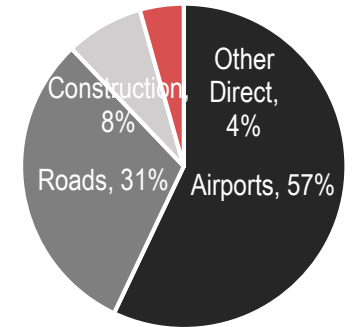


Key Figures (2017)

Revenue by business adjusted*



EBITDA by business adjusted*



Revenues 2017 Odinsa + Equity Method: COP 813 bn / USD 275 mm

EBITDA 2017 Odinsa + Equity Method : COP 515 bn / USD 174 mm

- ✓ 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, as all other assets are consolidated

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 |
| Colombia | 120 |



- ✓ **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**

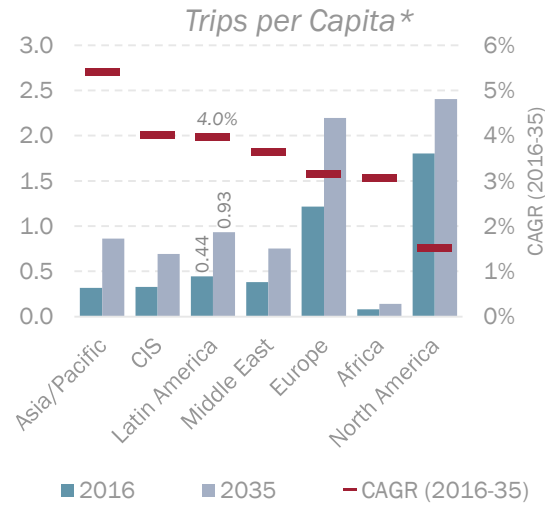
- ✓ **Strong balance sheet**
- ✓ **Credentials to participate in other projects**

RATIONAL BEHIND THE AIRPORT CONCESSION BUSINESS

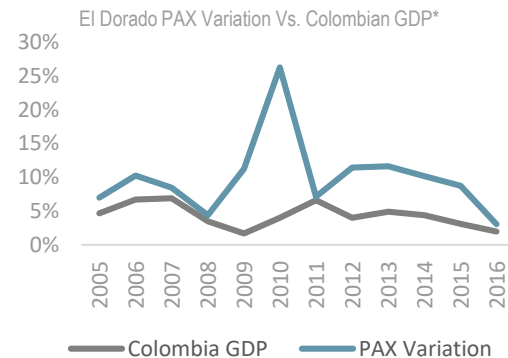
GEOGRAPHICAL ENVIRONMENT



- ✓ 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



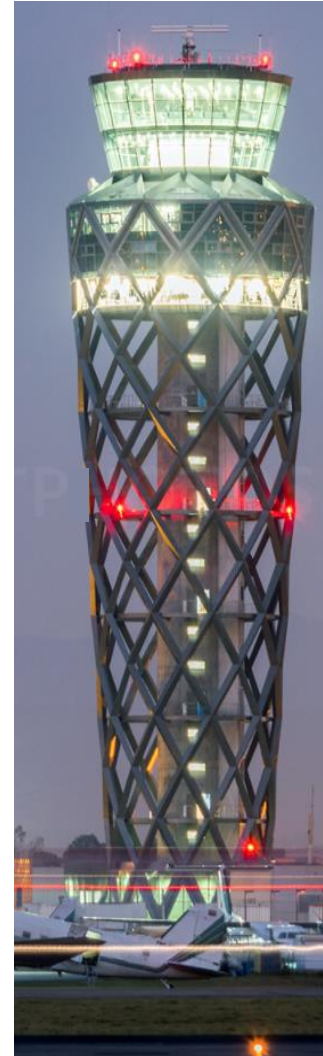
- ✓ **Growing passenger traffic above GDP growth**
 - ✓ Avg growth PAX in El Dorado Airport above GDP (2005 – 2016) of 2.61x



ODINSA'S STRATEGY

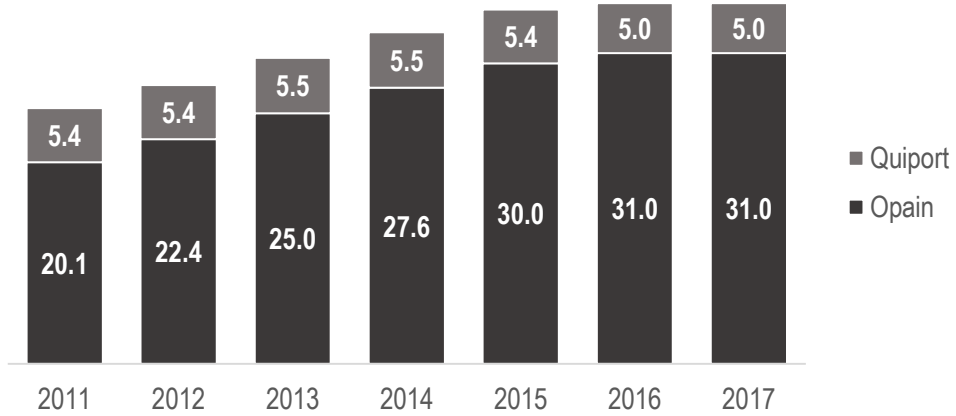
- ✓ **Busiest airports** in Colombia and Ecuador to take advantage of the regional traffic growth
- ✓ **Strategic geographic location** of El Dorado that positions it as a hub to connect the region with the world

- ✓ **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)

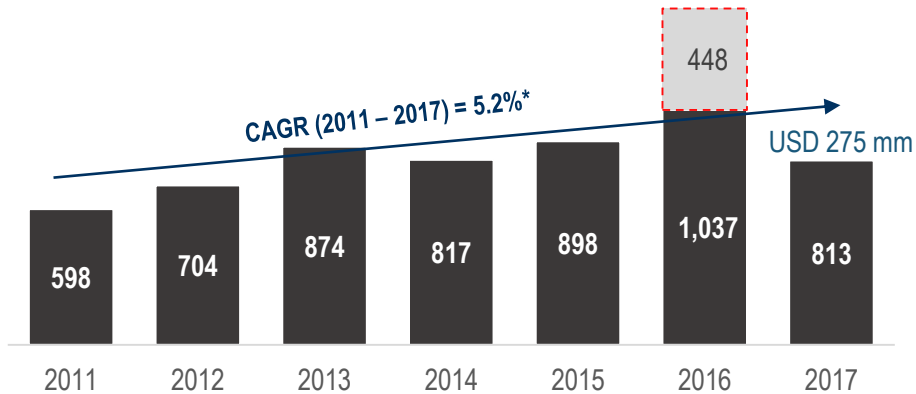


RECENT PERFORMANCE

PASSENGERS MM PAX

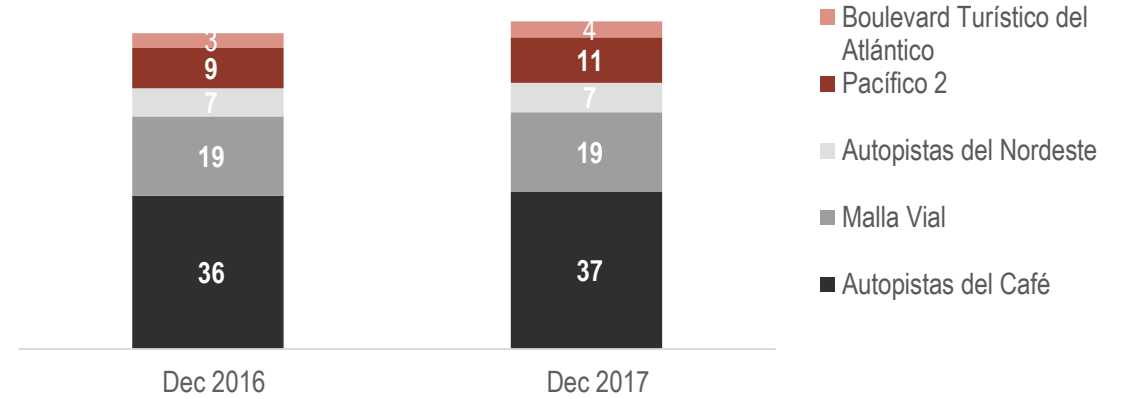


REVENUES COP\$ bn

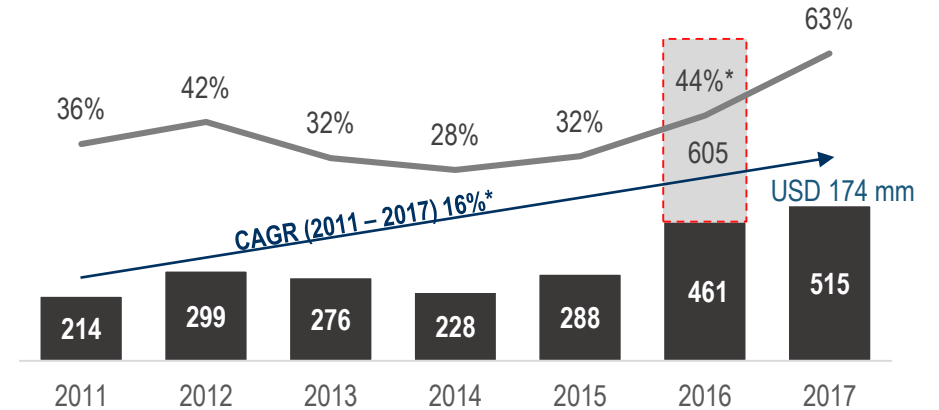


TPD

Number of cars 2017 - thousands



EBITDA – EBITDA MARGIN (%) COP\$ bn



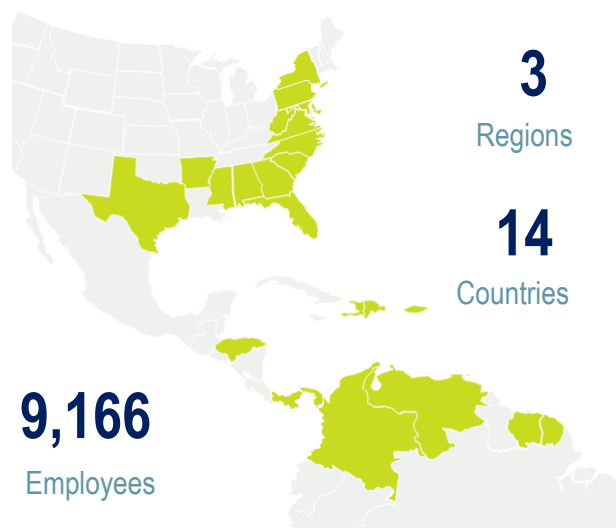
(1 USD = 2,960 COP)

*Taking into account only recurrent revenues and EBITDA

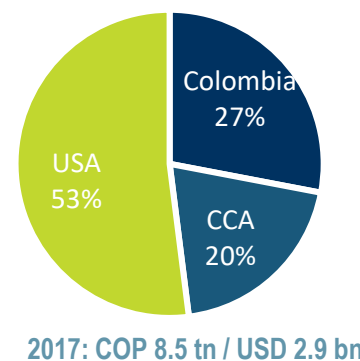


Cement Business

CEMENT AND CONCRETE LEADER IN THE AMERICAS

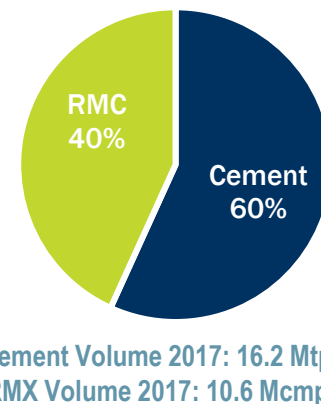


Revenue by Geography

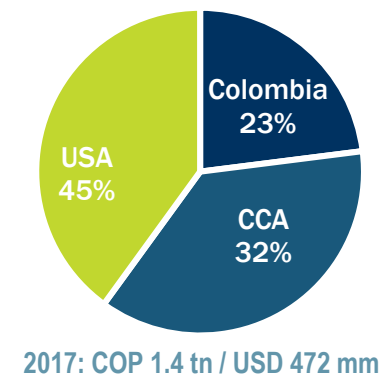


Key Figures (2017)

Product Mix



EBITDA by Geography



| | | | | | |
|--|--|--|--------------------------------|--|--|
| | 33 Ports/ terminals | | 13 Cement plants | | 24M ton Cement Installed Capacity |
| | 372 Concrete plants | | 2.600 Mixers | | 18M m3 Concrete Installed Capacity |
| | 94 Dispatch facilities and warehouses | | 9 Grinding plants | | |

- ✓ **#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

*Cement Consumption**

| Year | Total Consumption (MM Ton) | Consumption / Capita (Kg/capita) |
|-------|----------------------------|----------------------------------|
| 2006 | 120 | 450 |
| 2008 | 110 | 400 |
| 2010 | 69 | 250 |
| 2012 | 75 | 280 |
| 2014 | 80 | 300 |
| 2016E | 85 | 320 |
| 2018E | 90 | 340 |
| 2020E | 115 | 360 |

Source: PCA

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)

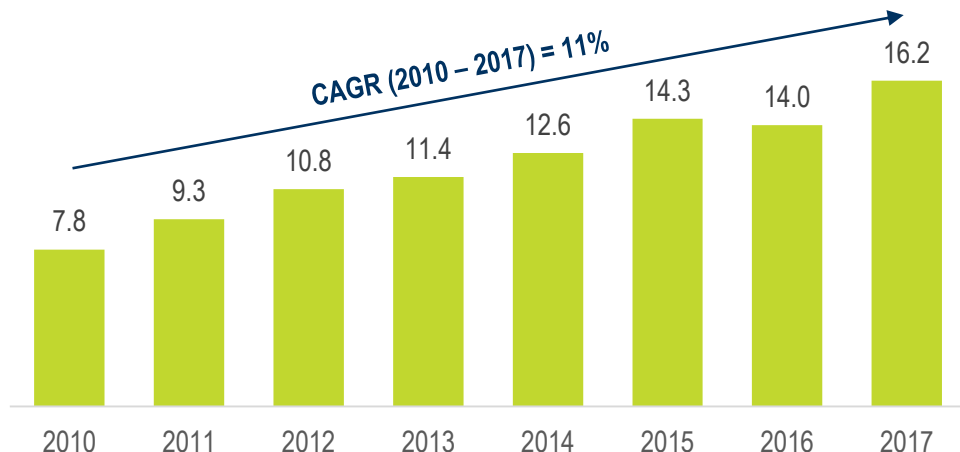
- ✓ **BEST Program:** Improving operational efficiencies
- ✓ Backlog: +72% of awarded functional unites to provide cement for the 4G's

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

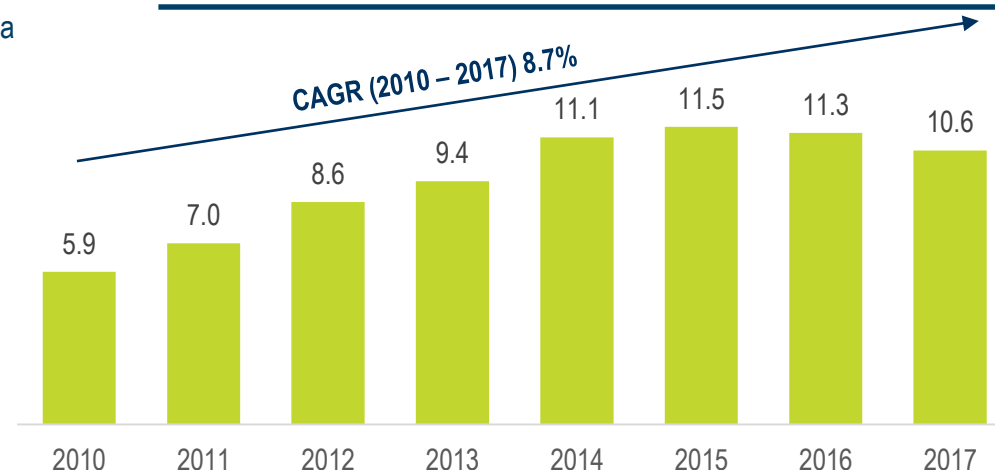
*Source: PCI, Realrisk report

RESULTS THAT EVIDENCE A GROWING OPERATION BENEFITED BY GEOGRAPHICAL DIVERSIFICATION

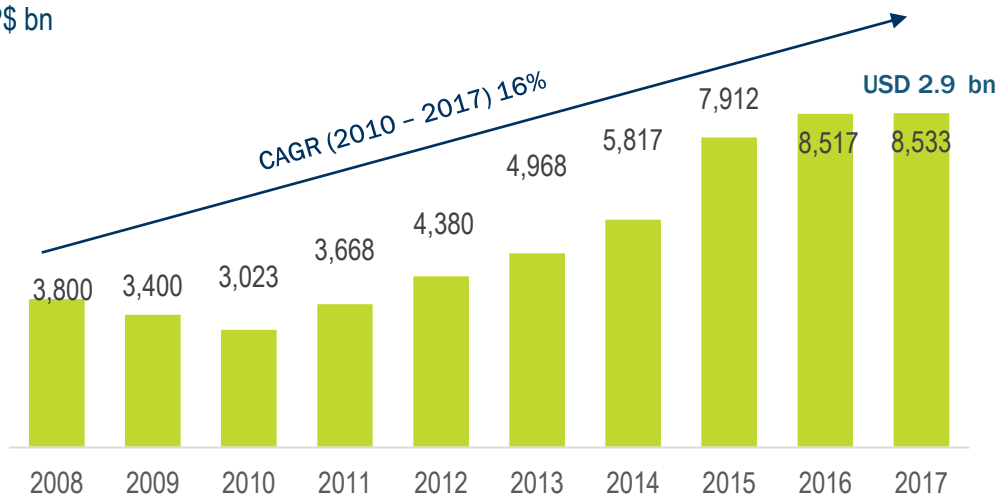
CEMENT VOLUME
Mtpa



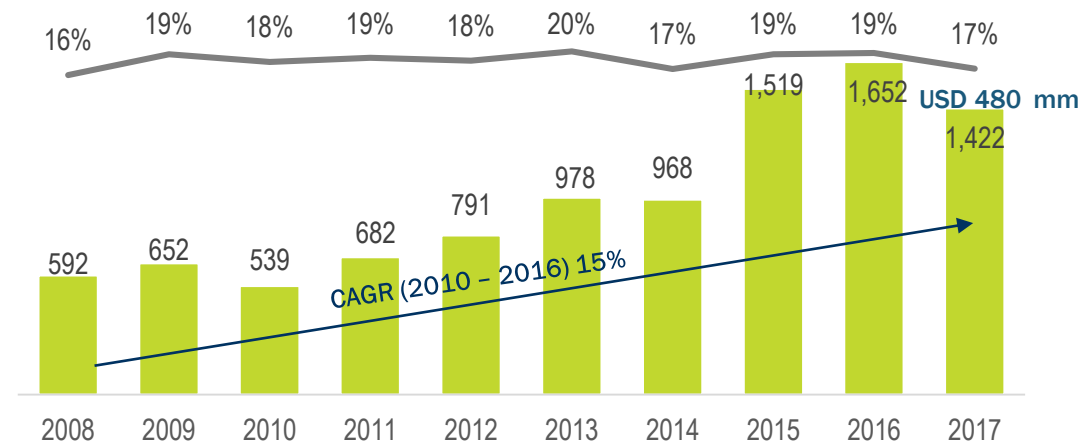
RMX VOLUME
Mcmpa



REVENUES
COP\$ bn



EBITDA - EBITDA MARGIN (%)
COP\$ bn



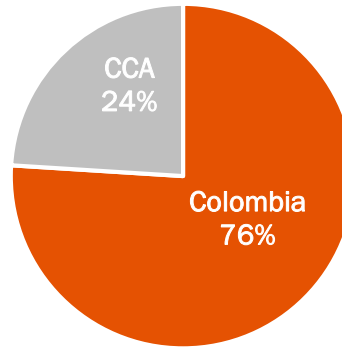


Energy Business

A PROCESS OF SUCCESSFUL TRANSFORMATION AND GROWTH WITH FOCUS

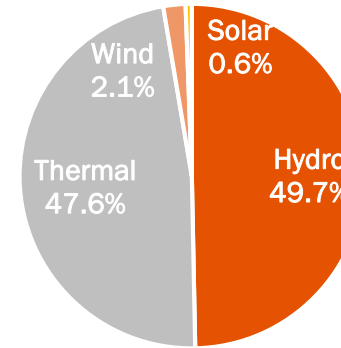


Revenue by Geography

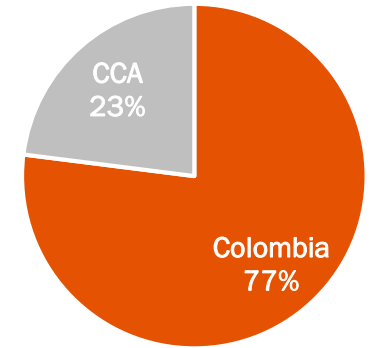


2017: COP 3.1 tn / USD 1 bn

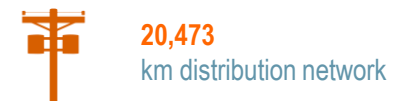
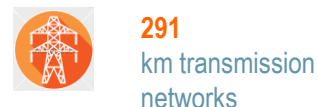
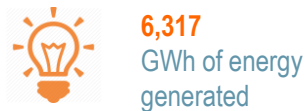
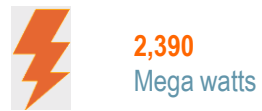
Key Figures (2017)
Revenue by type of generation



EBITDA by Geography



2017: COP 1.1 bn / USD 372 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

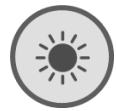


- ✓ Energy consumption **growth potential** (low per capita consumption).
- ✓ Developing economies with attractive growth that will require **additional capacity**

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

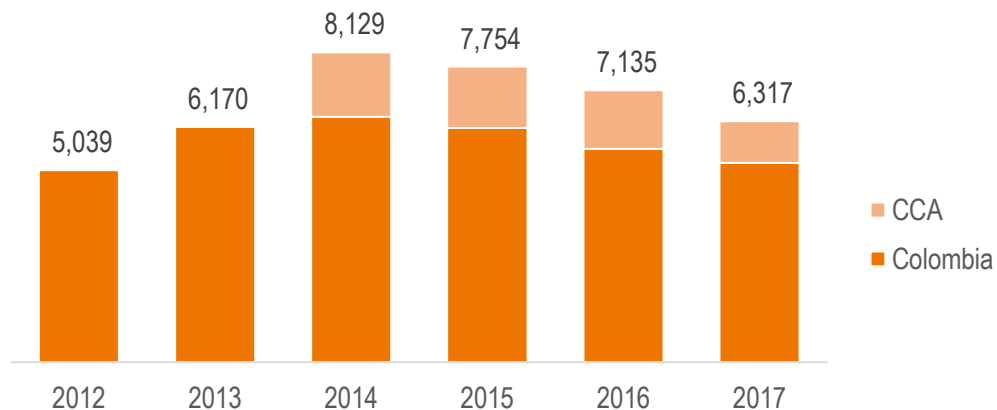
- ✓ **Leader** in the countries where it operates
- ✓ **Project Pipeline** to capture growth opportunities
 - ✓ Hydro (+350 MW)
 - ✓ Solar farms (+200 MW)
 - ✓ Wind farms
 - ✓ Plan 5 Caribe (Transmission) – with guaranteed revenue
- ✓ Vertically integrated (T+C+D) in the energy business that translates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

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

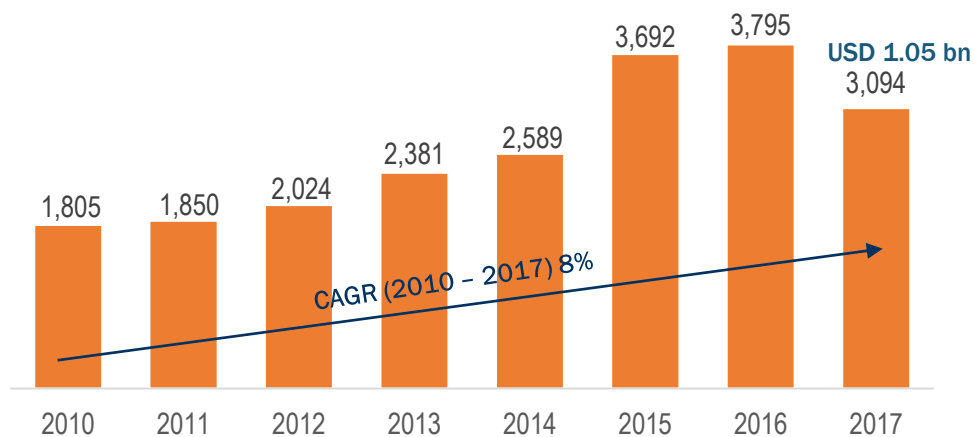
- ✓ **Leaders in the development of non-conventional renewable energies and distributed energy**
- ✓ **Innovation platform** seeking new business opportunities

RECENT PERFORMANCE

GENERATION
GWh

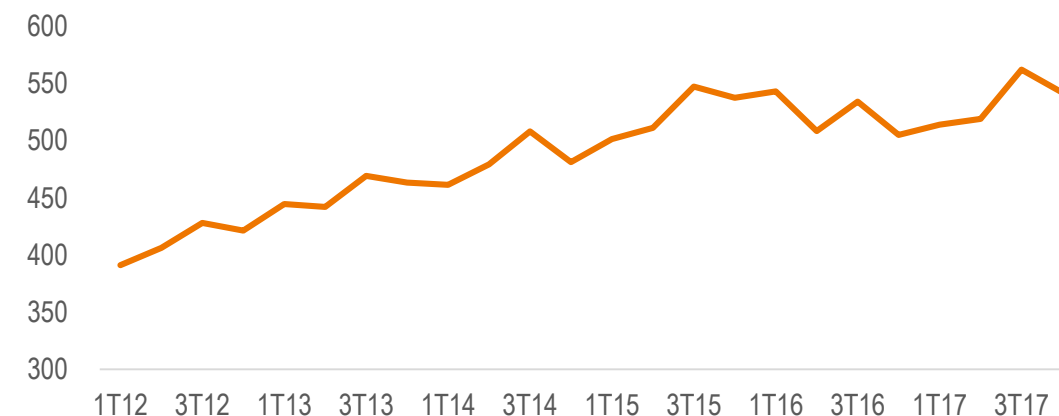


REVENUES
COP\$ bn



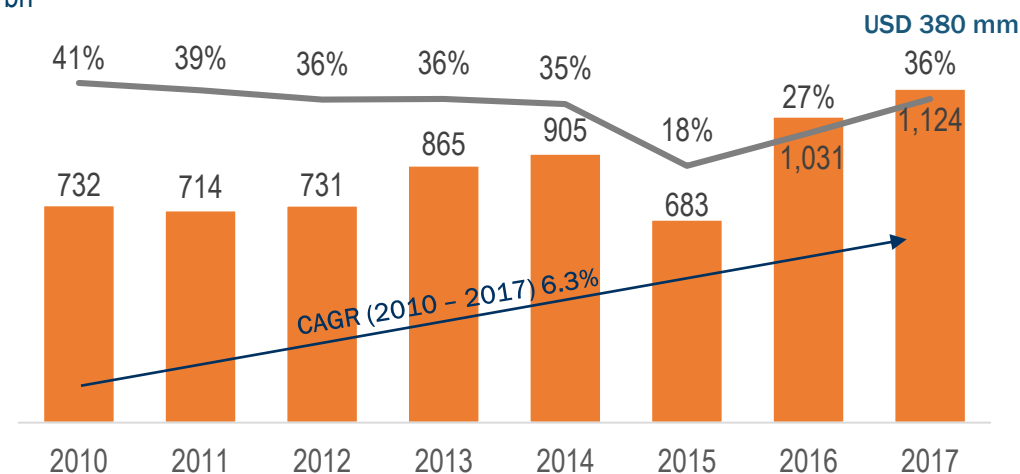
REGULATED AND NON REGULATED MARKET SALES

GWh



EBITDA – EBITDA MARGIN (%)

COP\$ bn



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

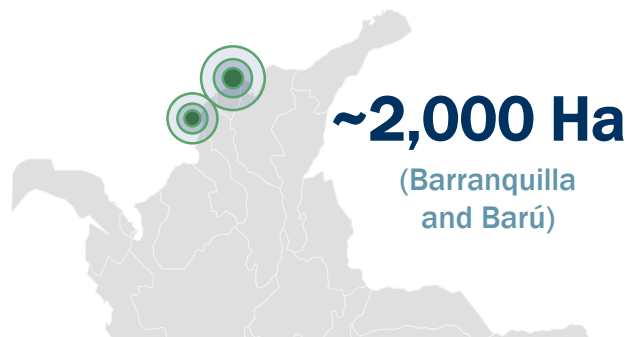


GRUPO ARGOS

Real Estate Business

LAND BANK WITH CASH GENERATION POTENTIAL

Situm



416 Ha developed up to 2015



2002



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
- ✓ 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

PROPERTY JOINT VENTURE WITH USD 1BN OF ASSETS UNDER MANAGEMENT

Pactia

3
Countries

14
Colombian States



~ 722,000 m2

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



COP 3 tn / USD 1bn

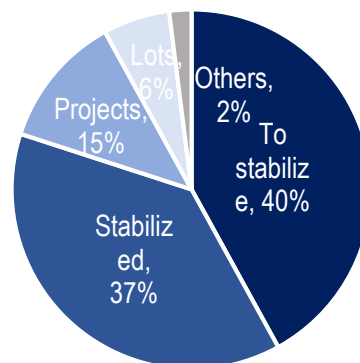
million in assets



>1,800

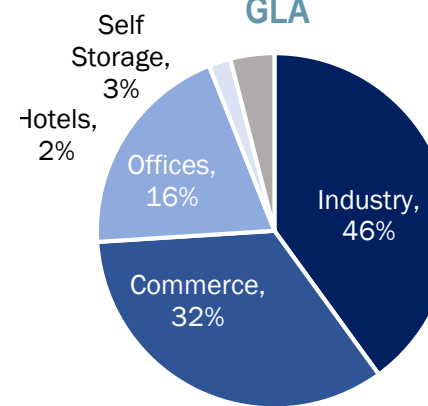
commercial units

Distribution by asset



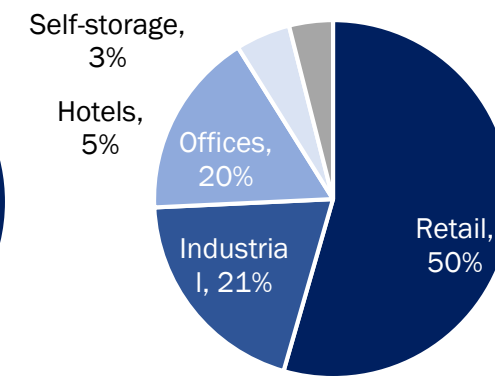
Key Figures 2017

GLA



721,229 m2

NOI



NOI 2017: COP 154 bn (USD 52 mm)

- ✓ 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:
 - 16 shopping centers
 - 8 Independent commerce
 - 15 industrial projects
 - 11 corporate buildings
 - 697 rooms in 5 hotels
 - + 3,400 self-storage units in 8 properties

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