

Grupo Argos Corporate Presentation

May 2021

 **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.



Investments that transform



ARGOS



CELSIA



ODINSA

WE TRANSFORM

people's lives through investments in infrastructure, preserving our planet for future generations and generating well-being for society.

More than cement, energy, roads and airports, we are moved by the development, progress and well-being of millions of people who benefit from our projects.





2012

2021

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

- ▲ **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

CURRENT FOOTPRINT

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 15 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**

3
REGIONS

18
COUNTRIES

+13,000
EMPLOYEES

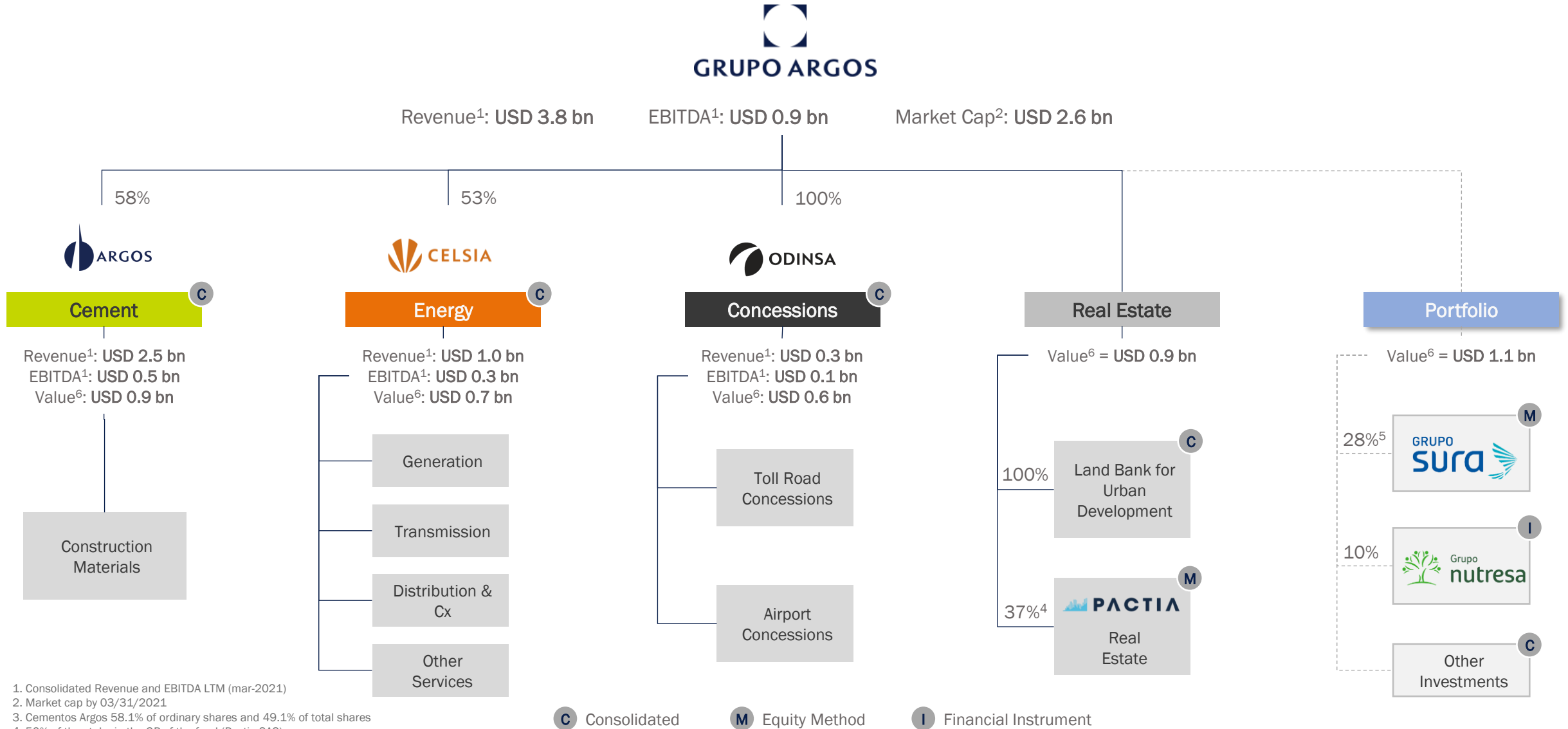


*From managing assets for COP 27 tr in 2012 to managing assets for COP 51 tr in 2020
From a team of 9,700 collaborators in 2012 to a team of 13,000 collaborators in 2020*

1. Average daily volume last twelve months: COP 4.1 bn. Source: BVC
2. AUM by dec-2020

PORTAFOLIO DE INVERSIONES

Strategic portfolio focused on infrastructure



1. Consolidated Revenue and EBITDA LTM (mar-2021)

2. Market cap by 03/31/2021

3. Cementos Argos 58.1% of ordinary shares and 49.1% of total shares

4. 50% of the stake in the GP of the fund (Pactia SAS)

5. Stake of Grupo Sura including related companies is of 35.9%

6. Market value of listed assets (03/31/2021), Unit value in Pactia and book value of other investments

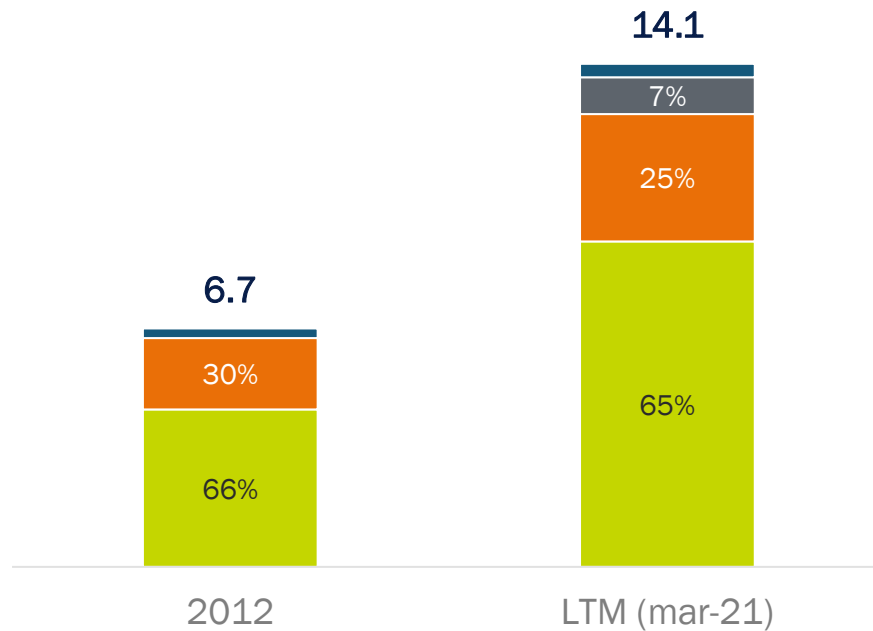
PORTFOLIO TRANSFORMATION

Portfolio transformation and growth along with the acquisition of the concessions business

Consolidated Revenues

+9.5%

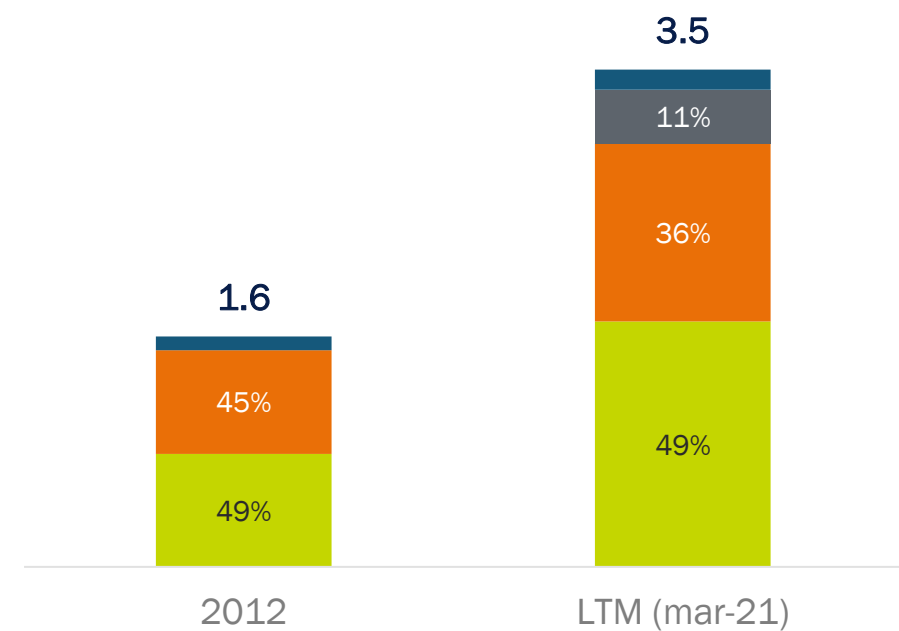
Revenue CAGR 2012 – LTM (mar-21)



Consolidated EBITDA

+9.8%

Ebitda CAGR 2012 – LTM (mar-21)



*From revenues of COP 6,7 tr in 2012
to 14,1 tr (LTM)*

*From Ebitda of COP 1,6 tr in 2012
to 3,5 tr (LTM)*

■ CemArgos ■ Celsia ■ Odinsa + Op ■ Otros

STRATEGY

Value Generating Strategy of Grupo Argos



Track record that demonstrates Grupo Argos' capacity to **acquire and transform assets** into regional leaders



Focus in profitable growth and reallocation of capital to optimize the return over invested capital



Regulated and stable assets with the **capacity** to **attract institutional capital** and maximize **profitability** of future growth



Operational efficiency at the holding level and at our operations to **strengthen Cash Flow and value generation**, aligned with shareholder interest.



Pillars of our sustainability strategy

- 1) Conscious investments
- 2) State-of-the-art practices
- 3) Responsible operation

STRATEGY

Odinsa – 2020 milestones and value generation perspective



DURING 2020 WE ACCOMPLISHED:

COP **400** bn¹

Negotiations with grantors to mitigate the impact on the value of our assets caused by the decreed measures restricting mobility

+120 basic points

Increase in the expected IRR of *Tunel de Oriente* with the debt refinancing (COP 660 thousand mm) that optimized the capital structure

-40% initial project equity

The investment commitments of *Malla Vial del Meta* project decreased with the new scope agreed with the grantor

99% work progress

In *Pacifico 2* by February 2021, mitigating construction risk as we enter the operation stage

Roadmap to maximize value

Platforms

By business line that attract institutional investors to enable profitable growth

Capital Structure

Optimized at asset level and at holding level

Reinstatement

of the economic effects generated in the airport business by the effects of Covid-19 in traffic

Optimization

Operational optimization at airports to face demand shocks in the short and medium term

STRATEGY

Celsia – 2020 milestones and value generation perspective



DURING 2020 WE ACCOMPLISHED:

1.2 mm clients

Served at the end of 2020 with the incorporation of the Tolima operation

+30 MW solar

In addition to the solar roofs, that started operation during 2020 to reach an installed capacity of 74% renewables

2.8x *net debt / EBITDA*

Enables firepower for growth opportunities in the short and medium term

COP **777** bn

Invested during 2020 to improve the quality of the service in the generation, distribution and commercialization business

Roadmap to maximize value

COP **3.4** trillion

CAPEX to strengthen the quality of the distribution service and an aggressive growth in non-conventional renewables

200 MW of backup power

With the investment in the Termotesorito plant that will start operation to support our energy matrix

330 MW of wind power

Advance in the development of 2 wind power projects in La Guajira

Platforms

Continue strengthening and leveraging profitable growth with top-level partners that accompany us in the development of projects

STRATEGY

Cementos Argos – 2020 milestones and value generation perspective



DURING 2020 WE ACCOMPLISHED:

COP **+1** trillion

In free cash flow achieved in 2020 despite the closure of operations and the restrictions caused by covid-19

USD **-115** million

Savings in costs and operating expenses during 2020 to maintain the profitability of the operation

+5% *Cement volumen*

In December 2020 compared to the same month in 2019 thanks to the accelerated recovery of demand in our different geographies

+150 basic points

The company's proforma EBITDA margin improves compared to 2019 thanks to the savings and operational efficiencies achieved

Roadmap to maximize value

Profitability

Continue efforts to maximize the profitability of the operation, increase EBITDA and return on equity

3.2X Net Debt / EBITDA

Reduce the company's leverage with generated cash flow and divestments to regain financial flexibility

Divestments

Of non-integrated assets such as the concrete operation in Dallas sold for US\$ 180 mm

Volume

Expected growth in demand driven by public spending programs on infrastructure for economic reactivation

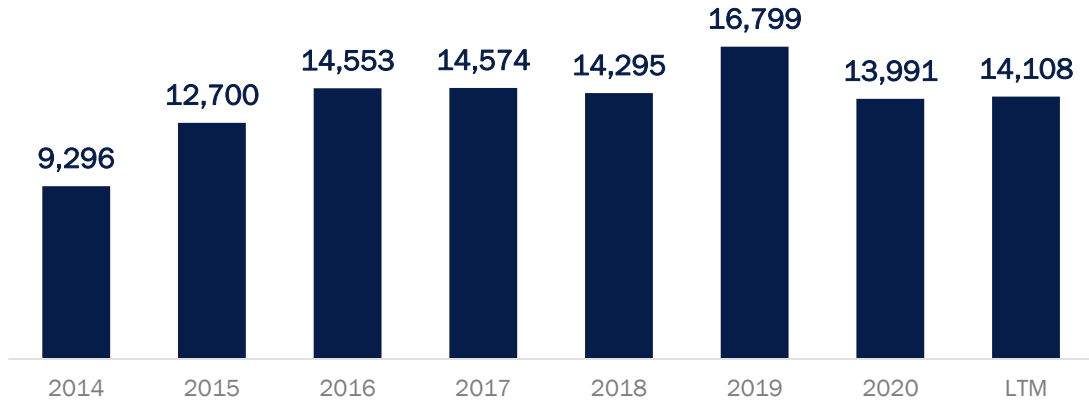
FINANCIAL RESULTS

Recovery in the first quarter of 2021 to improve margins and profitability

Consolidated revenues of Grupo Argos

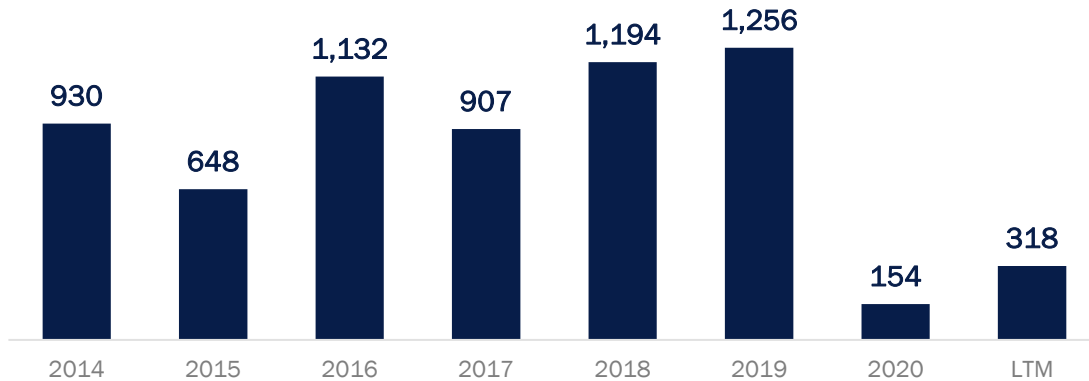
(COP bn)

CAGR (2014 – 2020) 7.1%



Net Income

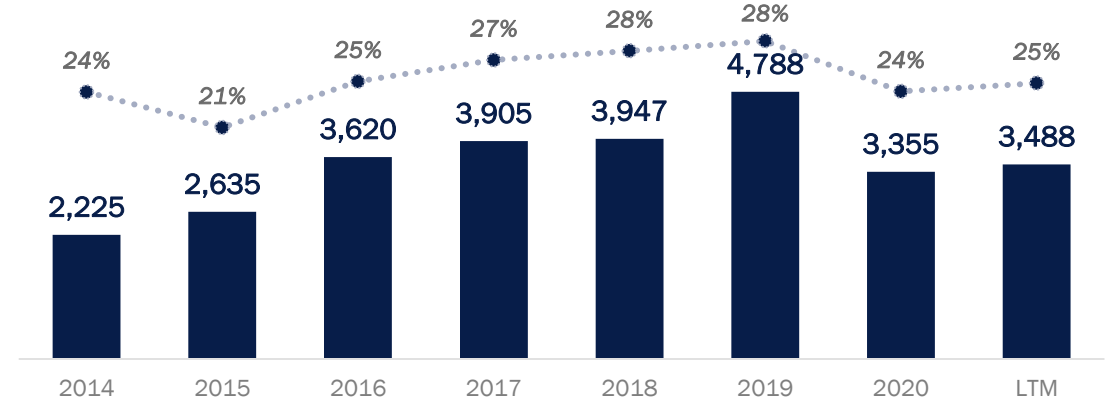
(COP bn)



Consolidated Ebitda of Grupo Argos

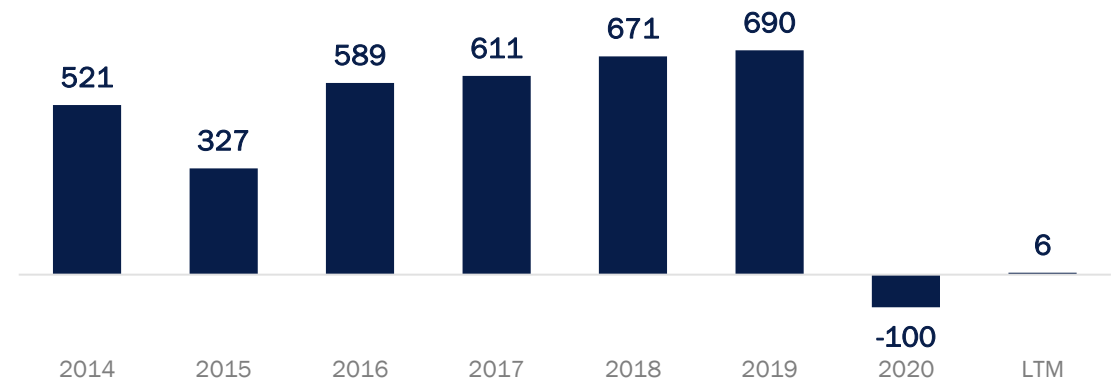
(COP bn)

CAGR EBITDA (2014 – 2020) 7.1%



Net Income of the controller

(COP bn)



DIVIDENDS RECEIVED

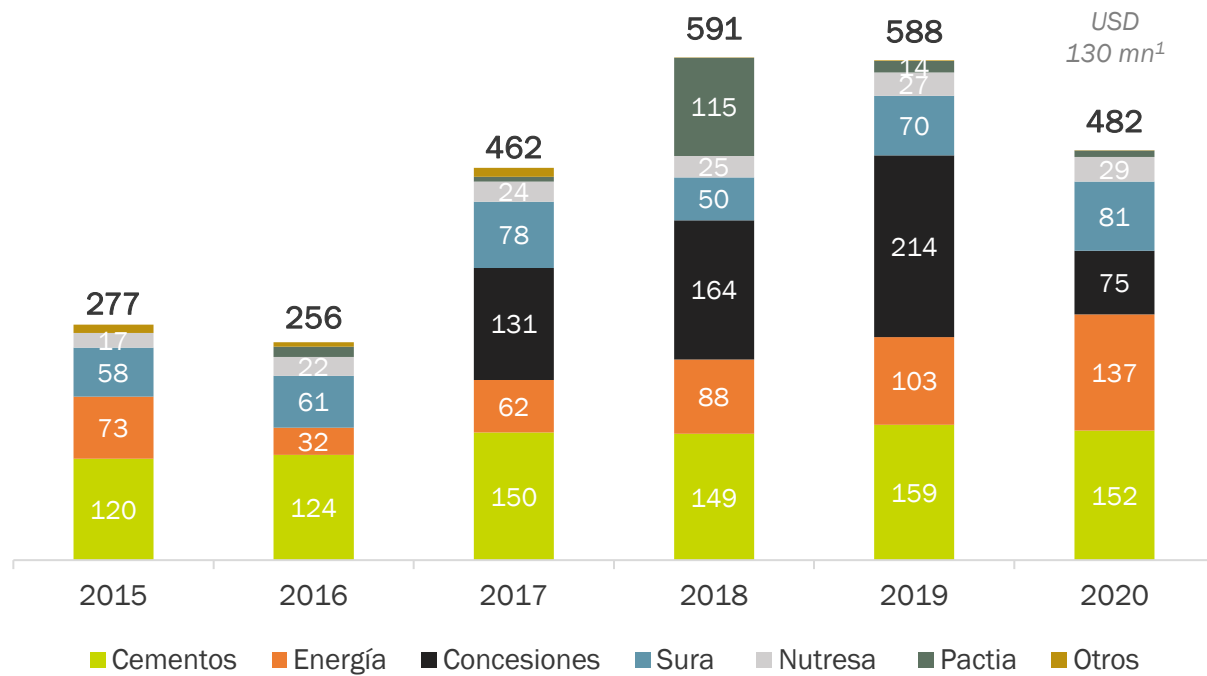
Business diversification allows greater absorption of impacts on different businesses

Historical Dividends

COP bn

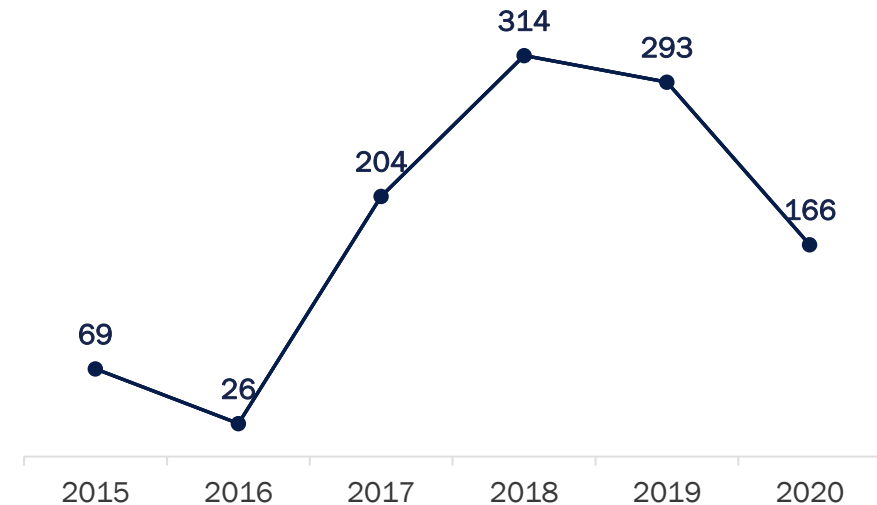
12%

CAGR 2015 - 2020



Positive dividend spread
(received - paid)

COP bn

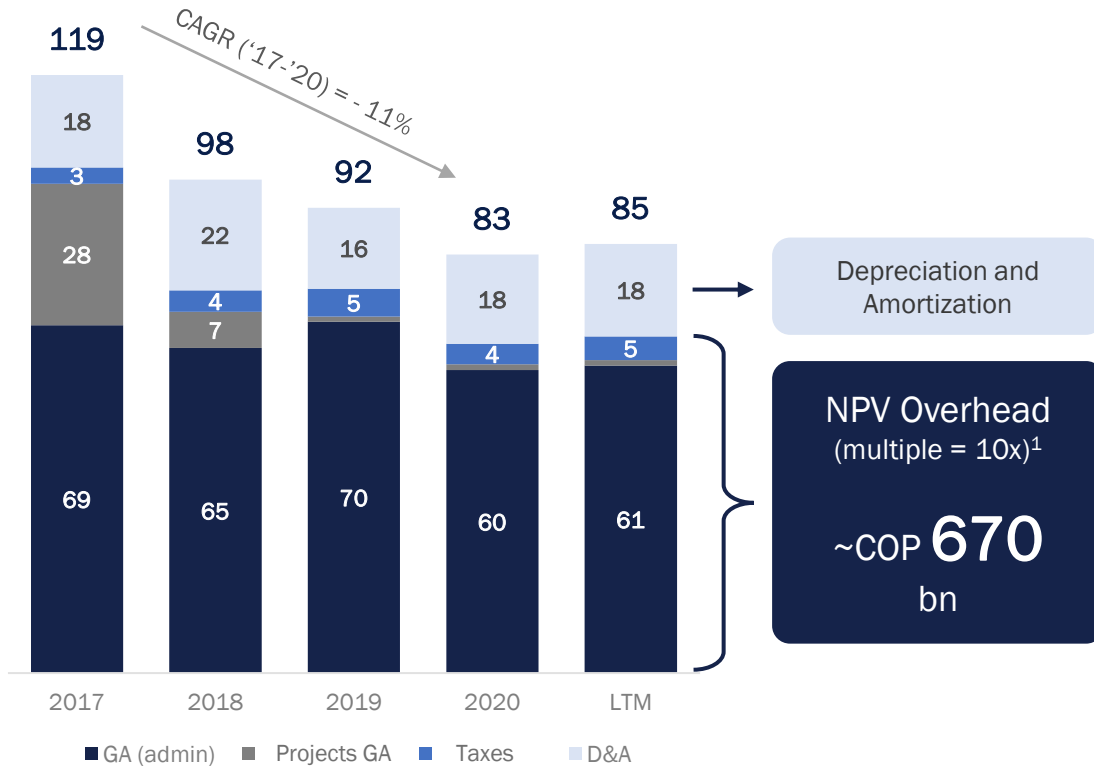
¹ Avg. exchange rate during 2020 = 3,691 USD/COP

EXPENSES

Expenses have decreased significantly during the last years

Grupo Argos Expenditures

COP bn

Total Expenditures (GA) / AUM⁴ = 0.3%

Real Estate Business Expenditures

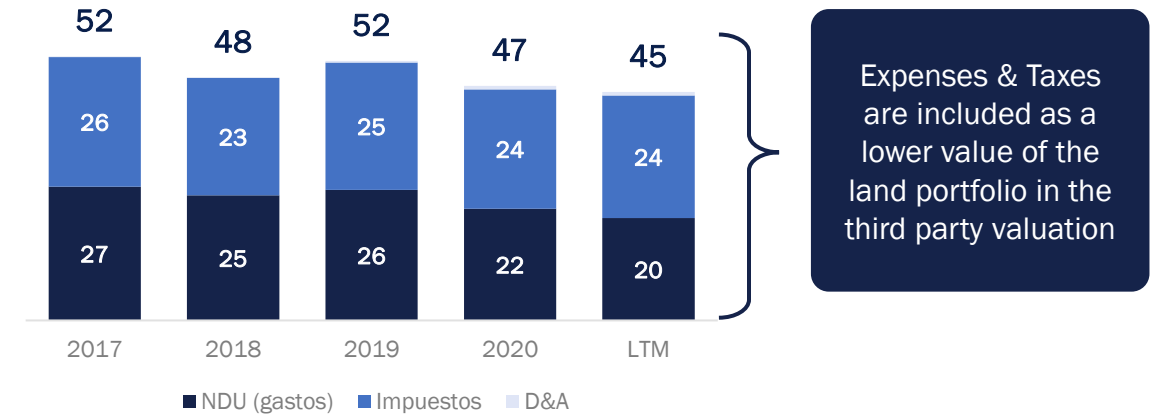
COP bn

Real Estate Expense Detail

- Property tax (2020) = COP 24 bn
- Maintenance + vigilance of properties (2020) = COP 10 bn
- Administrative expense (2020) = COP 12 bn
 - Overhead³ (2020) = 8 bn
 - Deterioro, costo amortizado, honorarios y otros
 - Impairment, amortized cost, fees and others (2020) = 4 bn

Administrative expense / AUM² = 0,5%Overhead³ / AUM² = 0,3%

vs. fee of 1.4% from other GPs
(average of local real estate GPs)

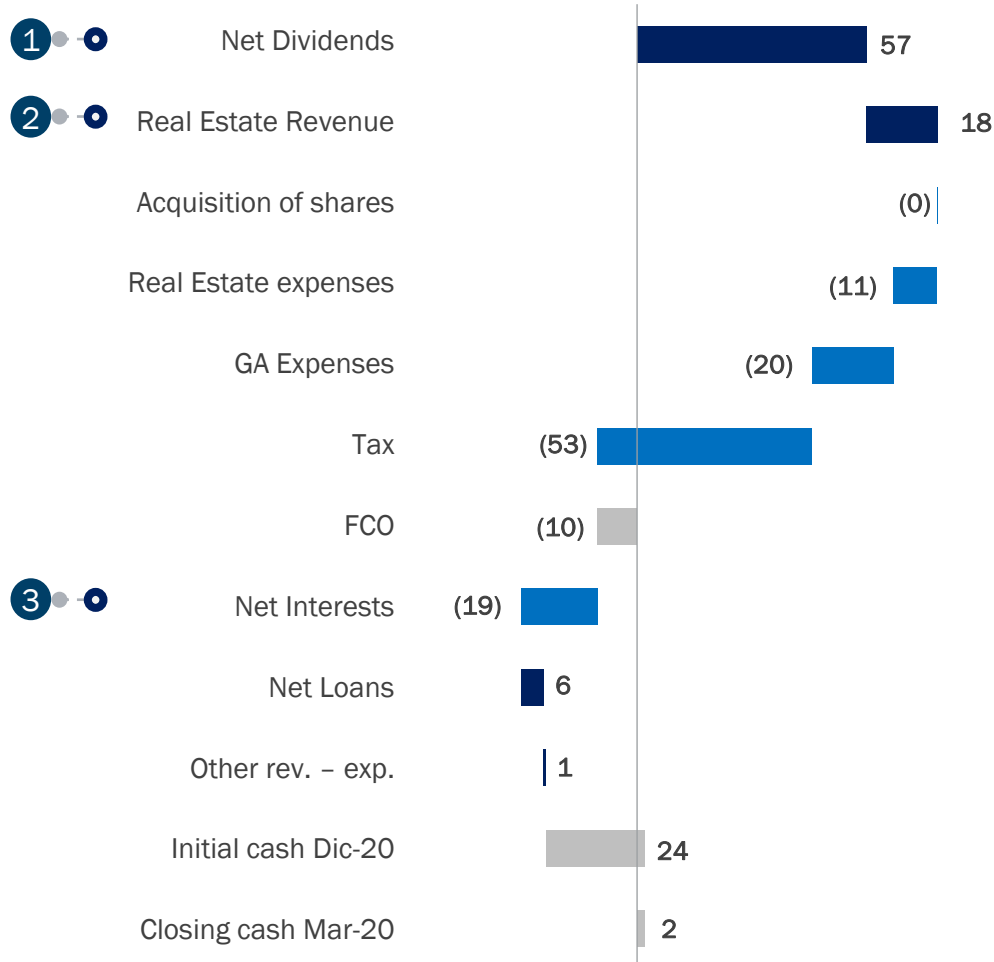
¹ Indicative valuation with a multiple of 10x² Book value of land bank (COP 2.4 tr) includes the NPV of overhead and property tax³ Overhead of real estate business includes wages, services and travel⁴ EV of the following businesses: Cementt, Energy, Concessions

CASH FLOW

Responsible cash management postposed short term investments at the holding level

Cash Flow

COP bn



Notes

- Dividends received: **COP 137 bn**, dividends paid: **COP 80 bn**
- Developed lots: **COP 17 bn**, Others: **COP 1 bn**

Considerations

GA will not receive cash dividends from Odinsa and Cementos Argos in order to strengthen the capital structure of these businesses and lower the debt levels. This means that:

- GA will receive less dividends during 2021 than during 2020
- With the dividends from other businesses GA will be able to meet all of its obligations and maintain its capital structure but there will not be excess cash to execute additional investments as long as there are no non-recurring events that generate excess cash for the holding company
- The current situation lead the company to propose a stock dividend (or cash dividend, decided by each shareholder) and to postpone the share buybacks in the short term

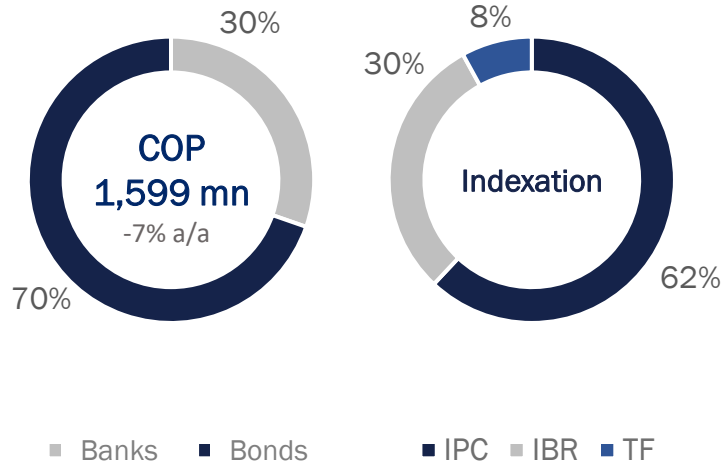
At consolidated level, the Operational Cash Flow of the quarter was of COP 570 bn (+85% y/y)

SEPARATED DEBT

Cost of debt closes at 4.7% thanks to treasury management and the favorable rate environment

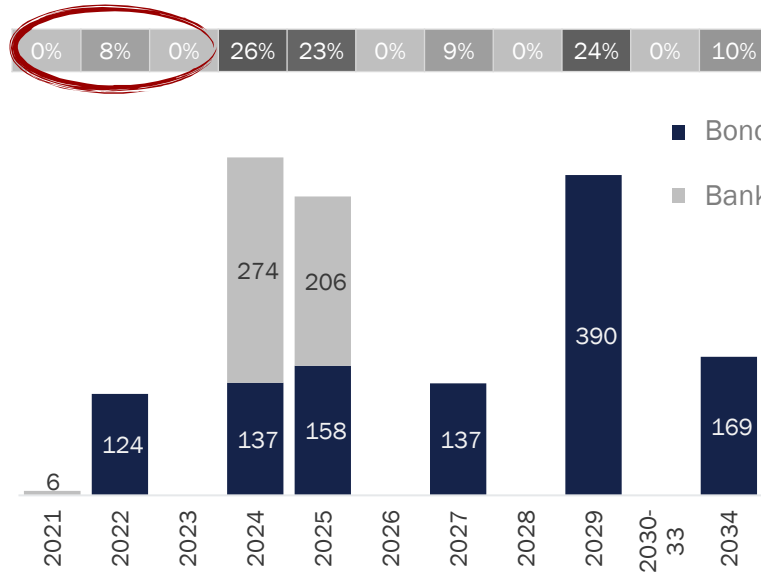
Debit¹

COP bn

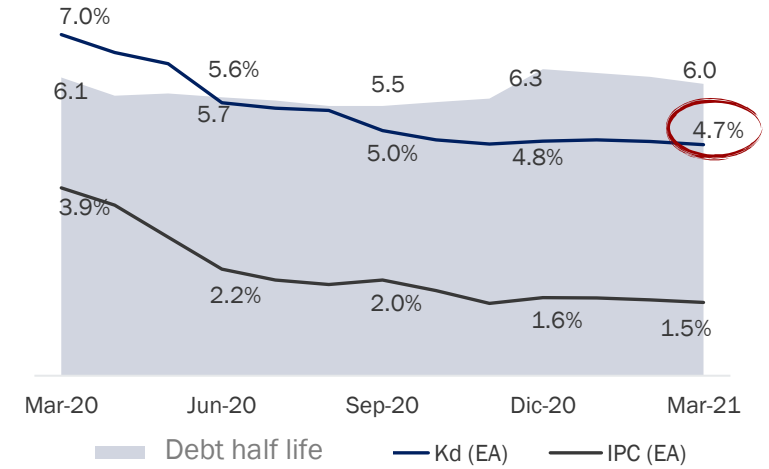


Maturity Profile (capital)

COP bn



Cost of debt



Gross Debt / Dividends

3.0x

Vs 2.9x in March 2020

Gross Debt / Portfolio²

14.7%

Vs 18.1% in March 2020

Cost of Debt

4.7%

Vs 7.0% in March 2020

¹ Only includes principal ² Portfolio of listed assets with market value + stake in Pactia

SEPARATED DEBT

S&P assigns positive outlook and confirms AA + rating of Grupo Argos

"The confirmation of the rating considers the **adequate payment capacity of Grupo Argos in adverse scenarios such as 2020**. This, as a result of the organization's **quick decision-making** in relation to its operations and its **easy access to the financial sector and the capital market through innovative structures** such as bond swaps. "

Issuer Rating + Issuance and Placement Program

The logo for the S&P AA+ rating, featuring the letters 'AA' in a large, bold, dark blue font, followed by a plus sign '+' in the same style.

Positive Outlook

S&P¹ May 2021

- GA implemented a timely action plan that allowed it to maintain adequate liquidity levels to meet its operational, financial and shareholder commitments.
- One of GA's main strengths is the diversification it maintains by type of business and geography. In this way, the magnitude of the impact in 2020 was different for each of the businesses and, in this same sense, will be the speed of recovery to levels prior to the pandemic.
- One element that we consider positive is Grupo Argos' access to the capital market and the financial sector, through innovative mechanisms that are in line with market demand.

¹ La calificación de S&P hace referencia a Grupo Argos consolidado

SUSTAINABILITY

Sustainable financing that generates value on all fronts

We formalized the first loan tied to indicators of gender equality and climate change in Colombia

The operation modifies the conditions of an existing debt of COP 392 bn, so that its interest rate may decrease if two sustainability indicators of the business group are met

ESG Objectives and Economic Benefit

Considerations

	Indicator	2030 Goal	Base line	Economic Benefit
Social	Gender equality: Increase the percentage of women in senior management positions in the business group	35% Women in senior management	21% 49 women / 237 total (in 2017)	COP +8,000_{mm} savings in interest payments thanks to a decrease up to:
	Climate Change Reduce the scope 1 and 2 CO ₂ e emissions of the business group in absolute terms	- 37% 7.8 M tCO ₂ e	0% 12.3 M tCO ₂ e (in 2015)	
Environment				100 bps In interest rate

- ✓ Corporate financing innovation
- ✓ Commitment of the business group in ESG matters
- ✓ ESG strategy allows a competitive advantage in financing
- ✓ Contributes to the fulfillment of national and global goals on climate change and to incentivize other companies to promote gender equality within their organizations

COMMITMENT:

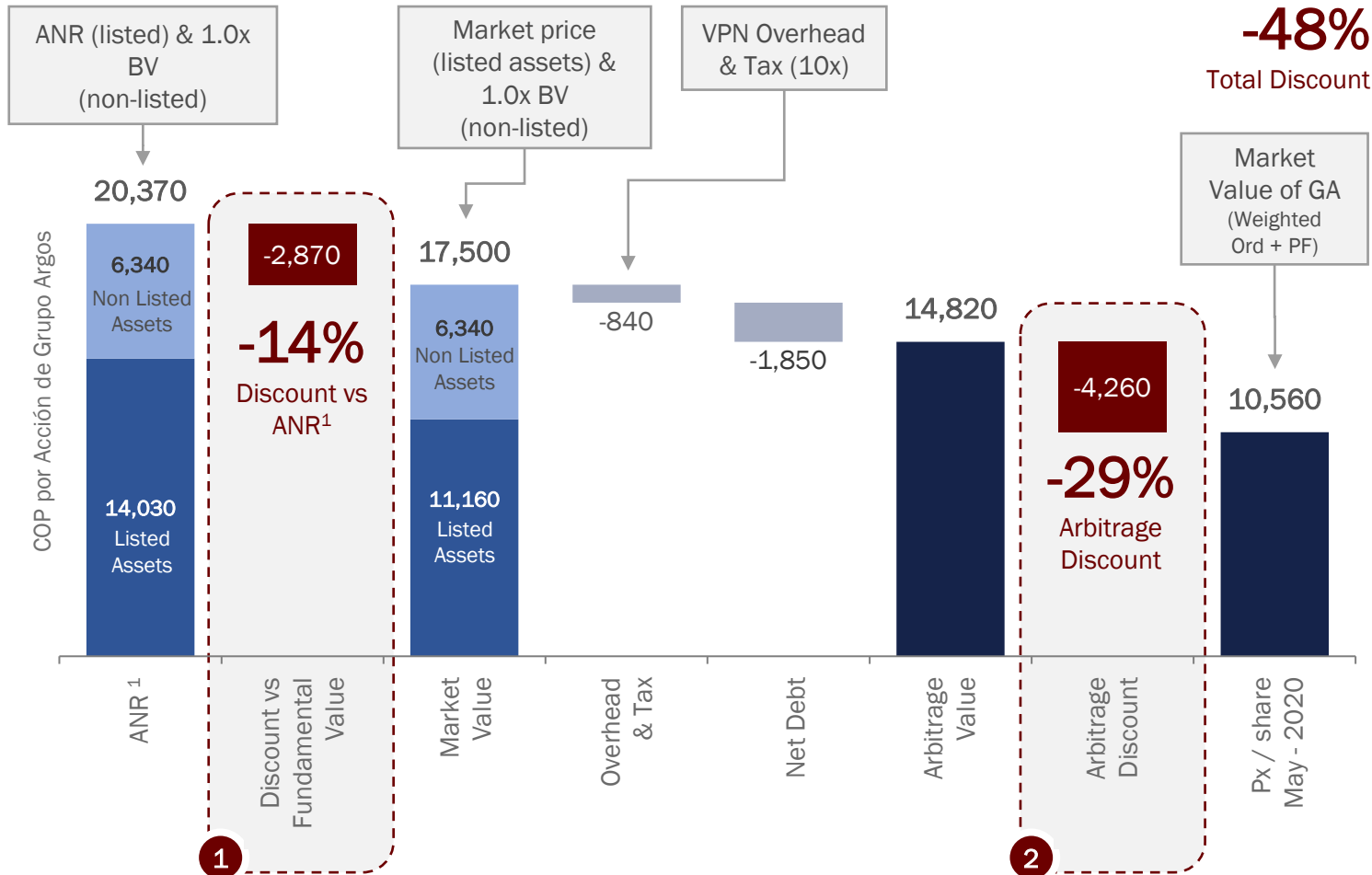
- ✓ Annually Grupo Argos must report progress based on the fulfillment of the goals defined within the loan to benefit from a reduction in the interest rate.

SHARE DISCOUNT

Total discount per share could be over 48% according to analyst recommendations (ANR)¹

Sum of the Parts - Grupo Argos

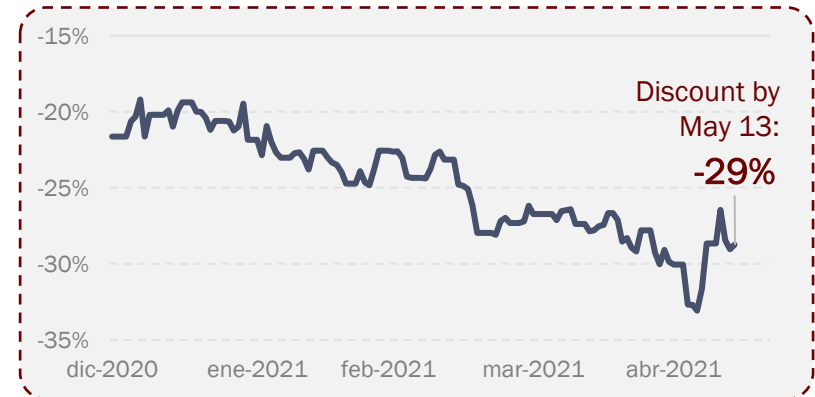
COP per share of Grupo Argos



1 Discount vs Analyst Valuations

Difference between the value that the market assigns to GA assets and the target price of the analysts who follow these assets

- Analyst Consensus on Listed Investments
- 1.0x the book value of non-listed investments

2 Arbitrage discount (YTD)²

1. ANR (Analyst Recommendation) = Average target price of the analysts that follow the listed investments of Grupo Argos as of May 13 2021.

2. Evolution of arbitrage discount incorporates market value of listed assets, 1.0x BV of non-listed assets, Net Debt, and 10x overhead and tax expenditures

SHAREHOLDERS AND BOARD OF DIRECTORS

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



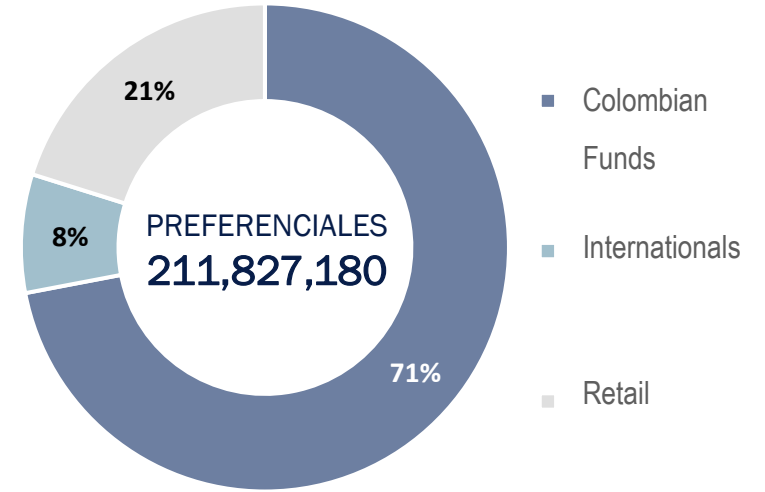
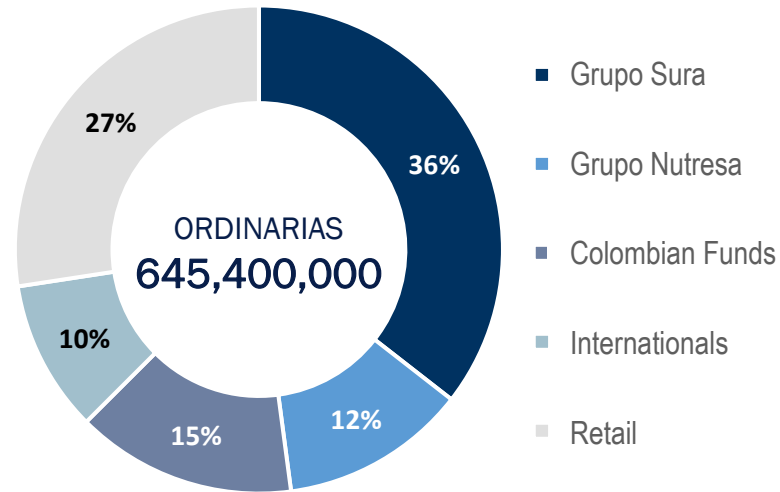
GONZALO PEREZ
Non - independent



CARLOS GALLEGO
Non - independent

Shareholders

December 31, 2020



Recognitions



Affiliations



The CEO Water Mandate

From a 100% male Board of Directors in 2012 to a more diverse Board of Directors with 43% participation of woman and 57% independent members



“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.”

Annexes Financial Results 1Q21



GRUPO ARGOS CONSOLIDATED RESULTS 1Q2021

Proforma EBITDA grows 15% due to better operational results in the business segments

P&L Summary

COP bn	1Q - 2021	1Q - 2020	Var.(%)
Revenue	3,733	3,616	3%
Costs, expenses and other revenue	3,208	3,219	0%
Operating Profit	525	397	32%
Ebitda	952	819	16%
<i>Ebitda Margin</i>	<i>25%</i>	<i>23%</i>	<i>285 pb</i>
Profit before taxes	282	114	147%
Taxes	92	88	4%
<i>Current</i>	<i>120</i>	<i>92</i>	<i>31%</i>
<i>Deferred</i>	<i>-28</i>	<i>-4</i>	<i>-625%</i>
Net profit	191	26	623%
Net controller profit	74	-32	330%
<i>Net controller margin</i>	<i>2%</i>	<i>-1%</i>	<i>287 pb</i>

25%

Consolidated proforma EBITDA margin grows +243 basic points vs 1Q2020

Summary P&L - Proforma*

COP bn	1Q - 2021	1Q - 2020	Var.(%)
Revenue	3,733	3,579	4%
Ebitda	952	825	15%
Net profit	191	32	488%
Net controller profit	74	-26	382%
<i>Ebitda Margin</i>	<i>25%</i>	<i>23%</i>	<i>243 pb</i>

COP 74 bn

Net controller profit during the quarter

* Pro Forma adjustments – M&A transactions and non-recurring operations only included for Grupo Argos

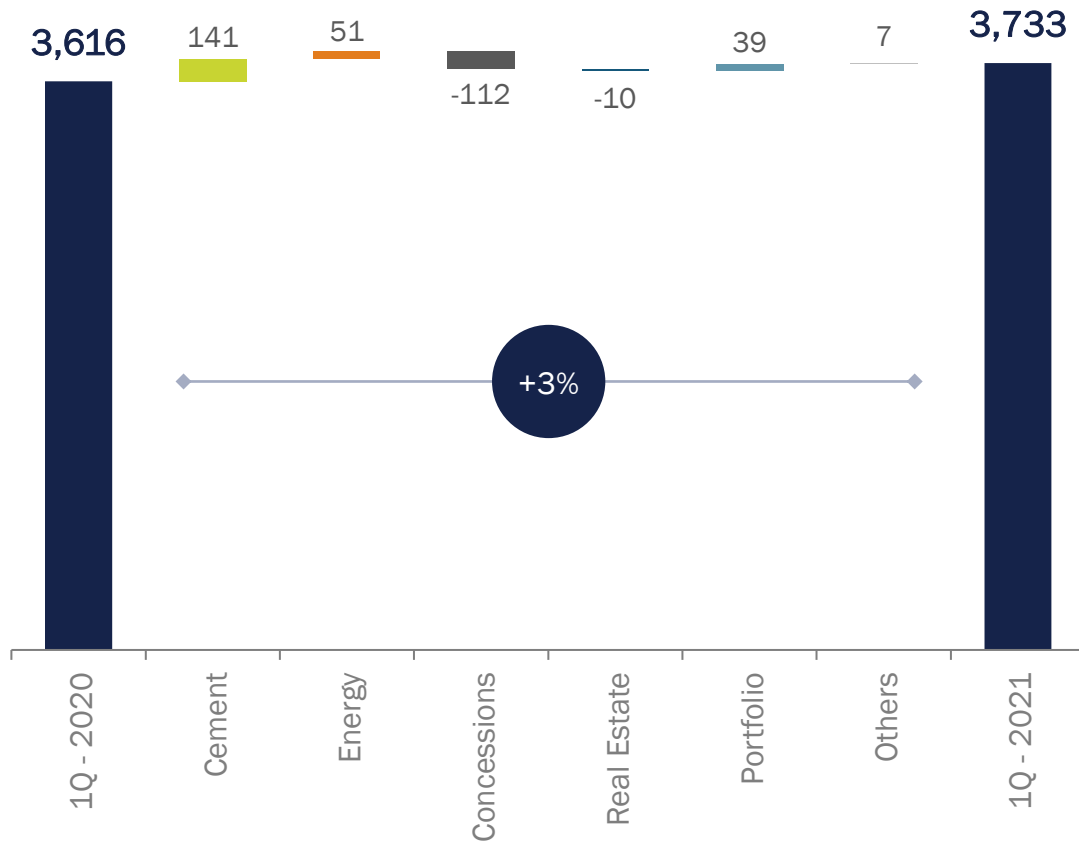
- 2020: sale of Odempa shares
- 2021: n/a

GRUPO ARGOS CONSOLIDATED RESULTS 1Q2021

Contribution of Cementos Argos and Celsia overweights lower contribution from concessions

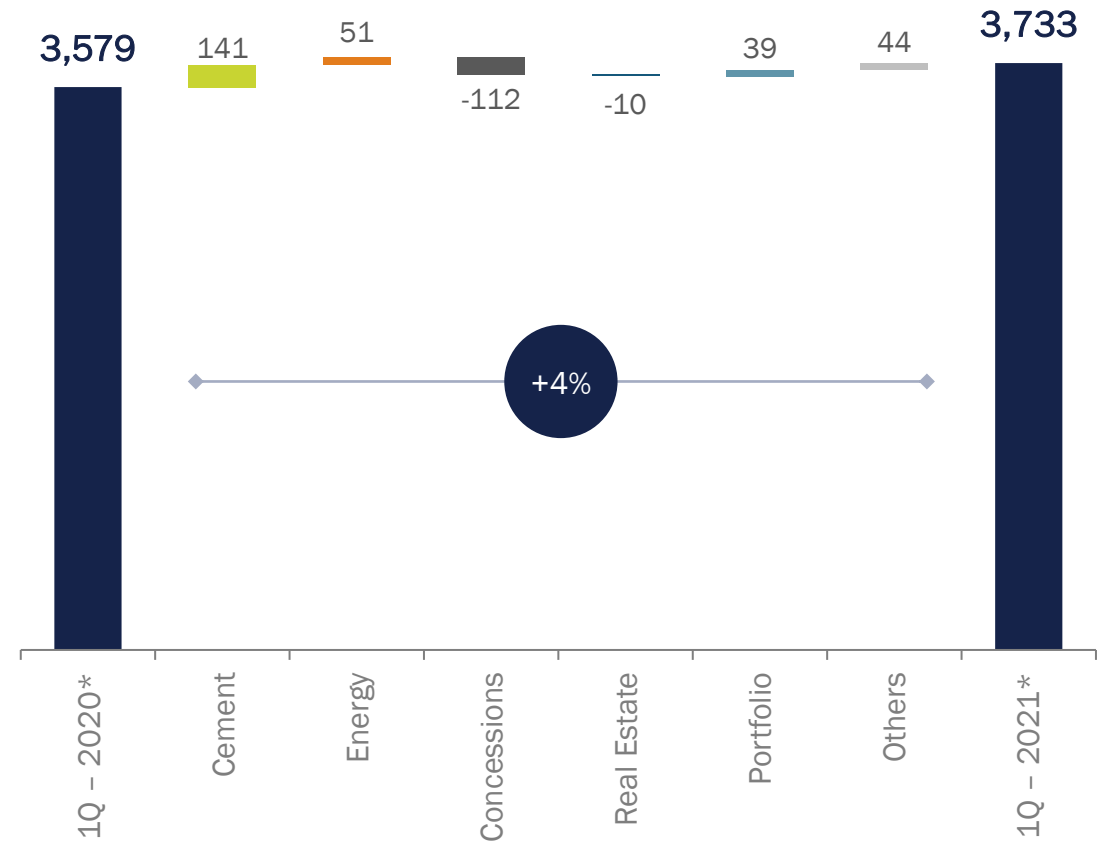
Consolidated revenue 1Q2021

COP bn



Consolidated revenue 1Q2021 (PRO FORMA*)

COP bn



* Pro Forma adjustments – M&A transactions and non-recurring operations only included for Grupo Argos

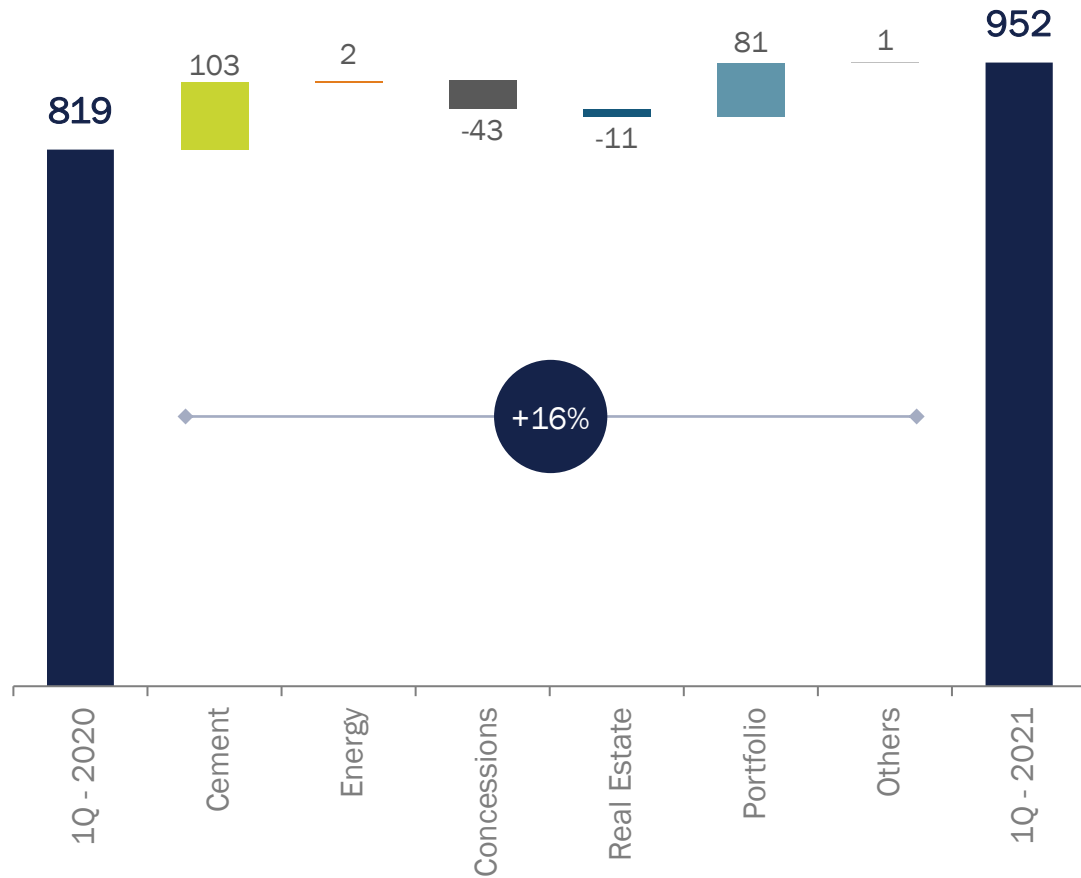
- 2020: sale of Odempa shares (\$37)
- 2021: n/a

GRUPO ARGOS CONSOLIDATED RESULTS 1Q2021

EBITDA growth driven by the performance of the cement business

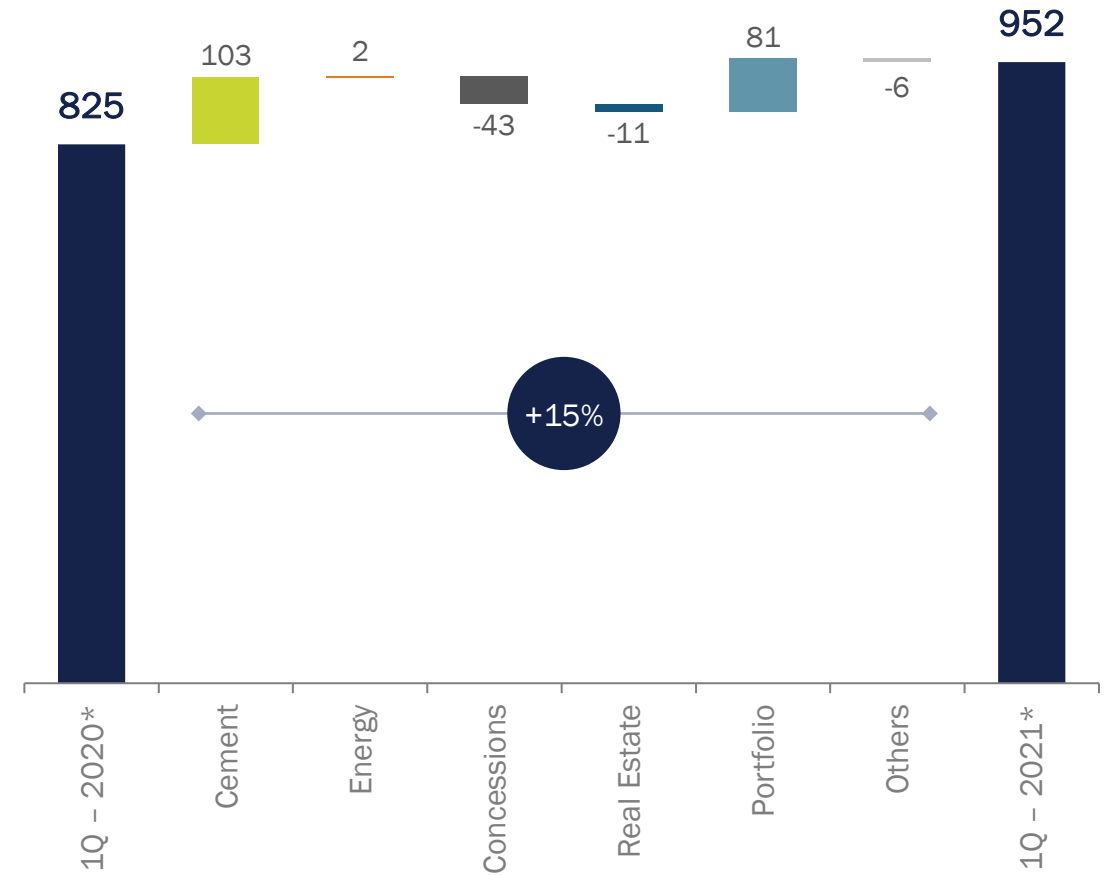
Consolidated Ebitda 1T2021

COP bn



Consolidated Ebitda 1T2021 (PROFORMA*)

COP bn



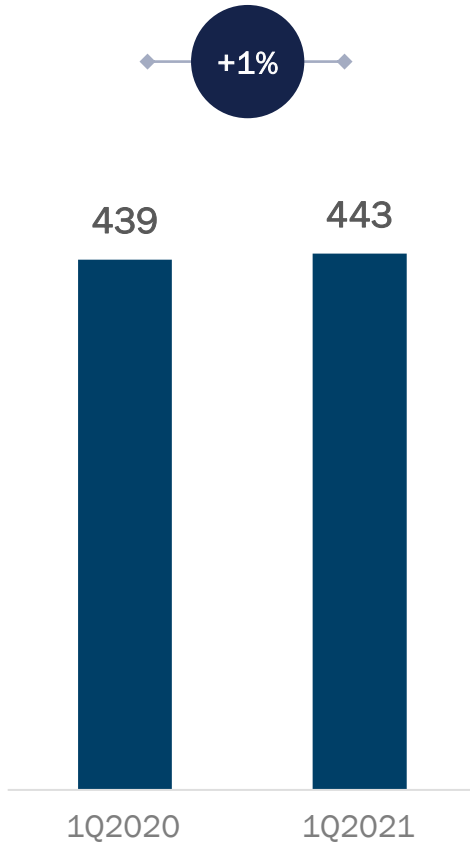
* Pro Forma adjustments – M&A transactions and non-recurring operations only included for Grupo Argos

- 2020: sale of Odempa shares (- \$7)
- 2021: n/a

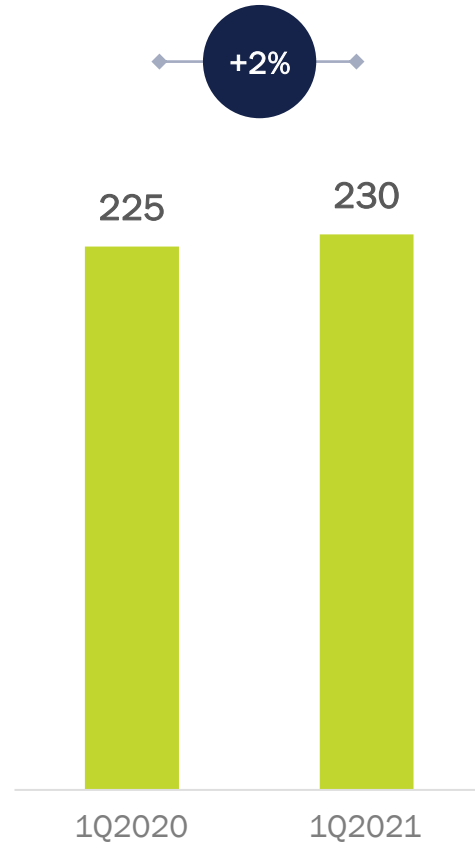
GRUPO ARGOS CONSOLIDATED RESULTS 1Q2021

All businesses continue with efficiency plan. Celsia is impacted by non-recurring events¹

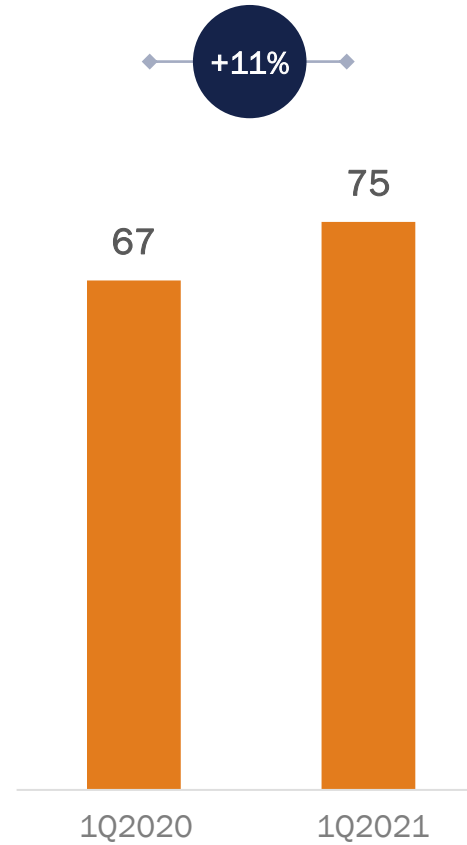
Consolidated Expenses



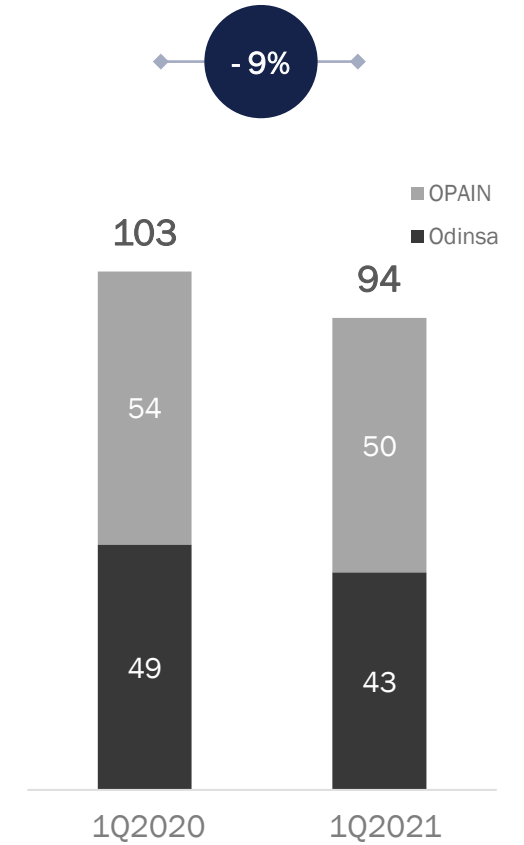
Cementos Argos Expenses



Celsia Expenses



Odinsa + Opain Expenses



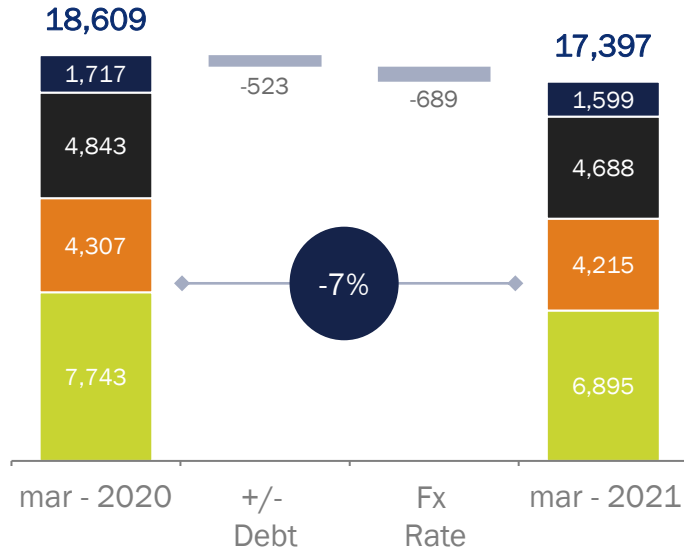
1. Increase of expenditures in Celsia due to the entrance of the operation in Torlima and provisions of receivables in Colombia

GRUPO ARGOS CONSOLIDATED RESULTS 1Q2021

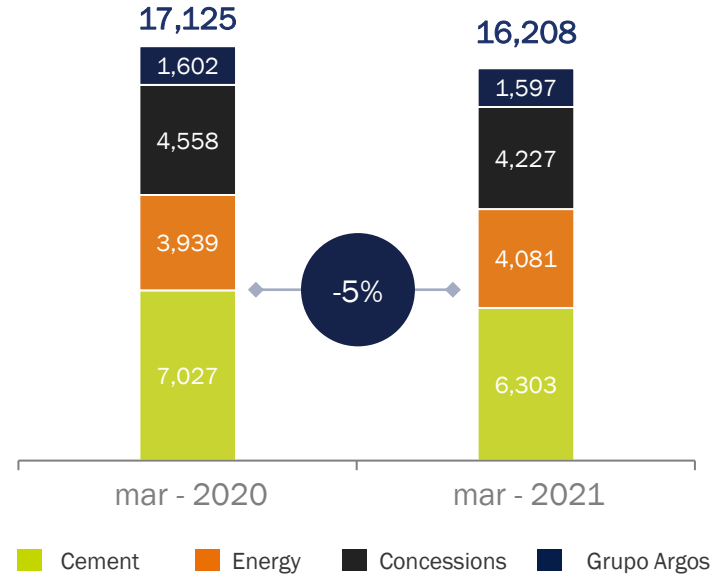
Financial discipline and cash flow generation enabled a decrease in total debt

Consolidated debt

COP bn

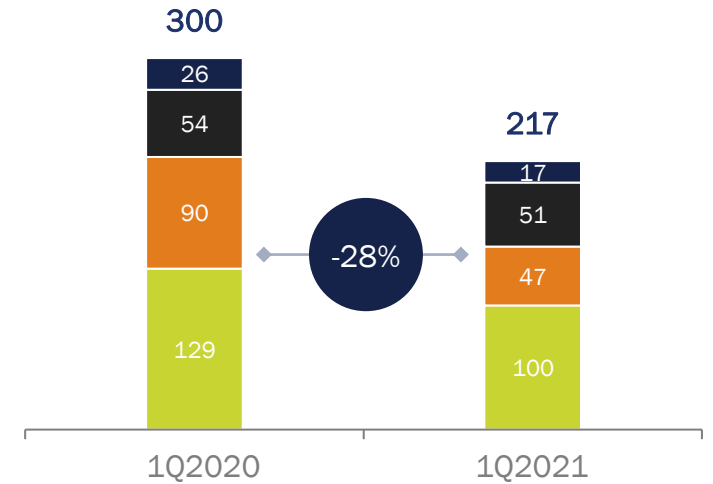
Net debt¹

COP bn



Net financial expenses

COP bn



- ▲ Total debt decreased 7% during last 12 months due to amortizations of COP 523 bn and the revaluation of the COP
- ▲ Net Debt decreased by COP 917 bn of which -COP 723 bn are from Cementos Argos
- ▲ The decrease of financial expenditures stands out due to lower indexation rates and an active strategy from the treasury departments

1. Net debt excludes restricted cash and equivalents

GRUPO ARGOS SEPARATED RESULTS 1Q2021

Proforma separated results with growth in every line of the P&L statement

Summary P&L

COP bn	1Q - 2021	1Q - 2020	Var.(%)
Revenue	189	200	-6%
Costs and other expenditures	3	24	-89%
GA Expenses	49	47	4%
Operating Profit	137	128	7%
Ebitda	142	132	7%
<i>Ebitda Margin</i>	<i>75%</i>	<i>66%</i>	<i>886 pb</i>
Profit before taxes	120	103	16%
Taxes	2	4	-57%
<i>Current</i>	0	5	-100%
<i>Deferred</i>	2	-1	316%
Net profit	118	99	19%
<i>Net margin</i>	<i>62%</i>	<i>50%</i>	<i>1284 pb</i>

COP **118** bn

Net profit of the period grows 35%* due to a higher contribution from the business segments through equity method

Summary P&L - Proforma*

COP bn	1Q - 2021	1Q - 2020	Var.(%)
Revenue	189	164	15%
Ebitda	142	119	19%
<i>Ebitda Margin</i>	<i>75%</i>	<i>73%</i>	<i>237 pb</i>
Net profit	118	87	35%

* Pro Forma adjustments – M&A transactions and non-recurring operations only included for Grupo Argos

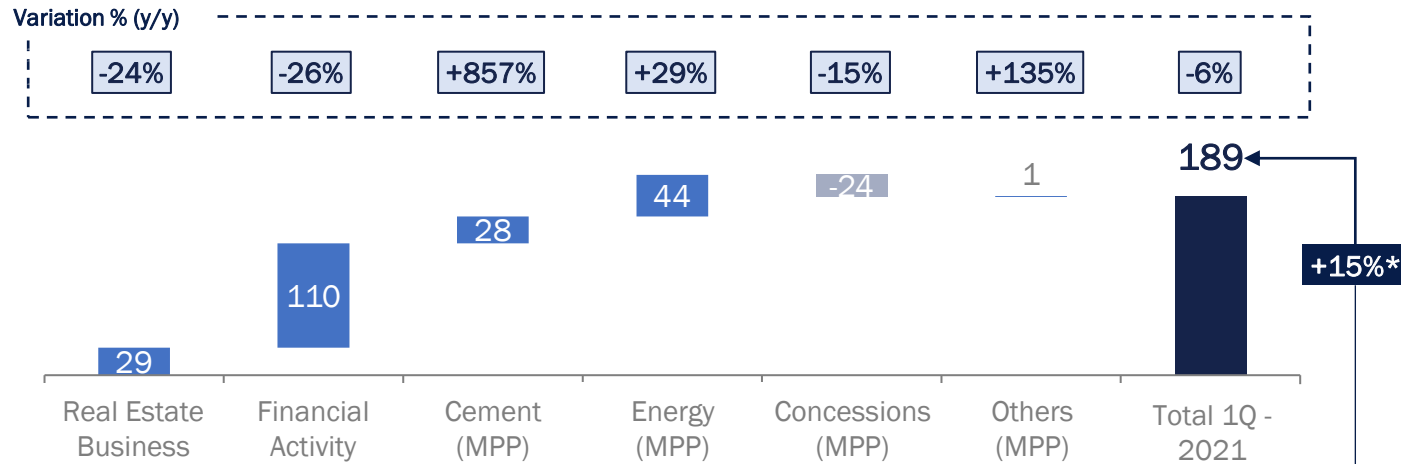
- 2020: sale of Odempa shares
- 2021: n/a

GRUPO ARGOS SEPARATED RESULTS 1Q2021

Separated proforma revenues grow 15% due to the better performance of our strategic businesses

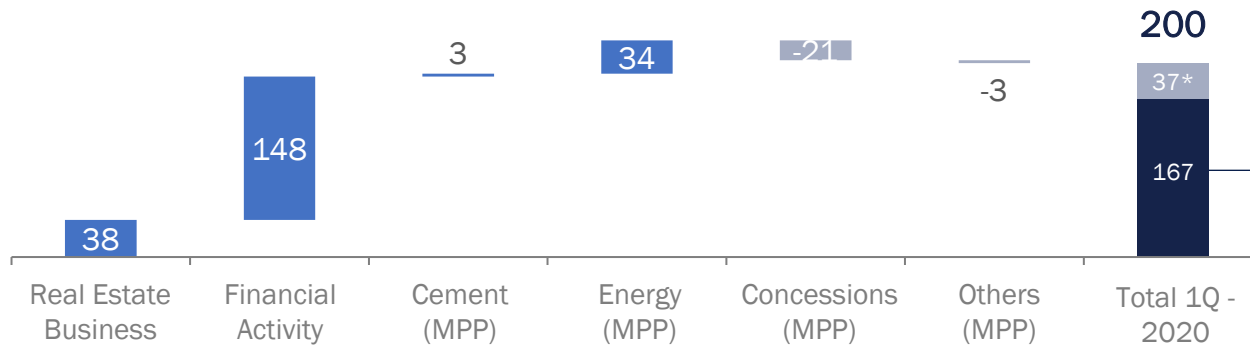
1Q2021 Revenue distribution

COP bn



1Q2020 Revenue distribution

COP bn

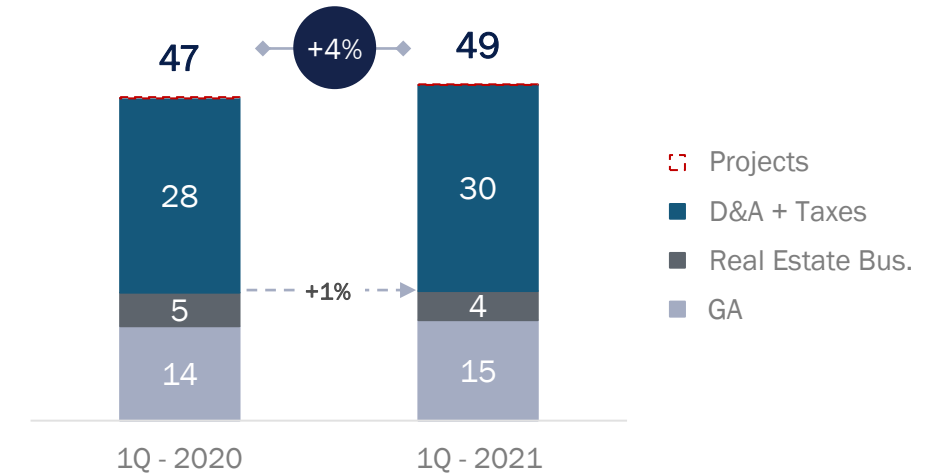


* Pro Forma adjustments – M&A transactions and non-recurring operations only included for Grupo Argos

- 2020: sale of Odempa shares
- 2021: n/a

1T2021 Controllable expenses

COP bn



- Proforma revenues grow 15% y/y:

- Higher contribution through equity method (+261%) specially from strategic assets
- Negative impacts in the airport business affects the contribution from the concessions segment
- Financial activity decreases due to the divestiture of Odempa in 2020 (that generated a non-recurring revenue of COP 37 bn)



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