

CORPORATE PRESENTATION

November 2019



GRUPO ARGOS

Inversiones que transforman



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.

All USD figure had been calculated at an FX of USD/COP 3,300

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 15 billion 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 5,8 bn. Source: BVC

PORTFOLIO

STRATEGIC PORTFOLIO FOCUSED IN INFRASTRUCTURE



USD 4.2 bn
MARKET CAP^{*1}

USD 4.8 bn
REVENUES ^{*2}

USD 1.3 bn
EBITDA ^{*2}

STRATEGIC
In Infrastructure

CEMENT



^{*3} 58.0%

^{*7} Revenues: USD 2.6 bn
EBITDA: USD 0.5 bn

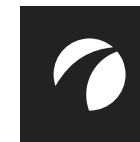
ENERGY



52.9%

^{*7} Revenues: USD 1.1 bn
EBITDA: USD 0.4 bn

CONCESSIONS



^{*8} 99.9%

^{*7} Revenues: USD 0.6 bn (+0.3 bn of Opaín)
EBITDA: USD 0.3 bn (+0.1 bn of Opaín)

PORTFOLIO of USD 2,9
billions⁶ composed by:



^{*4} 37.2%



Desarrollo
Urbano

100%



^{*5} 27.7%



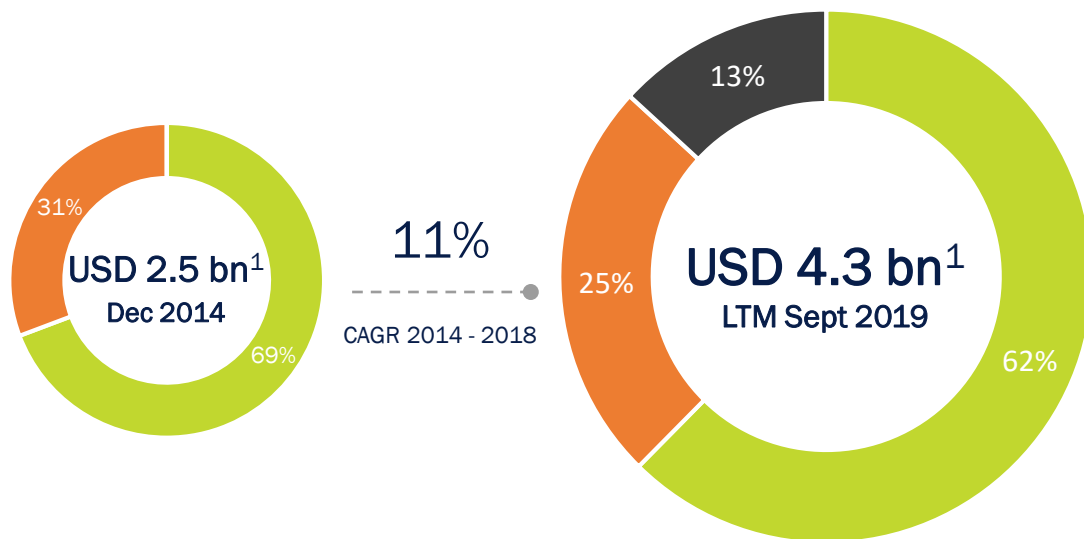
9.8%

¹ Mkt Cap in USD as of 30/09/2019 (1 USD = 3,462COP) ² Revenues & EBITDA LTM Sept 2019 in USD ³ Cementos Argos 58% 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 Sept 2019 and book value for urban development ⁷ Corresponds to recurrent revenues and Ebitda for 2019 Sept YoY ⁸ Grupo Argos and its related companies adds to 99.9%

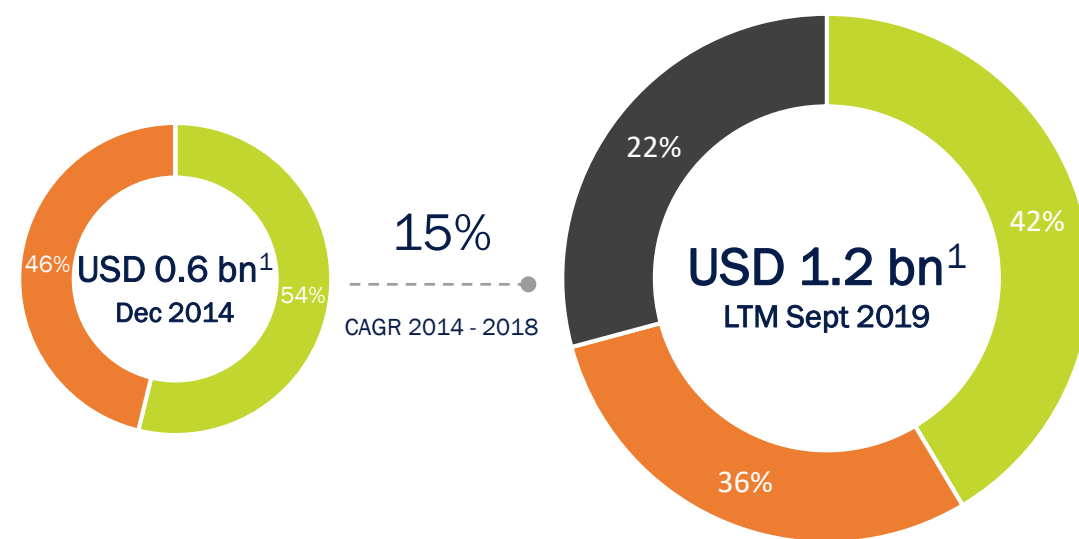
PORTAFOLIO

WITH WELL BALANCED SOURCES OF REVENUE AND EBITDA FROM OUR CORE BUSINESS

REVENUE CONTRIBUTION FROM STRATEGIC BUSINESS LTM SEPT 19



EBITDA CONTRIBUTION FROM STRATEGIC BUSINESS LTM SEPT 19



■ Cementos Argos

■ Celsia

■ Odinsa

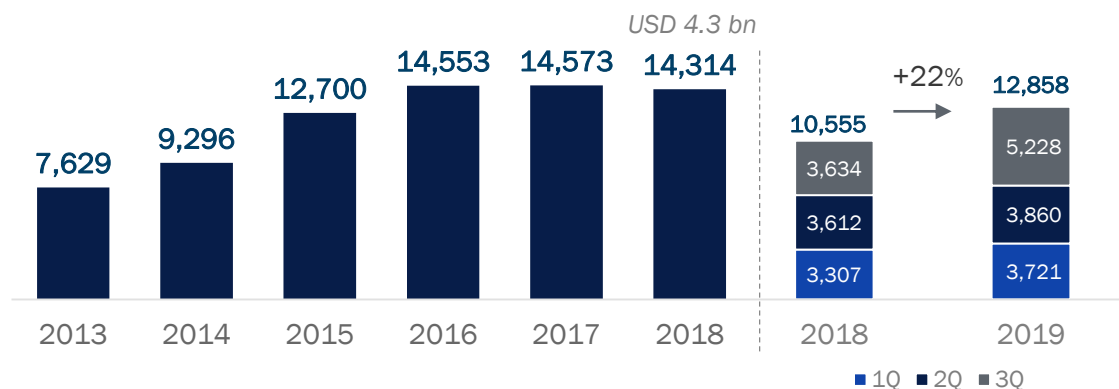
¹ Revenues and Ebitda only include those of the Cement, Energy, and Concesión business (including Opain)
USD as of 30/09/2019 (1 USD = 3,462 COP)

FINANCIAL RESULTS

DISCIPLINE THAT HAS TRANSLATED INTO POSITIVE RESULTS WITH EBITDA CAGR OF 16% IN LAST 5 YEARS

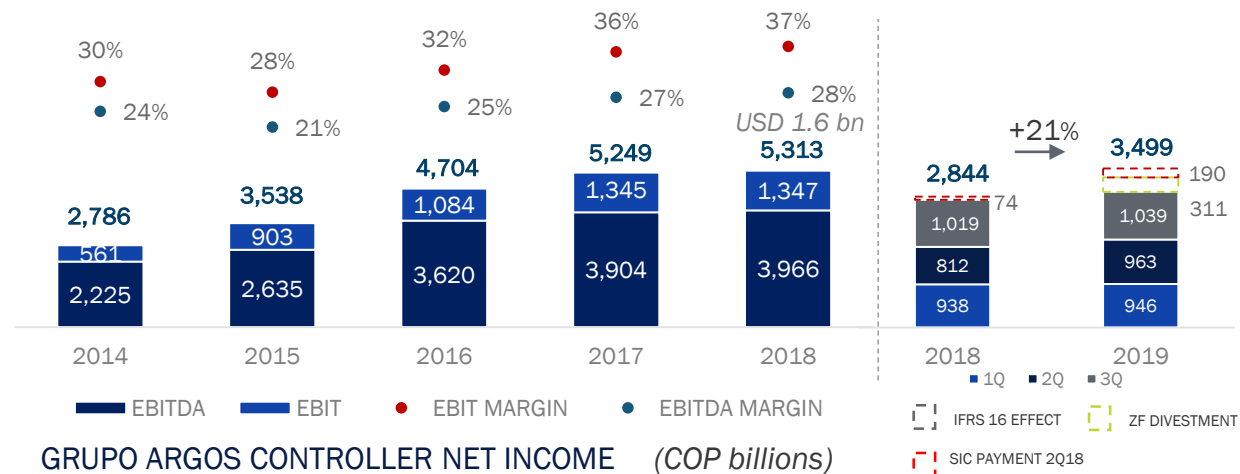
GRUPO ARGOS CONSOLIDATED REVENUES (COP billions)

CAGR (2013 - 2018) 13.4%



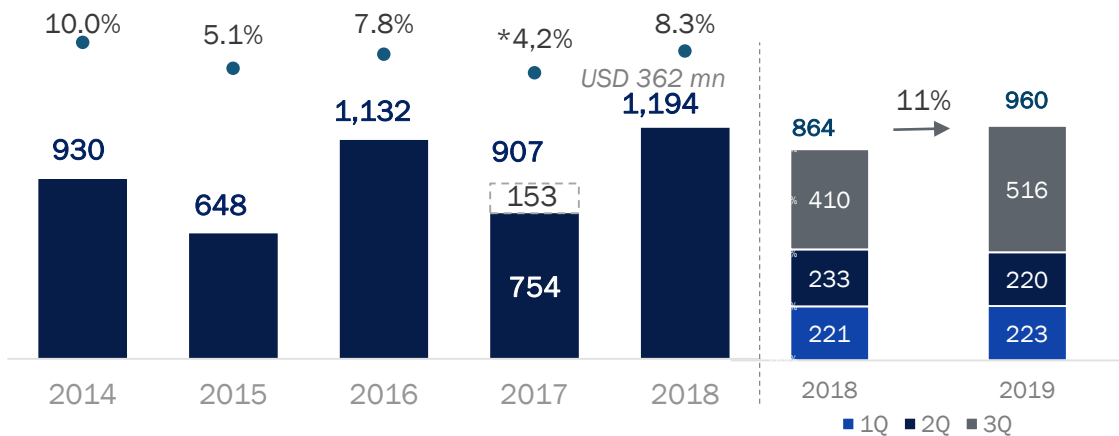
GRUPO ARGOS CONSOLIDATED EBITDA (COP billions)

CAGR (2013 - 2018) 15,8%



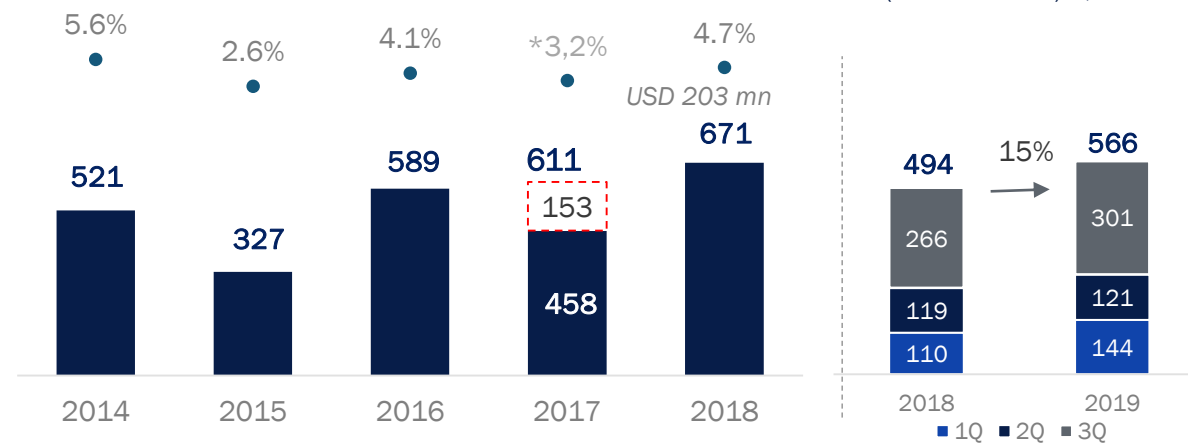
GRUPO ARGOS NET INCOME (COP billions)

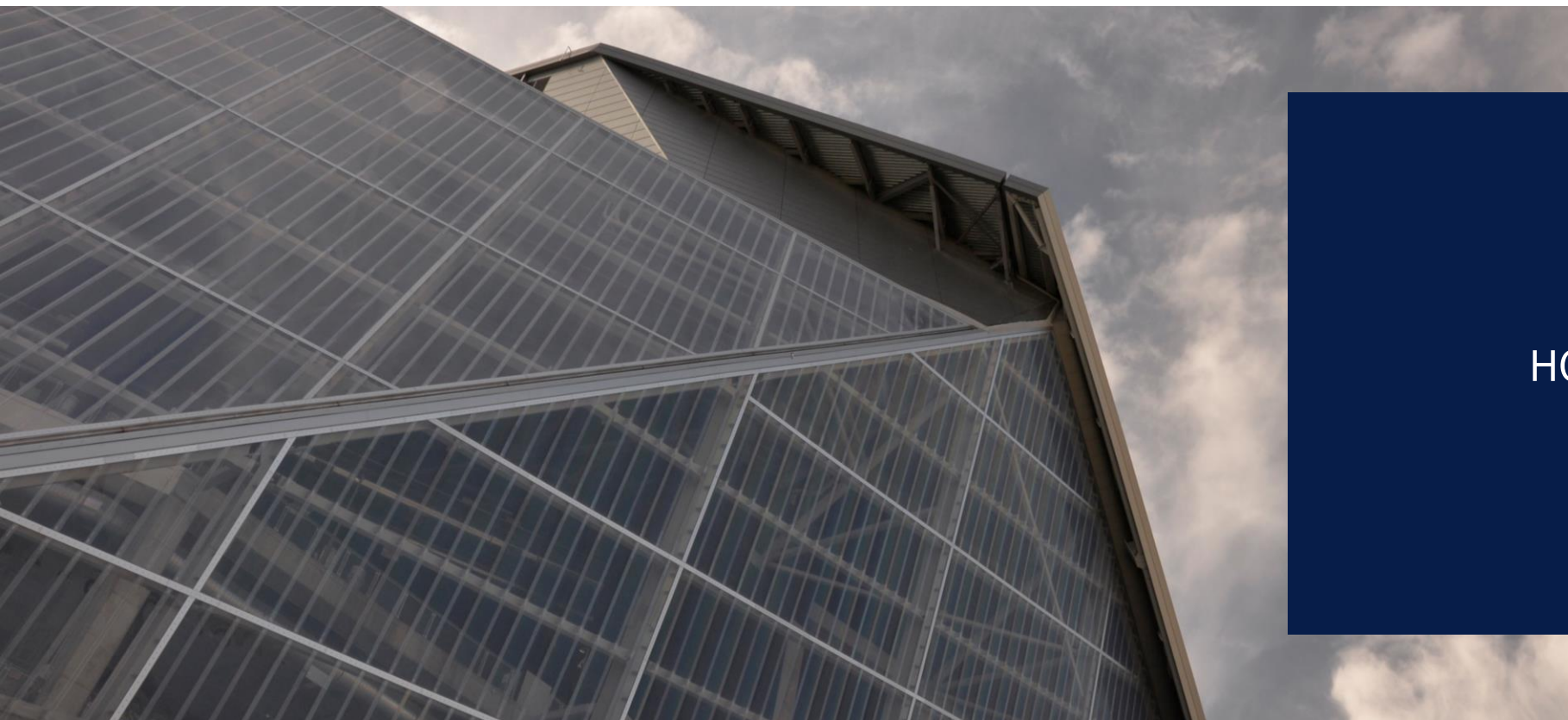
CAGR (2014 - 2018) 6,4%



GRUPO ARGOS CONTROLLER NET INCOME (COP billions)

CAGR (2014 - 2018) 6,5%





HOW WE GENERATE VALUE

HOW WE GENERATE VALUE

GRUPO ARGOS STRATEGY TOWARDS VALUE GENERATION AND SUSTAINABLE GROWTH



- ▲ Definition and execution of the **holding's** role
- ▲ Consistent strategy in all businesses with a **focus on profitability**
- ▲ **Alignment of the administration's objectives with those of shareholders**
- ▲ **Efficient management of administrative expenses**
- ▲ **Stability and strengthening of cash flows from dividends received**
- ▲ Committed with **sustainability** and **value generation for all our stakeholders**
- ▲ **Corporate governance** of highest standards

HOW WE GENERATE VALUE

GRUPO ARGOS GUIDELINES AS STRATEGIC ARCHITECT – HOW WE GENERATE VALUE

Efficient Capital Allocation + High Corporate Governance Standards + Social Responsibility + Human Talent Management

STRATEGIC	FINANCIAL	INSTITUTIONAL	ASSET AND TALENT MANAGER
<ul style="list-style-type: none"> Corporate strategy and innovation 	<ul style="list-style-type: none"> Merge & Acquisitions and divestments Efficient capital allocation Capital structure Tax and accounting guidelines 	<ul style="list-style-type: none"> Corporate governance Risks and control system Reputation, brand and communications Sustainability and corporate citizens 	<ul style="list-style-type: none"> Strategic human talent management Improvement in profitability looking for corporate synergies
			

HOW WE GENERATE VALUE

COHERENT STRATEGY IN ALL BUSINESSES WITH FOCUS IN PROFITABILITY

STRATEGY

Coherence

+

Financial flexibility

+

Corporate governance

+

Strategic human talent
management

PROFITABILITY

CEMENTOS ARGOS

Focus on efficiency and strategic asset allocation

- Potentialize assets in the US
- Focus on decreasing leverage

CELSIA

Strengthening of the generation business in non-conventional renewable energies the distribution business, prioritizing returns

- Capital allocation in Celsia and EPSA
- Strengthening of the platform in Colombia through EPSA

ODINSA

Simplification, capital structure and focus on building growth pipeline

- Growth strategy supported on projects for more than USD 4 bn
- Possibility of optimizing capital structure of current concessions

HOW WE GENERATE VALUE

CEMENTOS ARGOS – EFFICIENCY FOCUS AND STRATEGIC ASSET ALLOCATION

USD **450** mn

EBITDA 2018

▲ 4.5% YoY

OPERATING EFFICIENCY

- ▲ **Production cost decrease per ton in Col** (12 USD / ton) between 2017 - 2018¹
- ▲ **Best 2.0 program in USA** estimated savings of USD 40 mn in 2019
- ▲ **Administrative and sales expenses** -5.6% A / A in 2018
- ▲ **EBITDA margin improvement** in USA of 300 bp from 2016 to 16.1% in 2018

USD **537** mnDivesting non-core assets
(2016 to 2018)

CAPITAL ALLOCATION

- ▲ **Improvement in working capital** in 2018 (USD 67 bn additional cash)
- ▲ **Prioritizing leverage reduction.** 3.2x Target in June 2020

USD **284** mn

Free Cash Flow 2018

▲ 72% YoY

RETURN

- ▲ **Net Profit 2018 of USD 54 mn** vs a net loss of USD 4 mn in 2017

¹Corresponde a cálculos internos realizados por Cementos Argos
USD as of 30/06/2019 (1 USD = 3,300 COP)

HOW WE GENERATE VALUE

CELSIA – STRENGTHENING OF THE DISTRIBUTION AND GENERATION BUSINESS WITH FOCUS IN RETURNSUSD **303** mn

EBITDA 2018

▲ 4% CAGR (2016-2018)

PROFITABLE GROWTH

- ▲ **Focus on non-conventional renewable energy** with positive impact on profitability indicators
- ▲ **Tolima's assets would increase EBITDA + USD 61 mn / year**

USD **515** mn

Purchase Tolima's assets 2019

+491,000 users

CAPITAL ALLOCATION

- ▲ **EPSA and Celsia generation assets value disclosure**
- ▲ **Simplification of corporate structure**
- ▲ **Operational and financial optimization of EPSA and Celsia**
- ▲ **Divestment of Zona Franca (Termo Flores) for USD 420 mn**

USD **125** mn

Free Cash Flow 2018

▲ 23% YoY

RETURN

- ▲ **Consolidated Net Income 2018 USD 106 mn (+ 40% Y / Y)**
- ▲ **Net controlling income 2018 USD 69 bn (+ 53% Y / A)**

HOW WE GENERATE VALUE

ODINSA - SIMPLIFICATION, CAPITAL STRUCTURE AND FOCUS ON BUILDING GROWTH PIPELINEUSD **161** mn

EBITDA 2018

▲ 20% CAGR (2015-2018)

GROWTH - PROJECTS

- ▲ **ODINSA**
Legal management on contingency of Autopistas del Café (AKF)
- ▲ **OPAIN**
Unregulated revenues growth of 24% in 2018

USD **4** bn

Project pipeline

CAPITAL ALLOCATION

- ▲ **Simplification of corporate structure**
- ▲ **Issuance of Quiport bonds for USD 400 million** to strengthen the capital structure of Odinsa
- ▲ **Opain notes issuance for USD 415 mn**

USD **15** mn

Net Controller Income

▲ 12% CAGR (2015-2018)

CASH FLOW

- ▲ **Consolidated Net Profit 2018** USD 57 mn (+ 16%)
- ▲ **Net controlling income 2018** USD 41 mn (+ 28%)

HOW WE GENERATE VALUE

PROGRESS MADE AS OF SEPTEMBER 2019



Successful asset allocation strategy

- Acquisition of Tolima assets for USD 520 mn
- Sign agreement for divestment of Zona Franca´s asset (Termoflores) USD 420 mn*

USD **940** mn



Capital structure optimization at asset level

- Issuance of Quiport bonds for USD 400 mn*
- Issuance of Opain notes for USD 415 mn*
- Agreement to purchase 53% of Tunel de Oriente COP 320 BN

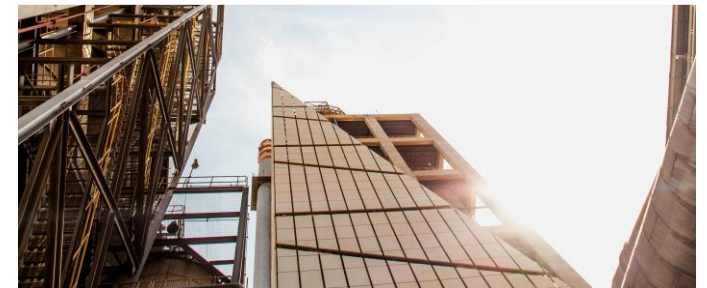
USD **910** mn



Divestment of non-strategic assets and reduction of leverage

- Divestment of non-strategic assets for USD 26 mn in 1H2019
- Leverage decrease in the last 12 months by USD 106 mn

USD **106** mn



HOW WE GENERATE VALUE

VARIABLE REMUNERATION SCHEME SEEKS TO ALIGN SHAREHOLDERS AND COMPANIES OBJECTIVES**SHORT TERM OBJECTIVES**

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

LONG TERM OBJECTIVES

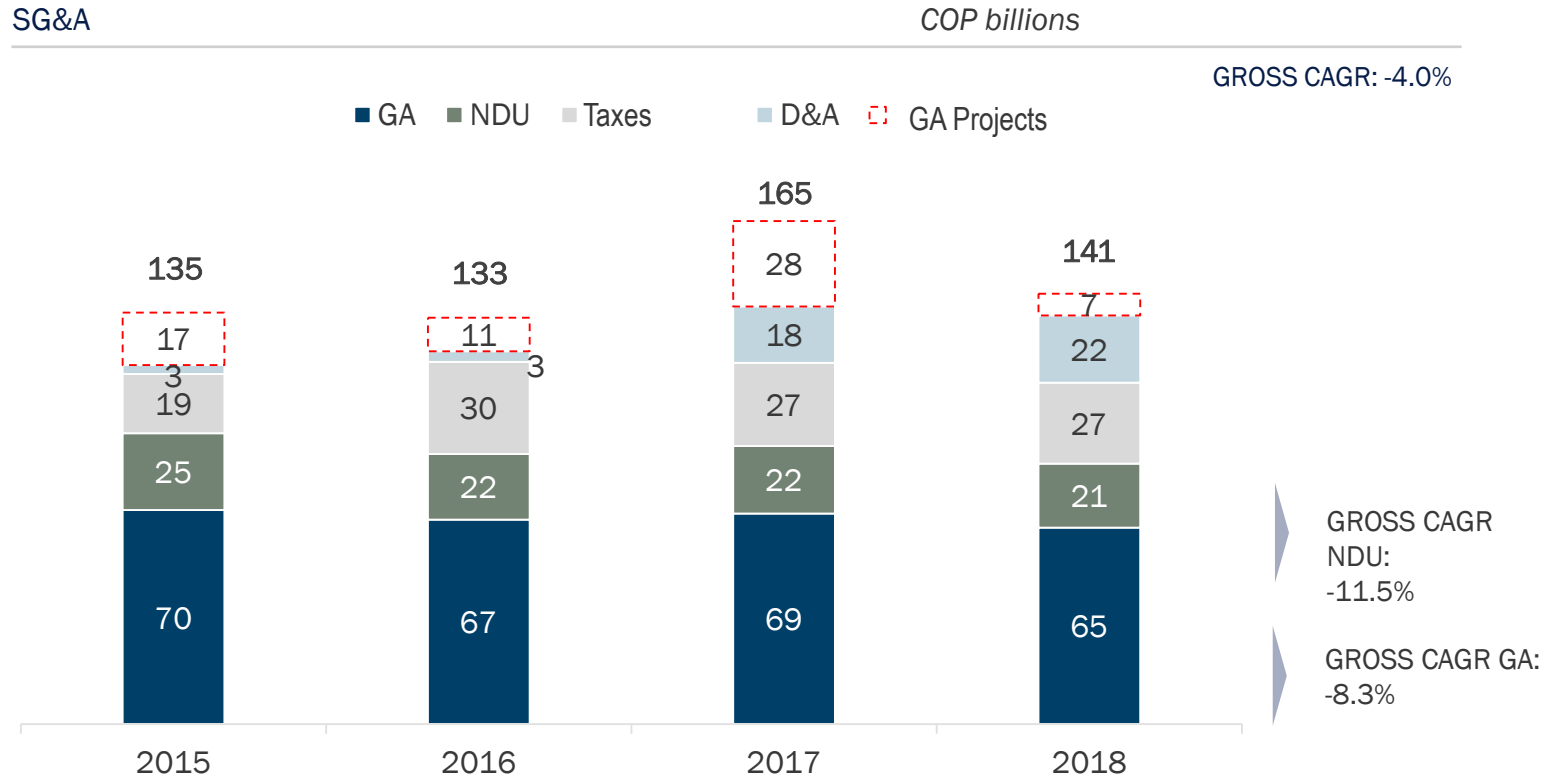
- ROCE
- FCO / EBITDA
- FCO / Interest
- SPREAD TSR

SUSTAINABILITY

- Maintain high standards in ESG, measured by external and independents in order:
 - Attract new investors
 - Access to more efficient capital
 - Reduce financing costs

HOW WE GENERATE VALUE

BETWEEN 2015 -2018, CONTROLLABLE MANAGEMENT EXPENSES HAVE DECREASED 8.3% IN REAL TERMS



Grupo Argos Controllable
Management Cost

-8.3%

CAGR (2015 – 2018)

Real Estate Business
Expenses

-11.5%

CAGR (2015 – 2018)

Recurrent expenses GA*/
AUM** 2018

0.5%

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

*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 2018 average with market prices and book value = COP 20,5 trillion

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

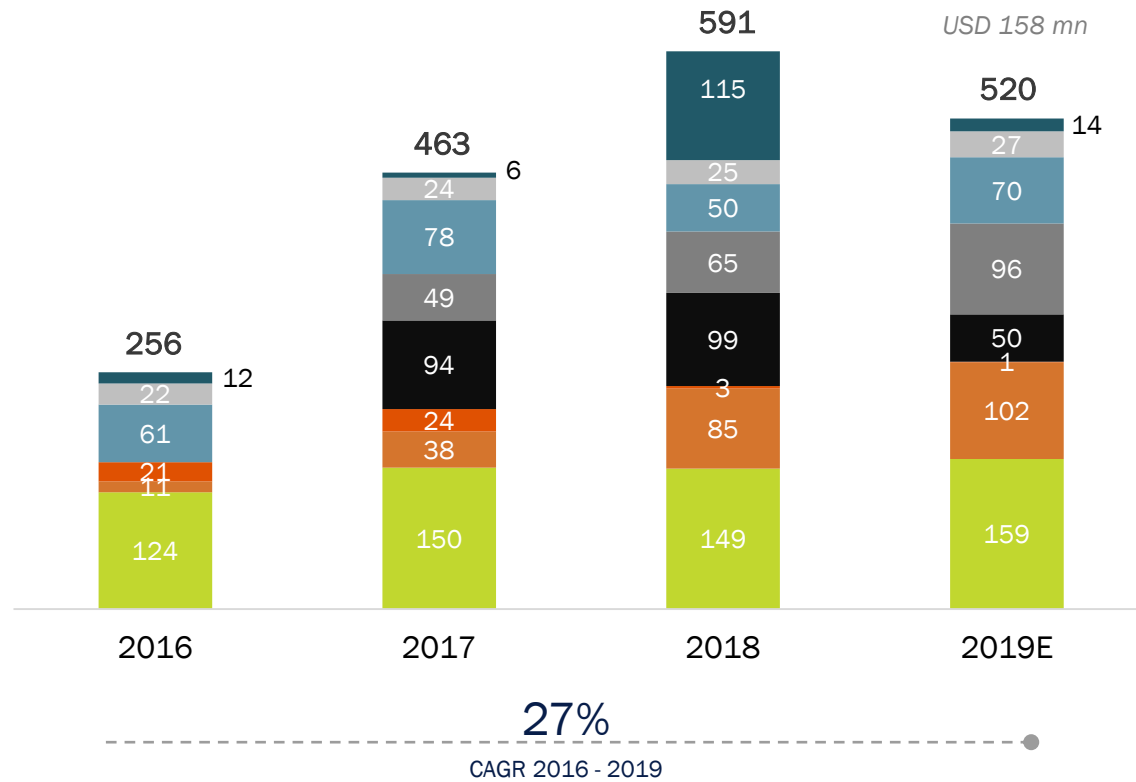
GA: Grupo Argos
NDU: Negocio Desarrollo Urbano

HOW WE GENERATE VALUE

STRENGTHENING OF THE CASH FLOW RECEIVED WITH DIVIDEND SPREAD +COP 200 BN

HISTORIC DIVIDENDS

COP bn

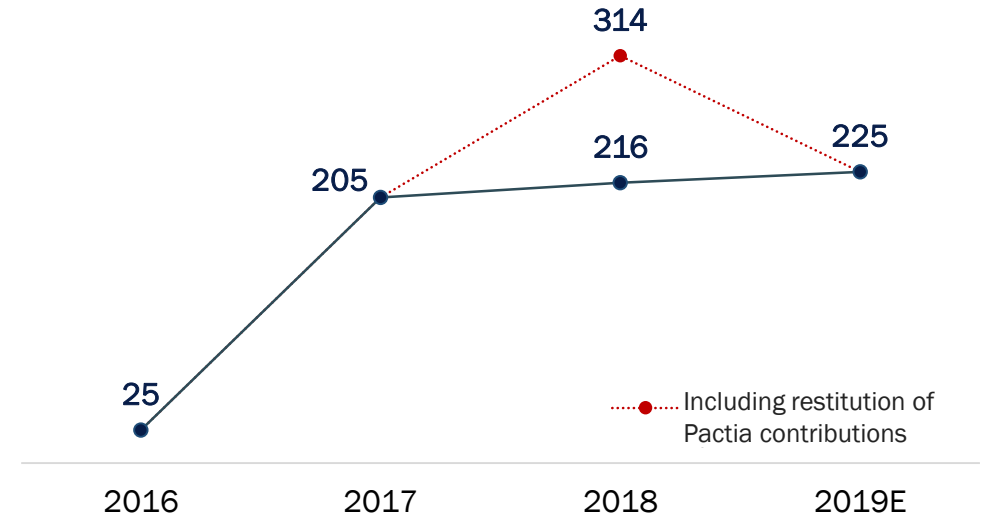


■ Cementos ■ Celsia ■ EPSA ■ Odinsa ■ Opain ■ Sura OR ■ Nutresa ■ Pactia¹

¹Incluye restitución de aportes de Pactia por COP 98 mil mn en 2018

Positive dividend spread
(received - paid)

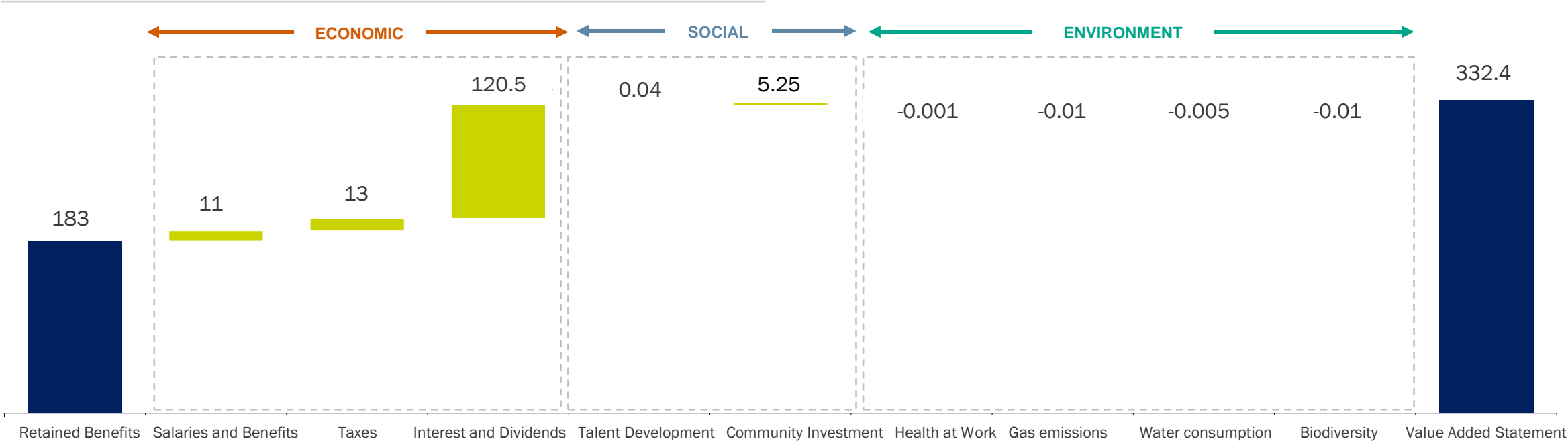
+ 8.8x
between 2016 and 2019E



HOW WE GENERATE VALUE

IN 2018 WE ADDED TO THE SOCIETY 1.8X THE BENEFIT TAKEN

VALUE ADDED STATEMENT OF GRUPO ARGOS 2018 (USD mn)



Economic dimension:

Payments of taxes, salaries, interests and dividends that are positive to the economy, boosting productivity and competitiveness of the country. It represents 43% 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 5.2 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



HOW WE GENERATE VALUE

SOLID COMMITMENT TO CORPORATE GOVERNANCE**BOARD OF DIRECTORS**

ROSARIO CÓRDOBA
(Chair of the Board) - Independent



CLAUDIA BETANCOURT
Non – Independent



ANA CRISTINA ARANGO
Independent



ARMANDO MONTENEGRO
Independent



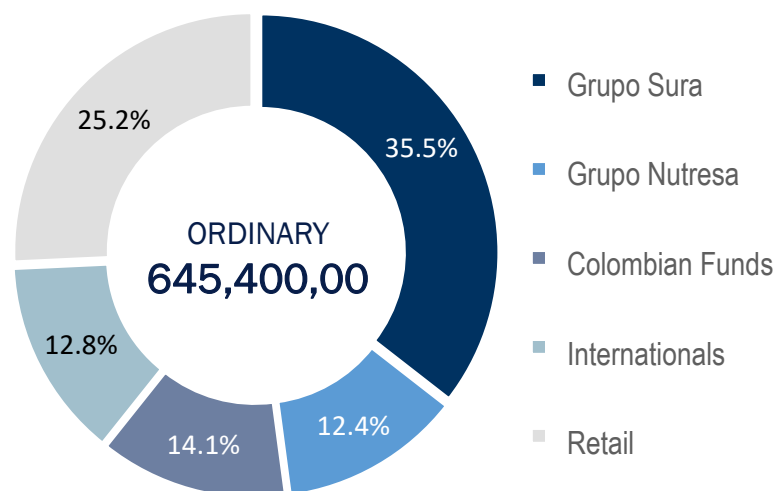
JORGE URIBE
Independent



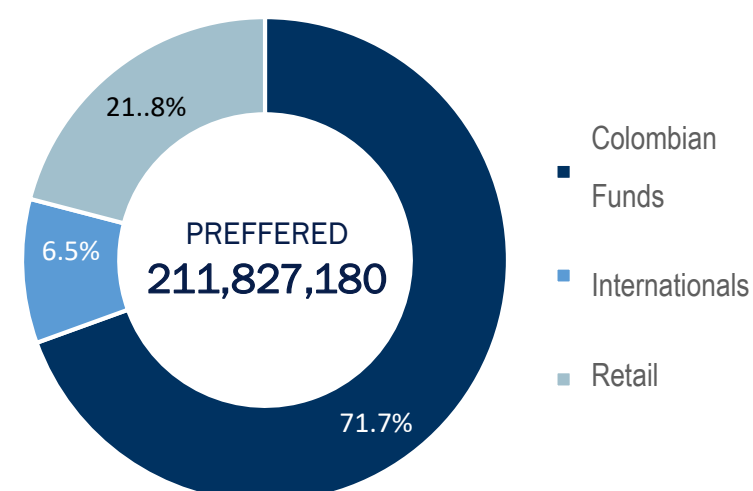
DAVID BOJANINI
Non - independent



CARLOS GALLEGU
Non - independent

SHAREHOLDERS

Figures as of Sept 30, 2019

RECOGNITIONS

Preferred shares do not carry voting rights

AFFILIATIONS

The CEO Water Mandate

HOW WE GENERATE VALUE

KEY MESSAGES THAT SUPPORT OUR VALUE GENERATION STRATEGY

Track record that demonstrates the ability of Grupo Argos to **acquire, transform and generate value** successfully from the companies it controls

Focus on **profitable growth and capital allocation** to maximize return on invested capital

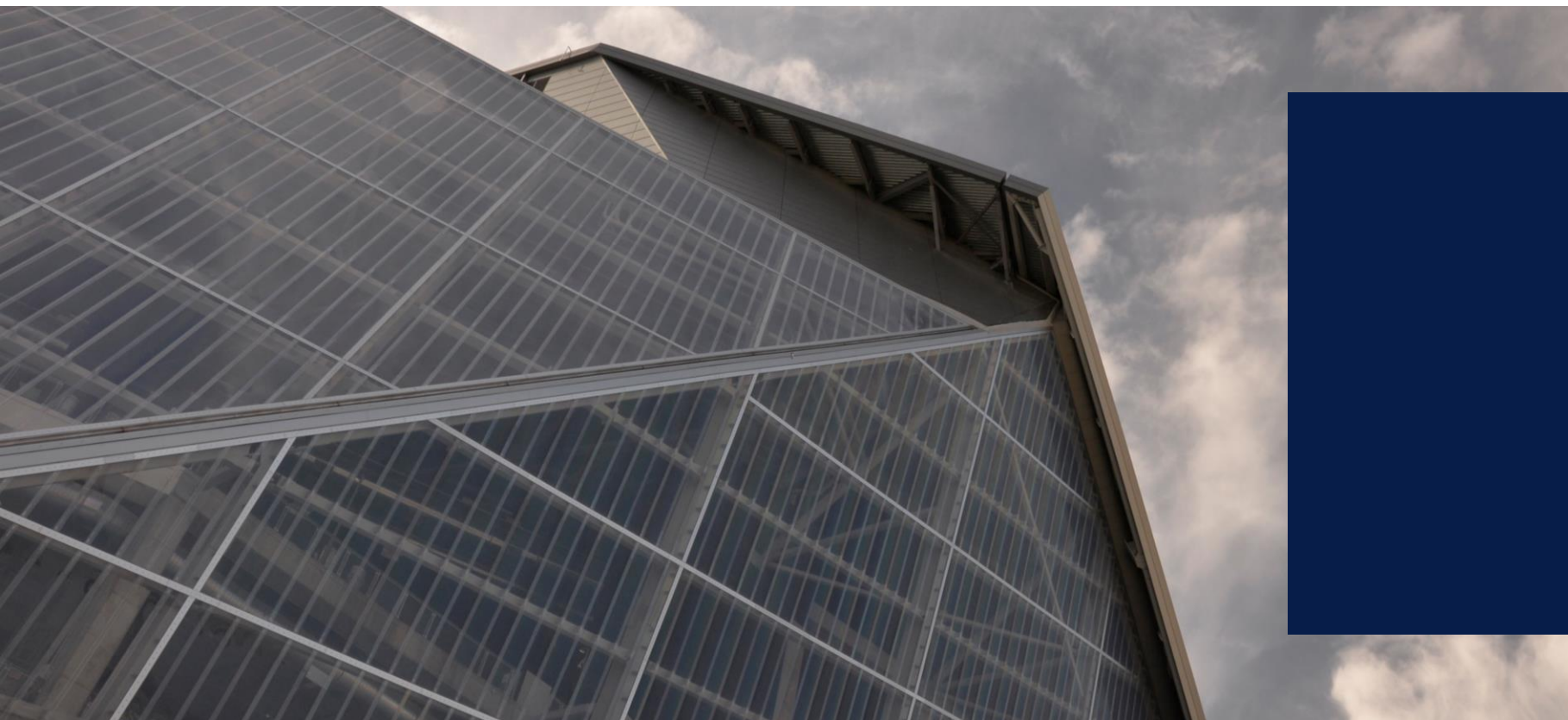
Portfolio with multiple **opportunities to continue optimizing its capital structure** to leverage future growth

Successful execution of the **SG&A strategy** in order to **gain efficiency and achieve the stability and strengthening of the flow of dividends received**; all this aligned with the interests of investors

Cementos Argos: focus on efficiency and strategic asset allocation

Celsia: Simplification, reorganization and strengthening of the structure

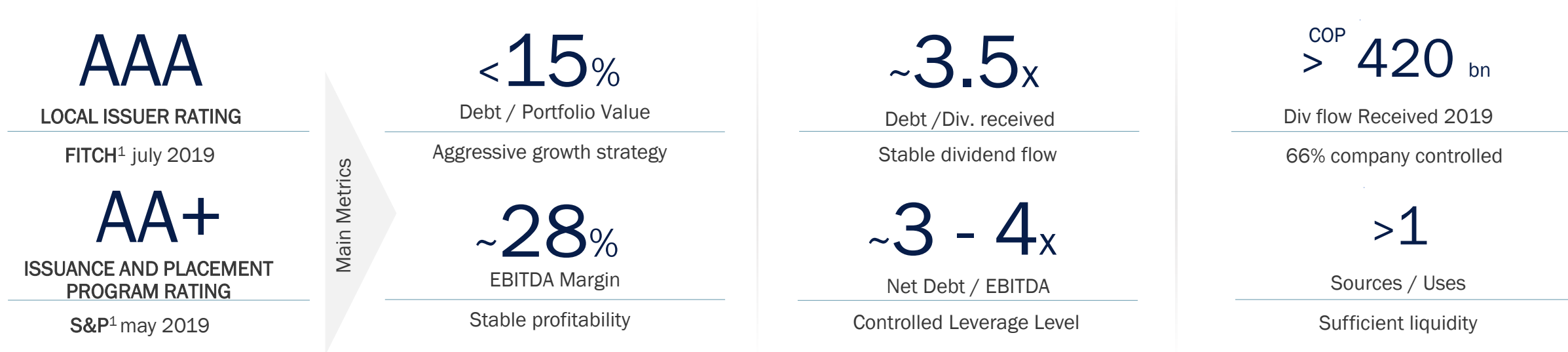
Odinsa: Simplification, capital structure and pipeline generation



CAPITAL STRUCTURE

CAPITAL STRUCTURE

FLEXIBLE CAPITAL STRUCTURE THAT SUPPORTS THE GROUPS STRATEGY



FitchRatings

“The decision to increase the rating of Grupo Argos is based on the **strengthening of the company's capital structure** based on the **profitability of its investments** and **optimization of its portfolio**; as well as in the stability and **strengthening of the flow of dividends received.**”

**STANDARD
& POOR'S**

“The character of **strategic architect** that the holding company of Grupo Argos took in 2017 has been consolidating in the last three years. This has allowed the organization to make adjustments to its **structure** to make it **more efficient, to remain one of the regional leaders** in the businesses in which it participates and to **record stable financial ratios both in terms of profitability and indebtedness.**”



AA+
Fitch Ratings



AAA
Fitch Ratings (EPSA)

AA+
S&P Global



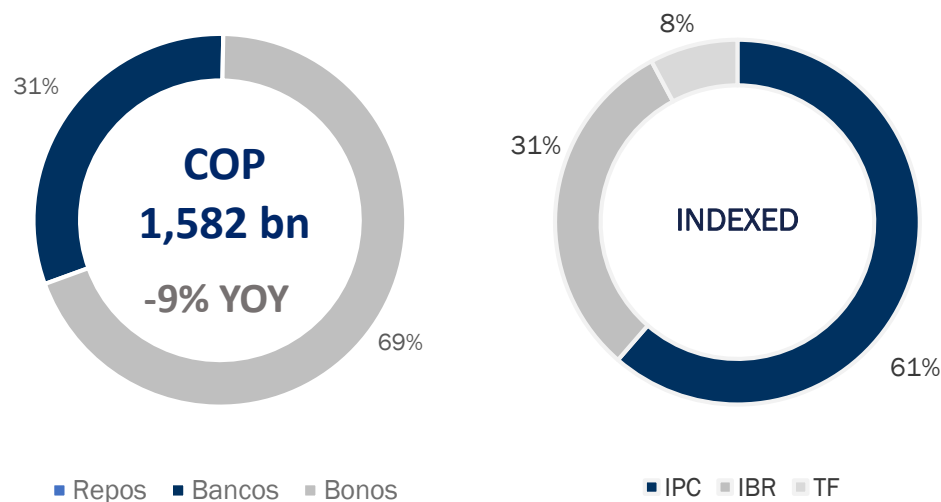
AA-
Fitch Ratings

¹ Fitch's rating refers to Grupo Argos separately. S&P refers to Grupo Argos consolidated

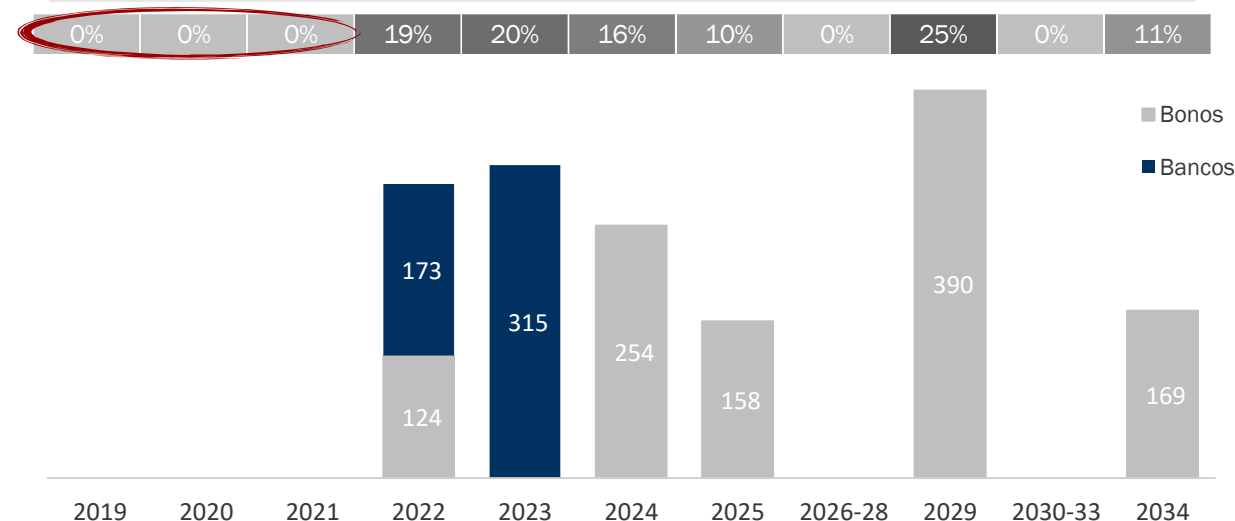
INDIVIDUAL RESULTS GRUPO ARGOS 3Q2019

DEBT DECREASES 9% YOY AND REACHES A DURATION OF 6.6 YEARS WITH THE ISSUANCE OF BONDS

INDEBTEDNESS* COP



PROFILE OF MATURITIES (PRINCIPAL) COP bn



Net debt / Dividends

2,2x

Vs 3,4x in Sept 2018

Net Debt/ Adjusted Ebitda²**1,9x**

Vs 2,2x in Sept 2018

Cost of Debt

7,0%

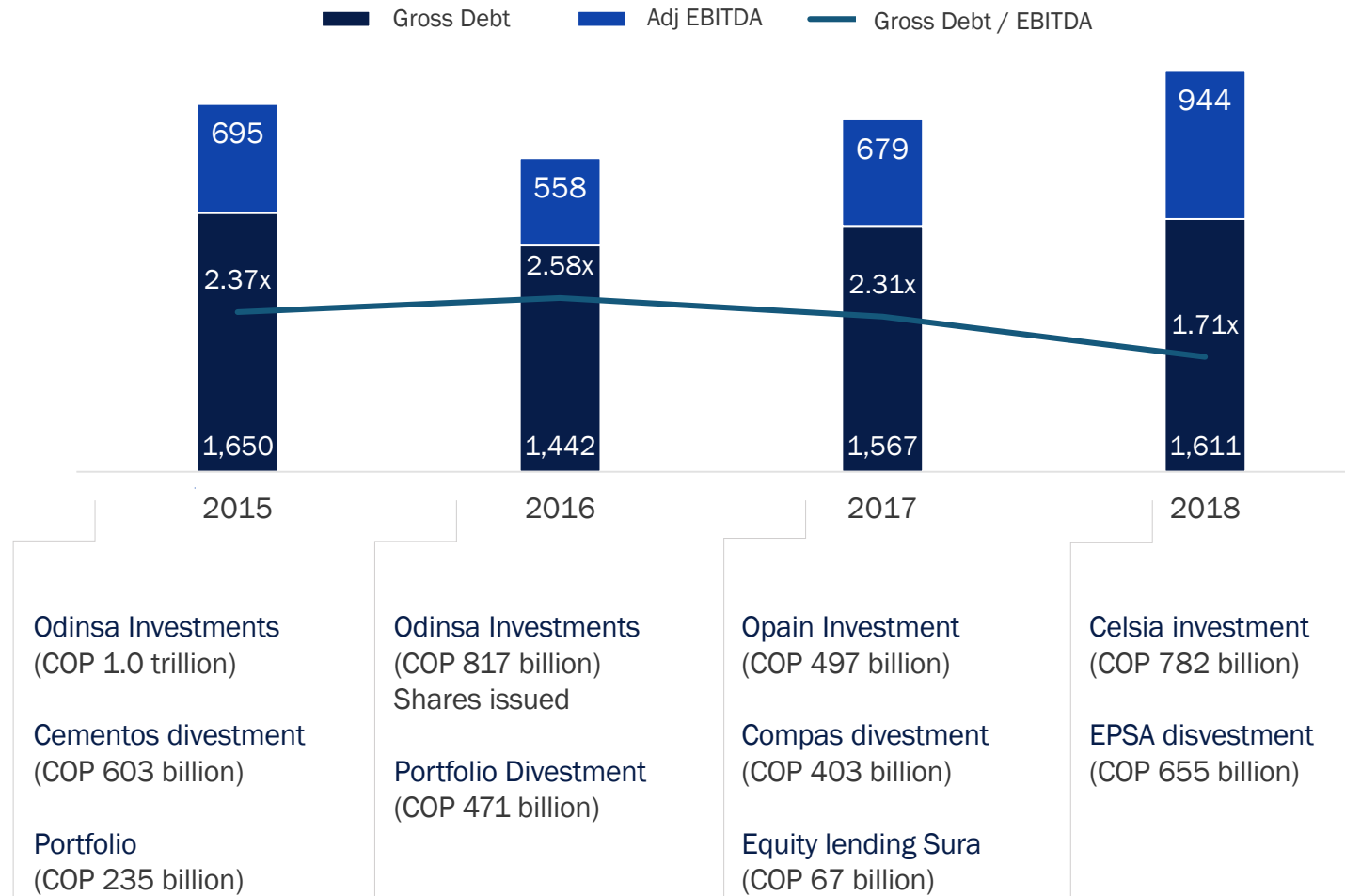
Vs 8,7% in Sept 2018

*Only includes balance of principal. Inflation for current month

²Adjusted EBIDTA (credit rating methodology) = EBIDTA (-) Equity method (+) Dividends received (+) Gains from divestments (-) Urban development valuations

CAPITAL STRUCTURE

LEVERAGE RATIOS EVOLUTIONS IN LINE WITH EFFICIENT CAPITAL ALLOCATION STRATEGY



From 2015 to 2018 Grupo Argos has:

INVESTED + COP 3.1 TN

DIVESTMENTS
FOR COP 2.4 TN

Efficient debt management,
supporting its growth

Ends 2018 with the lowest
debt multiple

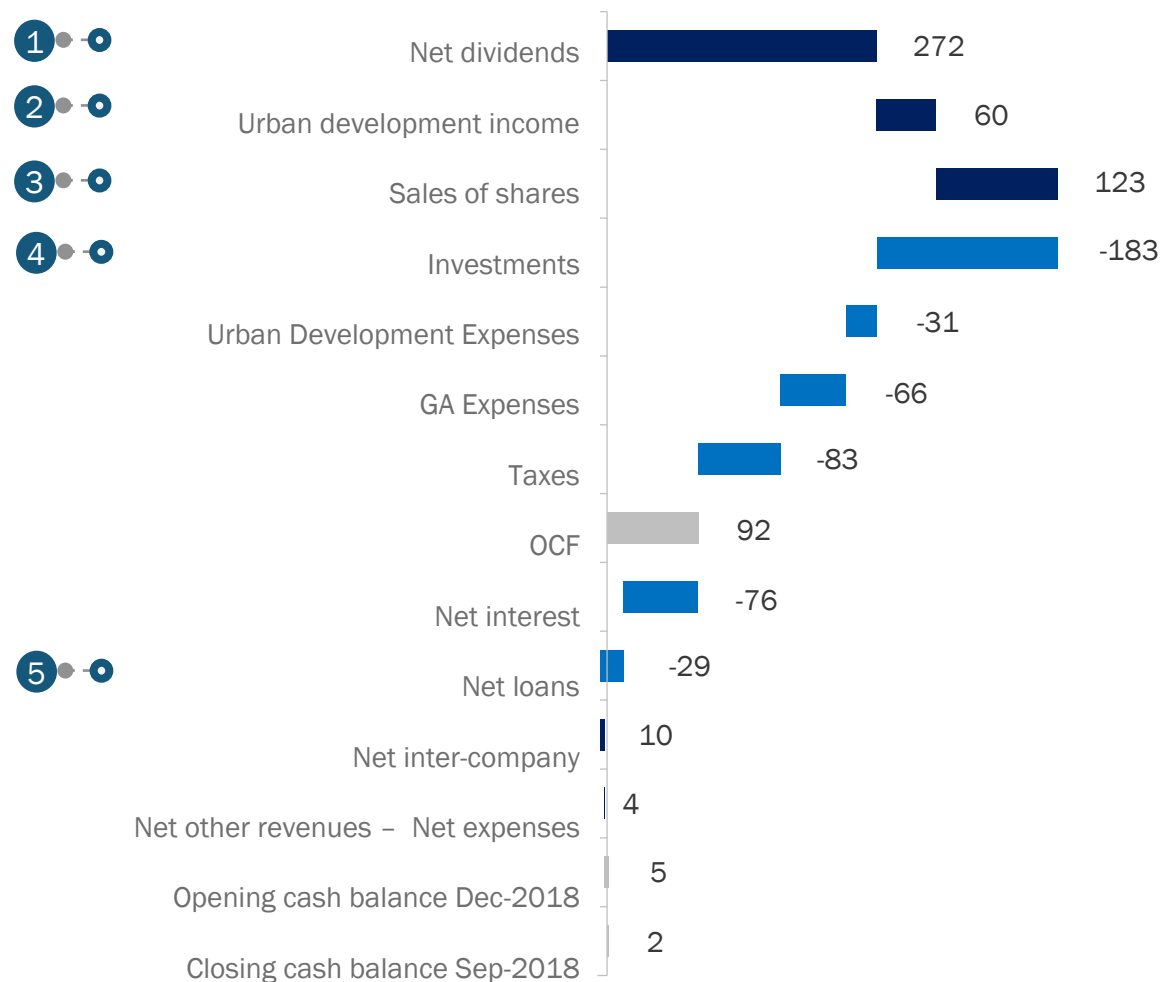
Adjusted EBITDA

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

INDIVIDUAL RESULTS GRUPO ARGOS 3Q2019

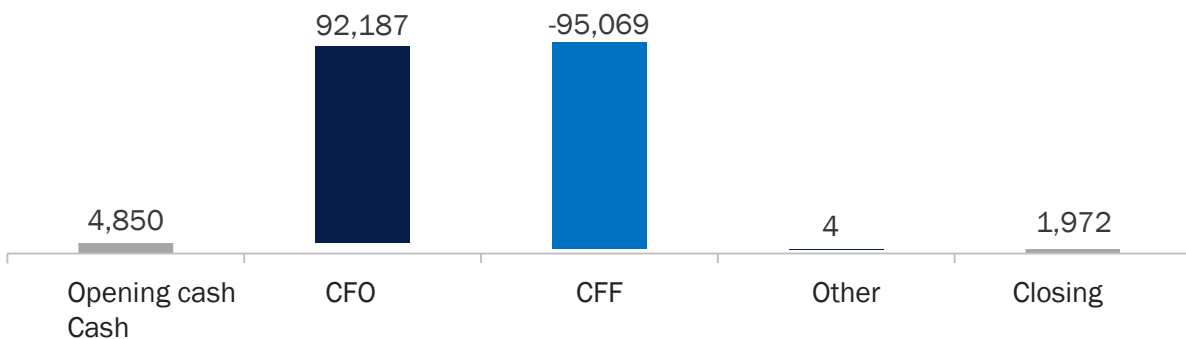
DEBT SUBSTITUTION WITH BOND ISSUANCE AS OF SEPTEMBER. CASH AT MINIMUM LEVELS

INDIVIDUAL FREE CASH FLOW COP BN



NOTES

1. Dividends received: COP 492 bn, dividends paid: COP 220 bn
2. Sale of land: COP 32 bn, urbanized lots: COP 24 bn
3. Sale of 6,495,205 shares of Epsa: COP 123 bn
4. Pactia Capitalization: COP 176 bn
5. Issuance and maturity of bonds: COP 335 bn, amortization of bank debt: COP 364 bn



CAPITAL STRUCTURE

CONSOLIDATED DEBT BACKED IN GREAT MEASURE BY CAPITAL MARKETS

Debt distribution as of 2Q2019

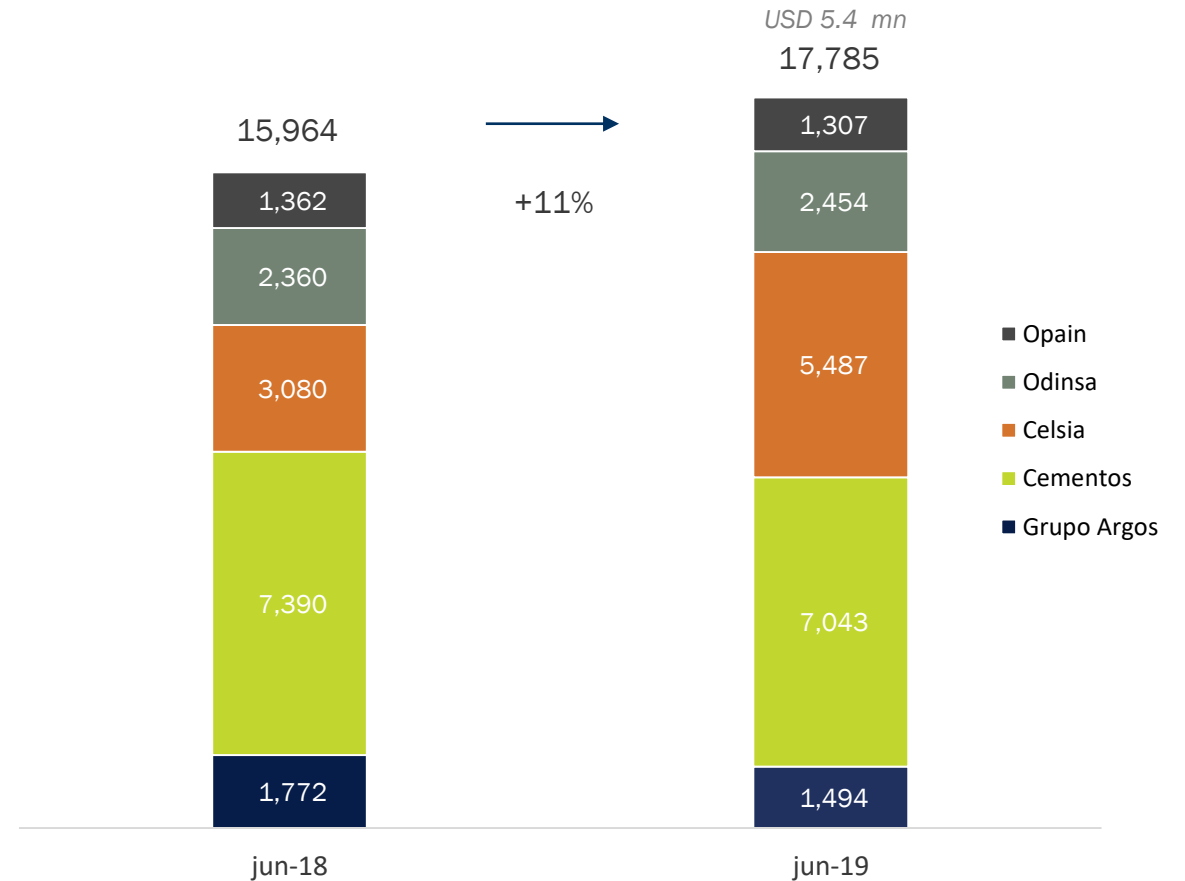
33% International Banks
(+12% A/A)

20% Local Banks
(+7% A/A)

47% Capital Markets
(+13% A/A)

Consolidated Grupo Argos Net Debt indicators/
EBITDA increases from 1.8x to 2.1x from 2Q18-
2Q19

DEBT* COP mn





3Q2019 FINANCIAL RESULTS ANNEXES

STRATEGY

CONSOLIDATED RESULT TO SEPTEMBER WITH DOUBLE DIGIT GROWTHS ON ALL LINES

GRUPO ARGOS

COP **12,9** tn
REVENUES

▲ **22%**

COP **3,5** tn
EBITDA

▲ **21%**

COP **566** bn
NET CONTROLLING INCOME

▲ **15%**

CONSOLIDATED RESULTS GRUPO ARGOS 3Q2019

QUARTERLY RESULTS SHOW COHERENCE WITH THE DEFINED STRATEGY

RELEVANT FIGURES

COP billion	3Q - 2019	3Q - 2018	Var (%)	Sep-2019	Sep-2018	Var.(%)
Revenues ¹	5,228	3,634	44%	12,858	10,555 ⁶	22%
Costs, expenses & other revenues	4,248	2,961	43%	10,673	8,736	22%
Operating profit	980	673	46%	2,185	1,819	20%
EBITDA	1,413	1,019	39%	3,449	2,844	21%
<i>EBITDA margin</i>	27%	28%	-101 pb	27%	27%	-28 pb
Pre-tax profit	639	391	63%	1,250	1,032	21%
Taxes	123	-19	-752%	291	169	73%
Current	171	93	83%	372	289	29%
<i>Diferred items</i> ²	-48	-112	-57%	-81	-120	-33%
Net Profit	516	410	26%	960	864	11%
Net profit of the controlling company	301	266	13%	566	494	15%
<i>Net margin of the controlling company</i>	6%	7%	-155 pb	4%	5%	-27 pb

PROFORMA (Excluding impact IFRS 16 and Divestments)

Revenues	4,141 ¹	3,634	14%	11,771 ¹	10,555 ⁶	12%
EBITDA	1,039 ²	1,019	2%	2,921 ²	2,842 ⁵	3%
Net profit	267 ³	348 ³	-23%	684 ³	805 ⁵	-15%
Net profit of the controlling company	169 ⁴	205 ⁴	-17%	421 ⁴	432 ⁵	-2%
<i>EBITDA margin</i>	25%	28%	-280 pb	25%	27%	-269 pb

* EM = Equity Method

1: Excludes sale of Zona Franca (COP 1,087 bn)

2: Excludes IFRS 16 (1Q COP 45 bn, 2Q COP 82 bn and 3Q COP 63 bn), Cartón divestment (COP 7,6 bn), Omya (COP 19 bn) and Zona Franca (COP 311 bn)

3: Excludes divestment of Cartón (COP 7,6 bn), Omya (COP 19 bn) and Zona Franca (COP 249 bn) and SATOR base effect in 3Q2018 for - COP 62 bn

4: Excludes divestment of Cartón (COP 3,7 bn), Omya (COP 9 bn) and Zona Franca (COP 132 bn) and SATOR base effect in 3Q2018 for - COP 61 bn (EM)

5: Excludes divestment of self generating plants (COP 71 bn) and fine of the SIC (COP 74 bn) in controller net income multiplied by equity method and base effect of SATOR in 2018 for - COP 62 bn

6: OPAIN Reclassification in 2018 (-COP 11 bn)

+13%

Increase in the **Cement** segment contribution to consolidated revenues

+24%

Increase in the contribution of the **Energy** segment to consolidated Ebitda

INDIVIDUAL RESULTS GRUPO ARGOS 3Q2019

THIRD QUARTER EBITDA GROWS 7% YOY, 257 PB MORE IN MARGIN

RELEVANT FIGURES

COP bn	3Q - 2019	3Q - 2018	Var (%)	Sep-2019	Sep-2018	Var.(%)
Revenue	256	246	4%	660	1,196	-45%
Costs and other expenses	-2	4	-162%	64	300	-79%
GA expenses	24	20	24%	103	92	11%
Operating profit	234	222	6%	493	804	-39%
EBITDA	238	223	7%	505	807	-37%
<i>EBITDA margin</i>	93%	90%	257 pb	76%	67%	894 pb
Pre tax profit	210	194	8%	419	721	-42%
Taxes	10	3	211%	14	10	37%
Current	1	4	-62%	-0.5249	6	-109%
Diferred items	9	-1	-1768%	15	4	250%
Net profit	199	191	5%	405	711	-43%
<i>Net margin</i>	78%	77%	30 pb	61%	59%	186 pb

PROFORMA (Excluding impact IFRS16 and divestments in the accumulated results)

Revenue	124 ¹	184 ⁴	-32%	392 ²	478 ³	-11%
EBITDA	106 ¹	161 ⁴	-34%	295 ²	384 ³	-16%
Net profit	67 ¹	129 ⁴	-48%	195 ²	288 ³	-22%
<i>EBITDA margin</i>	86%	87%	-166 pb	75%	80%	-526 pb

1: Excludes Zona Franca divestment (COP 132 bn)

2: Excludes sale of EPSA, Omya, Carton and Zona Franca

3: Excludes sale of EPSA, fine of the SIC, divestment of Self generating plants and reversals made in 3Q2018 by Sator of COP 62 bn

4: Excludes reversals made in 3Q2018 by Sator of COP 62 bn

- **4%**

Decrease in accumulated
holding expenses as of
September

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