

Grupo Argos Corporate Presentation

November 2021



GRUPO ARGOS
Inversiones que transforman



ARGOS



CELSIA



ODINSA



SUMMA

Hotel Calablanca Barú



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

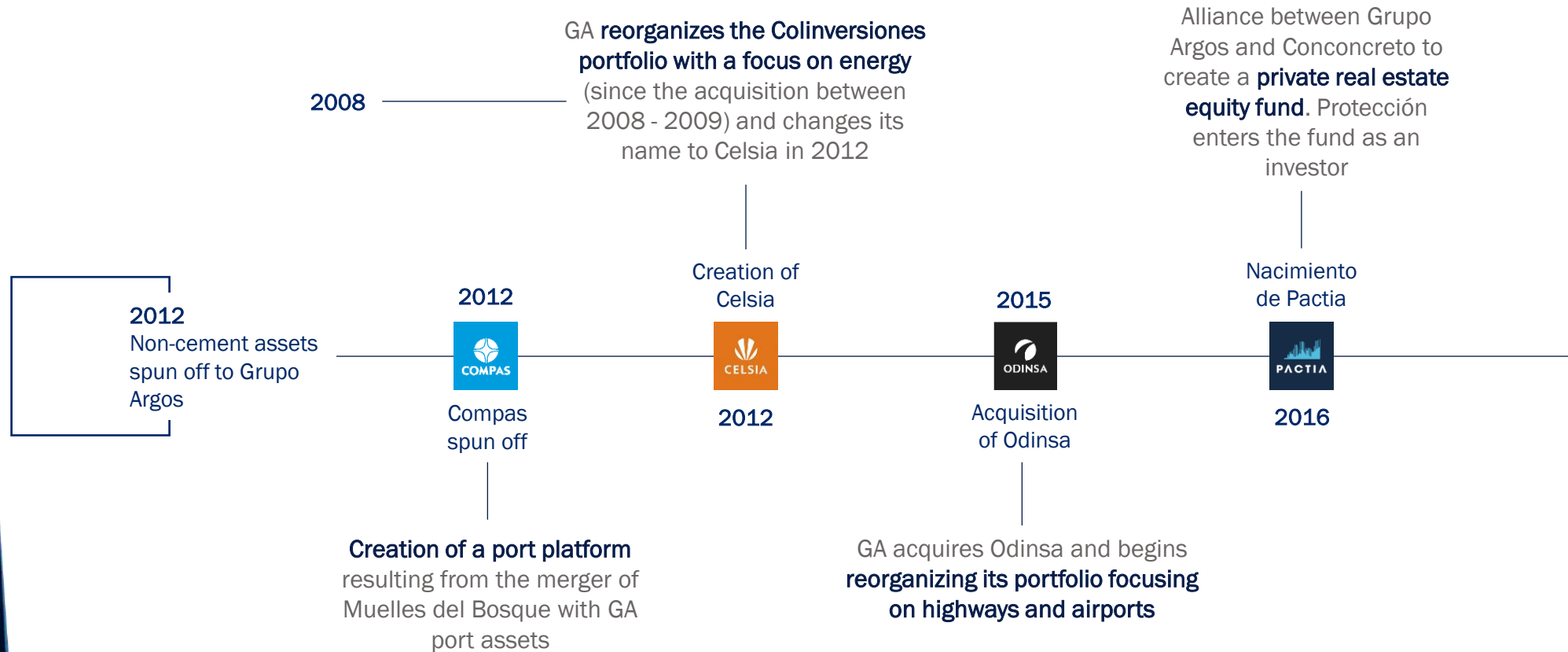
2021

- ▲ **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

HISTORY

The most recent step in Grupo Argos's consolidation as an infrastructure asset manager









HISTORY

The most recent step in Grupo Argos's consolidation as an infrastructure asset manager



STRATEGY

Grupo Argos becomes consolidated as an infrastructure asset manager

Proven strategy for platform consolidation		Transportation Infrastructure	Energy	Real Estate	Ports
01.	 Business opportunity identification	Acquisition of Odinsa	Acquisition of Colinversiones	Land portfolio and real estate property	CemArgos port assets spun off
02.	 Portfolio reorganization and focus	Focus on transportation infrastructure via M&A	Reorganization and divestment in non-energy assets	Contribute assets and equity to the returns platform (FCP Pactia)	Contribute assets to a port platform
03.	 Consolidation of controlling shares	Acquisition of control in key assets (e.g., Opain)	<ul style="list-style-type: none"> ▪ EPSA Acquisition ▪ Enertolima Acquisition 	Legacy assets controlled	Legacy assets Controlled
04.	 Asset management with Grupo Argos culture				
05.	 Operational consolidation				
06.	 Involvement of a partner to accelerate growth and profitability	<ul style="list-style-type: none"> ▪ Highway Vertical 	Involvement of a partner in CAOBA and Solar Platform	Partner involvement: Concreto (co-manager) and Protección (LP)	<ul style="list-style-type: none"> ▪ Involvement of a partner provided by Muelles el Bosque

Grupo Argos has maintained its strategic focus allowing it to become one of the most important alternative asset managers in the region. In recent years it has acquired a considerable set of assets that it has reorganized and structured to involve partners that will leverage profitable growth towards the future and reimburse Grupo Argos's operations.

CURRENT FOOTPRINT

Grupo Argos at a glance

- ▲ Liquid vehicle to invest in infrastructure in Colombia
- ▲ Strategic focus in **Cement, Energy, Road and Airport Concessions**
- ▲ Solid and articulated portfolio with ~ **USD 14 billion¹** 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**

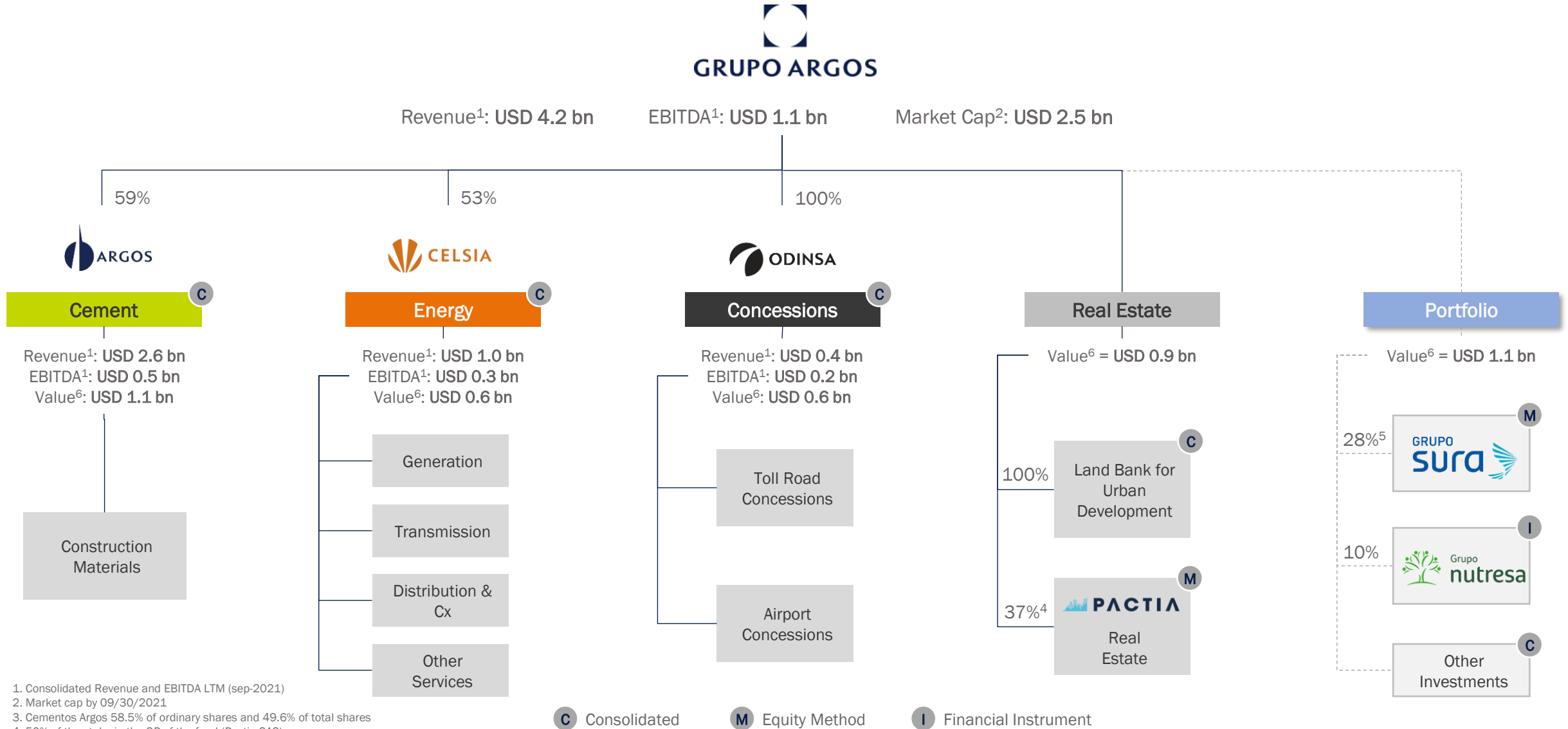


*From managing assets for COP 27 tr in 2021² to managing assets for COP 53 tr in 2021
From a team of 9,700 collaborators in 2012 to a team of 13,000 collaborators in 2021*

1. AUM by sep-2021

INVESTMENT PORTFOLIO

Strategic portfolio focused on infrastructure



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

2. Market cap by 09/30/2021

3. Cementos Argos 58.5% of ordinary shares and 49.6% 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 36%

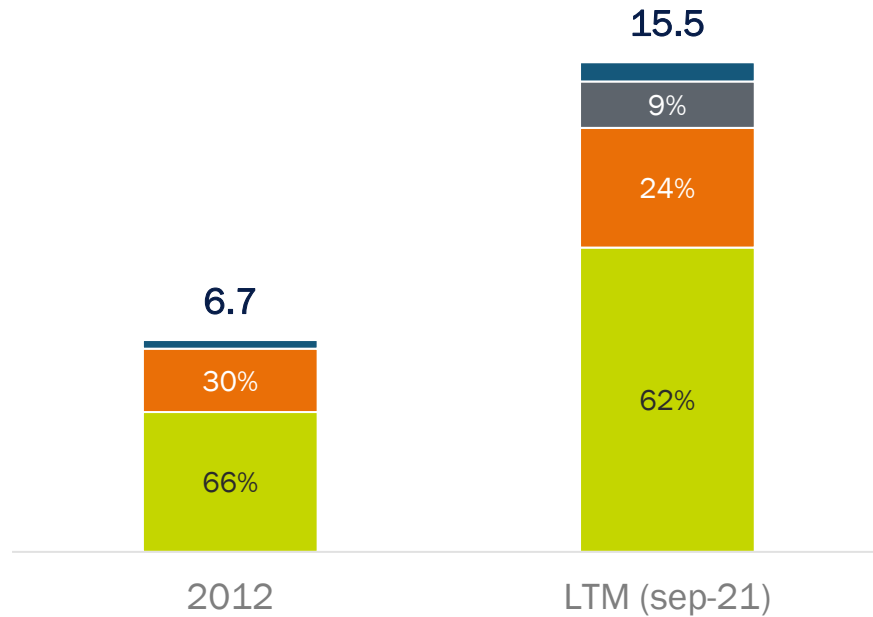
6. Market value of listed assets (96/30/2021), Unit value in Pactia and book value of other investments

PORTFOLIO TRANSFORMATION

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

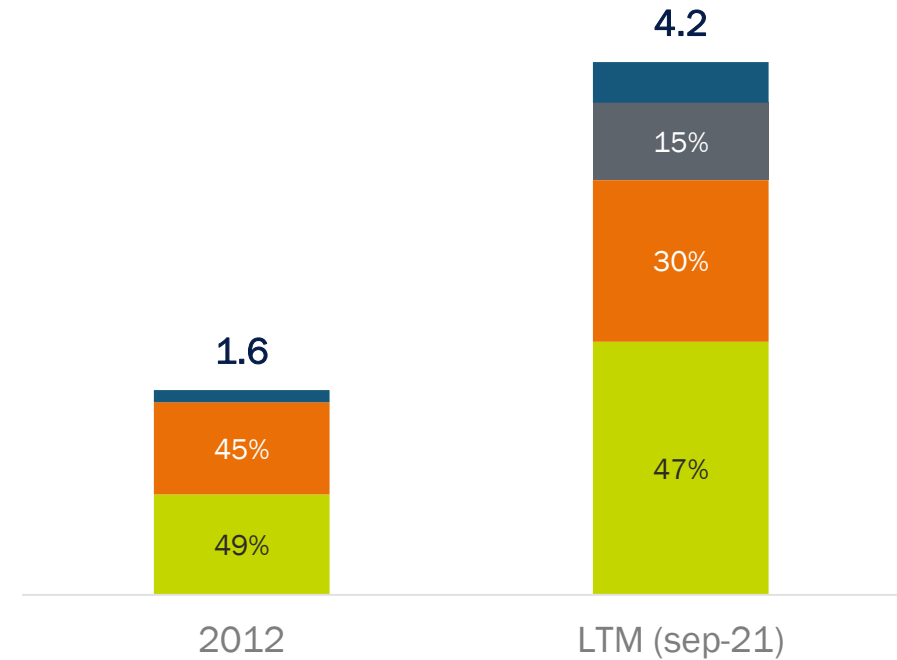
Consolidated Revenues

+10.1% CAGR



Consolidated EBITDA

+11.5% CAGR



From revenues of COP 6.7 tr in 2012
to 15.5 tr (LTM)

From Ebitda of COP 1.6 tr in 2012
to 4.2 tr (LTM)

■ CemArgos ■ Celsia ■ Odinsa + Op ■ Otros

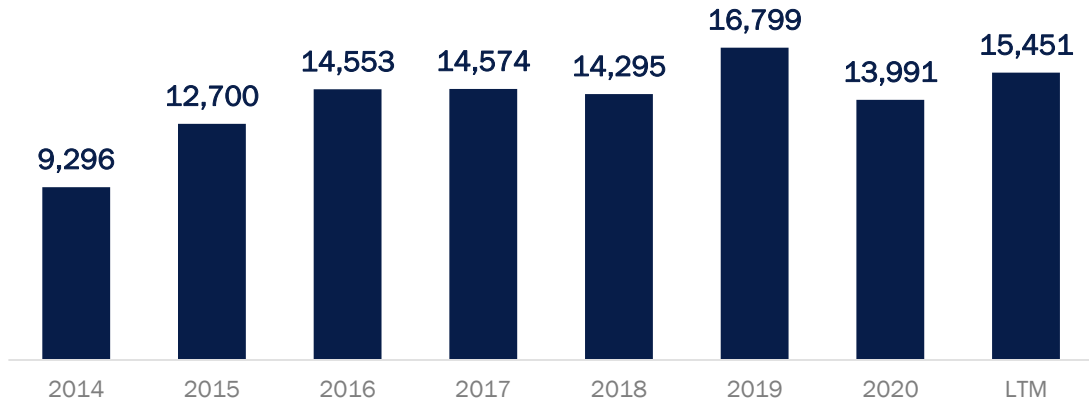
FINANCIAL RESULTS

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

Consolidated revenues of Grupo Argos

(COP bn)

CAGR (2014 – 2020) 7.1%



Net Income

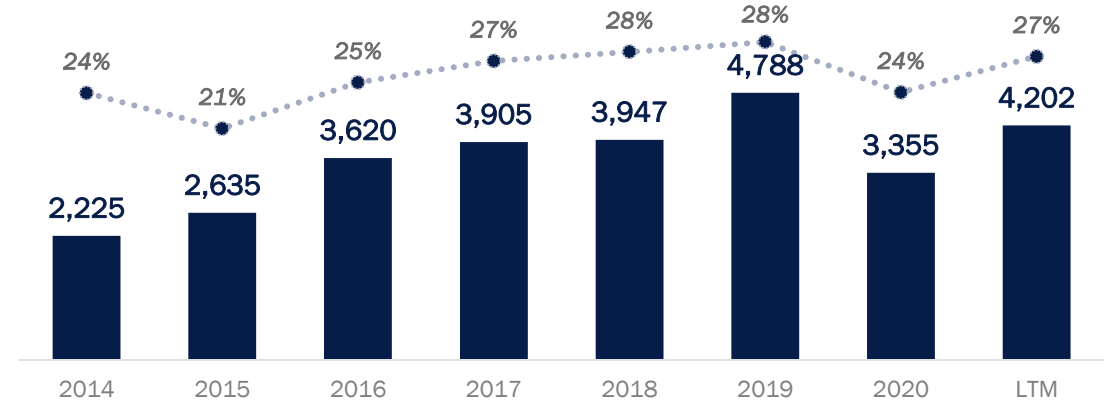
(COP bn)



Consolidated Ebitda of Grupo Argos

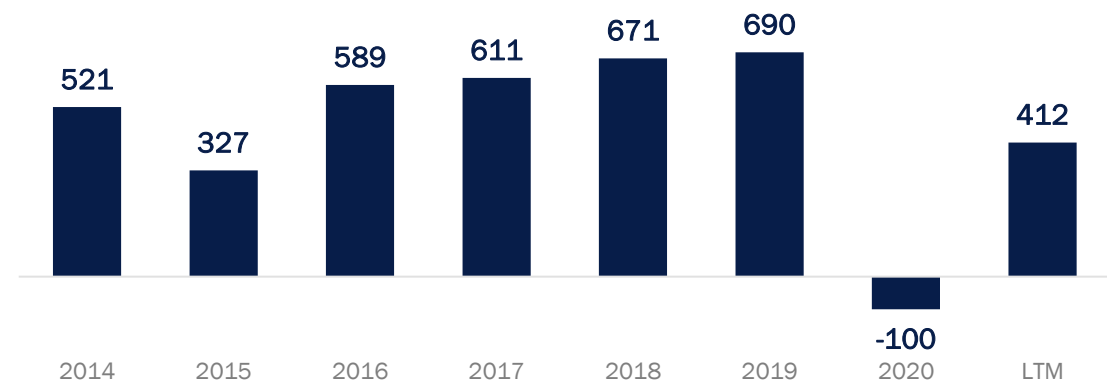
(COP bn)

CAGR EBITDA (2014 – 2020) 7.1%



Net Income of the controller

(COP bn)



DIVIDENDS RECEIVED

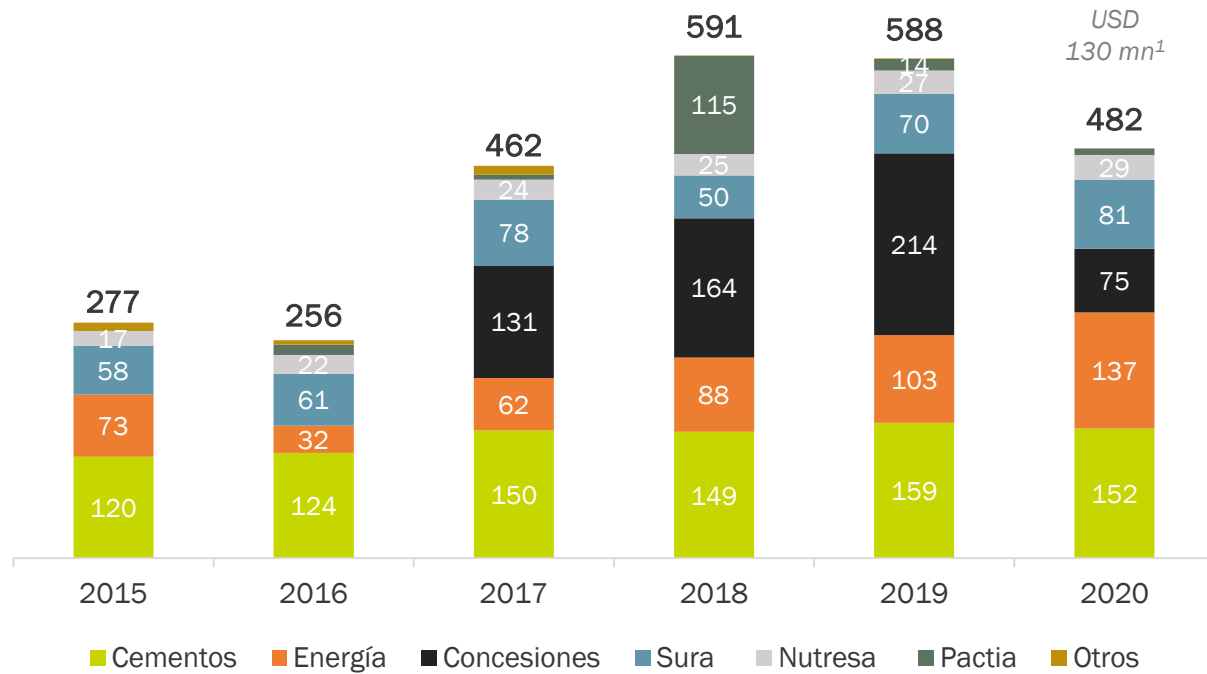
Business diversification allows greater absorption of impacts on different businesses

Historical Dividends

COP bn

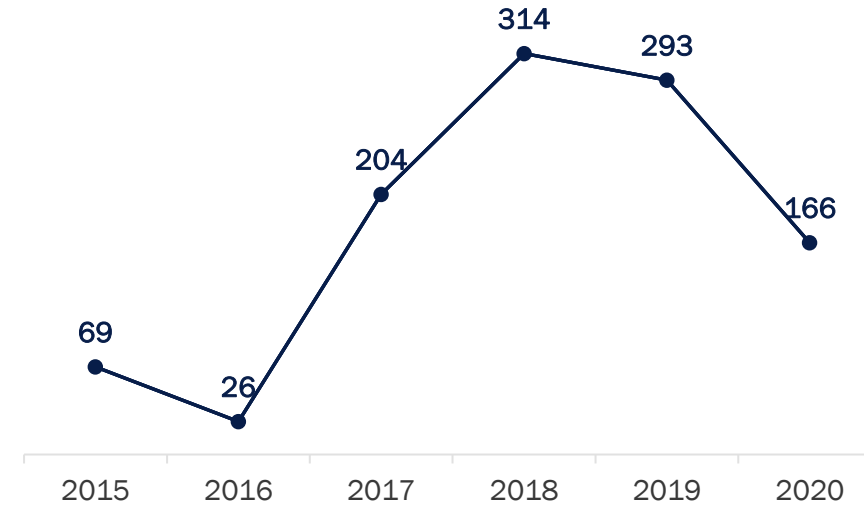
12%

CAGR 2015 - 2020



Positive dividend spread (received - paid)

COP bn

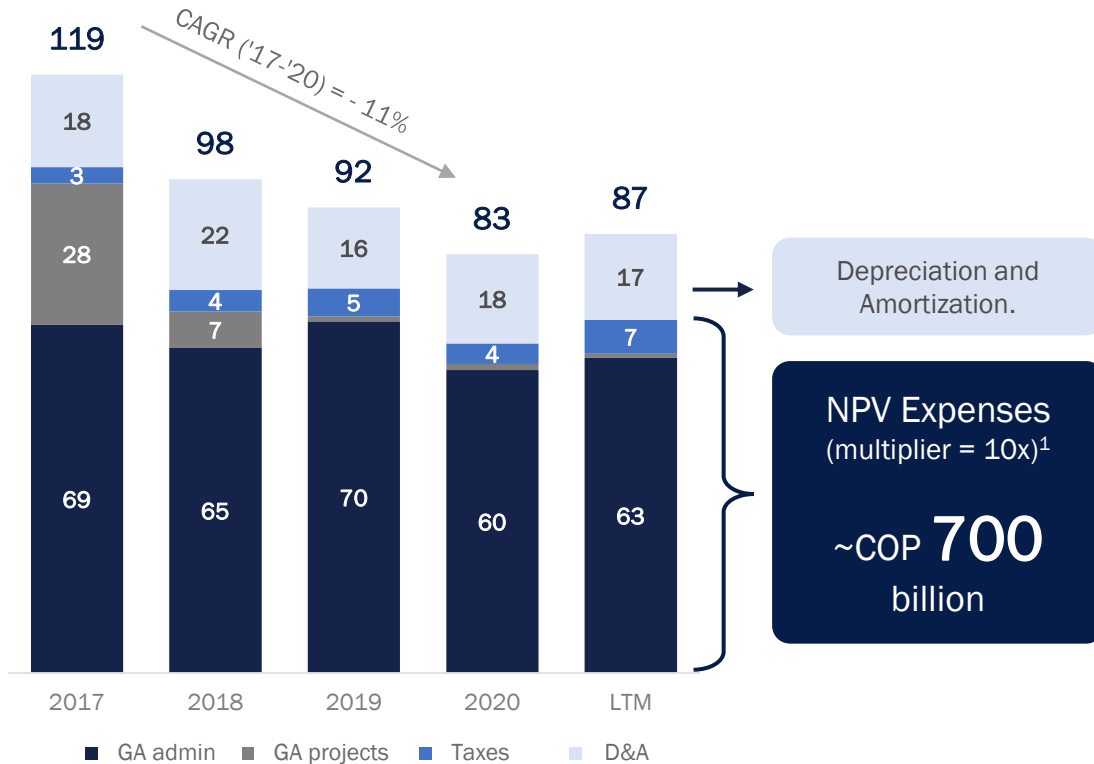
¹ Avg. exchange rate during 2020 = 3,691 USD/COP

EXPENSES

Ongoing search for efficiency in expenditures at Grupo Argos and the Real Estate Business (NDU)

Expenses at Grupo Argos

COP bn



Expenses at the Real Estate Business (NDU)

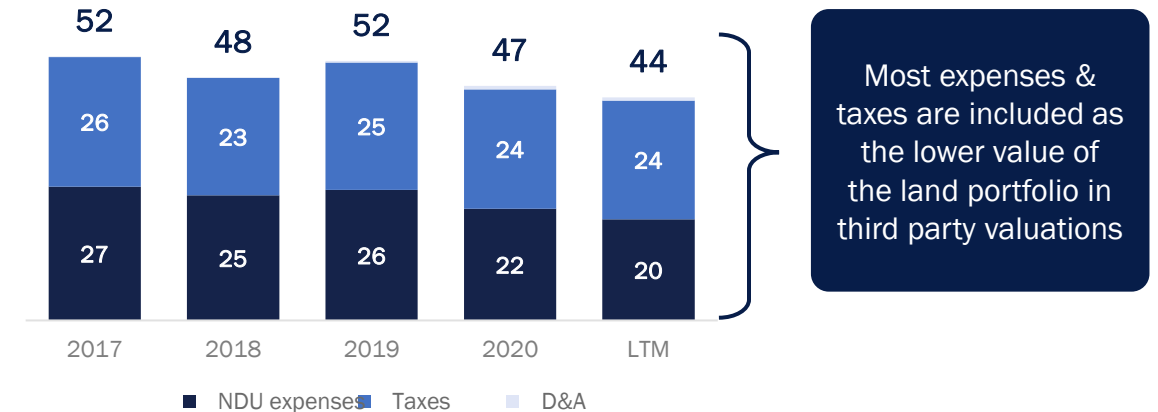
COP bn

Detailed Business Expenses at the Real Estate Business

- Property Taxes (2020) = COP 24 billion
- Land security & maintenance (2020) = COP 10 billion
- Management expenses (2020) = COP 12 billion
 - Overhead³ (2020) = 8 billion
 - Impairment, amortized cost, fees, and others (2020) = 4 billion

Administrative Expenses / AUM² = 0.5%
Overhead³ / AUM² = 0.3%

vs. 1.4% fee for other managers
(average of local real estate funds)



¹ Indicative valuation with a 10x multiplier

² Land carrying value (COP 2.4 tn), booked according to the Colliers appraisal and includes property tax expenditures and administrative expenses as lower land value

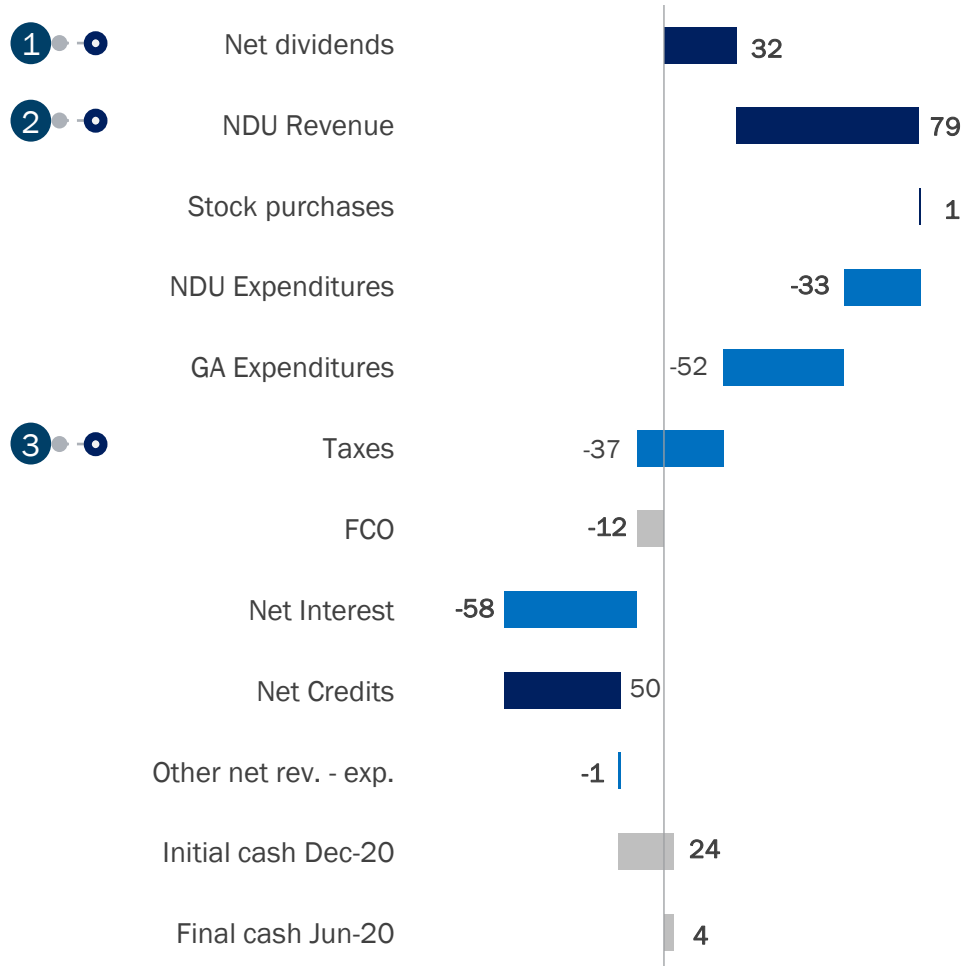
³ NDU overhead includes payroll, services, and travel

CASH FLOW

Normalization of minimum cash strategy

Cash flow

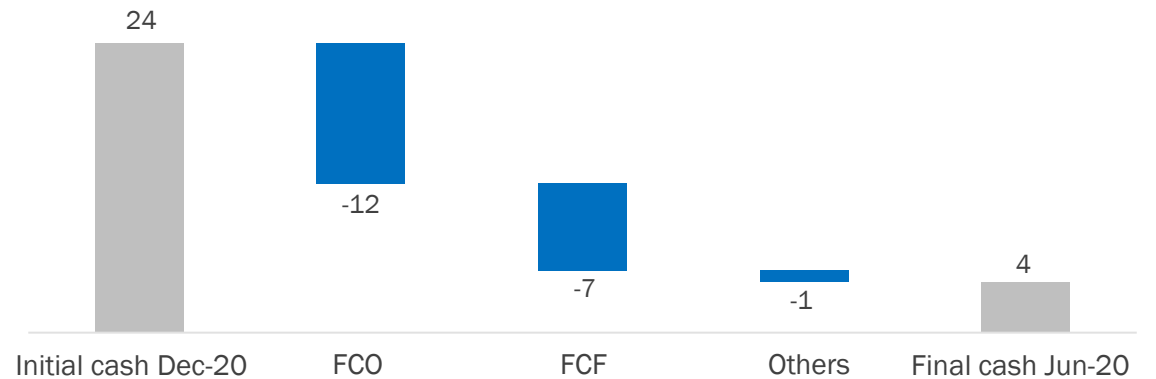
COP bn



Notes

- Dividends received: **COP 289 billion**, dividends paid: **COP 258 billion**
 - Grupo Argos paid 100% of the dividend corresponding to its 2020 results to its shareholders in April 2021 but will receive dividends from its investments throughout the remainder of the year to pay off the bridging loan taken out
- Urbanized lots: **COP 72 billion**, rent and others: **COP 7 billion**
- Withhold. Tax: **COP 7 billion¹**, Property Tax: **COP 24 billion**, Others: **COP 6 billion**

Cash Flow Summary



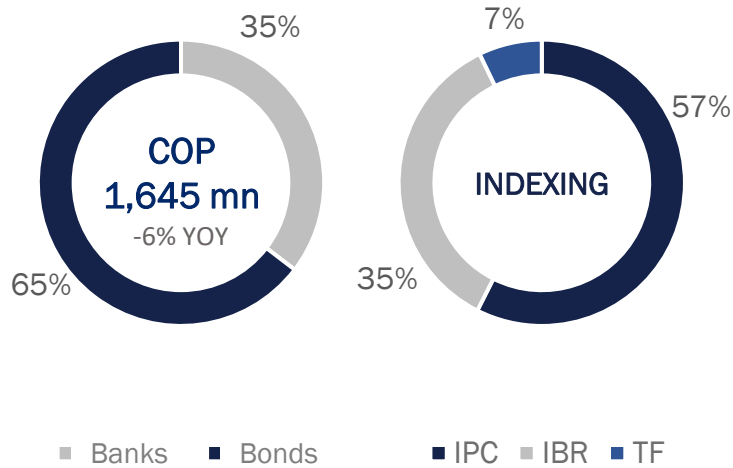
¹ As of Sep-21, COP 35 bn in Withholding Tax had been paid and COP 29 bn in TIDIS received

SEPARATED DEBT

Cost of debt increases less than inflation thanks to treasury strategies

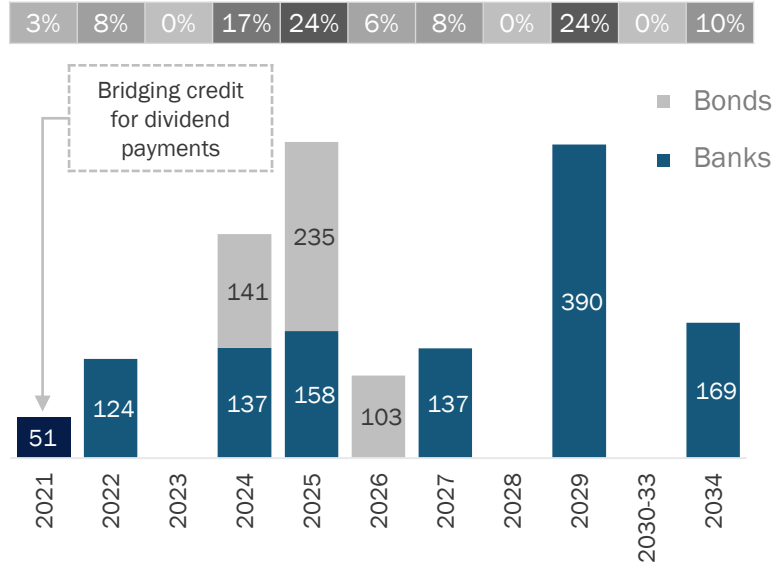
Indebtedness¹

COP bn

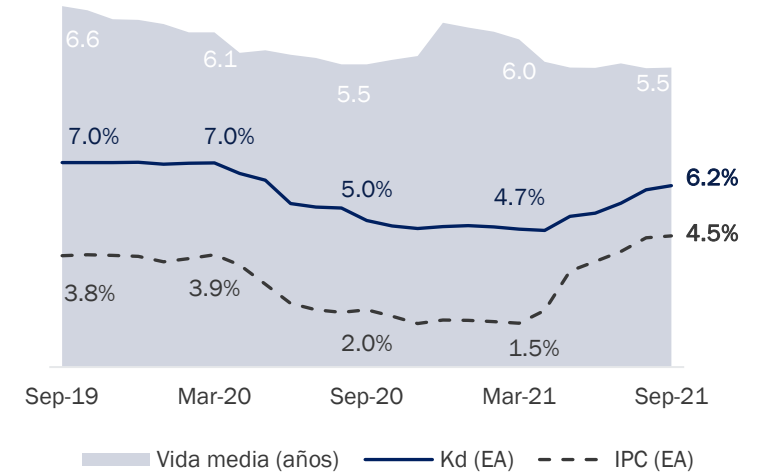


Maturity profile (capital)

COP bn



Cost of debt and half-life



Gross Debt / Dividends

3.4x

Vs 4.5x in June 2020

Gross Debt / Portafolio²

15%

Vs 17% in June 2020

Cost of Debt

6.2%

Vs 7.0% in June 2020

1 Only includes capital balance 2. Portfolio of listed shares at the end of the month price + Share in Pactia

SEPARATED DEBT

Fitch ratifies GA rating and S&P maintains rating and improves outlook from stable to positive

FitchRatings

AAA¹
Stable
June 2021

- **Robust and diversified portfolio** by sectors and geographies
- **Predictability** and stability of incoming **dividend flows**
- **Significant influence over sources of dividends**
- **Robust capital structure** with no ST debt maturity
- **Financial flexibility** and high capacity for accessing alternative liquidity sources

STANDARD
&**POOR'S**

AA+¹
Positive
May 2021

- Adequate **capacity for payment** in **adverse scenarios** like 2020
- **Emergency plan** allowed maintaining adequate liquidity levels
- Easy **access to the financial sector** and **equity markets** through innovative structures like bond exchanges
- **Reduced** leveraging indicators in the medium term
- Business type and geographical **diversification**.

Risk rating agencies ratify their confidence in Grupo Argos and its long-term strategy

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

SUSTAINABILITY

Grupo Argos enables a new tool to monitor ESG progress

Tool Features

Grupo Argos has made available a new tool for more streamlined access to ESG-related materials at Grupo Argos.

Tool Example

GRUPO ARGOS
Inversiones que transforman

Welcome to the Grupo Argos ESG Profile

ESG WORLD

--All Categories-- --All Sub Factors-- --All Keywords-- --ESG World Framework-- --All Frameworks--

Last Updated: 28 Oct 2021 Public Views: 155

Search: gender

Sub Factor	Keywords	Frameworks	Links	Metric	Highlights
Company Overview					
Gender Pay, Diversity and Inclusions Report	Core Rating Disclosures Diversity and Equality	FIMI Principle 6: Uphold Human Rights GRI 405: Diversity and Equal Opportunity SASB: Leadership and Governance SDG 05: Gender Equality WEF People: Dignity and Quality FIMI Principle 10: Verifiable Stakeholder Reporting			Information is available in ESG Databook 2020
Social					
Board Gender Split	Core Rating Disclosures Diversity and Equality	IIRF: Human Capital SASB: Human Capital SDG 10: Reduced Inequality UNGC Principle 06 Labour		A : 3 B : 7 C : 42.85	3 out of the 7 Board Members are female

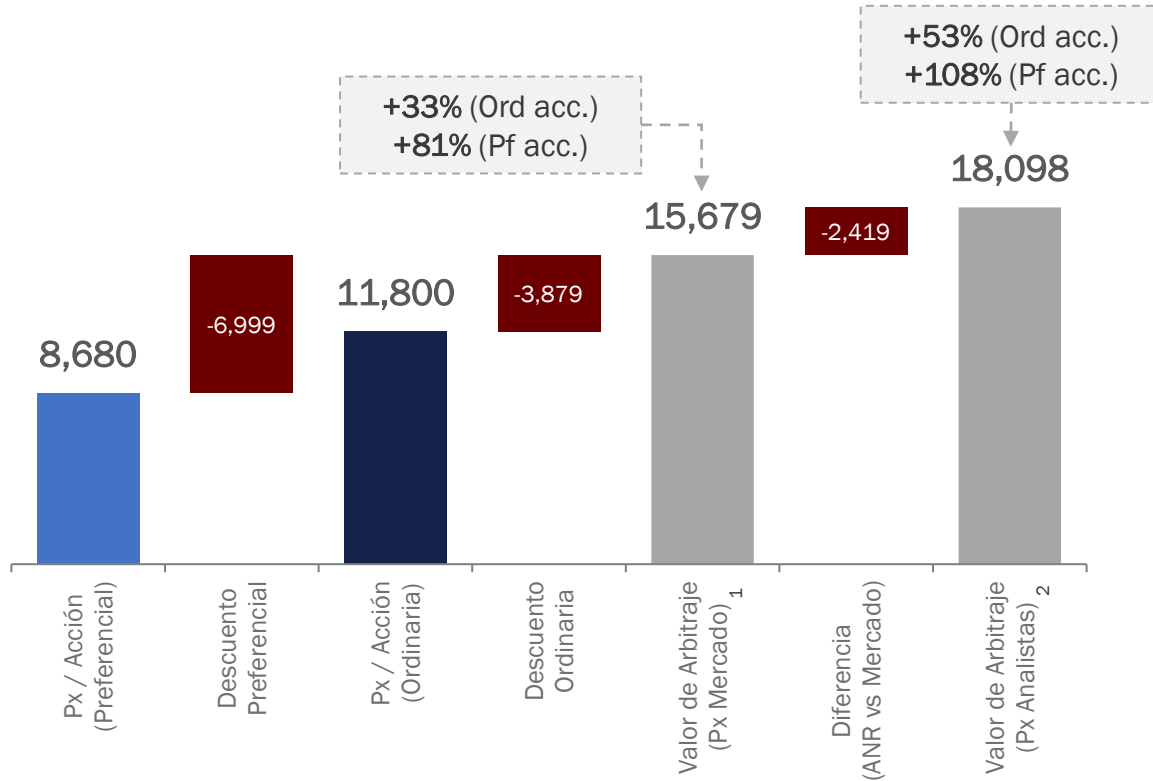
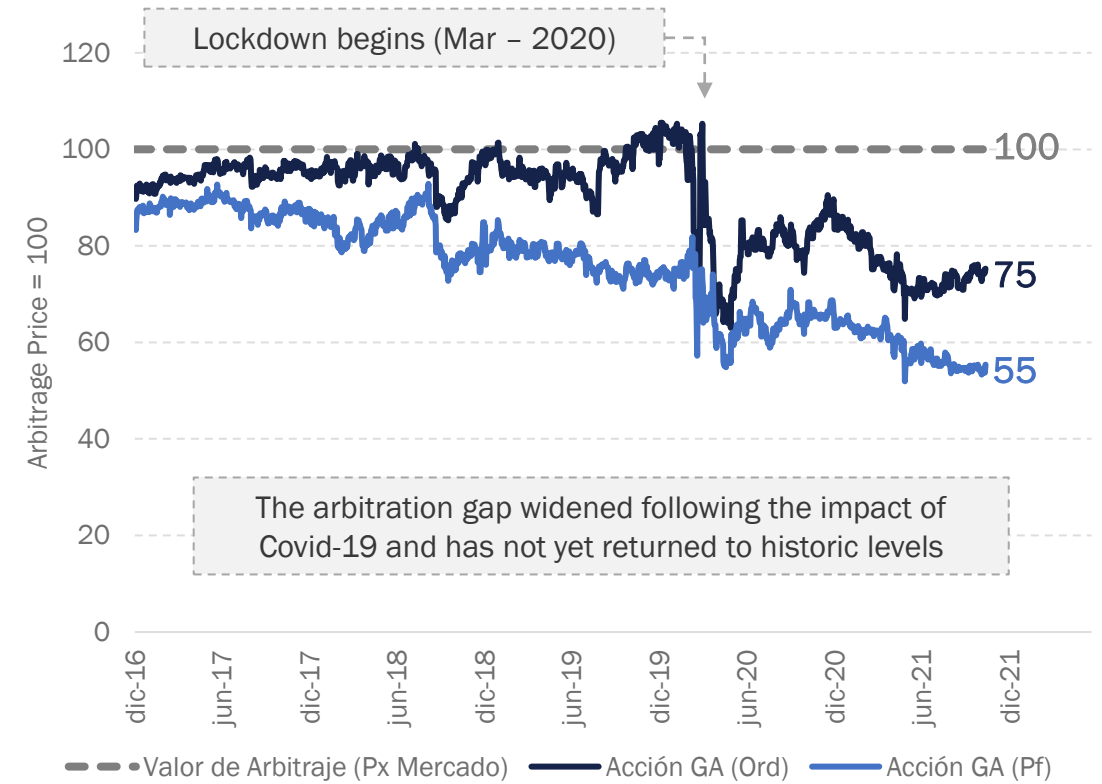
<https://www.grupoargos.com/es-co/sostenibilidad/perfil-asg>

SHARE PRICE

Attractive valuation potential according to current arbitrage prices

Grupo Argos Arbitrage Price¹ (11/11/2021)

COP / Share

Historical Arbitrage Gap¹ (Relative Prices)

Link to the Grupo Argos arbitrage calculator: <https://www.grupoargos.com/es-co/inversionistas/calculadora-de-arbitraje>

1. Arbitrage Value: price equivalent to the sum of Grupo Argos' investments, obtained from market prices of the shares listed on the Colombian Stock Exchange, the carrying value of investments not listed on the stock exchange, net debt and the present value of Grupo Argos' expenses and taxes (valued with a 10x multiplier). This does not constitute an offer, financial or economic advice, or recommendation for making investment decisions. Each user is responsible for confirming and deciding which operations to perform based on their own analyses and considering additional elements and information. Investors should act with due diligence when it comes to making business decisions and seek the advice of qualified professionals. Past value evolution or past results are not an indication of future evolution or performance. The information found in the Arbitration Calculator should not be construed as an implied promise or warranty.
2. Arbitrage Value (analysts): Uses the average target price of analysts that follow Grupo Argos' listed investments instead of the market price (source = S&P Capital IQ)

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

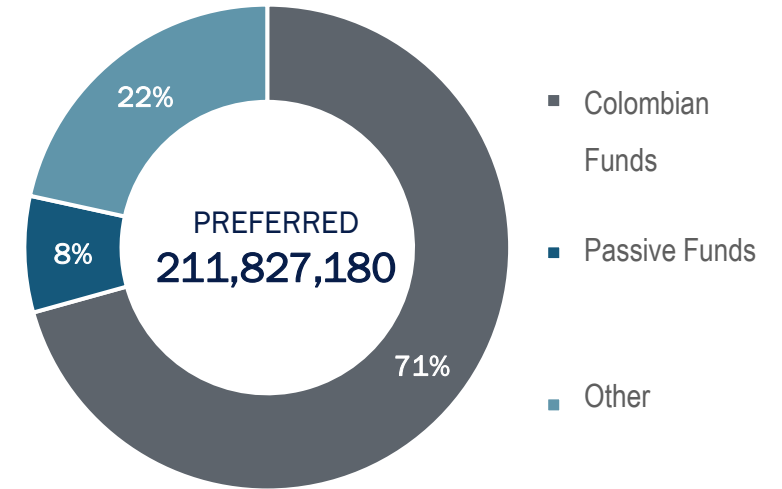
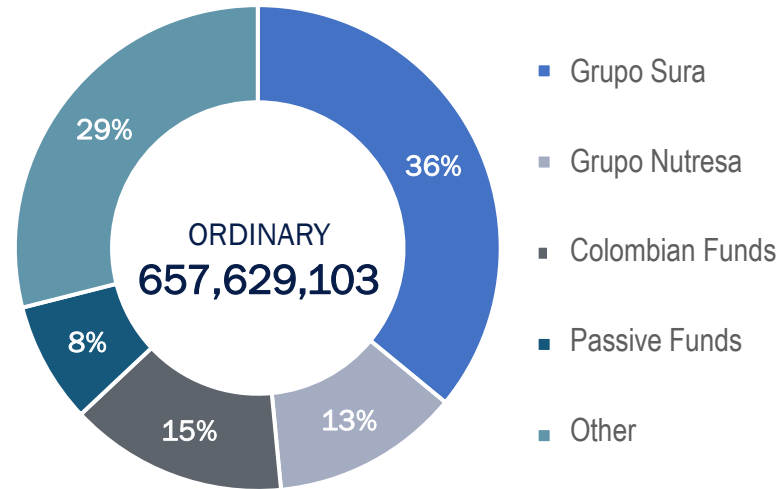


GONZALO PEREZ
Non - independent



CARLOS GALLEGO
Non - independent

Shareholders



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



“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 3Q21



GRUPO ARGOS CONSOLIDATED RESULTS 3Q2021

Operating results translate into a 28% consolidated Ebitda margin for the period

P&L Summary

COP bn	Quarterly Results			Cumulative Results for the Year			Cum. '21 vs '19	
	3Q - 2021	3Q - 2020	Var.(%)	Sep-21	Sep-20	Var.(%)	Sep-19	Var.(%)
Revenue	4,115	3,453	19%	11,875	10,415	14%	12,858	-8%
Costs, expenses, and other revenue	3,386	3,027	12%	9,747	9,143	7%	10,673	-9%
Operational Inc.	730	427	71%	2,128	1,272	67%	2,185	-3%
Ebitda	1,159	857	35%	3,413	2,566	33%	3,449	-1%
Ebitda Margin	28%	25%	334 bp	29%	25%	410 bp	27%	191 bp
Income before taxes	474	146	225%	1,345	357	276%	1,250	8%
Taxes	100	68	46%	388	191	103%	291	33%
Current	99	69	42%	325	228	42%	372	-13%
Deferred	1	-1	181%	63	-37	271%	-81	177%
Net Income	375	78	381%	958	166	477%	959	0%
Net income controlling interest	211	7	2983%	497	-16	3259%	566	-12%
Net margin controlling interest	5%	0%	494 bp	4%	0%	433 bp	4%	-22 bp

COP **958** bn

Cumulative net income as of September 2021

P&L Summary - Proforma*

COP bn	Quarterly Results			Cumulative Results for the Year			Cum. '21 vs '19	
	3Q - 2021	3Q - 2020	Var.(%)	Sep-21	Sep-20	Var.(%)	Jun-19	Var.(%)
Revenue	4,115	3,453	19%	11,874	10,378	14%	11,685	2%
Ebitda	1,159	857	35%	3,234	2,572	26%	3,112	4%
Net Income	375	78	381%	878	172	410%	684	28%
Net income controlling interest	211	7	2983%	458	-10	4820%	421	9%
Ebitda Margin	28%	25%	334 bp	27%	25%	245 bp	27%	61 bp

COP **3.2** tn

Cumulative proforma EBITDA in 2021 exceeds that recorded in 2020 (+26%) and 2019 (+4%)

* Proforma Adjustments – only incorporate M&A transactions and non-recurring transactions for Grupo Argos

- 2020: 1Q) sale of Odempa shares
- 2021: 1Q) n/a

2Q) n/a

2Q) Sale Dallas RMC, Sale of share in associates 3Q) n/a

3Q) n/a

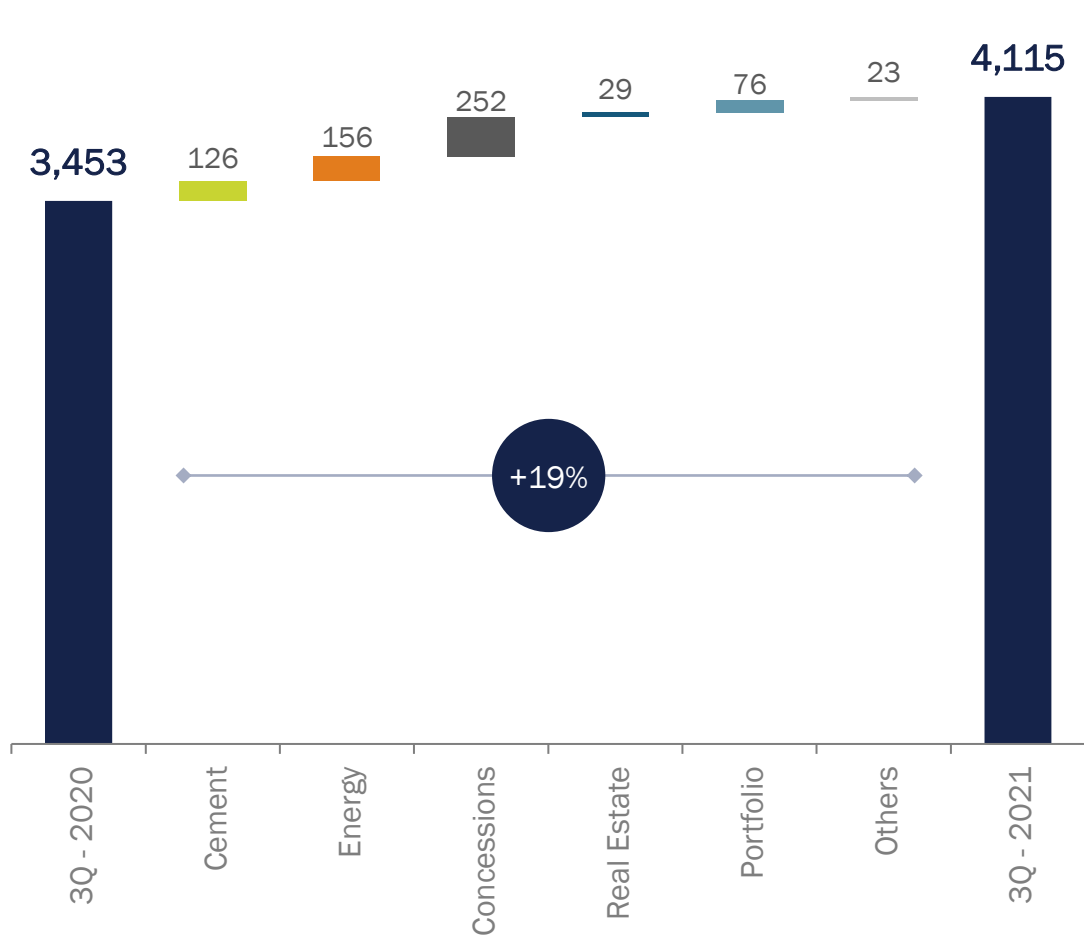
3Q) n/a

GRUPO ARGOS CONSOLIDATED RESULTS 3Q2021

19% revenue growth (YOY) and 35% EBITDA growth (YOY) due to improved operating leverage

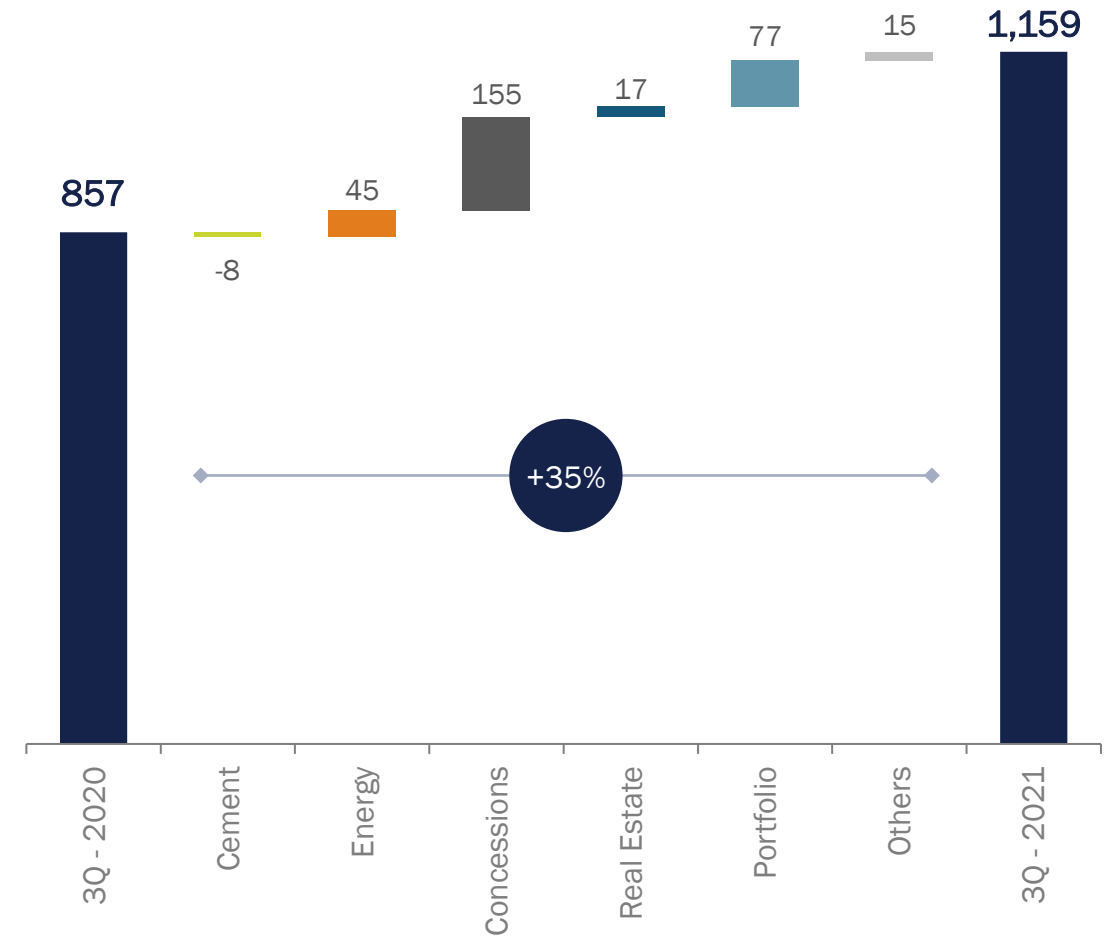
Consolidated revenue 3Q2021

COP bn



Consolidated Ebitda 3Q2021

COP bn



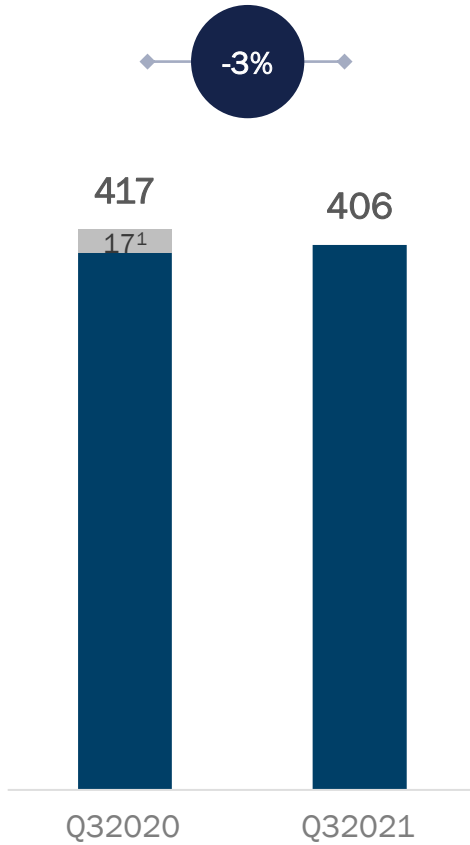
* Proforma Adjustments – only incorporate M&A transactions and non-recurring transactions for Grupo Argos

- 3Q - 2020: n/a
- 3Q - 2021: n/a

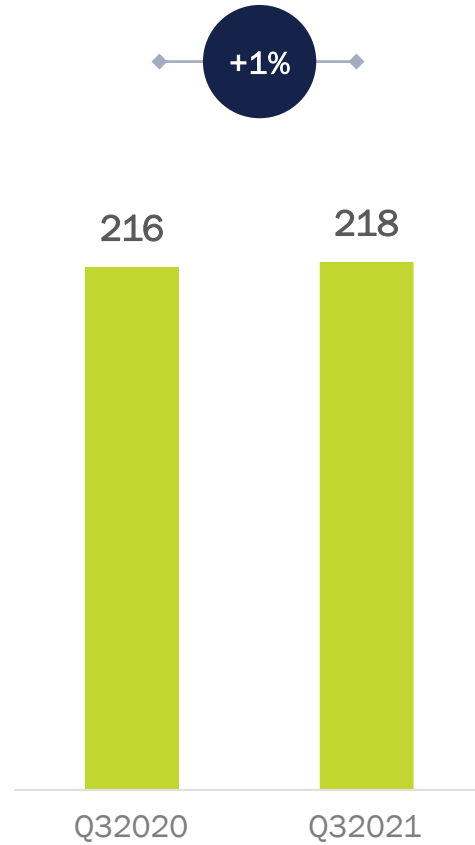
GRUPO ARGOS CONSOLIDATED RESULTS 3Q2021

Commitment to maintaining efficiencies and austerity policy regarding structural expenses

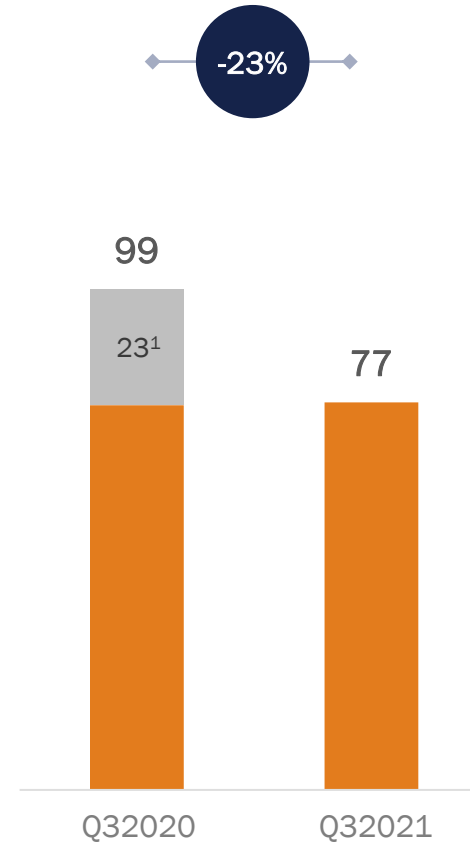
Consolidated Expenditure



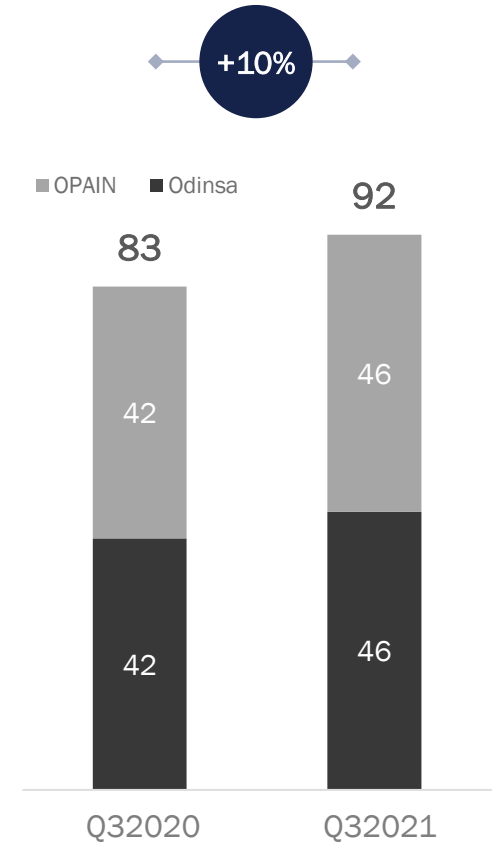
Cementos Argos Expenditure



Celsia Expenditure



Odinsa + Opain Expenditure



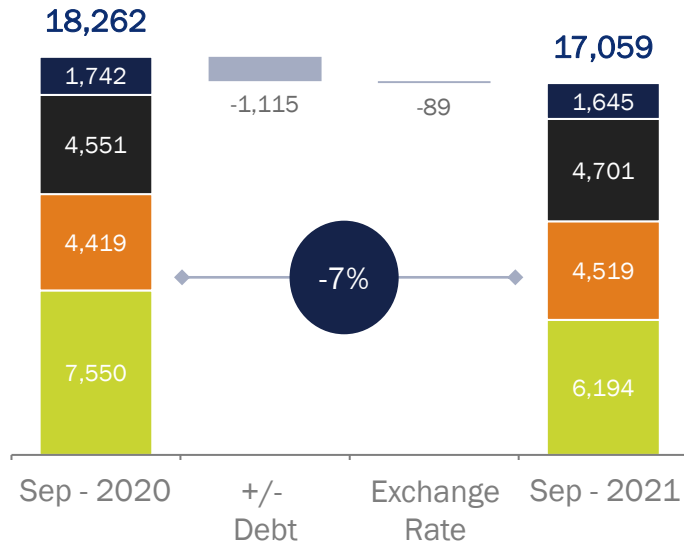
1. Non-recurring contribution to the Residential Public Utilities Superintendent in 2020 and reclassification at Odinsa in 2020

GRUPO ARGOS CONSOLIDATED RESULTS 3Q2021

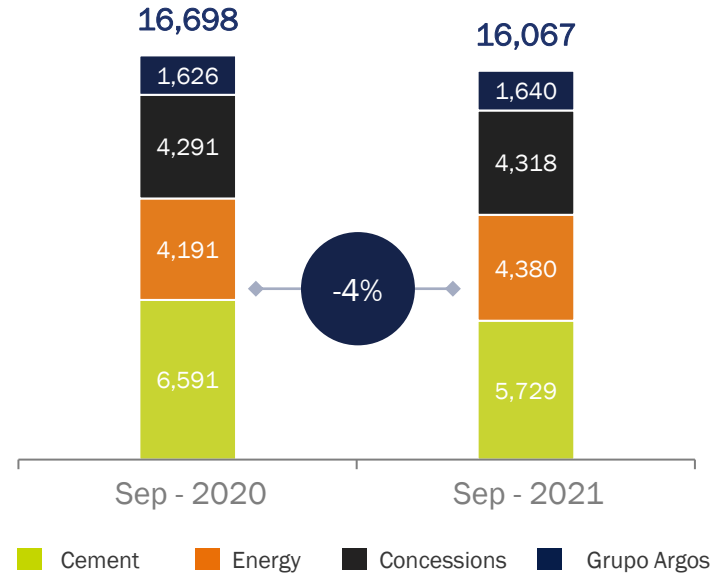
Financial discipline and cash generation enable reduced indebtedness

Consolidated debt

COP bn

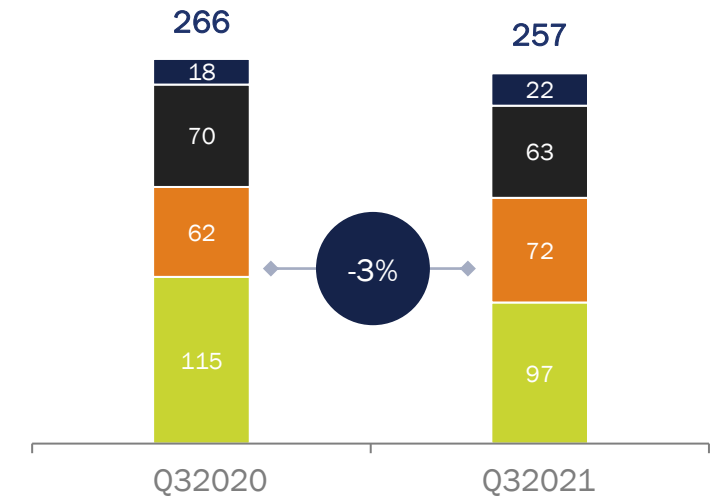
Net debt¹

COP bn



Net financial expenses

COP bn



- Amortizations for COP 1.1 tn over the last 12 months enable a 7% reduction in overall indebtedness, a highlight of which is an 18% reduction in the net debt of Cementos Argos, which closes the quarter with a 3.1x Net Debt / EBITDA multiplier
- AAA Credit rating from Fitch Ratings (Grupo Argos separate debt) and AA+ from S&P (Grupo Argos consolidated debt)

1. Net debt excludes restricted cash and equivalents

GRUPO ARGOS SEPARATE RESULTS 3Q2021

Proforma cumulative EBITDA and net income growth of 26% and 57% respectively vs 2019

P&L Summary

COP bn	Quarterly Results			Cumulative Results for the Year			Cum. '21 vs '19	
	3Q - 2021	3Q - 2020	Var.(%)	Sep-21	Sep-20	Var.(%)	Jun-19	Var.(%)
Revenue	171	24	607%	580	253	129%	660	-12%
Costs and other expenditures	15	3	519%	80	43	86%	65	24%
GA expenses	24	27	-13%	101	98	3%	103	-2%
Operational Inc.	132	-6	2402%	398	111	258%	493	-19%
Ebitda	136	0	n/a	411	125	229%	505	-19%
Ebitda Margin	80%	0%	n/a	71%	49%	2148 bp	76%	-549 bp
Inc. before taxes	110	-23	570%	332	30	1021%	419	-21%
Taxes	-2	5	-145%	-13	15	-189%	14	-196%
Current	0	1	-60%	-1	7	-118%	-2	24%
Deferred	-3	5	-161%	-12	8	-247%	15	-179%
Net Income	112	-29	491%	345	15	2223%	405	-15%
Net Margin	66%	-119%	18446 bp	60%	6%	5370 bp	61%	-173 bp

cOP **306** bn

Proforma net income in the first half of 2021 grew 57% compared to 2019

P&L Summary - Proforma*

COP bn	Quarterly Results			Cumulative Results for the Year			Cum. '21 vs '19	
	3Q - 2021	3Q - 2020	Var.(%)	Sep-21	Sep-20	Var.(%)	Jun-19	Var.(%)
Revenue	171	24	607%	540	216	149%	393	37%
Ebitda	136	0	n/a	372	112	234%	295	26%
Ebitda Margin	80%	0%	n/a	69%	52%	1741 bp	75%	-613 bp
Net Income	112	-29	491%	306	3	10886%	195	57%

cOP **118** bn

Equity method contributions from operational businesses increase (3Q21 vs 3Q20)

* Proforma Adjustments – only incorporate M&A transactions and non-recurring transactions for Grupo Argos

- 2020: 1Q) sale of Odempa shares
- 2021: 1Q) n/a

2Q) n/a

2Q) Sale Dallas RMC, Sale of share in associates

3Q) n/a

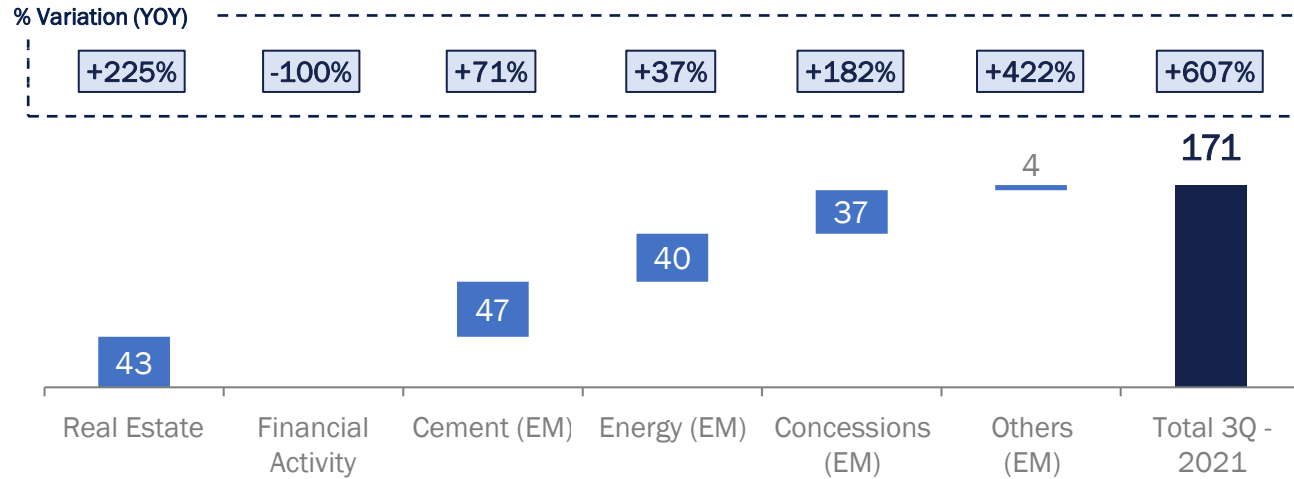
3Q) n/a

GRUPO ARGOS SEPARATE RESULTS 3Q2021

Greater revenue contributions from all businesses for a total increase of 607% YOY

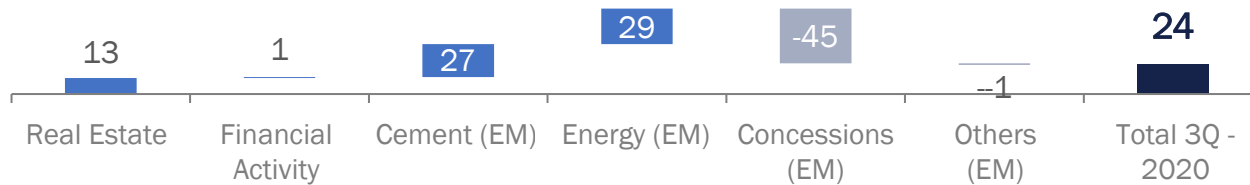
Revenue distribution 3Q2021

COP bn



Revenue distribution 3Q2021

COP bn



* Proforma Adjustments – only incorporate M&A transactions and non-recurring transactions for Grupo Argos

- 2020: 1Q) sale of Odempa shares
- 2021: 1Q) n/a

2Q) n/a

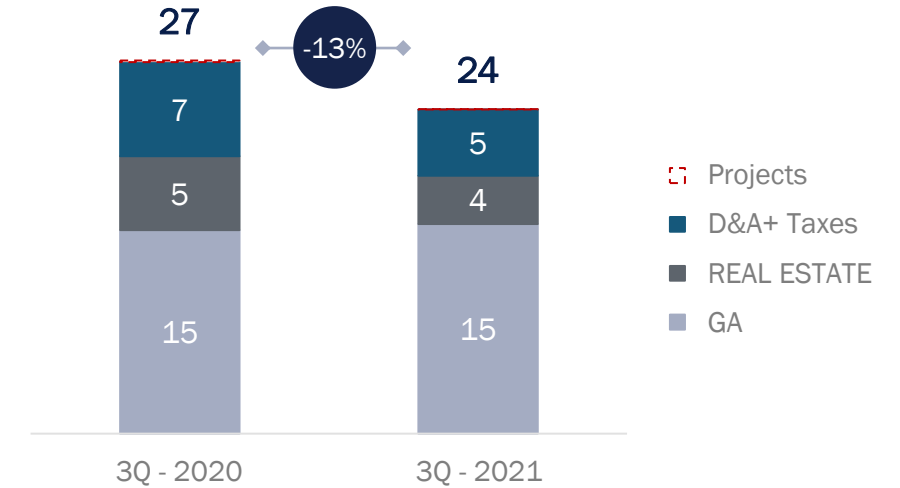
2Q) Sale Dallas RMC, Sale of share in associates

3Q) n/a

3Q) n/a

Controllable Expenses 3Q2021

COP bn



Separate proforma revenue grows 607% YOY:

- No non-recurring events over 2 quarters (e.g. divestments)
- Increased contributions from all lines of business due to good operational dynamics
- COP 82 billion growth in the concessions business leveraged by the airport recovery as they return to positive territory in 3Q21

**CEO**

Jorge Mario Velásquez

**CFO**

Alejandro Piedrahita

**IR Manager**

Natalia Agudelo

Tel: (574) 319-8712

E-mail: nagudelop@grupoargos.com

**IR Director**

Juan Esteban Mejía

Tel: (57) 311 302 8427

E-mail: jemejia@grupoargos.com

www.grupoargos.com



GRUPO ARGOS

Inversiones que transforman