



Grupo Argos Corporate Presentation

September 2020



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.

Grupo Argos Corporate Presentation



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 14 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**

1. Average daily volume last twelve months: COP 5,8 bn. Source: BVC

2. AUM its calculated last twelve months to March 2020

USD as of 30/06/2020 (1 USD = 3,759 COP)





2012

2019

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

- ▲ **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



2012

- ▲ **Assets:** COP 27 trillion
- ▲ **Revenues:** COP 6.7 trillion
- ▲ **Ebitda:** COP 1.6 trillion
- ▲ **Net profit:** COP 344 billion
- ▲ **Employees:** 9,700
- ▲ **5 business** strategic
- ▲ **Board of Directors:** 100% men
- ▲ Limestone reserve



2019

- ▲ **Assets:** COP 56 trillion
- ▲ **Revenue:** COP 16.7 trillion
- ▲ **Ebitda:** COP 4.6 trillion
- ▲ **Net profit:** COP 1.1 trillion
- ▲ **Employees:** 14,000
- ▲ **3 strategic business**
- ▲ **Board of Directors:** 43% women and 57% independent
- ▲ Preserve **biodiversity**

*Data last twelve months (LTM) as of March 2020

PORTFOLIO

Strategic portfolio focused on infrastructure



USD **2.1** bn
MARKET CAP^{*1}

USD **4.2** bn
REVENUES ^{*2}

USD **1.2** bn
EBITDA ^{*2}

STRATEGIC
In Infrastructure

CEMENT



^{*3} **58.1%**

^{*7} Revenues: USD 2.4 bn
EBITDA: USD 0.5 bn

ENERGY



52.9%

^{*7} Revenues: USD 1.0 bn
EBITDA: USD 0.4 bn

CONCESSIONS



^{*8} **99.9%**

^{*7} Revenues: USD 0.43 bn (+0.2 bn of Opaín⁷)
EBITDA: USD 0.2 bn (+0.1 bn of Opaín⁷)

PORTFOLIO of USD 1.7
billions⁶ composed by:



^{*4} **37.2%**



Desarrollo
Urbano

100%



^{*5} **27.7%**



9.8%

¹ Mkt Cap in USD as of 30/06/2020 (1 USD = 3,759 COP) ² Revenues & EBITDA LTM Mar 2020 in USD ³ Cementos Argos 58.1% 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 Mar 2020 and book value for urban development ⁷ Corresponds to recurrent revenues and Ebitda for 2020 Mar YoY ⁸ Grupo Argos and its related companies adds to 99.9%

WHO WE ARE?

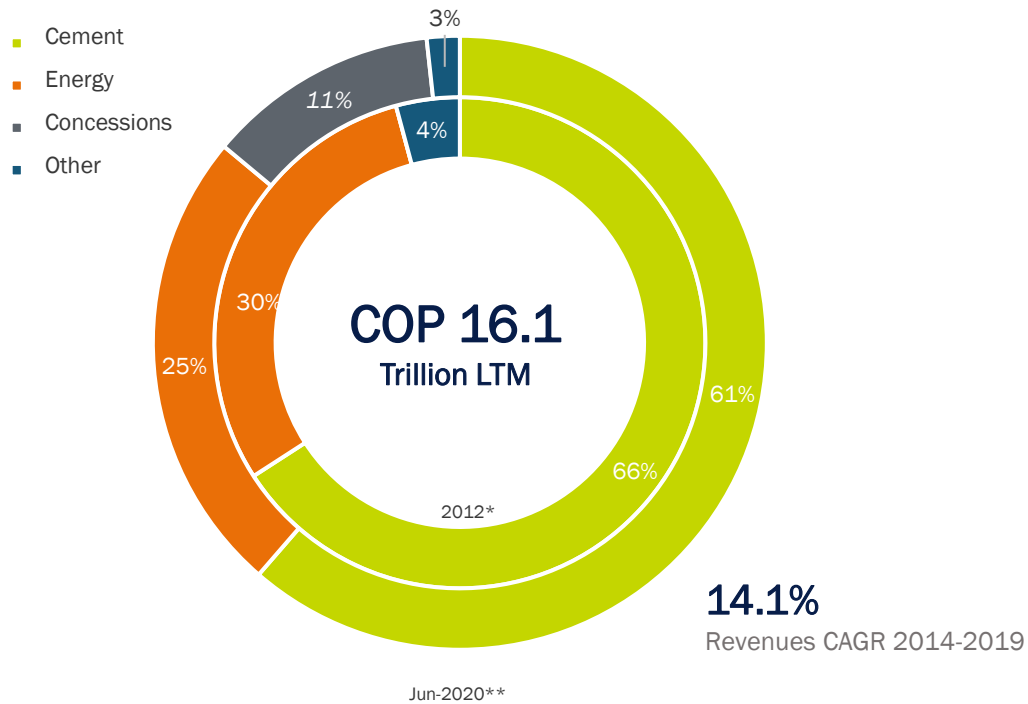
In the last 5 years we have been able to diversify the contribution in terms of Ebitda

COP **53.9** trillion
Consolidated Assets (June 2020)

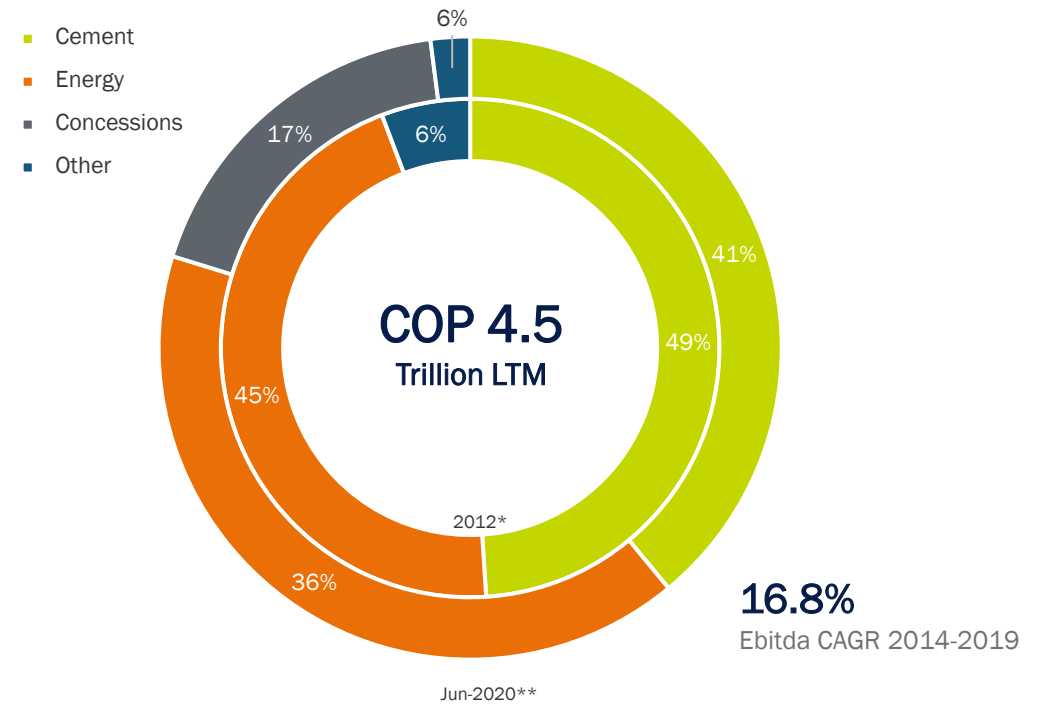
COP **907** billion
Consolidated Net Profit (LTM June 2020)

COP **402** billion
Net Profit of the parent company (LTM June 2020)

Consolidated Revenues



Consolidated Ebitda



* As of December 2012
** Last Twelve Months June 2020

HOW WE GENERATE VALUE

Key messages that support our value generation strategy

STRATEGY

Odinsa: Capital structure optimization to leverage growth

Strategy

- ▲ **Consolidation and growth** of the business in toll roads and airport concessions to become a regional leader
- ▲ Plan and execute projects for the **development of the regions in which we operate**

During 2019 we achieved



Cashouts for over
COP 3 trillion



Acquisition
Concesión Túnel de Oriente



Structuring of
3 private initiatives

STRATEGY

Celsia: Energy platform of Grupo Argos



Strategy

- ▲ Consolidate the portfolio in strategic assets
- ▲ Become one of the most powerful **platforms in the energy segment in the region**, leaders in innovation applied to customer service, and in the development of renewable energies

During 2019 we achieved



Double the number of users,
achieving 1,1 million



Capital turnovers for over
COP 4,4 trillion



Closed strategic partnerships
for COP 1,4 trillion

STRATEGY

Cementos Argos: Efficiencies achieved reflected in companies results



Strategy

- ▲ Decrease leverage ratio below **3.5 times net debt/ Ebitda**
- ▲ **Responsible and efficient** cash flow management
- ▲ Continue innovating in products to maintain leadership in the construction materials segment

During 2019 we achieved



Lighter and flexible operation to maintain leadership



Divestment of 28 concrete companies in United States for USD 95 million



Decrease in debt during 2019 for over COP 430 billion and COP 950 billion the last two years

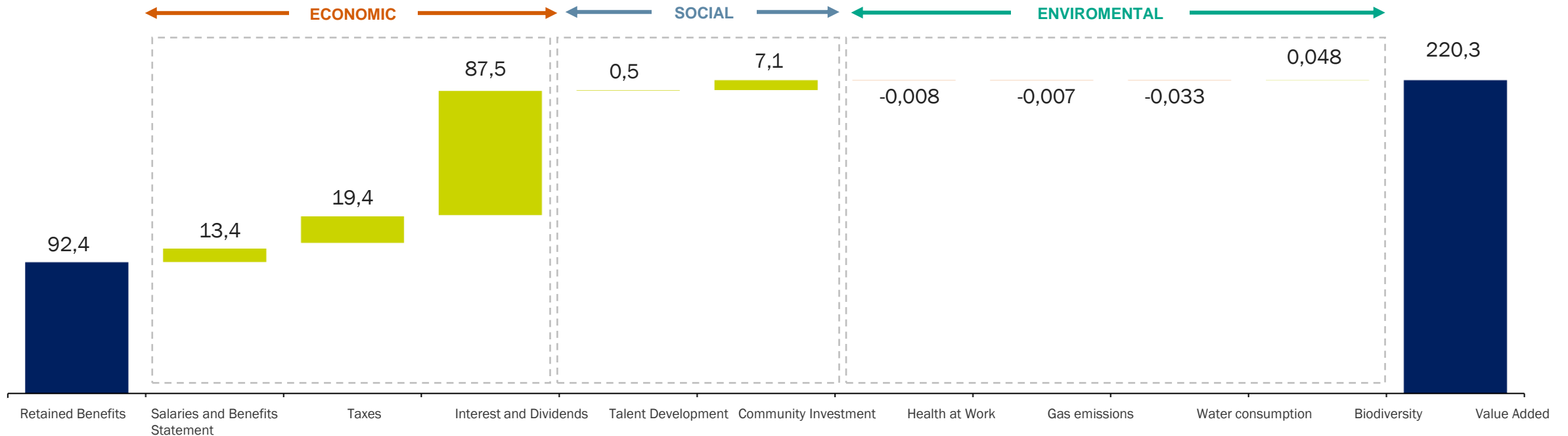


Green Cement

HOW WE GENERATE VALUE

We added 2.4 times what we took from society equivalent to USD 220.3 million

Value added statement of Grupo Argos 2019 (USD million)



Economic Dimension:

Payments of taxes, salaries, interests and dividends that are positive to the economy, boosting productivity and competitiveness of the country. It represents 55% of the net value that we deliver to society

Social Dimension:

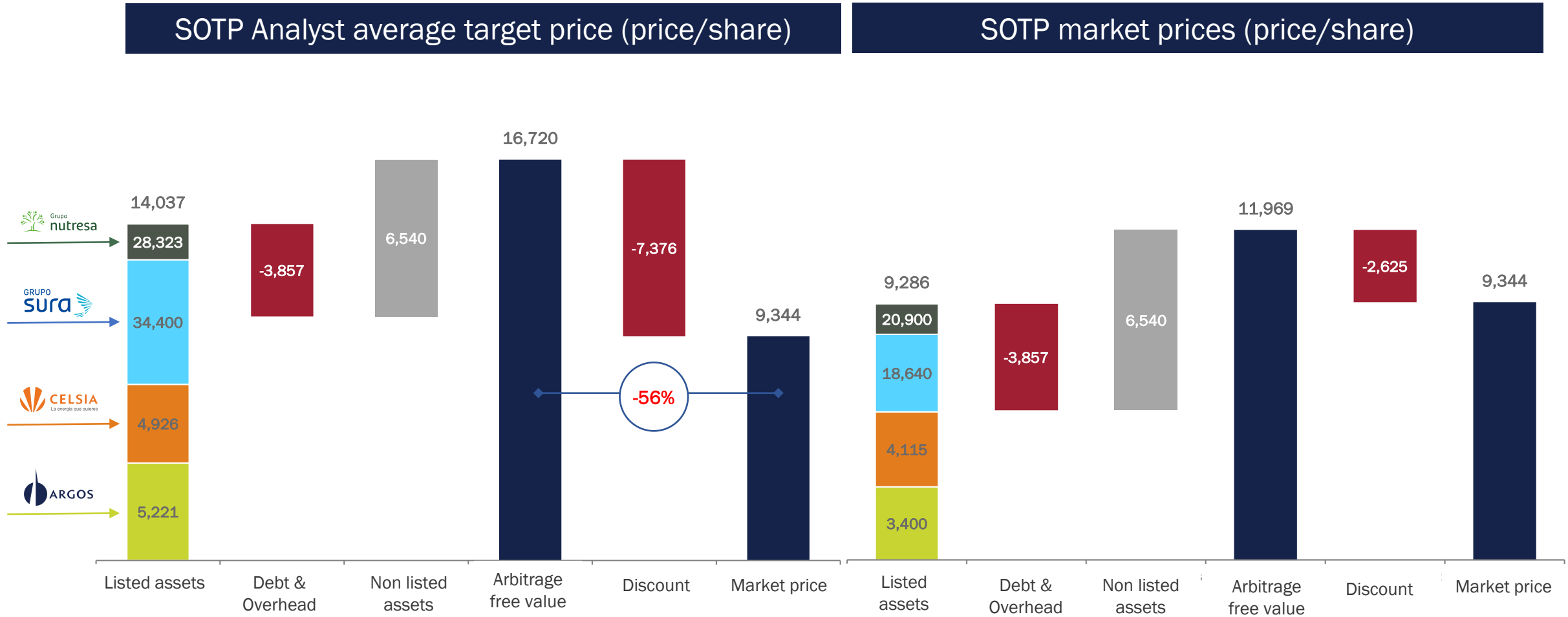
Greater contribution to the community infrastructure made by the urban development business, which is estimated to have benefited the community in USD 7.1 million

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

SOTP

Share price affected by market liquidity, not reflecting companies fundamental value



*Data as 30/06/2020

** Objective market price








*** non-listed assets in book value

**** Prices per share

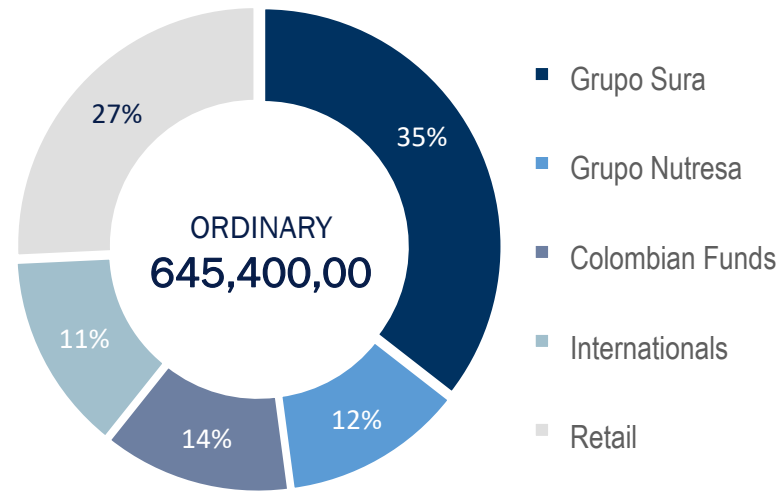
HOW WE GENERATE VALUE

Committed with our corporate governance – 57% independent board members

Board of Directors

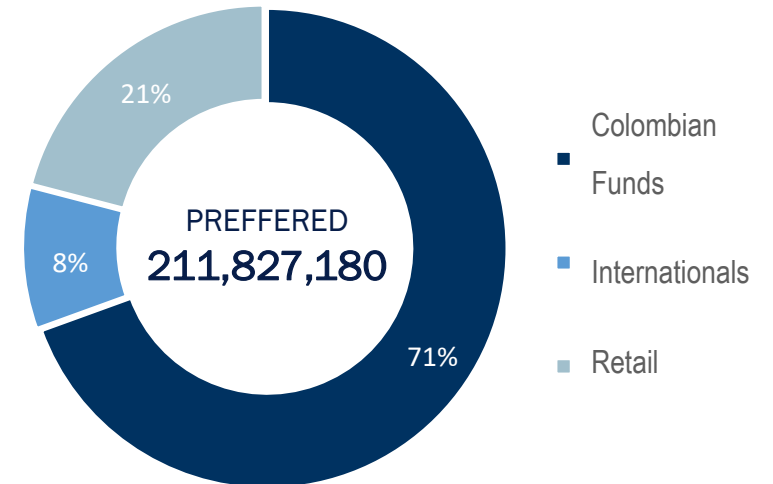
	ROSARIO CÓRDOBA (Chair of the Board) - Independent
	CLAUDIA BETANCOURT Non – Independent
	ANA CRISTINA ARANGO Independent
	ARMANDO MONTENEGRO Independent
	JORGE URIBE Independent
	GONZALO PEREZ Non - independent
	CARLOS GALLEGO Non - independent

Shareholders



Figures as of June 30, 2020

Recognitions



Preferred shares do not carry voting rights

Affiliations

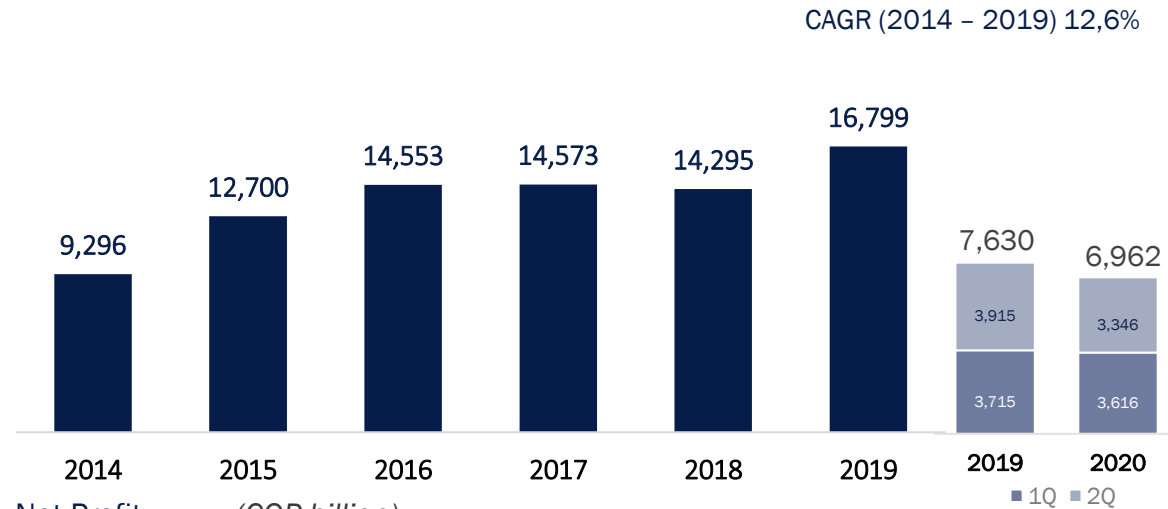


The CEO Water Mandate

FINANCIAL RESULTS

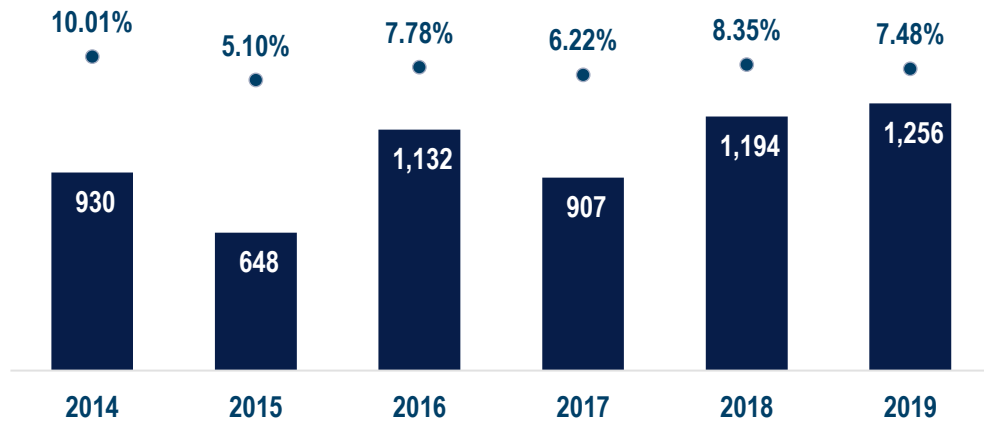
Discipline that has translated into positive results with Ebitda CAGR 16% in the last 5 years

Consolidated revenues of Grupo Argos (COP billion)

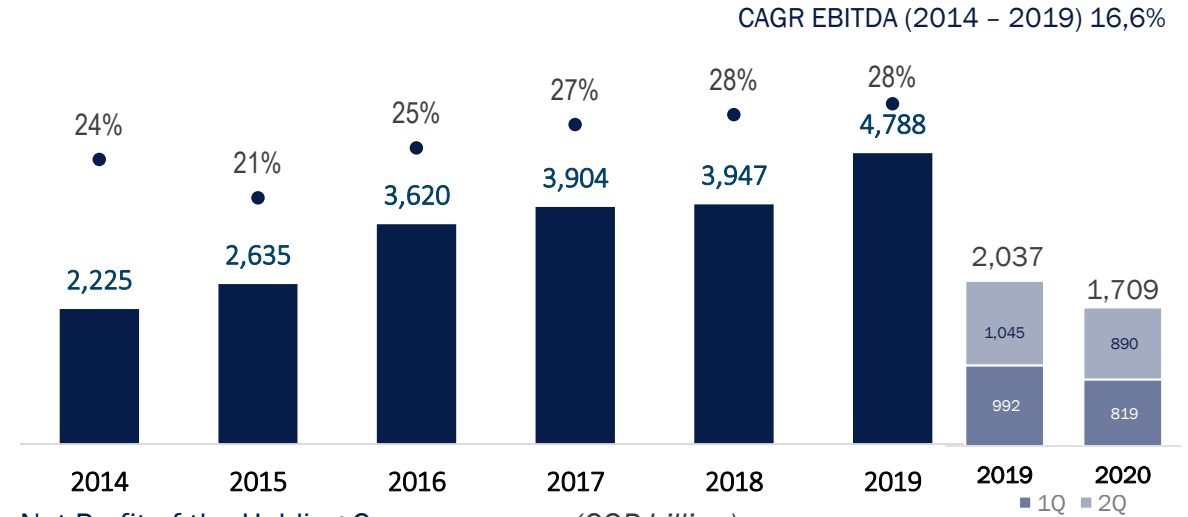


Net Profit (COP billion)

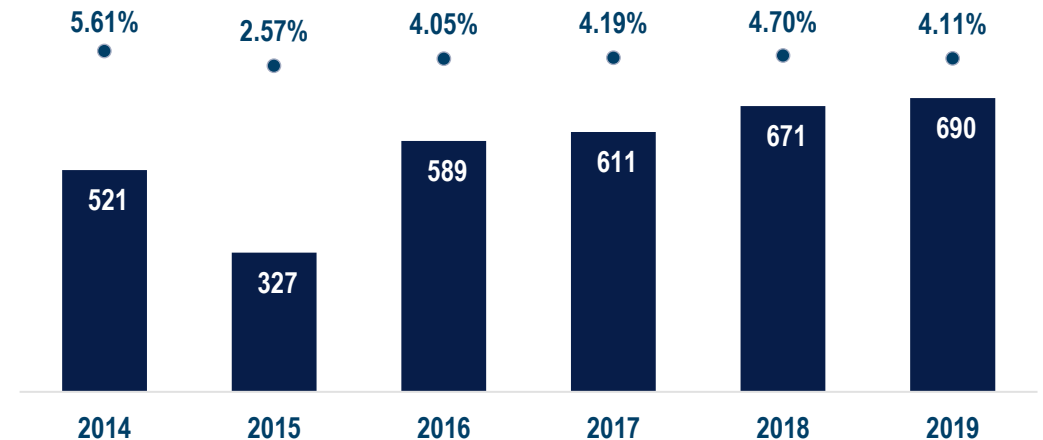
CAGR (2014 – 2019) 6,2%



Consolidated Ebitda of Grupo Argos (COP billion)



Net Profit of the Holding Company (COP billion)

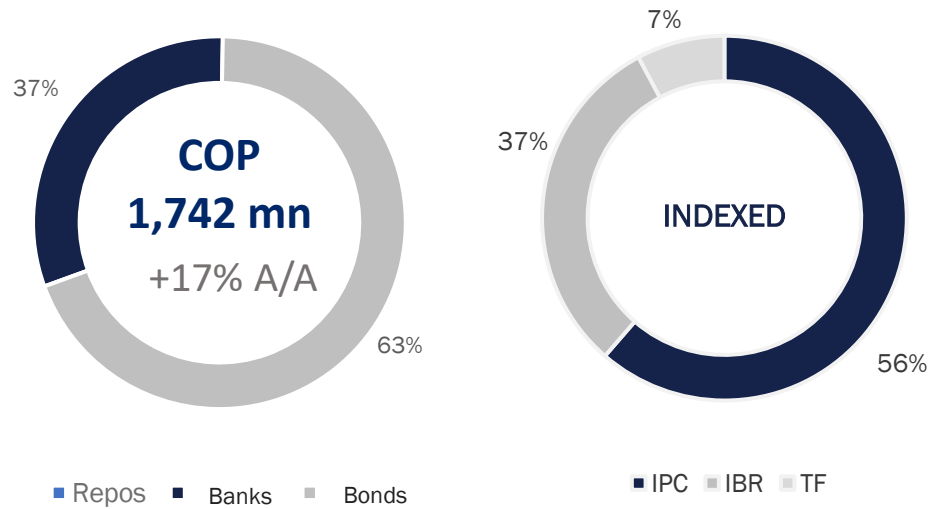


GRUPO ARGOS INDIVIDUAL RESULTS

Financial flexibility as no maturity until 2022 – Kd drops over 100 bp

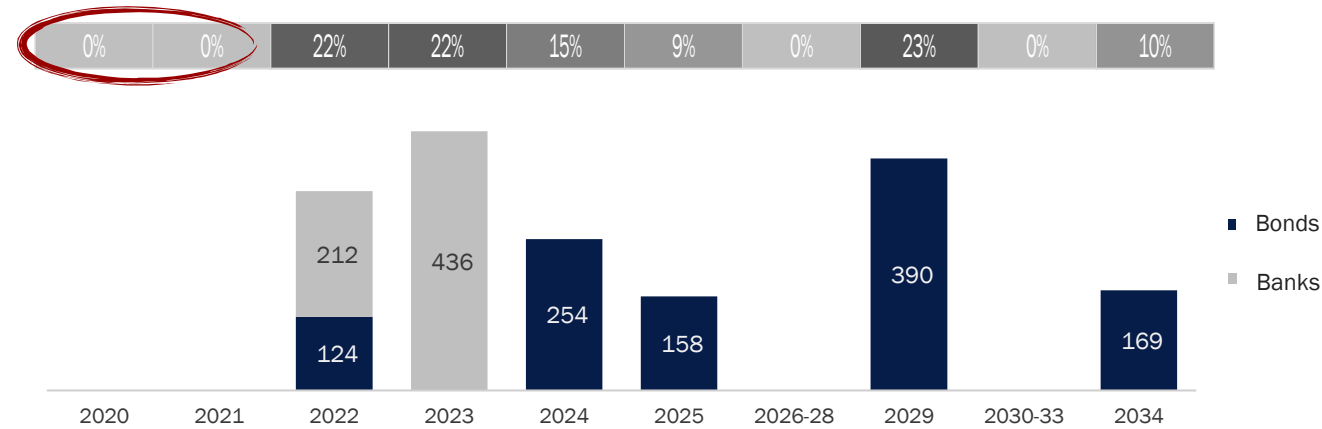
Indebtedness¹

COP billions



Profile of maturities (principal)

COP billions



Gross Debt / Dividends

3.8x

vs 2.3x in June 2019

Net Debt / Adjusted Ebitda²

4.2x

vs 2.1x in June 2019

Cost of Debt

5.6%

vs 6.8% in June 2019

¹ Only includes capital balance ² Adjusted EBITDA (credit rating methodology) = EBITDA (-) Equity method (+) Dividends received (+) Gains from divestments (-) Urban development valuations

GRUPO ARGOS INDIVIDUAL RESULTS

Fitch and S&P maintain Grupo Argos rating and remain confident with the company's strategy

FitchRatings

CALIFICACIÓN EMISOR¹

AAA

Stable
June 2020

"Grupo Argos's ratings are based on a solid capital structure, as well as a history of stability and strengthening of the flow of dividends received in recent years. The Stable Outlook reflects its robust capital structure with medium-term debt maturities, which mitigates, to some extent, the higher leverage expected in 2020 and 2021 (...) "

S&P Global

CALIFICACIÓN EMISOR Y PEC²

AA+

Stable
May 2020

"The organization has demonstrated access to the capital market or to financing through banks." The ratification of the rating will depend on the organization's ability to "(...) recover the financial situation it had in previous years in the following 12 to 24 months even under the scenario in which some of the restrictions are maintained"



AA
Fitch



AAA
Fitch (Celsia Col.)

AA+
S&P

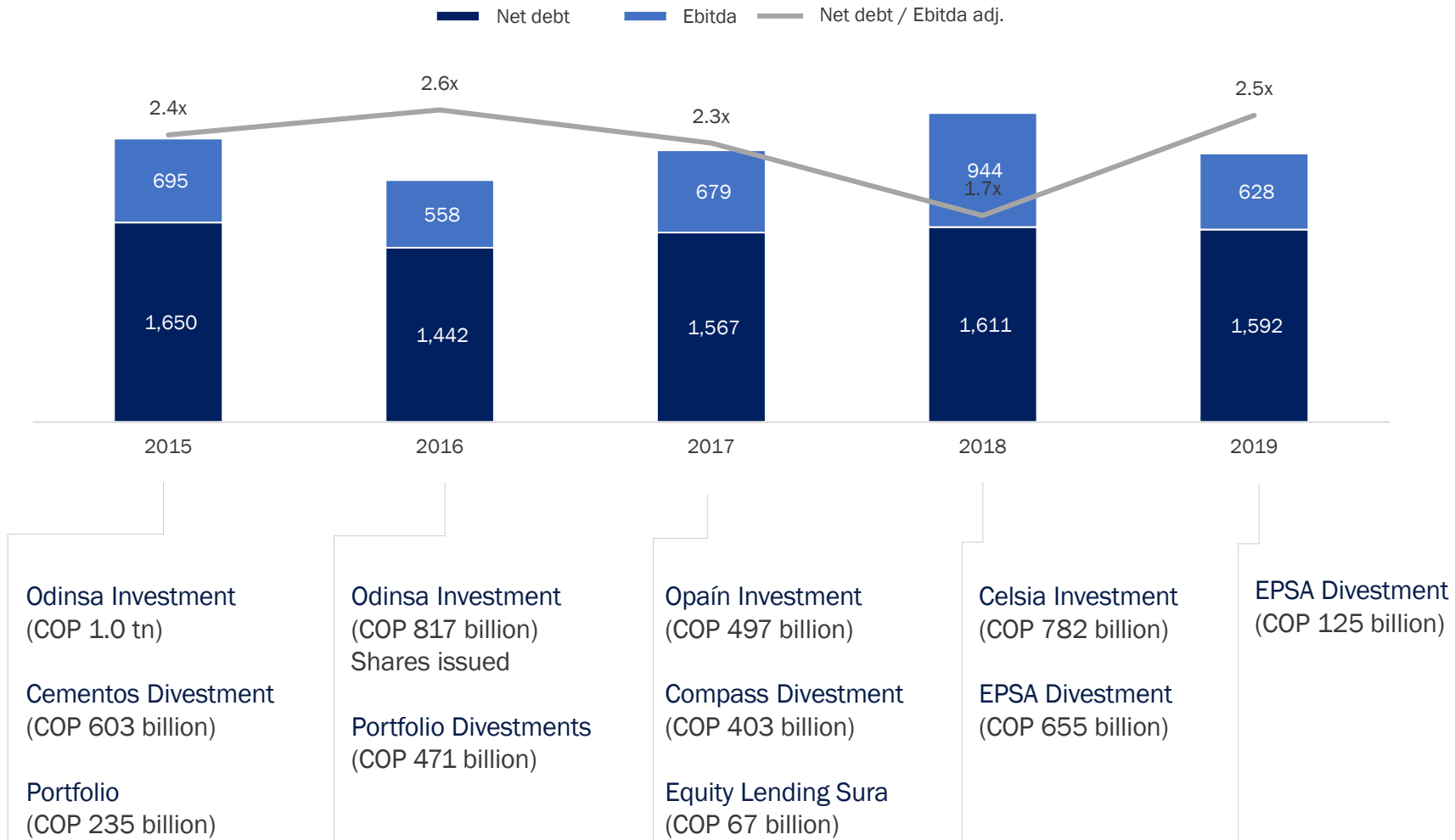


AA-
Fitch

¹ Fitch's rating refers to Grupo Argos separately. S&P refers to Grupo Argos consolidated 2 Issuance and Placement Program

CAPITAL STRUCTURE

Leverage ratios evolution in line with efficient capital allocation strategy



From 2015 to 2018 Grupo Argos has:

Invested + COP 3.1 trillion

Divestments for COP 2.4 trillion

Efficient debt management supporting growth

2019 ends with healthy leverage ratios

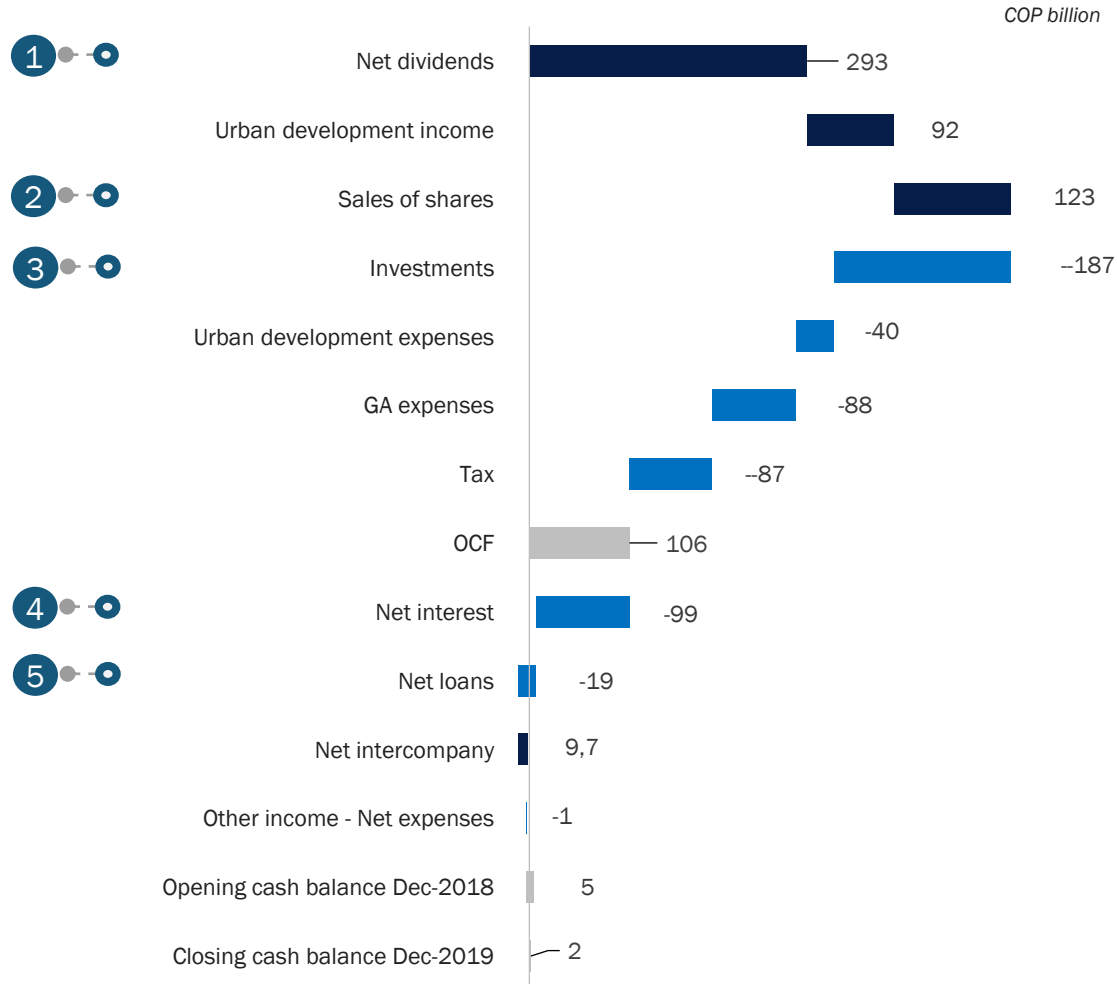
Adjusted EBITDA

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

GRUPO ARGOS 2019 CASH FLOW

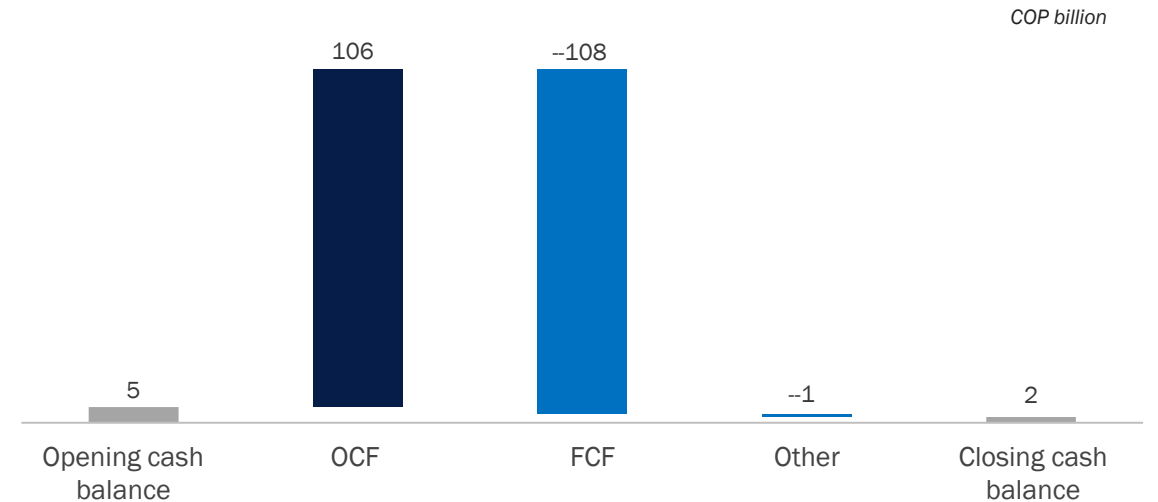
We ended 2019 with cash flow equivalent to one day of the Company's revenue

Cash flow



Notes

- Dividends received: **COP 588**, dividends paid: **COP 295**
- Sale of 6,495,205 shares in Epsa: **COP 123**
- Pactia capitalization: **COP 176**, purchase of shares in Odinsa: **COP 2**
- Financial expenses: **COP 105**, financial returns: **COP 6**
- Issuance and maturity of bonds: **COP 335**, amortization of bank debt: **COP 354**

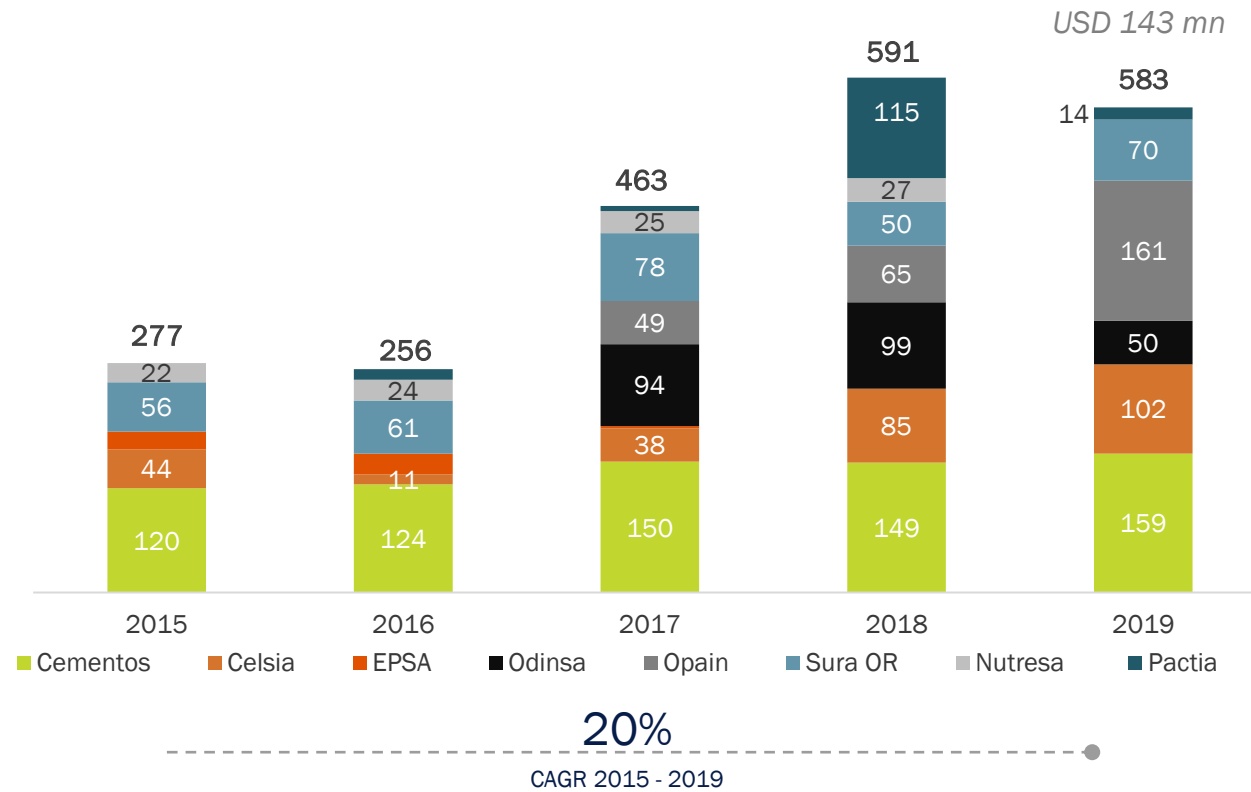


HOW WE GENERATE VALUE

We increased the dividends flow with a positive spread of COP 200 billion

HISTORIC DIVIDENDS

COP billions

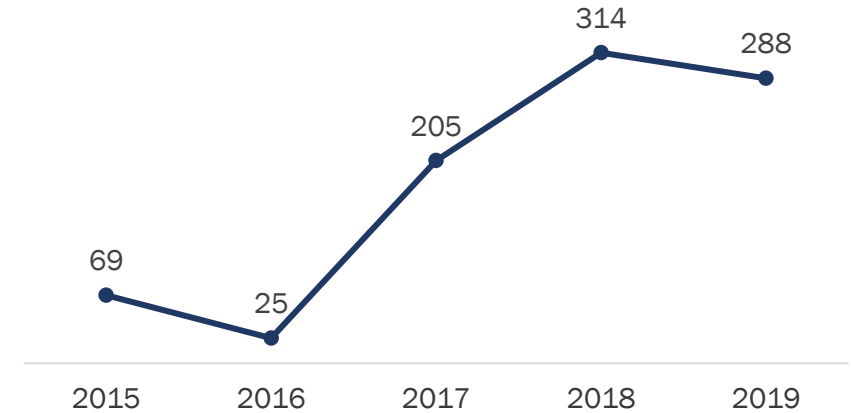


■ Cementos ■ Celsia ■ EPSA ■ Odinsa ■ Opain ■ Sura OR ■ Nutresa ■ Pactia¹

Positive dividend spread
(received - paid)

+ 4,2x

between 2016 and 2019

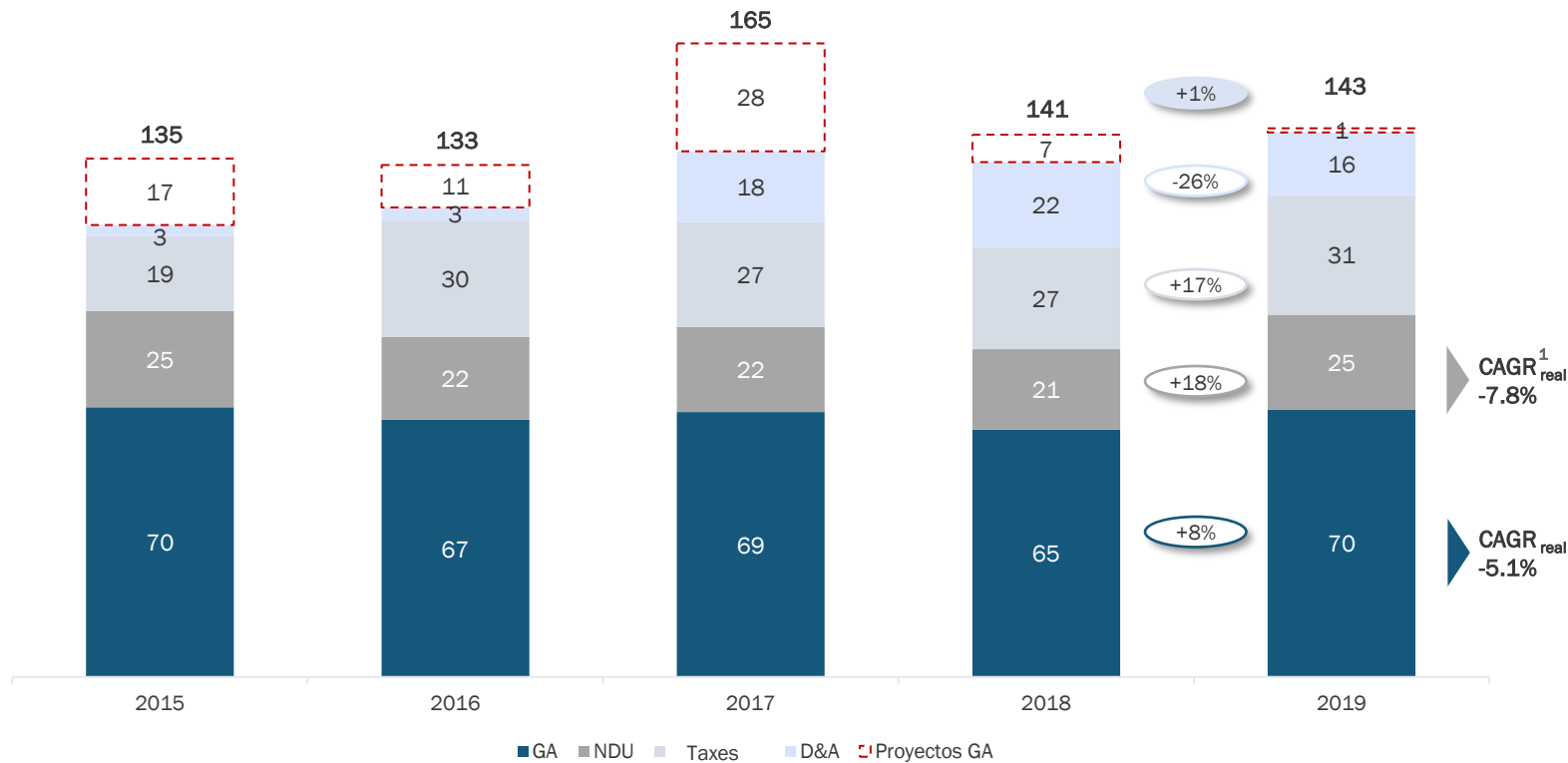


HOW WE GENERATE VALUE

In the last 5 years, controllable management expenses of Grupo Argos have decreased 5.1% in real terms

SG&A

COP billions



*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 2019 average with market prices and book value = COP 19 trillion

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

GA: Grupo Argos

NDU: Negocio Desarrollo Urbano

Grupo Argos Controllable
Management Cost

-5.1%

CAGR (2015 - 2019)

Real Estate Business
Expenses

-7.8%

CAGR (2015 - 2019)

Recurrent expenses GA* / AUM**
2019

0.5%

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



“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.”

COVID-19



 **GRUPO ARGOS**
Inversiones que transforman

 **ARGOS**

 **CELSIA**

 **ODINSA**

 **SUMMA**



COVID - 19

SITUATION MANAGEMENT

Our collaborators: a key part of our success in implementing our COVID-19 strategy

Transcendence

Inspiration



Integrity

Commitment

PURPOSE

“At Grupo Empresarial Argos we positively transform people’s lives through our investments and operations in those territories where we are present. Beyond cement, energy, highways and airports, we are moved by the development, progress and wellbeing of the people that benefit from our projects.”

SITUATION MANAGEMENT

The five priorities identified have proven to be in the right path



1. Life, Health and Wellbeing

Our number one priority is and will continue to be the life and health of our collaborators and their families



2. Care for Employment

Preserve employment as far as possible and ensure the wellbeing of our employees in every dimension



3. Operational Continuity

Continuity and purposeful management to identify all actions to mitigate impacts



4. Philanthropy and corporate citizenship

Strengthen the healthcare system and support vulnerable families




5. Institutional Support

Support for institutions and participation in social assistance and economic consolidation scenarios


BUSINESS CONTINUITY

From a COP 2.3 tn identified savings in March to COP 2.8 tn in June

		 CELSIA	 ARGOS	 ODINSA	 GRUPO ARGOS	
1	CAPEX (COP billion)	\$ 293	\$ 160	\$ 415		\$ 868
2	OPEX (COP billion)	\$ 45	\$ 324	\$ 119	\$ 20	\$ 508
3	Liquidity Credits (COP billion)	\$ 443	\$ 400	\$ 117	\$ 150	\$ 1,394
4	Taxes devolutions (COP billion)		\$ 50	\$ 10	\$ 32	\$ 92
	Cash Effect (COP billion)	\$ 781	\$ 1,218	\$ 661	\$ 202	\$ 2,862

Approximate figures in billions
Odinsa includes airport and highway concessions

Anexxes Financial Results 2Q20

 **GRUPO ARGOS**
Investments that transform

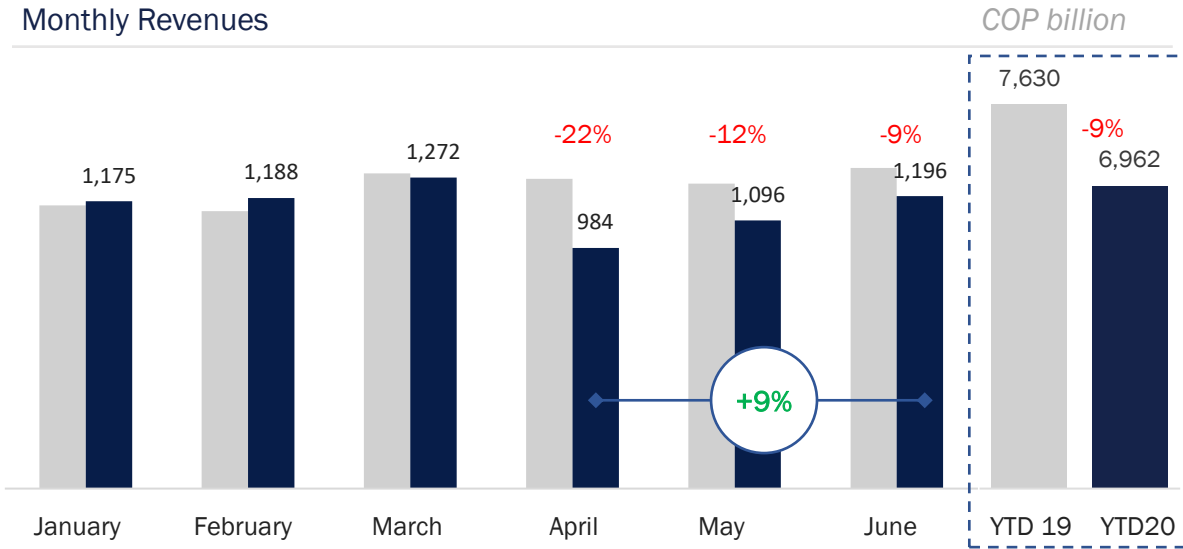


nosotros es tan bueno como todos juntos" Ray Kroc

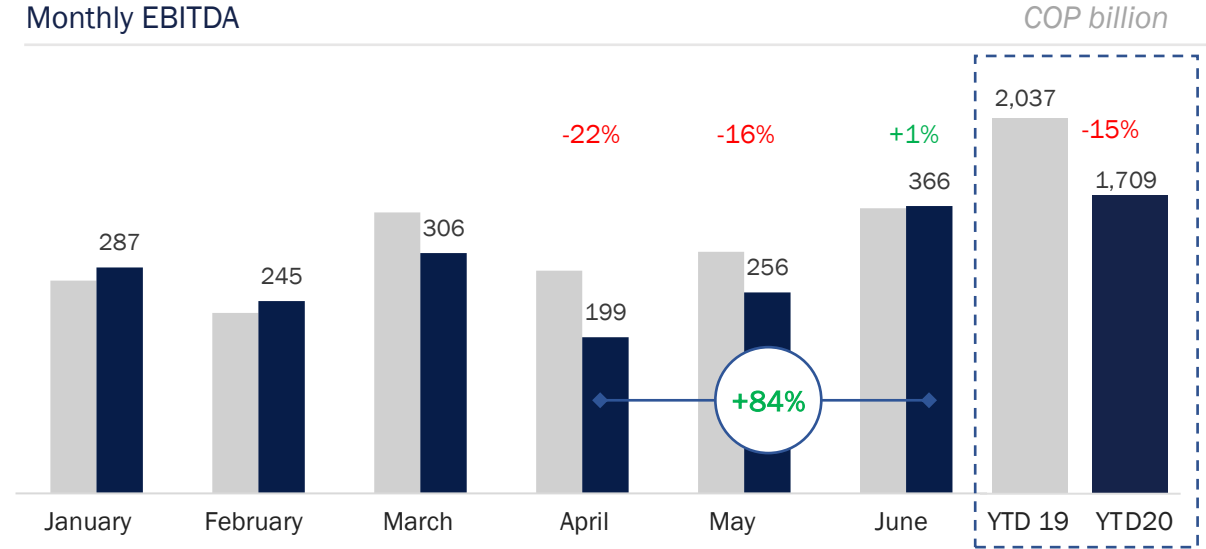
BUSINESS CONTINUITY

Confirms a positive trend towards business recovery

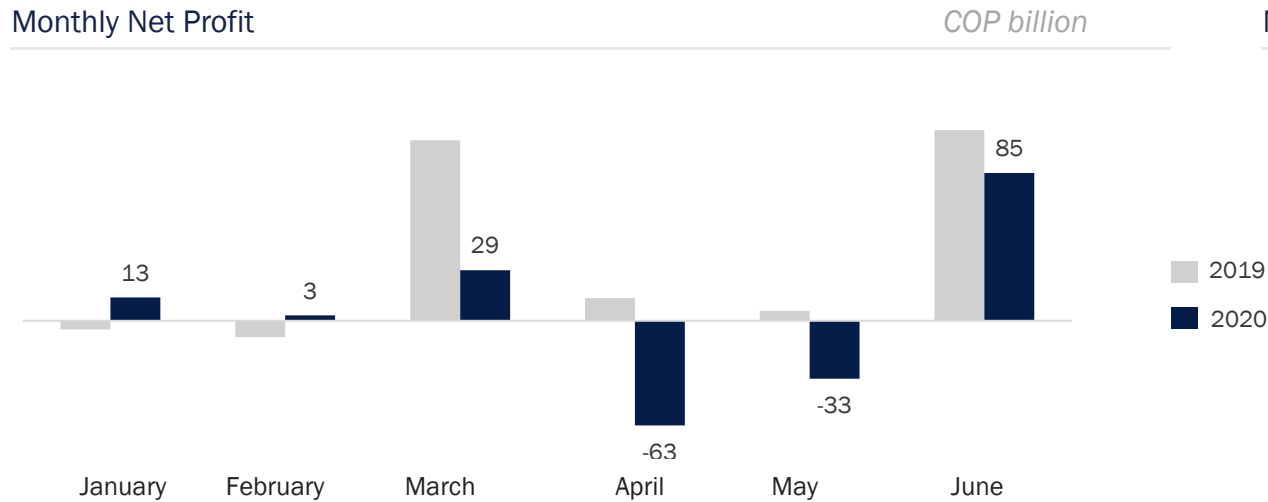
Monthly Revenues



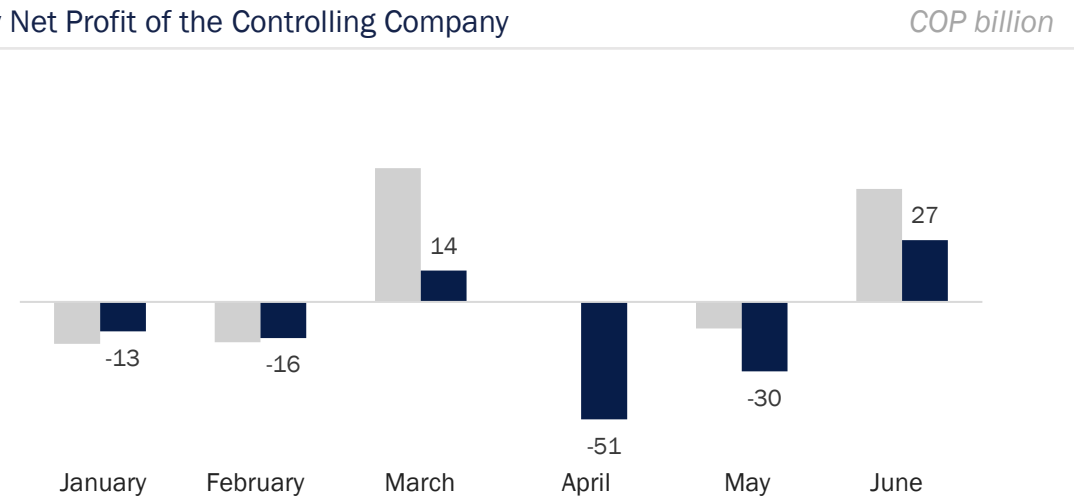
Monthly EBITDA



Monthly Net Profit



Monthly Net Profit of the Controlling Company



Excludes the Equity Method, in YTD includes Equity Method

GRUPO ARGOS CONSOLIDATED RESULTS Q2'2020

Proportional variation in revenue and Ebitda confirmed our commitment to reduce costs and expenses

RELEVANT FIGURES

COP billion	2Q - 2020	2Q - 2019	Var.(%)	Jun-2020	Jun-2019	Var.(%)
Revenue	3,346	3,915	-15%	6,962	7,630	-9%
Cost, expenses & other revenues	2,897	3,313	-13%	6,116	6,425	-5%
Operating profit	449	602	-25%	846	1,205	-30%
Ebitda	890	1,045	-15%	1,709	2,037	-16%
<i>Ebitda margin</i>	<i>27%</i>	<i>27%</i>	<i>-8 pb</i>	<i>25%</i>	<i>27%</i>	<i>-215 pb</i>
Pre-tax profit	97	301	-68%	211	611	-65%
Taxes	35	82	-57%	123	168	-27%
<i>Current</i>	67	93	-28%	159	201	-21%
<i>Diferred</i>	-32	-11	190%	-36	-33	8%
Net Profit	62	219	-72%	88	443	-80%
Net Profit Controlling Company	10	121	-92%	-23	265	<i>n/a</i>
<i>Net margin Controlling Company</i>	<i>0%</i>	<i>3%</i>	<i>-278 pb</i>	<i>0%</i>	<i>3%</i>	<i>n/a</i>

COP **50** bn

Increase in the energy
business's contributions to
Ebitda in Q2'2020

-14%

Costs and Expenses for
Q2'2020

PROFORMA (YTD Divestments)*

COP billion	Jun-2020	Jun-2019	Var.(%)
Revenue	6,925	7,545	-8%
Ebitda	1,716	2,011	-15%
Net Profit	-17	252	n/a
<i>Ebitda Margin</i>	<i>25%</i>	<i>27%</i>	<i>-188 pb</i>

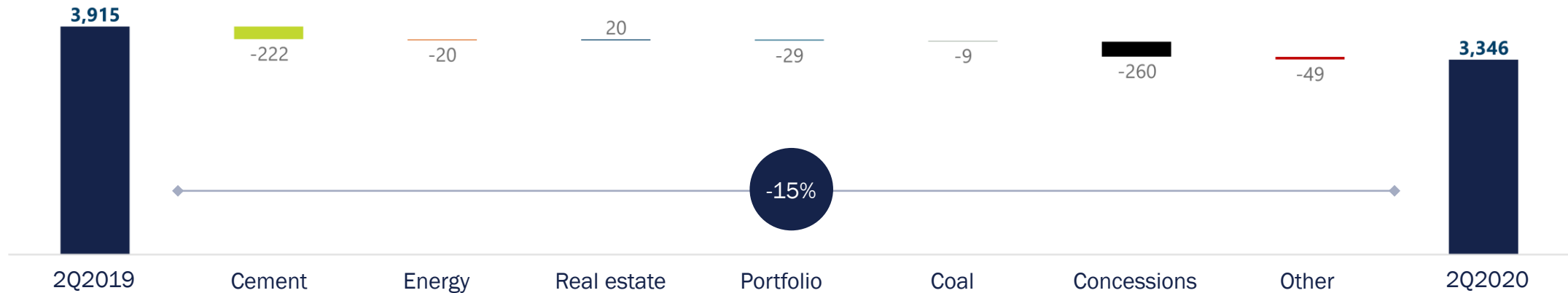
* Excluded from the 2020 EBITDA: Divestment in Odempa (COP 37 bn in revenue, -COP 7 bn in EBITDA and -COP 6 bn in controlling entity) and in 2019: Divestment in Omya (COP 63 bn in revenue, COP 19 bn in EBITDA and COP 9 bn in controlling entity) and Cartón (COP 23 bn in revenue, COP 8 bn in EBITDA and COP 4 bn in controlling entity)

GRUPO ARGOS CONSOLIDATED RESULTS Q2'2020

Contributions by businesses exceed the expectation made at the beginning of the pandemic

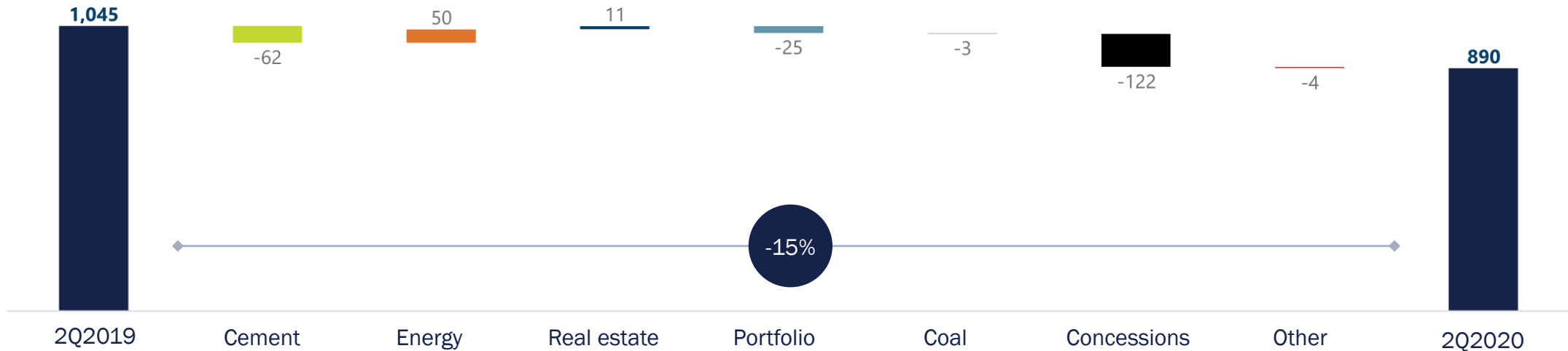
Contribution by business to consolidated revenue 2Q2020

COP billion



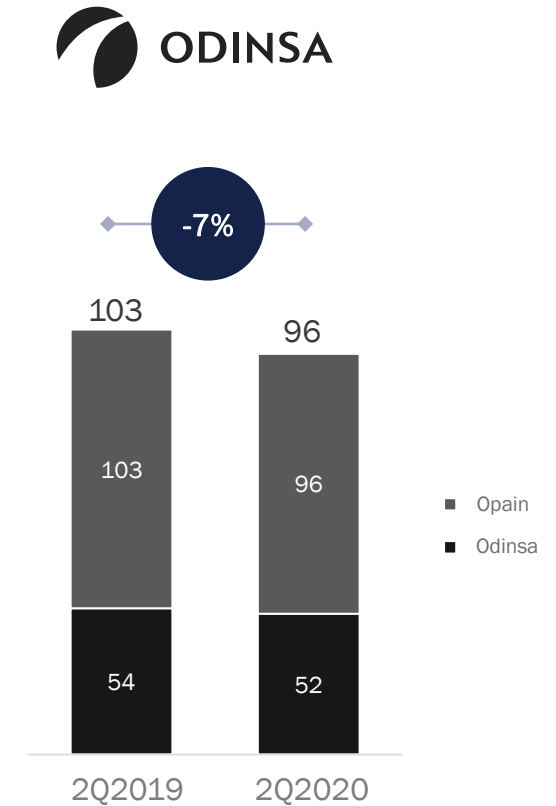
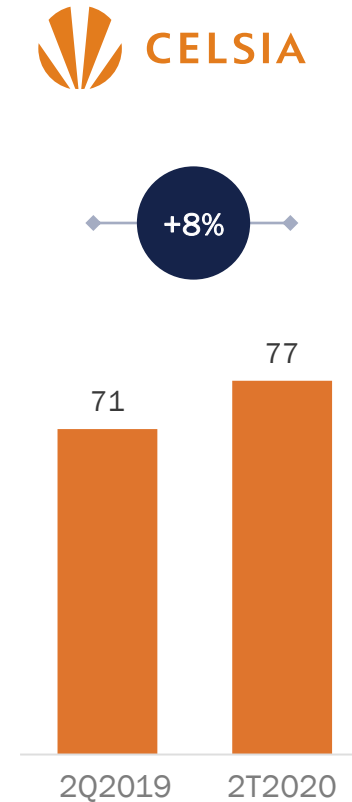
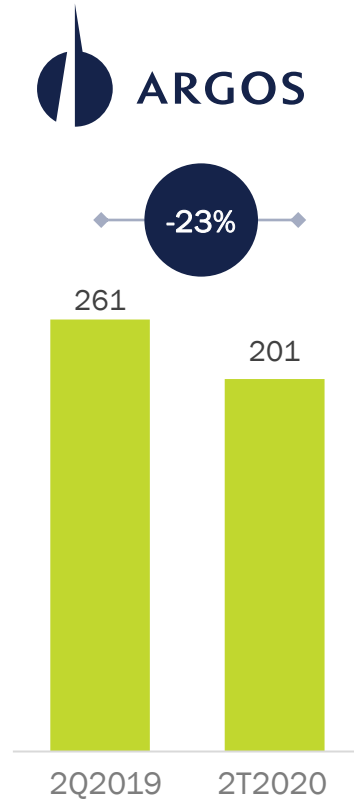
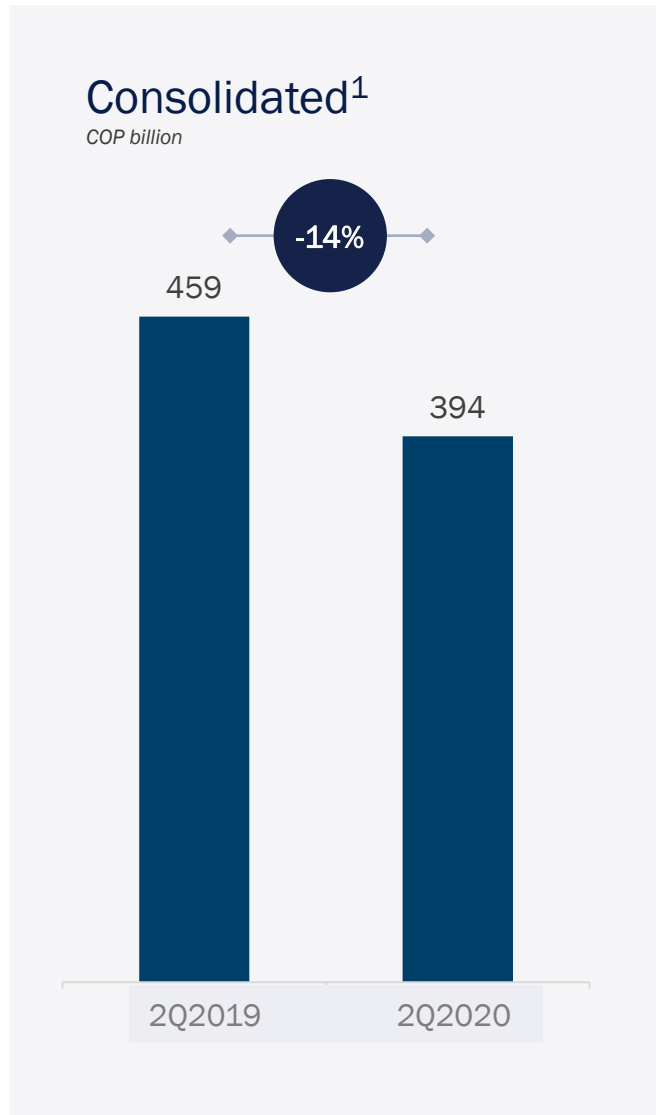
Contribution by business to consolidated Ebitda 2T2020

COP billion



GRUPO ARGOS CONSOLIDATED RESULTS Q2'2020

Decreased in SG&A proof our rapid capacity for responding to the current situation



¹The consolidated amount may differ from the sum of the affiliates' amount due to consolidation adjustments

GRUPO ARGOS CONSOLIDATED RESULTS Q2'2020

Financial expenses remain constant despite the effect of devaluation on consolidated debt

Consolidated Debt

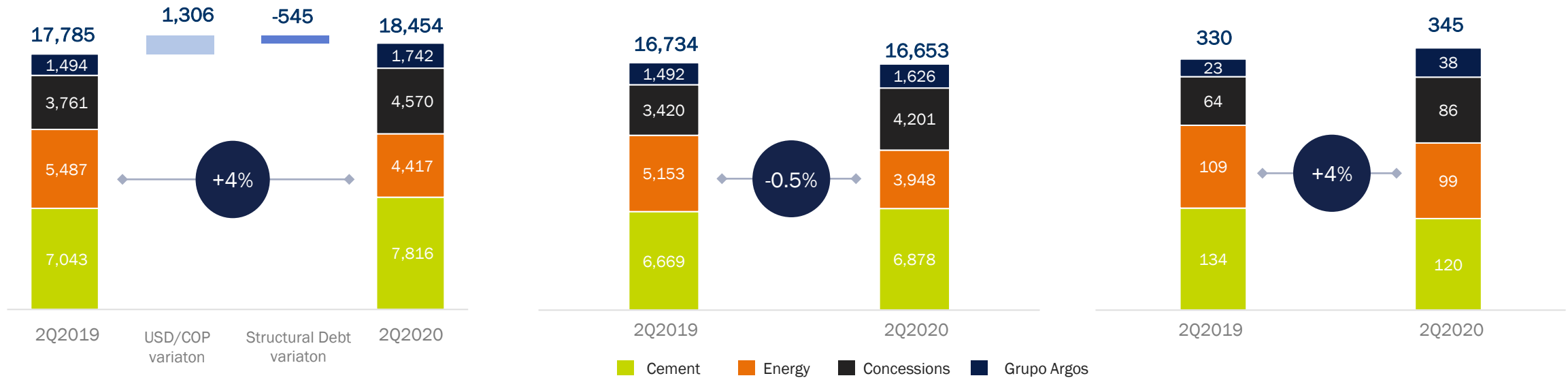
COP billion

Net Debt

COP billion

Net Financial Expenses

COP billion



- ▲ **COP 1.3 tn increase** due to the **devaluation of the Colombian peso**
- ▲ **Real debt reduction of COP 545 bn**
- ▲ **Adjusting debt to the excess cash position** the companies have today, deriving from COVID-19, **net debt would be COP 16.6 trillion**
- ▲ **Financial expenses match revenues contribution in dollars** and it does not represent a real increase of debt

¹ Available on books excluding restricted cash

GRUPO ARGOS INDIVIDUAL RESULTS Q2'2020

Real Estate Business contribute with COP 40 bn in revenues from future divestments deals

RELEVANT FIGURES

COP billion	2Q - 2020	2Q - 2019	Var.(%)	Jun-2020	Jun-2019	Var.(%)
Revenue	28	96	-71%	229	404	-43%
Costs and other expenses	16	6	181%	41	67	-39%
GA expenses	24	27	-13%	71	79	-48%
Operating profit	-12	62	n/a	117	258	-55%
Ebitda	-7	66	n/a	125	266	-53%
<i>Ebitda margin</i>	-25%	69%	n/a	55%	66%	-1124 pb
Pre tax profit	-50	39	n/a	53	209	-75%
Taxes	5	5	0%	9	3	194%
Current	1	0	n/a	6	-3	n/a
Diferred ítems	5	5	-6%	4	6	-42%
Net profit	-56	34	n/a	44	206	-79%
<i>Net margin</i>	-197%	35%	n/a	19%	51%	-3187 pb

COP **6 bn**

Positive contribution from
the cement segment under
the equity method

-13%

Decrease in Grupo Argos'
structural expenses during
the quarter

PROFORMA (YTD divestments)*

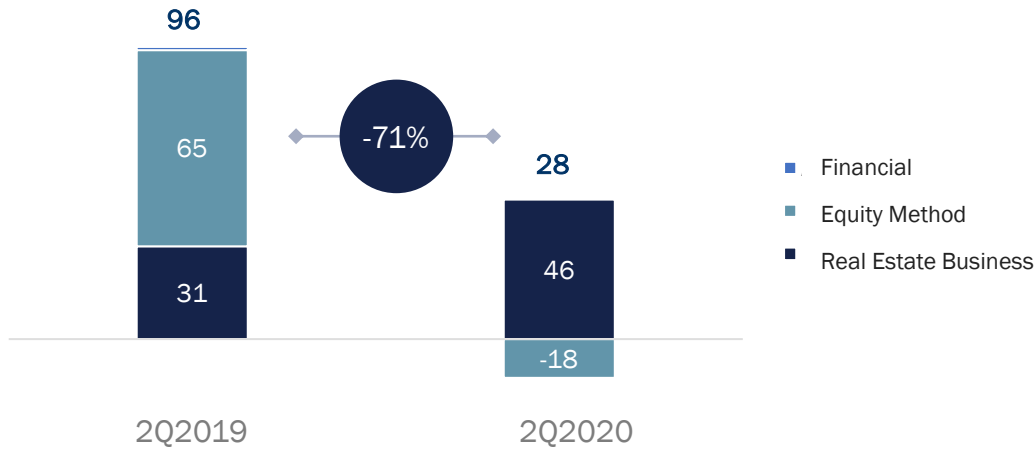
	Jun-2020	Jun-2019	Var.(%)
Revenues	192	281	-32%
Ebitda	112	202	-45%
Net Profit	32	141	-77%
<i>Ebitda Margin</i>	58%	72%	n/a

* Excludes: Sale of Odempa (Revenue COP 36 bn, Ebitda COP 13 bn and Net Profit COP 13 mil mn and sale of shares in EPSA 2019 (Revenue COP 123 bn, Ebitda COP 64 bn and Net Profit COP 64 bn)

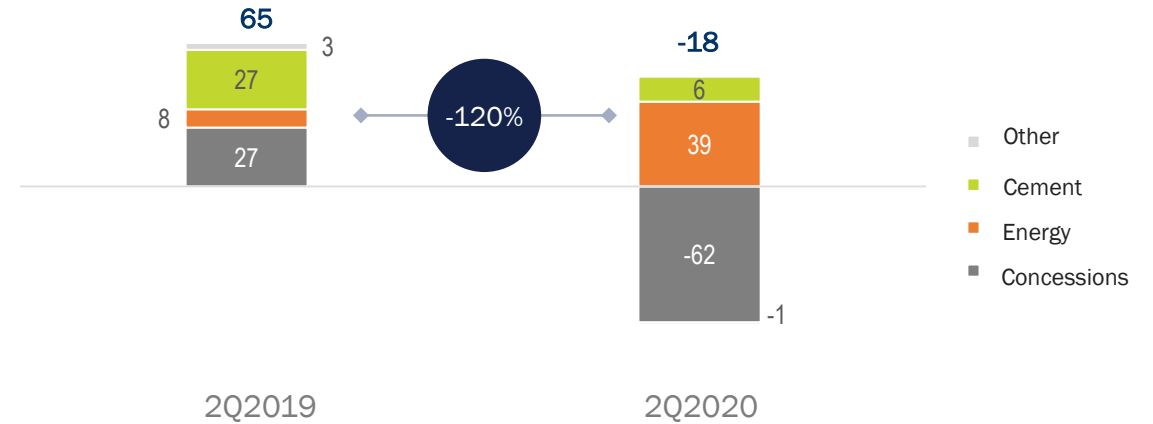
GRUPO ARGOS INDIVIDUAL RESULTS Q2'2020

Controllable expenses decrease 13% YoY, adding to the efforts of the last 4 years

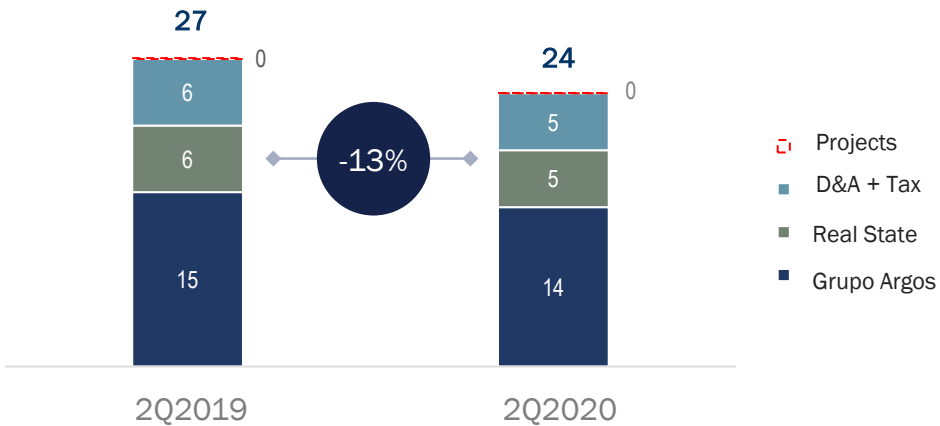
1. Revenue Distribution 2Q2020 COP billions



2. Equity Method Distribution 2Q2020 COP billions



3. Controllable expenses 2Q2020 COP billion

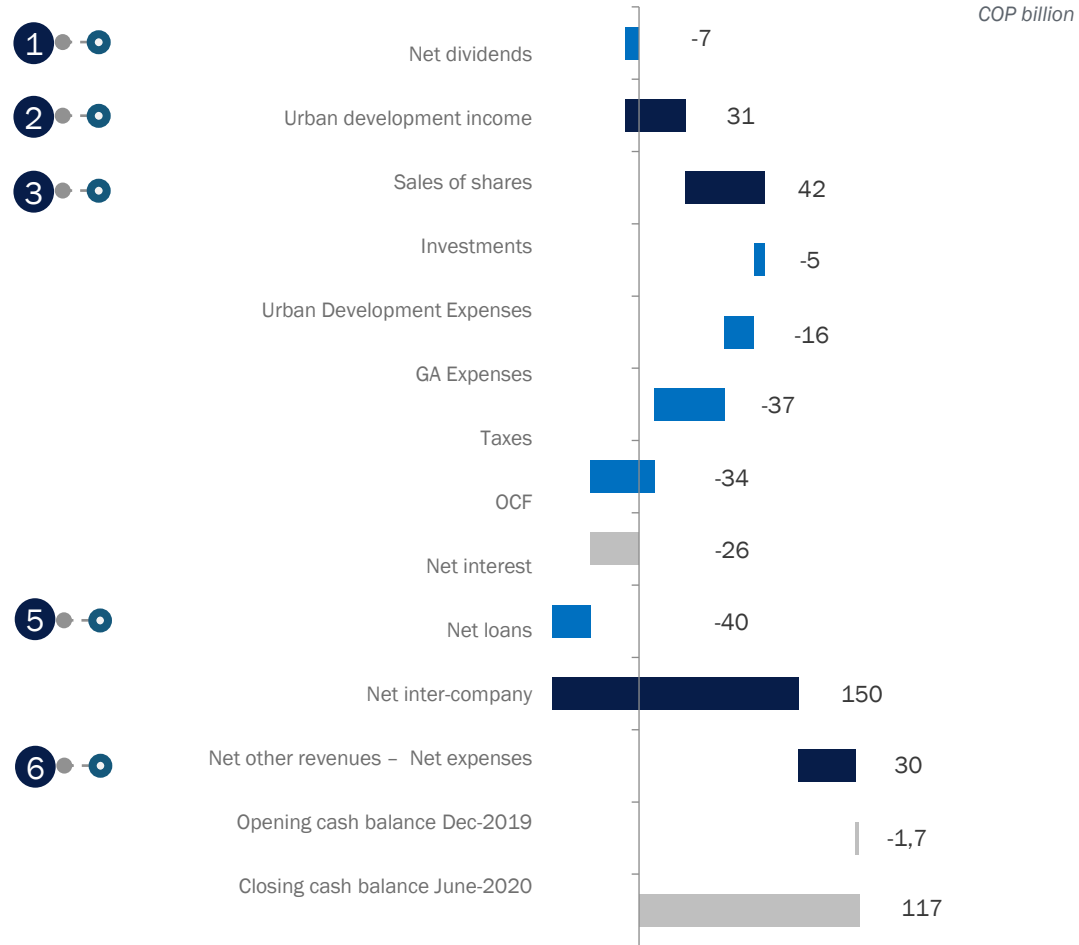


- ▲ **Reduced overhead** through structural adjustments as part of a commitment to provide business continuity during period
- ▲ **Equity method with greater contributions from the energy business.** Lower contribution from the concessions business due to debt refinancing in 2019 and the Covid-19 situation, mainly affected by airports

SEPARATED RESULTS GRUPO ARGOS Q2'2020

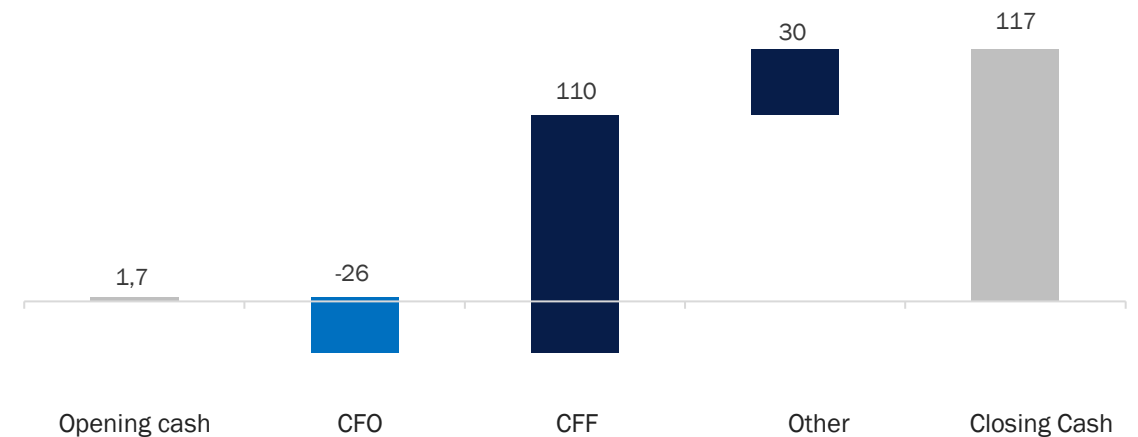
COP 117 bn in cash as a response to the current situation

Cashflow



Notes

- Dividends paid: **COP 155 bn** Dividends received: **COP 148 bn**
- Developed plots: **COP 26 bn**, Disinvestments: **COP 3.5 bn**, Income and others: **COP 2 bn**
- Sale of shares in Odempa and Colombates: **COP 42 bn**
- Purchase of shares in Cementos Argos: **COP 4.6 bn**
- Working capital and financial flexibility loans **COP 130 bn**
- TIDIS and other income: **COP 33 bn**



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