

# Grupo Argos Corporate Presentation

September 2021

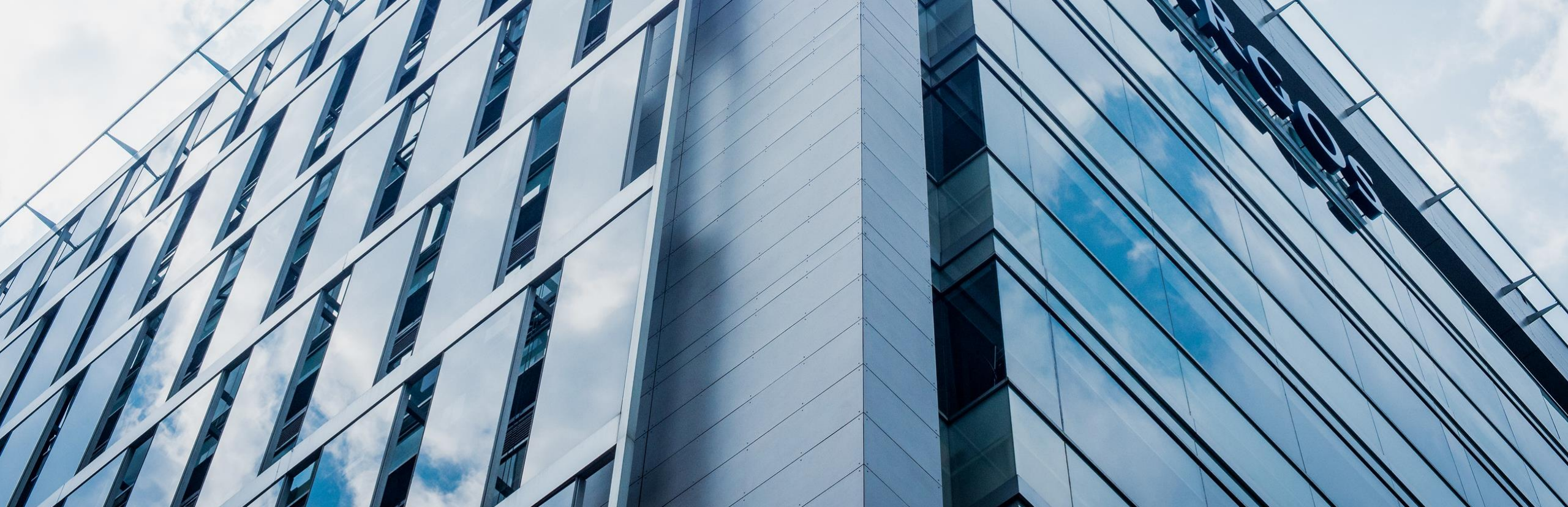
 **GRUPO ARGOS**  
Inversiones que transforman

  
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

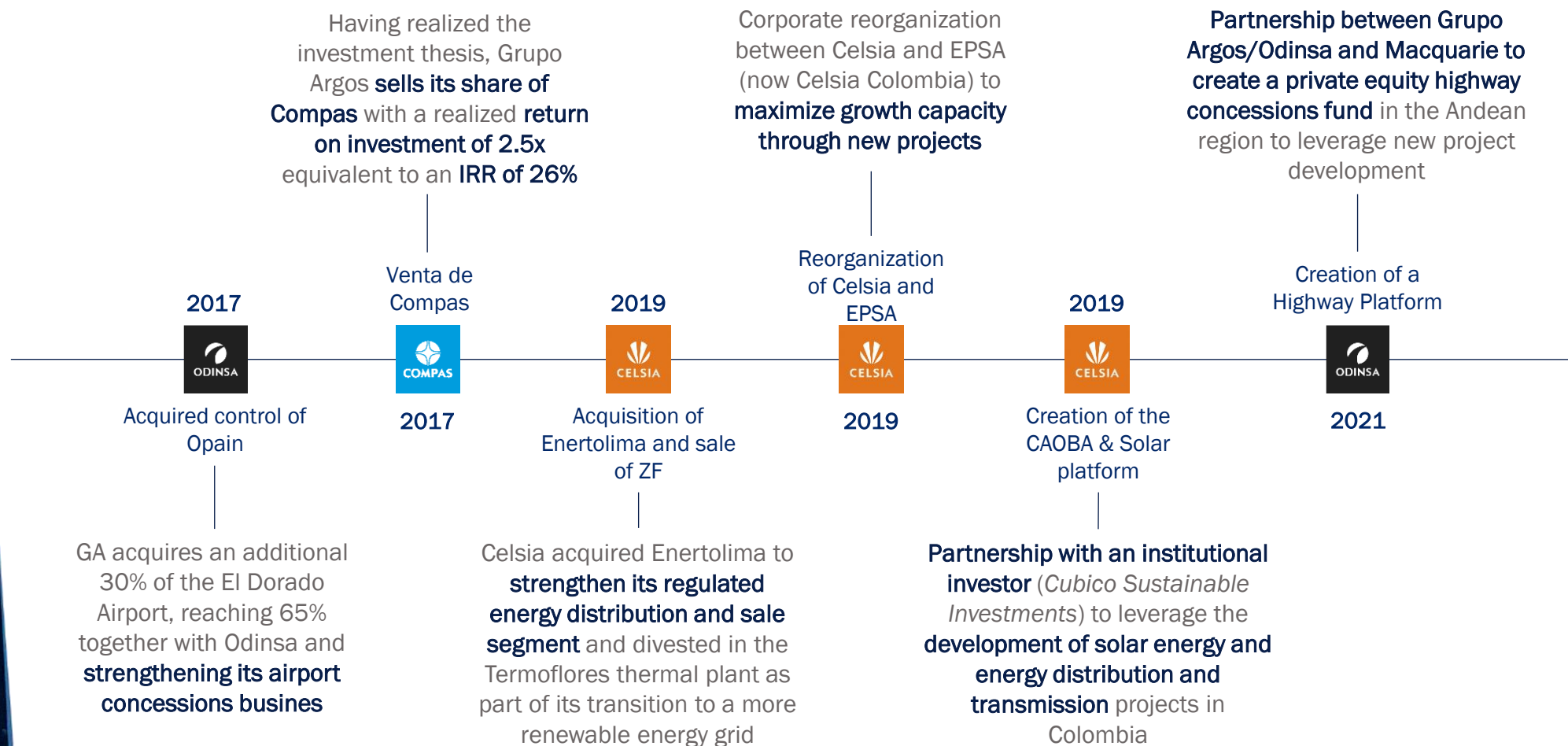
## HISTORY

# 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"> <li>▪ EPSA Acquisition</li> <li>▪ Enertolima Acquisition</li> </ul>	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"> <li>▪ Highway Vertical</li> </ul>	Involvement of a partner in CAOBA and Solar Platform	Partner involvement: Concreto (co-manager) and Protección (LP)	<ul style="list-style-type: none"> <li>▪ Involvement of a partner provided by Muelles el Bosque</li> </ul>

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 billion<sup>1</sup>** 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**

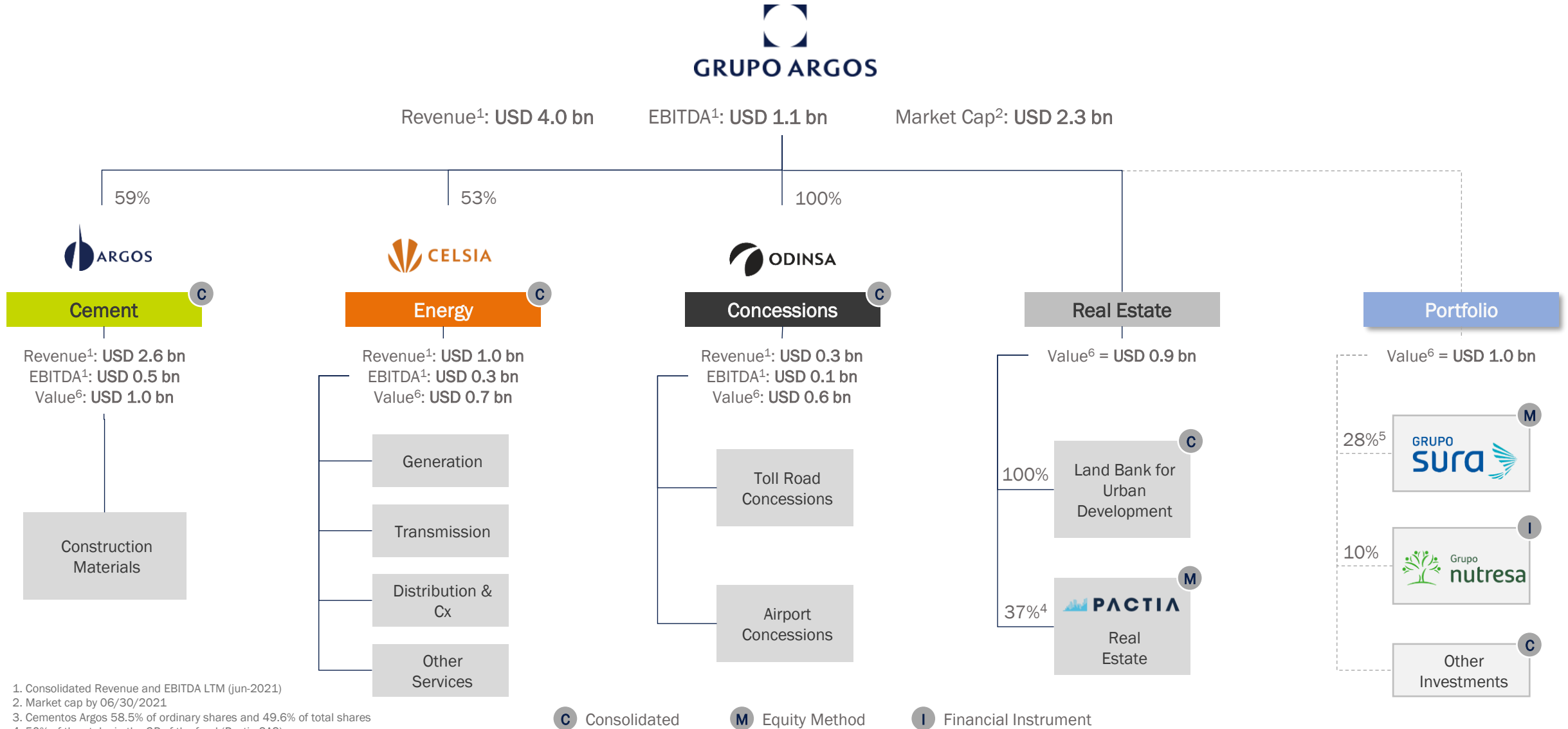


*From managing assets for COP 27 tr in 2021<sup>2</sup> to managing assets for COP 53 tr in 2021  
From a team of 9,700 collaborators in 2012 to a team of 13,000 collaborators in 2021*

1. AUM by June-2021

## INVESTMENT PORTFOLIO

# Strategic portfolio focused on infrastructure



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

2. Market cap by 06/30/2021

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 (06/30/2021), Unit value in Pactia and book value of other investments

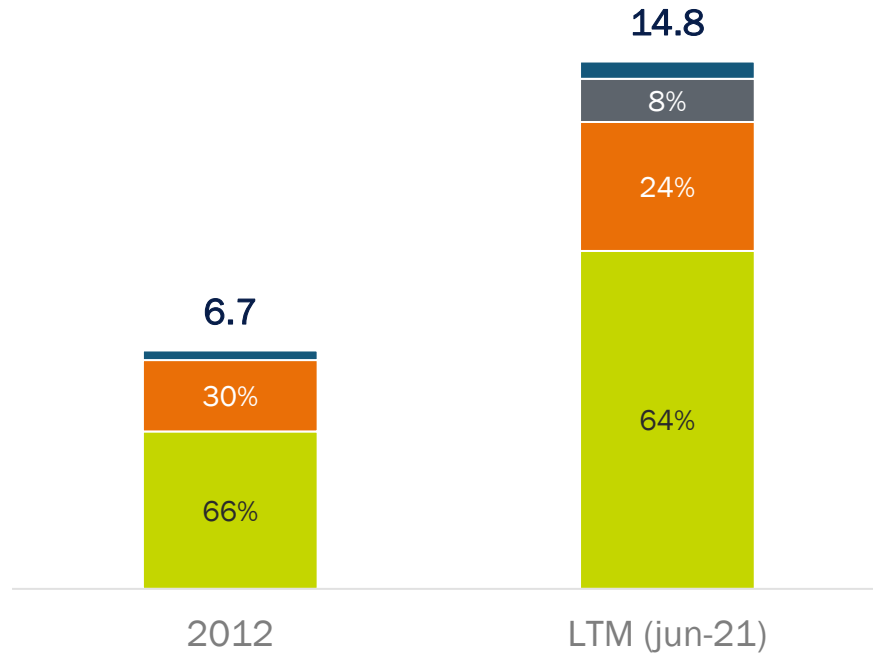
## PORTFOLIO TRANSFORMATION

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

## Consolidated Revenues

**+9.8%**

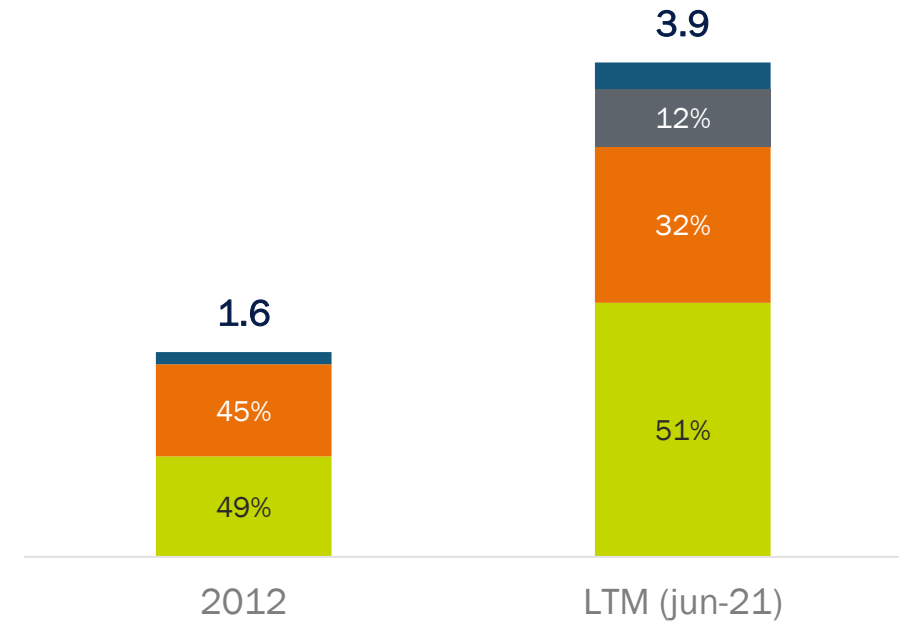
Revenue CAGR 2012 – LTM (jun-21)



## Consolidated EBITDA

**+10.9%**

Ebitda CAGR 2012 – LTM (jun-21)



*From revenues of COP 6,7 tr in 2012  
to 14,8 tr (LTM)*

*From Ebitda of COP 1,6 tr in 2012  
to 3,9 tr (LTM)*

■ CemArgos ■ Celsia ■ Odinsa + Op ■ Otros

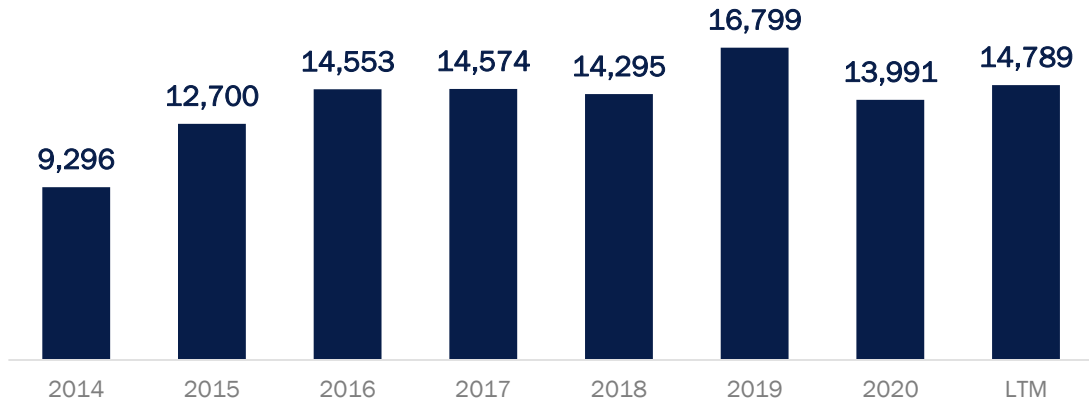
## FINANCIAL RESULTS

# 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

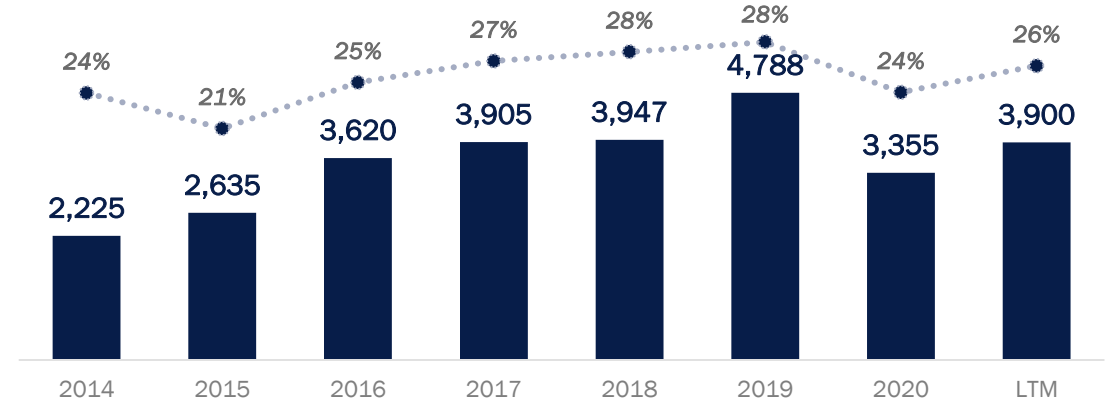
(COP bn)



Consolidated Ebitda of Grupo Argos

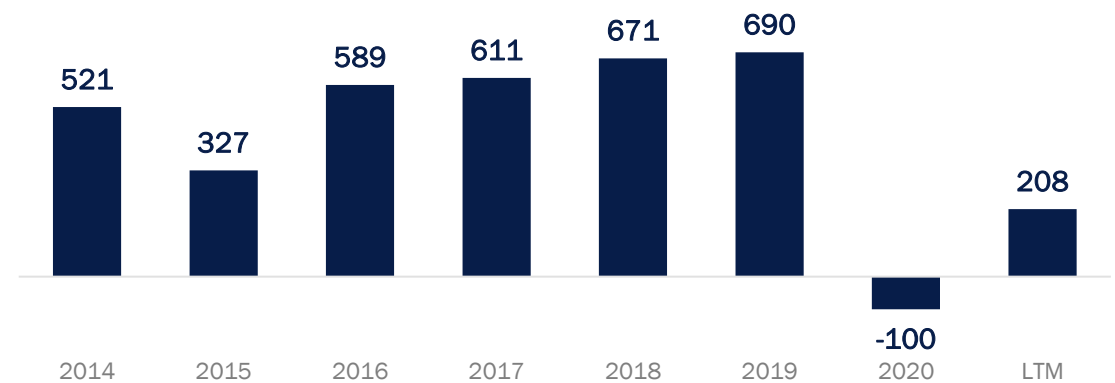
(COP bn)

CAGR EBITDA (2014 – 2020) 7.1%



Net Income of the controller

(COP bn)



## DIVIDENDS RECEIVED

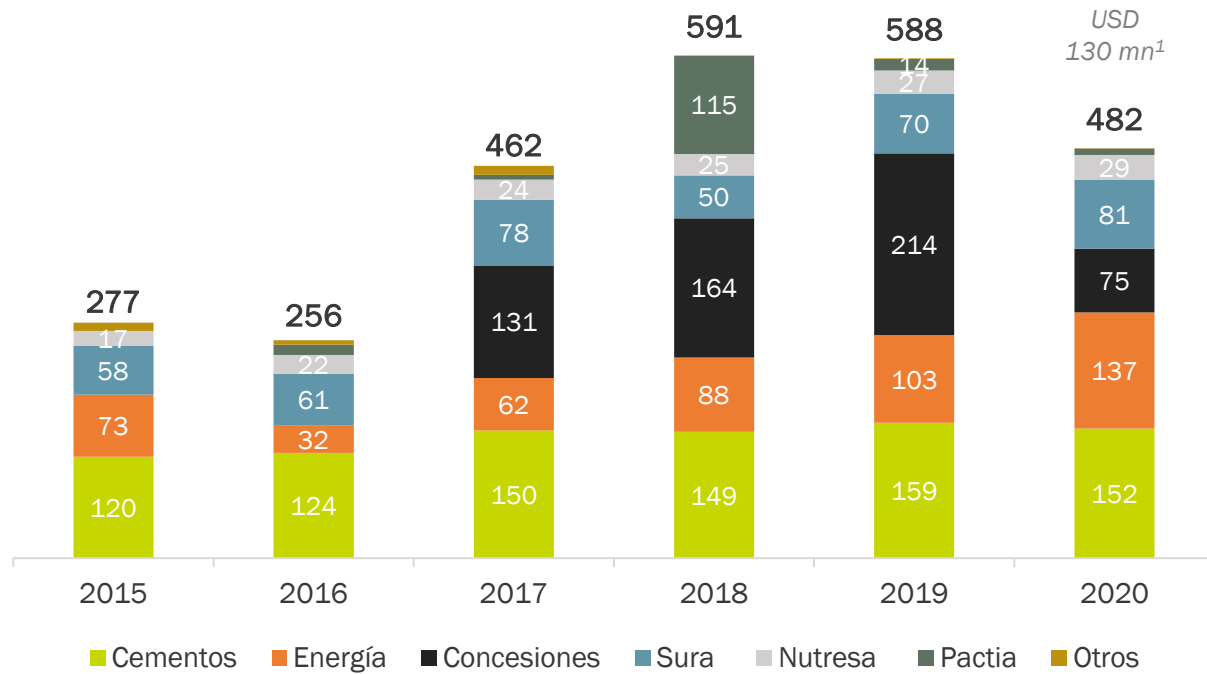
# Business diversification allows greater absorption of impacts on different businesses

## Historical Dividends

COP bn

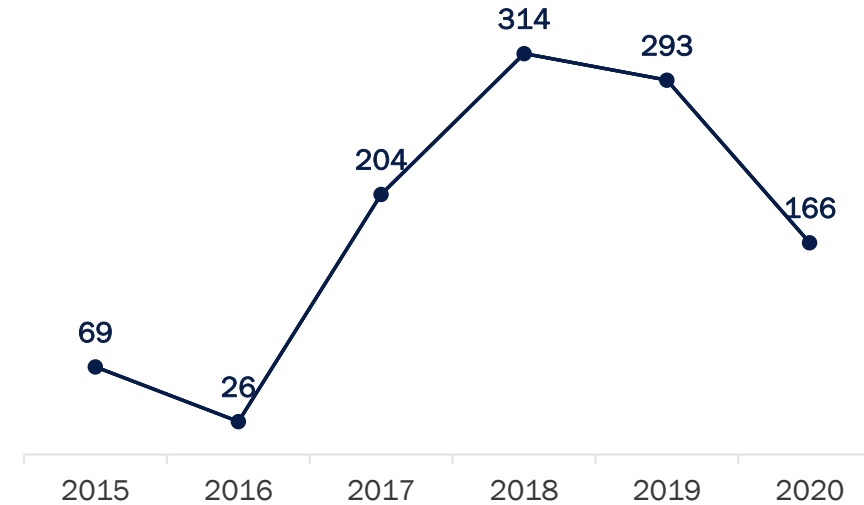
12%

CAGR 2015 - 2020



Positive dividend spread  
(received - paid)

COP bn

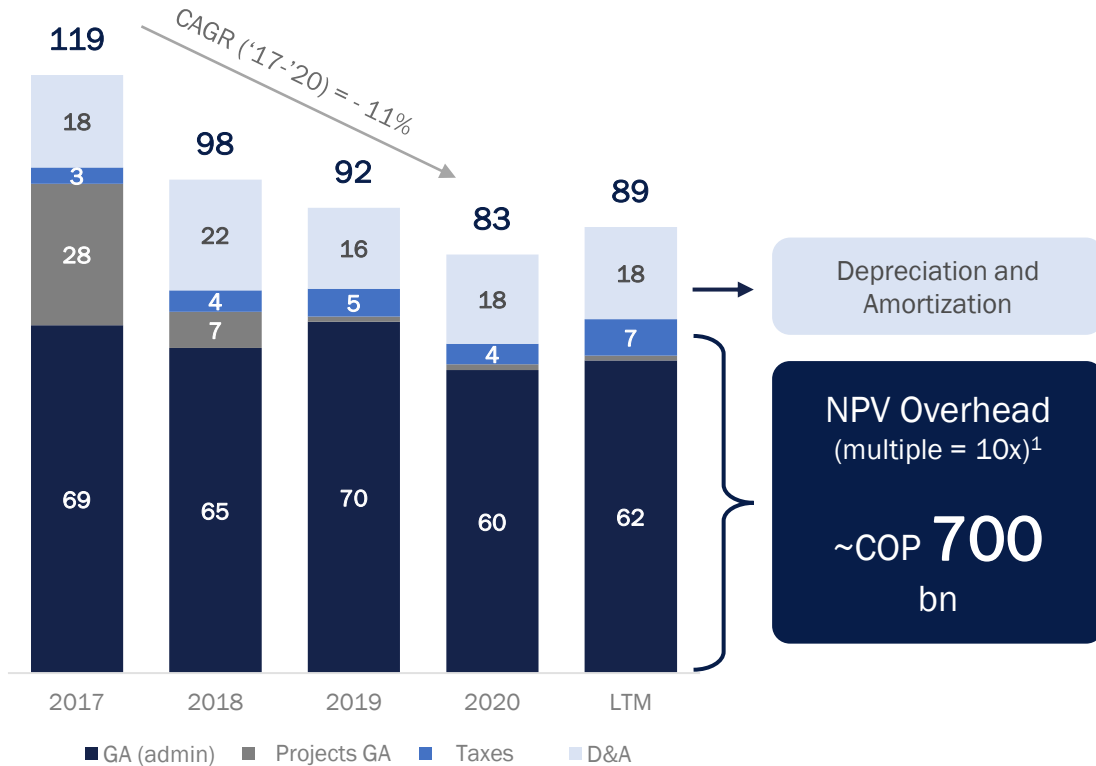
<sup>1</sup> Avg. exchange rate during 2020 = 3,691 USD/COP

## EXPENSES

# Expenses have decreased significantly during the last years

## Grupo Argos Expenditures

COP bn

Total Expenditures (GA) / AUM<sup>4</sup> = 0.3%

## Real Estate Business Expenditures

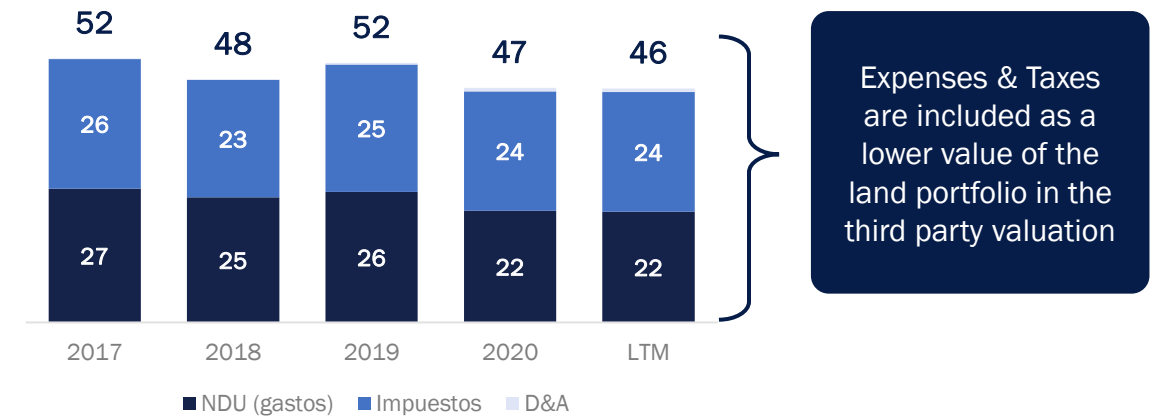
COP bn

### Real Estate Expense Detail

- Property tax (2020) = COP 24 bn
- Maintenance + vigilance of properties (2020) = COP 10 bn
- Administrative expense (2020) = COP 12 bn
  - Overhead<sup>3</sup> (2020) = 8 bn
  - Deterioro, costo amortizado, honorarios y otros
  - Impairment, amortized cost, fees and others (2020) = 4 bn

Administrative expense / AUM<sup>2</sup> = 0,5%Overhead<sup>3</sup> / AUM<sup>2</sup> = 0,3%

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

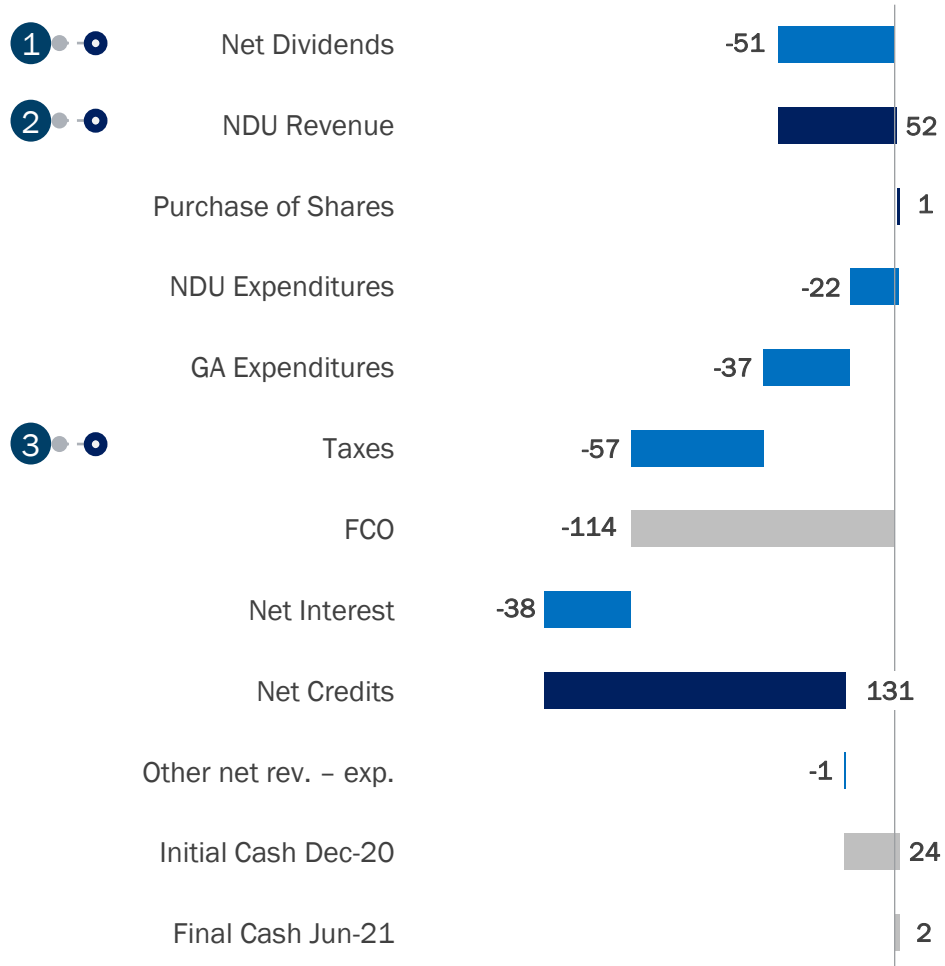
<sup>1</sup> Indicative valuation with a multiple of 10x<sup>2</sup> Book value of land bank (COP 2.4 tr) includes the NPV of overhead and property tax<sup>3</sup> Overhead of real estate business includes wages, services and travel<sup>4</sup> EV of the following businesses: Cementt, Energy, Concessions

## CASH FLOW

# Normalization of the treasury's minimum cash strategy

## Cashflow

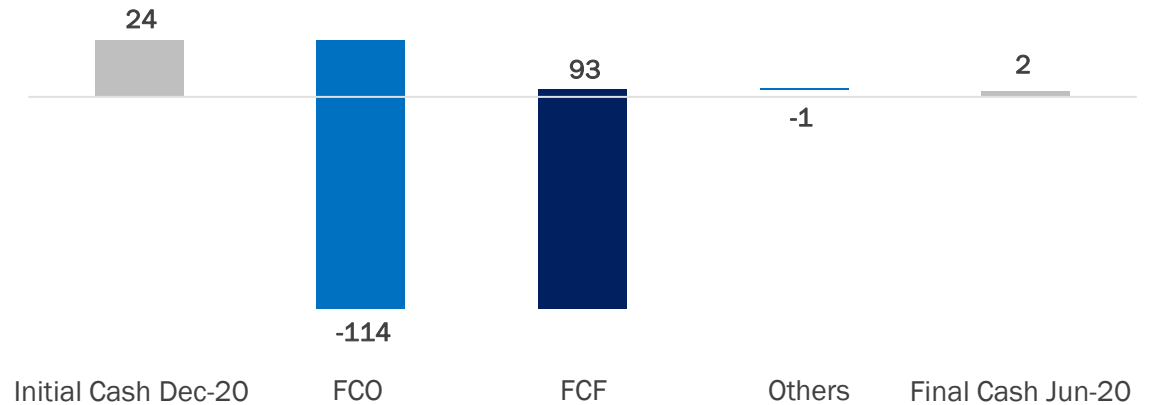
COP bn



## Notes

- Dividends received : **COP 207 bn**, dividends paid: **COP 258 bn**
  - Grupo Argos paid 100% of the dividend corresponding to 2020 results to its shareholders in April 2021, but will continue receiving dividends from its investments over the rest of the year to pay off the bridging loan taken out
- Urbanized lots: **COP 46 bn**, rent and others: **COP 6 bn**
- Withholding tax: **COP 29 bn**, Property tax: **COP 24 bn**, Others: **COP 4 bn**

## Cashflow summary

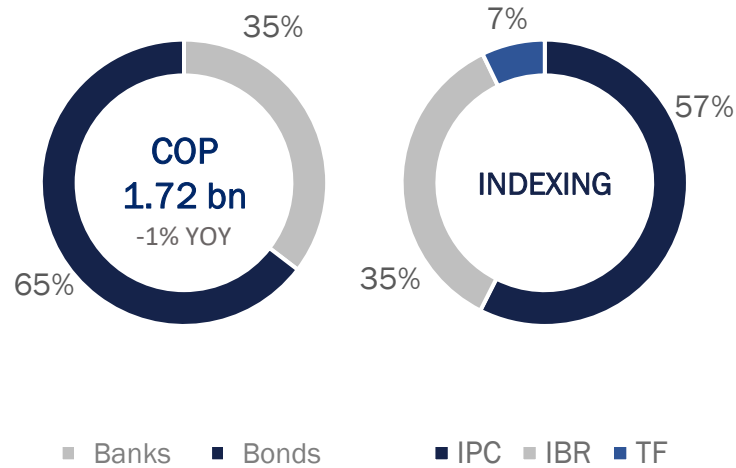


## SEPARATED DEBT

# Debt levels stable YOY at COP 1.7 tn, including bridging credit to pay dividends

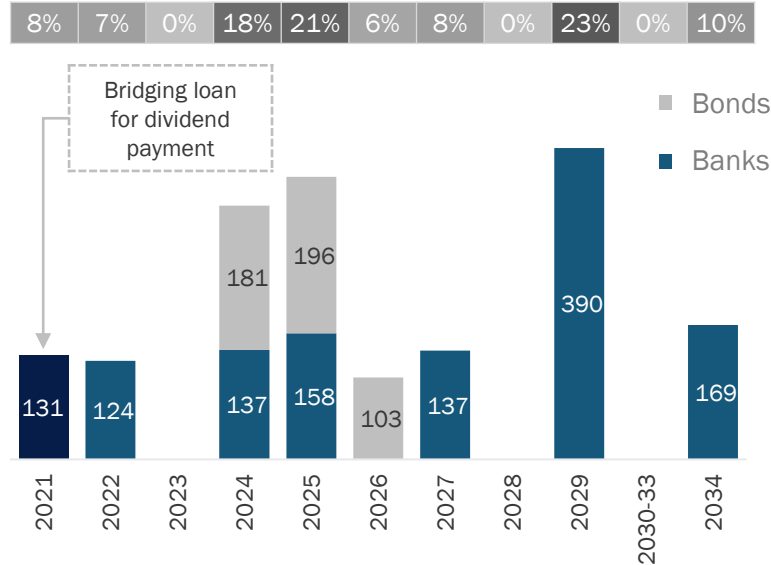
Indebtedness<sup>1</sup>

COP bn

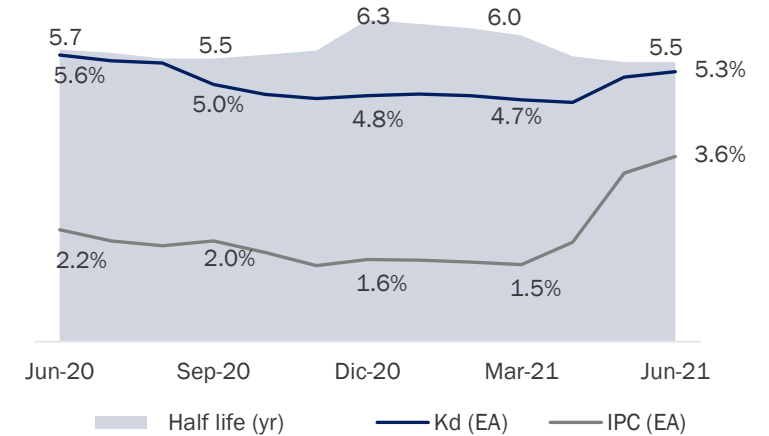


## Maturity profile (capital)

COP bn



## Cost of debt and half-life



Gross Debt / Dividends

## 3.2x

Vs 3.8x in June 2020

Gross Debt / Portfolio<sup>2</sup>

## 17%

Vs 20% in June 2020

Cost of Debt

## 5.3%

Vs 5.6% in June 2020

1 Only includes capital balance 2. Listed share portfolio at end-of-month price + Share in Pactia

## SEPARATED DEBT

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



**AAA**<sup>1</sup>  
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



**AA+**<sup>1</sup>  
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**

<sup>1</sup> Fitch rating refers to Grupo Argos separately. S&P refers to Grupo Argos consolidated.

## SUSTAINABILITY

# Highlighted social and environmental events during the quarter

Social Value Creation – 3 lines for social impact are ongoing

## 01 Employment Generation

- 30 companies involved
- 2,000 jobs generated
- Training 6,000 people supported

## 02 Corporate fabric strengthening

- Confirming at a competitive rate
- 7,500 micro, small and medium enterprises are Corporate Group suppliers
- 125,000 indirect jobs

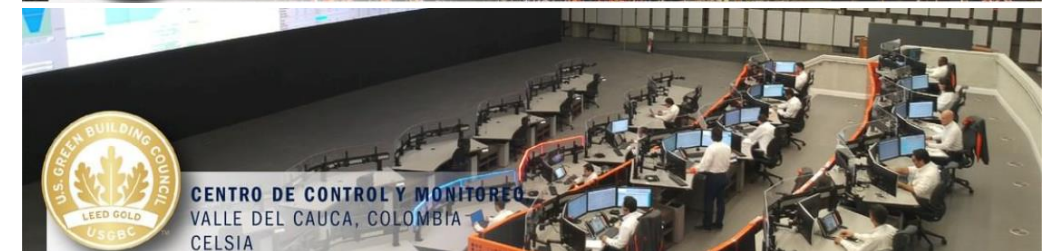
## 03 Social impact amongst vulnerable communities

- Hogares Saludables (Healthy Homes) Program
- 40 homes to be improved in the La Honda neighborhood in August
- Will reach the homes of 200 vulnerable families in 2021

## Leadership in Energy and Environmental Design (LEED)

Constructions with the seal of the Corporate Group recognized by the United States Green Building Council

- |                        |                                   |
|------------------------|-----------------------------------|
| ✓ Sustainable location | ✓ Material and resource selection |
| ✓ Water use            | ✓ Interior environmental quality  |
| ✓ Energy efficiency    | ✓ Innovation and design           |

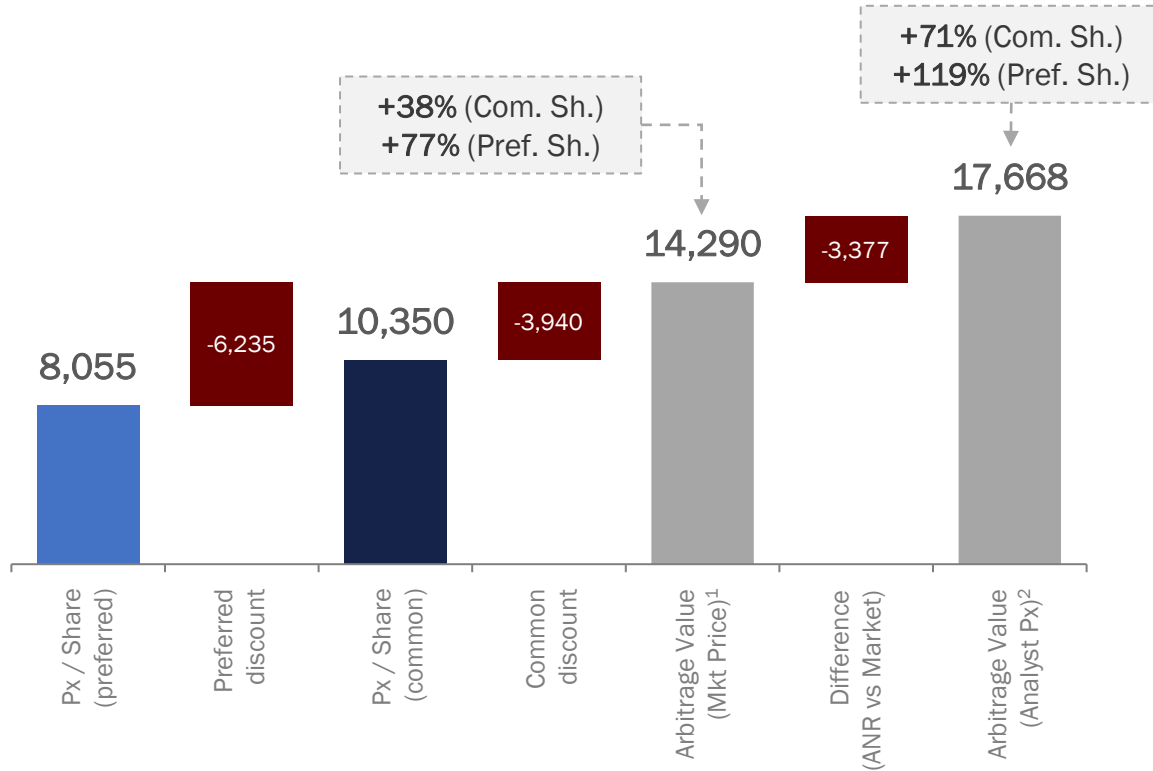
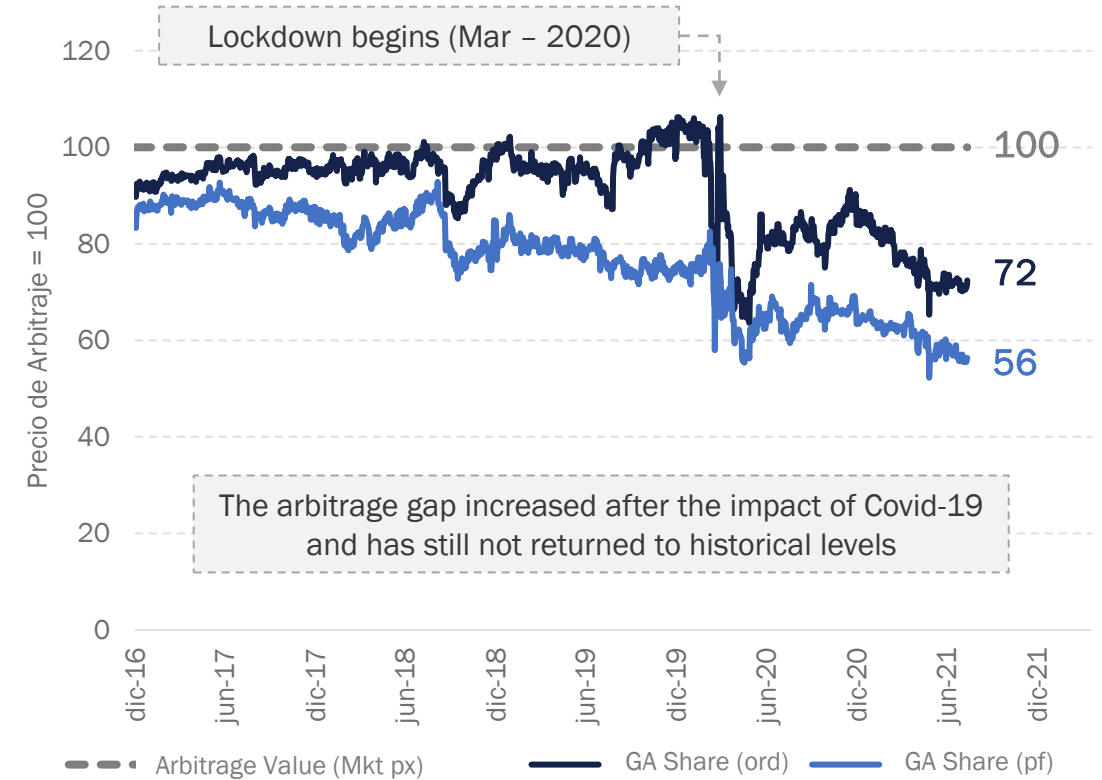


## SHARE PRICE

# Attractive potential for valuation according to current arbitrage pricing

Grupo Argos Arbitrage Price<sup>1</sup> (12/08/2021)

COP / Share

Historical Arbitrage Gap<sup>1</sup> (Relative Prices)

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

1. Arbitrage Value: Price equal to the sum of Grupo Argos's investments, obtained from the market price of shares listed on the Colombian Stock Market, the carrying value of unlisted investments, net debt, and the present value of Grupo Argos expenses and taxes (appraised with a multiple of 10x). This does not constitute an offer, financial or economic advice, or a recommendation for investment decision-making. Each user is responsible for confirming and deciding the operations to perform based on their own analyses, considering additional elements and information. We recommend that investors act with due diligence when making commercial decisions and seek the advice of qualified professionals. The past evolution of values or results are not indicators of future evolution or performance. Information from the Arbitrage Calculator should not be interpreted as a promise or implicit guarantee.
2. Arbitrage Value (analysts): Takes the average objective price given by analysts that following Grupo Argos's listed investments instead of the market price (source = S&P Capital IQ)

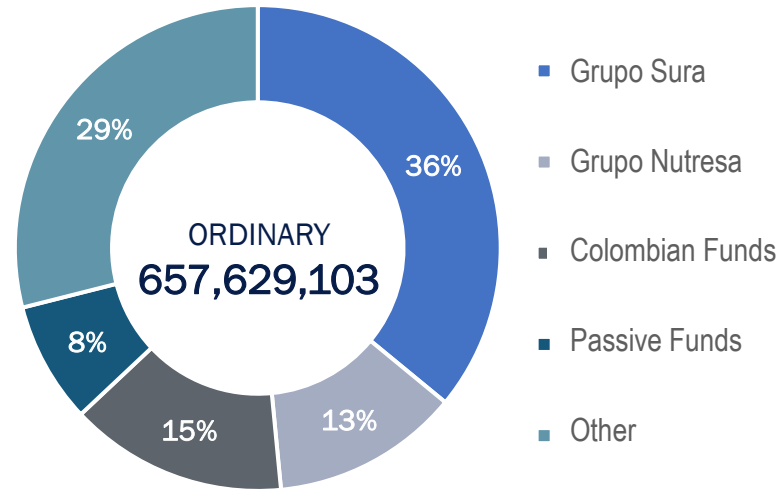
## SHAREHOLDERS AND BOARD OF DIRECTORS

## 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*

June 30, 2021



*“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 2021



## GRUPO ARGOS CONSOLIDATED RESULTS 2Q2021

# Cumulative net profit as of June is almost 4x the net profit recorded in all of 2020

## P&L Summary

COP bn	Quarterly Results			Cumulative Results for the Year			Cum. '21 vs '19	
	2Q - 2021	2Q - 2020	Var.(%)	Jun-21	Jun-20	Var.(%)	Jun-19	Var.(%)
Revenue	4,027	3,346	20%	7,760	6,962	11%	7,630	2%
Costs, expenses and other revenue	3,153	2,897	9%	6,362	6,116	4%	6,425	-1%
Operating Profit	873	449	94%	1,398	846	65%	1,205	16%
Ebitda	1,303	890	46%	2,254	1,709	32%	2,037	11%
Ebitda Margin	32%	27%	574 pb	29%	25%	450 pb	27%	235 pb
Profit before taxes	589	97	507%	871	211	312%	611	43%
Taxes	196	35	459%	288	123	134%	168	72%
Current	106	67	59%	226	159	42%	201	13%
Deferred	90	-32	384%	62	-36	274%	-33	287%
Net profit	392	62	535%	583	88	561%	443	32%
Net profit to the controlling entity	211	10	2101%	285	-23	1364%	265	8%
Net margin to the controlling entity	5%	0%	497 pb	4%	0%	400 pb	3%	21 pb

COP **583** mil mn

Net profit to the controlling entity during the first semester of 2021

## P&L Summary - Proforma\*

COP bn	Quarterly Results			Cumulative Results for the Year			Cum. '21 vs '19	
	2Q - 2021	2Q - 2020	Var.(%)	Jun-21	Jun-20	Var.(%)	Jun-19	Var.(%)
Revenue	4,025	3,346	20%	7,758	6,925	12%	7,545	3%
Ebitda	1,128	890	27%	2,079	1,716	21%	2,011	3%
Net profit	315	62	409%	505	94	436%	417	21%
Net profit to the controlling entity	173	10	1703%	247	-17	1593%	252	-2%
Ebitda Margin	28%	27%	141 pb	27%	25%	203 pb	27%	15 pb

COP **2.1** tn

Cumulative proforma EBITDA for 2021 surpasses values recorded for 2020 (21%) and 2019 (+3%)

\* Pro Forma adjustments - Only include M&A transactions and non-recurring operations for Grupo Argos

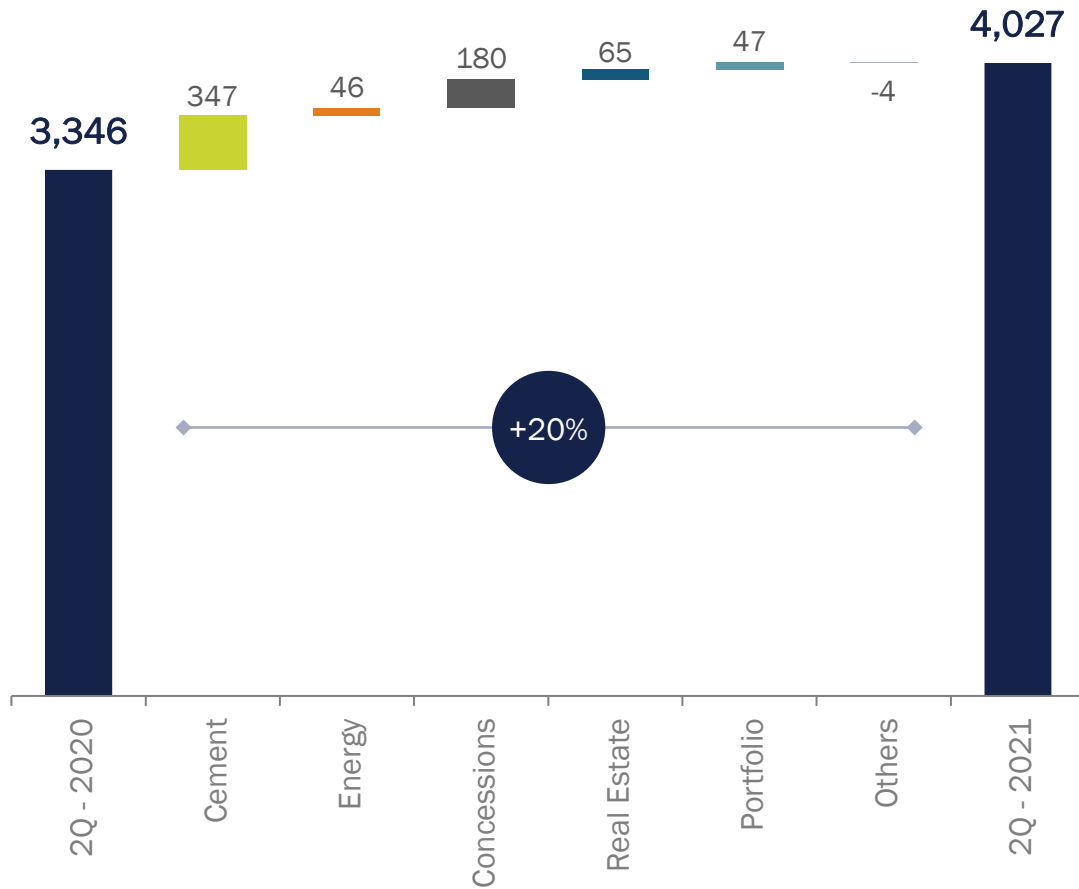
- 2020: 1Q) sale Odempa shares
- 2021: 1Q) n/a
- 2Q) n/a
- 2Q) Sale RMC Dallas, Sale of share in associates

## GRUPO ARGOS CONSOLIDATED RESULTS 2Q2021

**20% (YOY) growth with positive contributions from all segments**

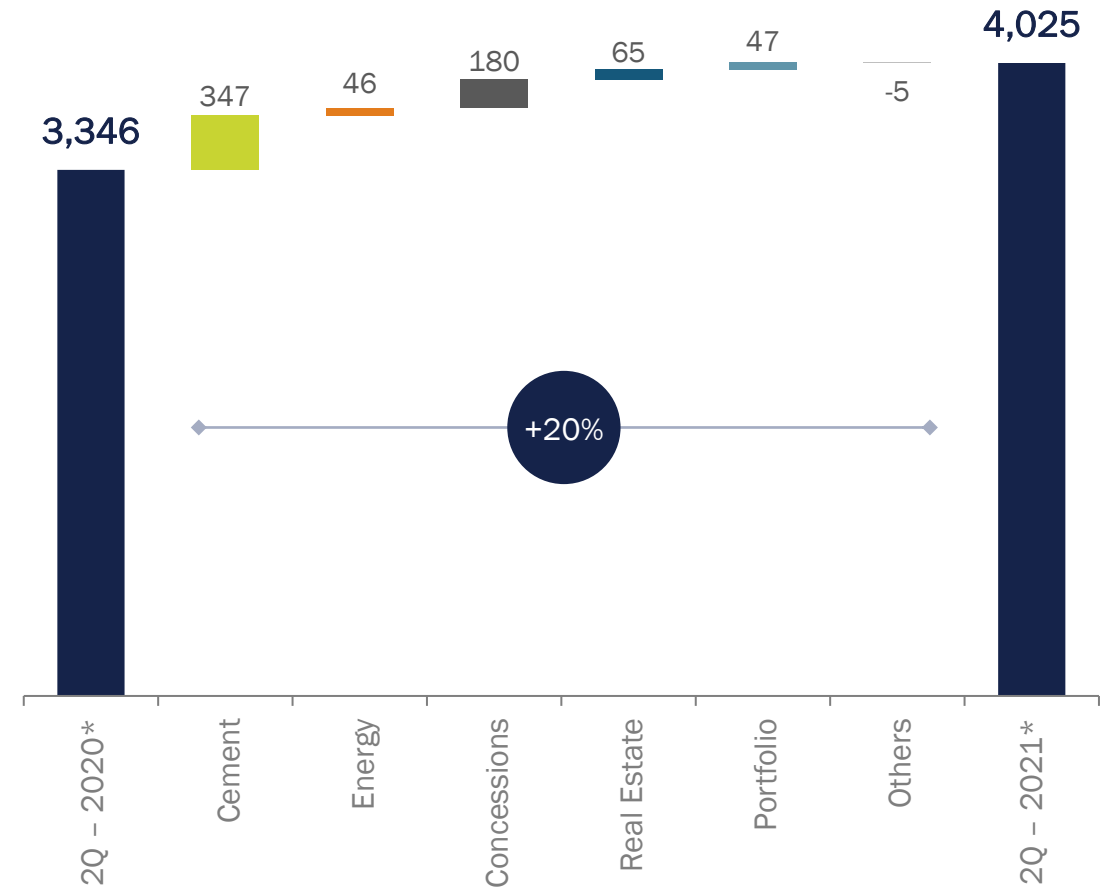
Consolidated Revenue 2Q2021

COP bn



Consolidated Revenue 2Q2021 (PROFORMA\*)

COP bn



\* Pro Forma adjustments - Only include M&amp;A transactions and non-recurring operations for Grupo Argos

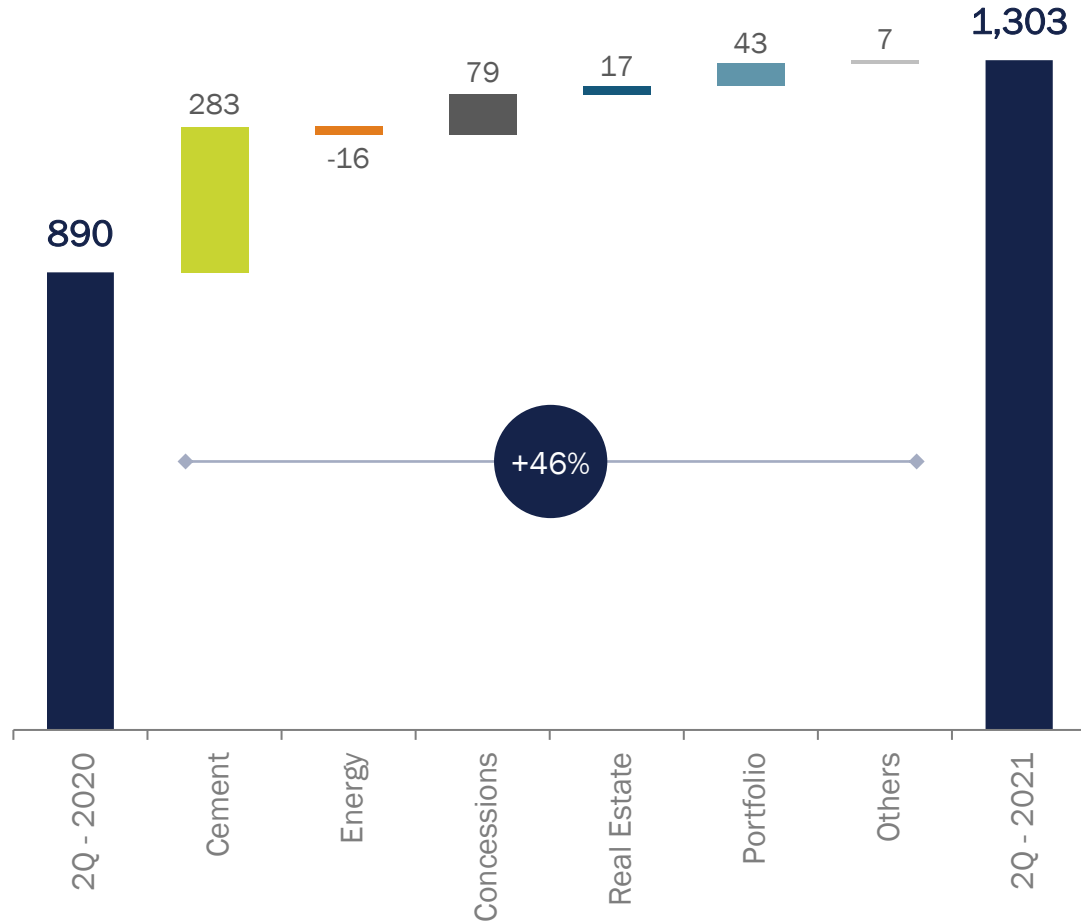
- 2Q - 2020: n/a
- 2Q - 2021: Sale of share in associates (\$1.1)

## GRUPO ARGOS CONSOLIDATED RESULTS 2Q2021

# Proforma EBITDA for the quarter passes COP 1 trillion with 27% growth compared to 2Q 2020

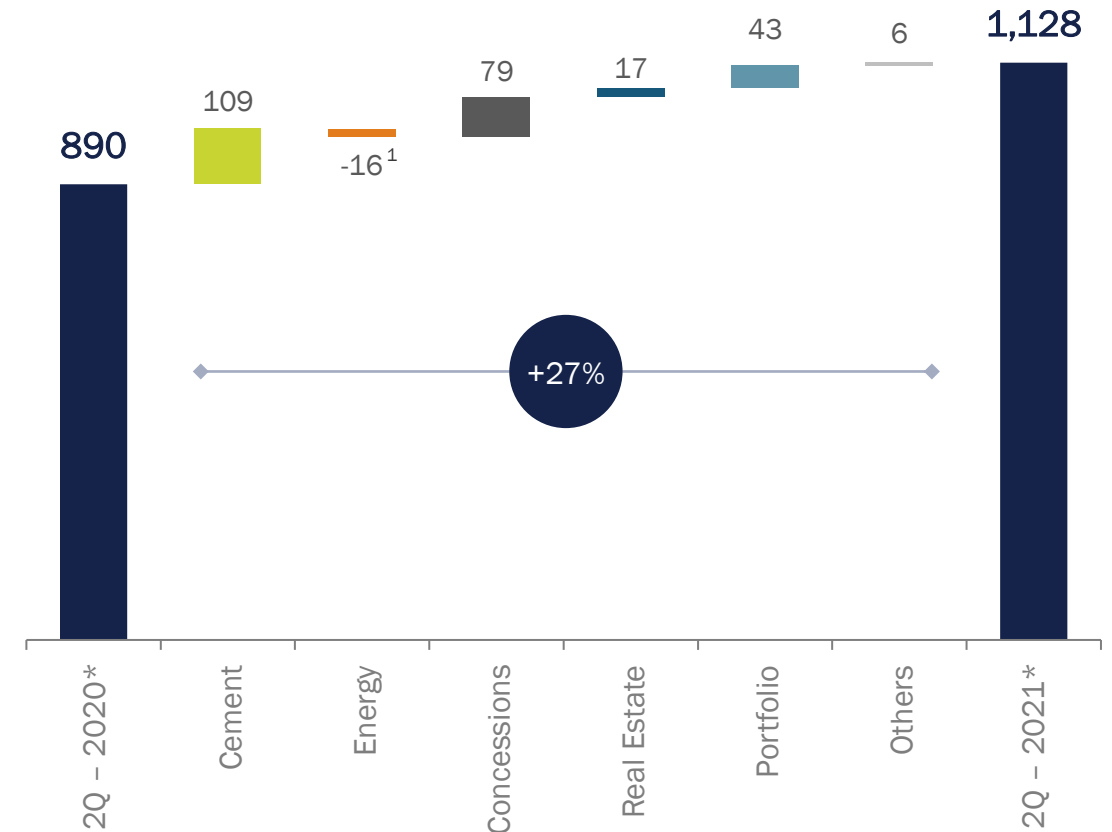
Consolidated Ebitda 2Q2021

COP bn



Consolidated Ebitda 2Q2021 (PROFORMA\*)

COP bn



\* Pro Forma adjustments – Only include M&A transactions and non-recurring operations for Grupo Argos

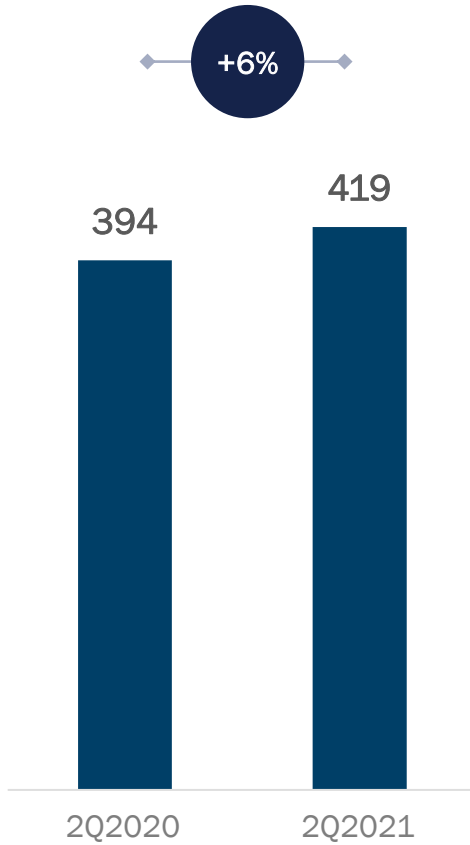
- 2Q - 2020: n/a
- 2Q - 2021: Sale Dallas RMC (\$174), Sale of participation in associates (\$0.5)

1. Proforma Variation Celsia of \$ -3; CCOP 13 bn in revenue received from the option to sell energy from the sale of Termoflores in 2Q20

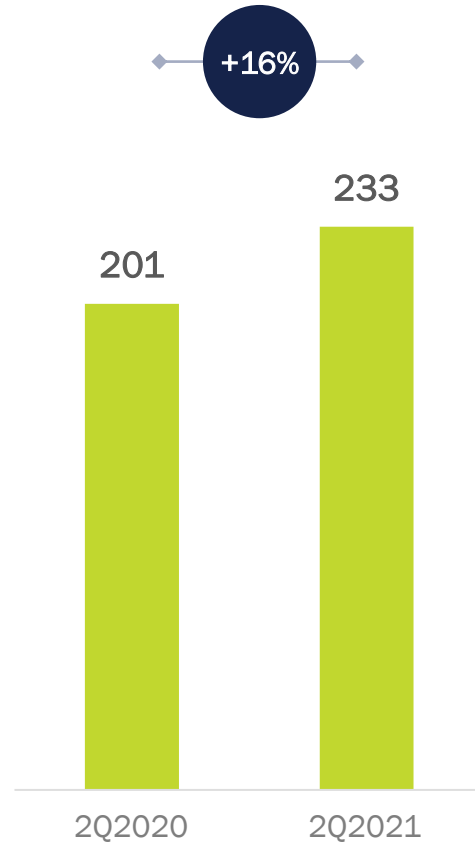
## GRUPO ARGOS CONSOLIDATED RESULTS 2Q2021

Increased expenses are due to operational growth and are less than EBITDA and Profit growth

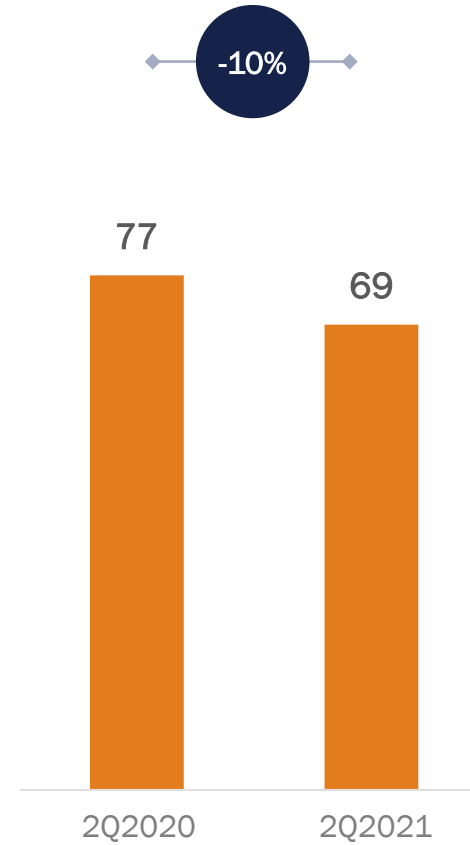
Consolidated Expenses



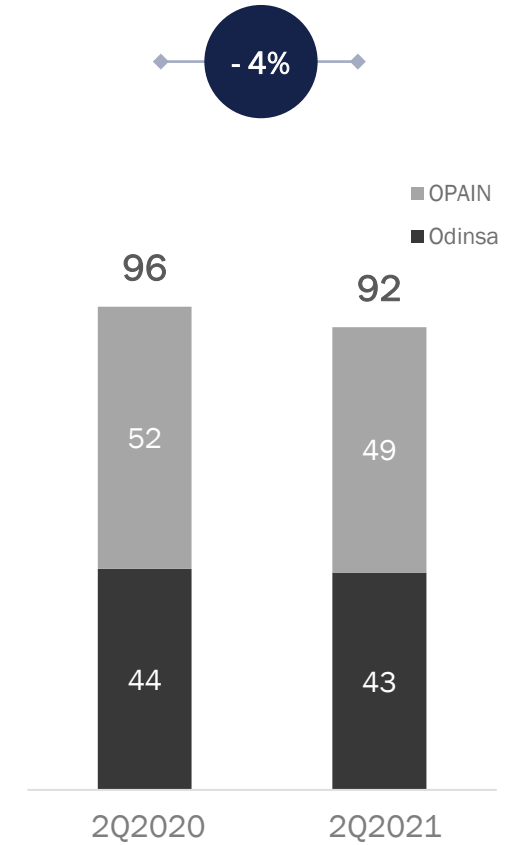
Cementos Argos Expenses



Celsia Expenses



Odinsa + Opain Expenses

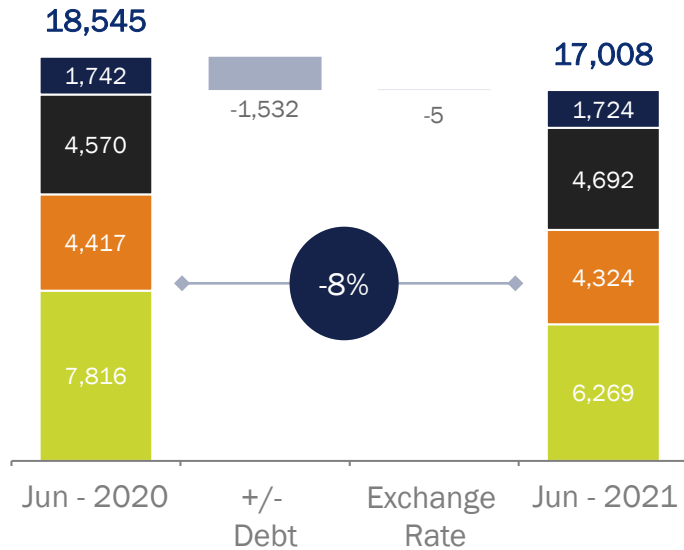


## GRUPO ARGOS CONSOLIDATED RESULTS 2Q2021

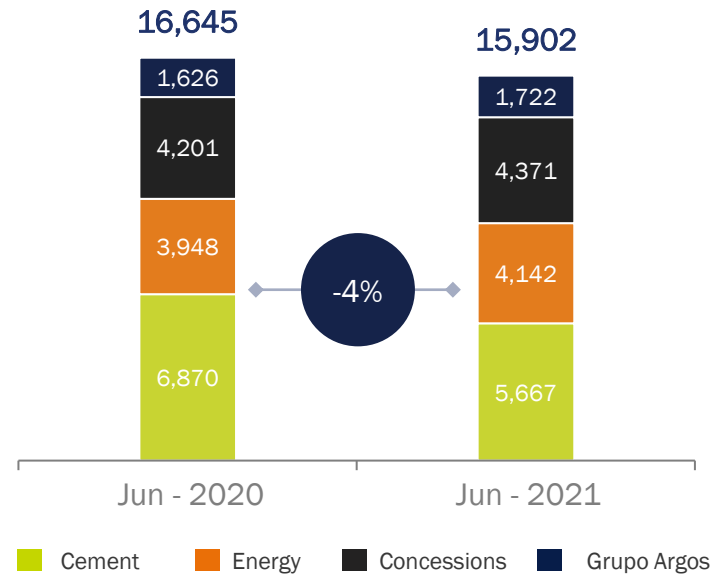
# Financial discipline and cashflow generation result in reduced indebtedness

## Consolidated debt

COP bn

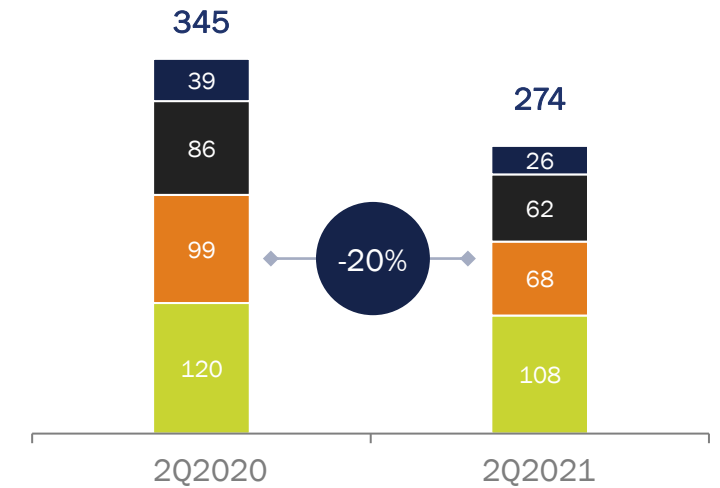
Net debt<sup>1</sup>

COP bn



## Net financial expenses

COP bn



- Payment of COP 1.5 tn over the last 12 months has allowed an overall reduction of 8% in indebtedness, highlighting a 20% reduction in Cementos Argos's debt
- The reduction in Cementos Argos's net debt allowed it to end the quarter with a Net Debt/EBITDA indicator of 3.1x (vs. 4.5x in December 2020)
- Reduced financial expenses in all businesses due to lower indexing rates and active treasury strategies

1. Net debt excludes restricted cash and equivalents

## GRUPO ARGOS SEPARATE RESULTS 2Q2021

# Proforma cumulative EBITDA and proforma cumulative Net Profit grow 26% and 52% respectively vs. 2019

## Summary P&L

COP bn	Quarterly Results			Cumulative Results for the Year			Cum. '21 vs '19	
	2Q - 2021	2Q - 2020	Var.(%)	Jun-21	Jun-20	Var.(%)	Jun-19	Var.(%)
Revenue	219	28	673%	409	229	79%	404	1%
Costs and other expenditures	62	16	281%	65	41	60%	67	-3%
GA Expenses	28	24	19%	77	71	9%	79	-2%
Operating Profit	129	-12	1217%	266	117	128%	258	3%
Ebitda	133	-7	1952%	275	125	120%	266	3%
Ebitda Margin	61%	-25%	8618 pb	67%	55%	1264 pb	66%	140 pb
Profit before taxes	102	-50	303%	222	53	319%	209	6%
Taxes	-12	5	-332%	-11	9	-213%	3	-433%
Current	-1	1	-257%	-1	6	-126%	-3	51%
Deferred	-11	4	-348%	-9	4	-355%	6	-248%
Net profit	115	-56	306%	233	44	435%	206	13%
Net margin	52%	-197%	24907 pb	57%	19%	3798 pb	51%	611 pb

COP **195** bn

Net proforma profit for the first semester of 2021 grows 519% vs 2020 and 52\$ vs 2019

## Summary P&L - Proforma\*

COP bn	Quarterly Results			Cumulative Results for the Year			Cum. '21 vs '19	
	2Q - 2021	2Q - 2020	Var.(%)	Jun-21	Jun-20	Var.(%)	jun-19	Var.(%)
Revenue	180	28	535%	369	192	92%	268	38%
Ebitda	95	-7	1424%	237	112	112%	189	26%
Ebitda Margin	53%	-25%	7829 pb	64%	58%	610 pb	70%	-615 pb
Net profit	77	-56	238%	195	31	519%	128	52%

COP **75** bn

Increased contribution from Cementos Argos via the equity method (2Q21 vs 2Q20)

\* Pro Forma adjustments - Only include M&A transactions and non-recurring operations for Grupo Argos

▪ 2020: 1Q) sale Odempa shares

2Q) n/a

▪ 2021: 1Q) n/a

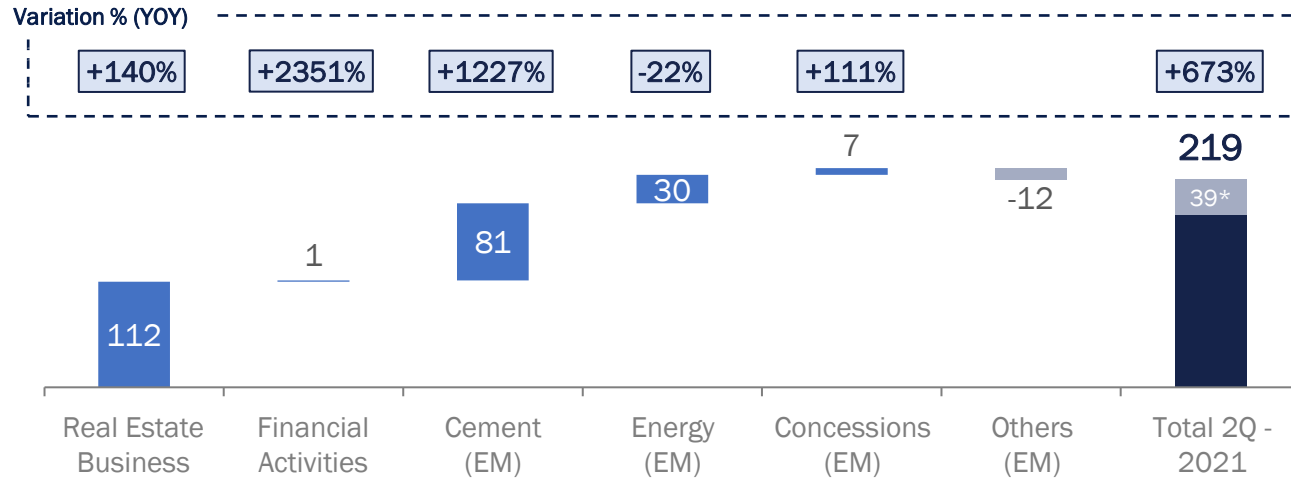
2Q) Sale RMC Dallas, Sale of share in associates

## GRUPO ARGOS SEPARATE RESULTS 2Q2021

# Business performance increases revenues from the equity method (EM) by COP 125 bn

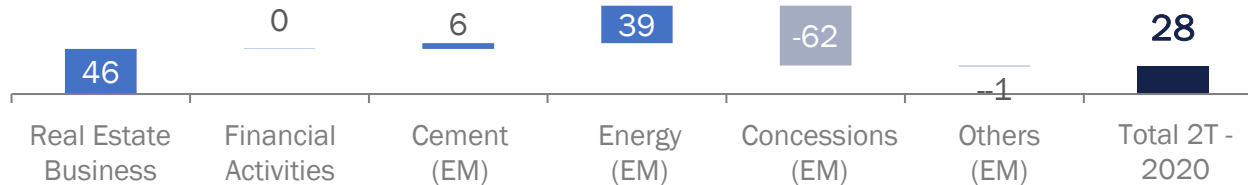
## Revenue distribution 2Q2021

COP bn



## Revenue distribution 2!2020

COP bn

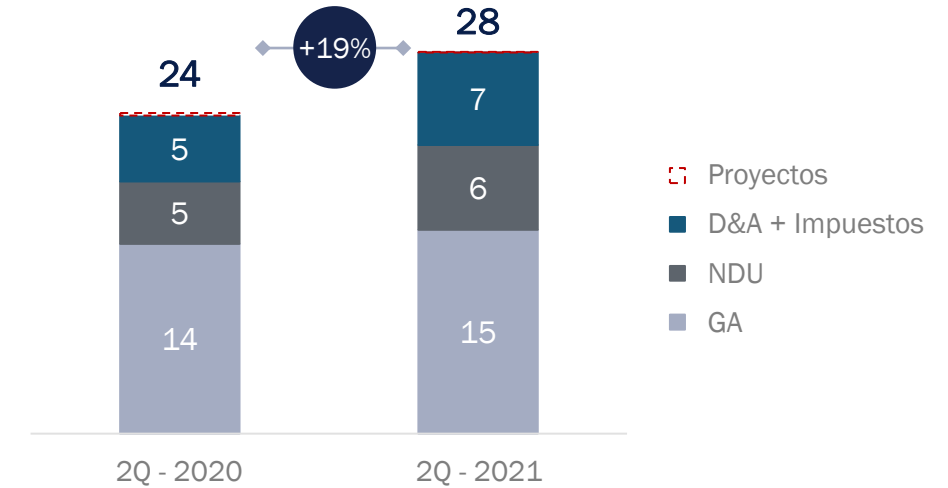


\* Pro Forma adjustments – Only include M&A transactions and non-recurring operations for Grupo Argos

- 2020: 1Q) sale Odempa shares
- 2021: 1Q) n/a
- 2Q) n/a
- 2Q) Sale RMC Dallas, Sale of share in associates

## Controllable expenses 2Q2021

COP bn



## Separate Proforma Revenue grows 535%\* YOY:

- Divestment in Dallas concrete assets was completed in 2Q2021, generating COP 38 bn in nonrecurring revenue on the results statement
- Higher contributions from the EM (+125%)** driven by the good results from CemArgos and the recovery of Odinsa
- Airport business remains affected** which affects the EM from concessions

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**GRUPO ARGOS**

Inversiones que transforman