Quarterly Earnings Report

1Q2018

GRUPO ARGOS

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.

FIRST QUARTER WITH STRENGTHENED PROFITABILITY IN ALL BUSINESSES

Odinsa: Strengthened its portfolio and became a private company

DELISTING PROCESS FINISHED

GRUPO ARGOS

99.8%

ODINSA

Flexibility to continue strengthening concessions platform with **better and more efficient access to capital**

ARBITRAL AWARD IN FAVOR OF ODINSA´S INTEREST

- According to the concession contract Odinsa will operate the concession until **2027**
- The **value of the capex and the operating infrastructure** of the financial model are **ratified**
- Confirms the premise **good acting** in all our businesses

PRESENTS PRIVATE INITIATIVE FOR NEW CARTAGENA AIRPORT

- Estimated investment of **USD 600 million**
- Estimated capacity of **9 million PAX / year**
- Strategic to become the "International Tourist Airport of the Caribbean "
- First level infrastructure

FIRST QUARTER WITH STRENGTHENED PROFITABILITY IN ALL BUSINESSES

Celsia: Simplification and strengthening of its capital structure

SIMPLIFICATION OF THE STRUCTURE AND STRENGTHENING OF THE ENERGY BUSINESS

STRUCTURE SIMPLIFICATION

GRUPO ARGOS

↓ 52.9%

CELSIA

↓ 61.2%

EPSA

- **Consolidation of the energy business** in a single vehicle
- **Greater clarity to the market** of the holding´s structure

STRENGTHENING ENERGY PLATFORM

Follow on ~COP$ 1.5 tn / USD 500 mn

↓

Decrease leverage

Celsia Cons Net Debt/ EBITDA 2017 **3.3x**	›	Celsia Cons Net Debt/ EBITDA **After transaction** **2.5x**

↓

Strengthening Capital Structure

↓

CONSOLIDATED PLATFORM TO CONTINUE GROWING

FIRST QUARTER WITH STRENGTHENED PROFITABILITY IN ALL BUSINESSES

Cementos Argos: Sale of non-strategic assets

SALE OF 3 INSIDE THE FENCE POWER PLANTS IN COLOMBIA

Sale of 3 Autogeneration assets that supply the plants of Nare and Cairo in Antioquia and Sogamoso in Boyacá

USD 57,5 millions → **Efficient allocation of resources in the cement business**

SALE OF CONCRETE BLOCK MANUFACTURING PLANTS

Sale of 13 block manufacturing plants and a warehouse for the sale of construction materials in the USA

USD 50 millions → **Efficient allocation of resources in the cement business**

GRUPO ARGOS

GRUPO ARGOS

ARGOS CELSIA ODINSA

RESULTS AT A CONSOLIDATED LEVEL REFLECT STABILITY IN REVENUES AND EXPANSION OF EBITDA AND NET PROFIT OF 9% AND 53% RESPECTIVELY

RELEVANT FIGURES

Consolidated Income Statement

	COP bn	mar-2018	mar-2017	Var.(%)
1	**Revenue**	3,311	3,357	-1%
	Cost, Expenses and other income	2,703	2,862	-6%
	Operating Profit	**607**	**495**	**23%**
2	**EBITDA**	**941**	**863**	**9%**
	EBITDA Margin (%)	*28%*	*26%*	*272pb*
3	Taxes	117	79	49%
	Current	*115*	*119*	*-2%*
	Deferred[2]	*2*	*-40*	*N/A*
	Net Income	**221**	**145**	**53%**
	Controlling Net Income	**109**	**121**	**-9%**
	Controlling Net Margin	*3%*	*4%*	*-29pb*

NOTES

1

- ✓ **Power business** Contribution **(+ COP 102 bn)** due to higher energy sales and increase in prices
- ✓ **Concessions** Contribution **(+ COP 21 bn)** for consolidation of OpaÍn during 1Q18 vs 2 months in 2017
- ✓ **Real Estate** Contribution **(+ COP 19 bn)**
- ✓ **Cement** contribution **(-COP 170 bn)** due to a 4% drop in the volume of consolidated cement and the impact of the revaluation of the COP in CCA and the US

2

- ✓ Contribution of **Cement (+ COP 90 bn)** from sale of inside the fence power plants and reduction in costs and expenses
- ✓ **Power business** Contribution **(+ COP 43 bn)** for lower costs and expenses in Colombia and CCA
- ✓ **Concessions** contribution **(+ COP 30 bn)** inline with revenues behavior
- ✓ **Portfolio** Contribution **(-COP 114 bn)** for inclusion in 2017 of the income from previous investment valuation in OpaÍn for COP 96 bn and lower income from Equity method
- ✓ **Real Estate** Contribution **(+ COP 31bn)**

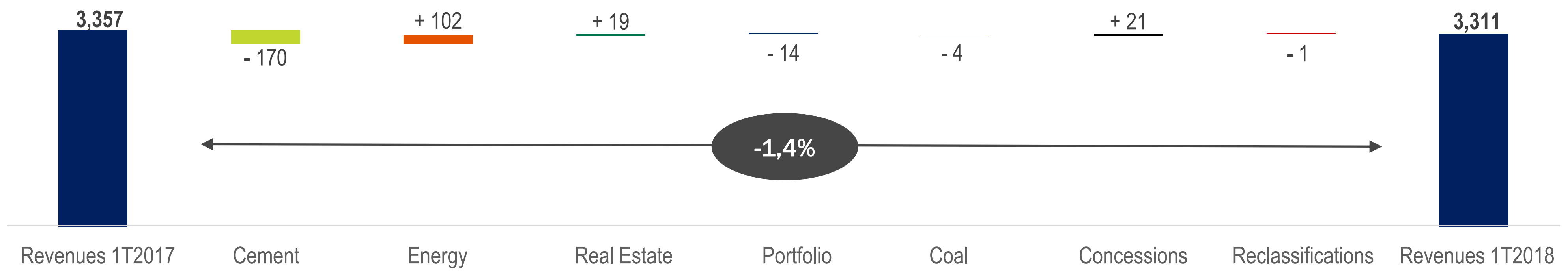
3

- ✓ Contribution of **Cement (+ COP 117 bn)** for operational improvement and decrease in non-operational expenses
- ✓ **Power Business** contribution **(+ COP 55 bn)** for operational improvement
- ✓ **Real estate** business contribution **(+ COP 31 bn)**
- ✓ Contribution of **concessions (-COP 27 bn)** due to higher financial expenses and impact of tax reform on income tax

POSITIVE CONTRIBUTION FROM ALL STRATEGIC BUSINESSES IN EBITDA FOR THE THIRD CONSECUTIVE QUARTER THAT CONFIRMS ALIGNMENT TOWARDS PROFITABILITY

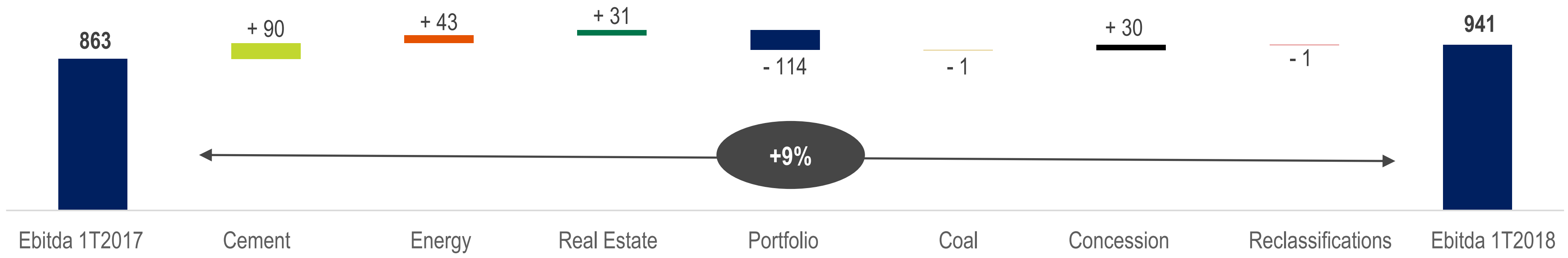
BUSINESS CONTRIBUTION

REVENUES (COP bn)



BUSINESS CONTRIBUTION

EBITDA (COP bn)



- Portfolio includes dividends received, participation method and divestments
- Real Estate includes divestment of lots and adjustments for valuation

SIGNIFICANT ANNUAL GROWTH IN ALL LINES FROM THE SALE OF EPSA SHARES. HIGHLIGHTING POSITIVE CONTRIBUTION OF ALL STRATEGIC BUSINESS

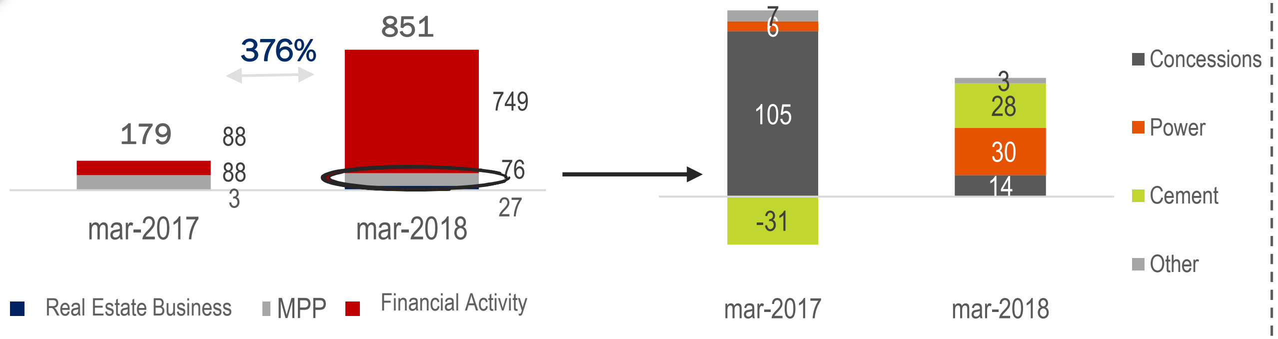
RELEVANT FIGURES

Individual income statement

	COP bn	mar-2018	mar-2017*	Var.(%)
1	**Revenue**	**851**	**179**	**376%**
2	Cost, other revenues and other expenses	293	8	N/A
3	SG&A GA	20	20	1%
	SG&A Urban Development	25	29	-14%
	Operating Profit	**513**	**121**	**324%**
	EBITDA	**514**	**125**	**311%**
	EBITDA Margin (%)	*60%*	*70%*	*-960pb*
4	**Net Income**	**480**	**87**	**452%**
	Net Margin (%)	*56%*	*49%*	*775pb*

NOTES

1 Revenues Distribution 1Q2018



- ✓ Income from **financial activity (COP 749 bn)**
  - **COP 655 bn** from the **sale** of 34.6 mm shares of **EPSA** @ COP 18,900
  - **COP 94 bn** in **dividends** from uncontrolled companies
  - Revenues from **Equity Method (COP 76 bn)** with higher contributions from the cement and energy business
- ✓ Income **real estate business COP 27 bn** (valuations of lots: COP 12 bn, Pactia: COP 11 bn)

2

- ✓ Increase in costs associated with the sale of EPSA. Gross Profit from Celsia's sale of COP 360 bn

3

- ✓ SG&A decrease by 8%, highlighting decrease of expenses associated with the business of urban development

4

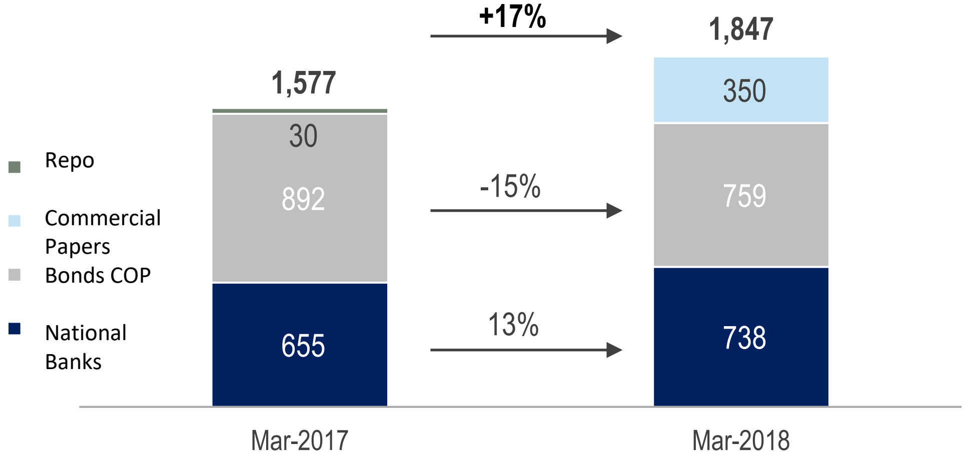
- ✓ Net income grows significantly by portfolio management
- ✓ Lower financial expense due to the lower cost of the debt (from 8.9% in Mar-2017 to 6.8% in Mar-2018)

*Proforma expenses for 2016 include expenses of Situm, Roundcorp, Fortcorp. Before the merger in 2017 this companies were included in the individual financial statements of GA using the equity method

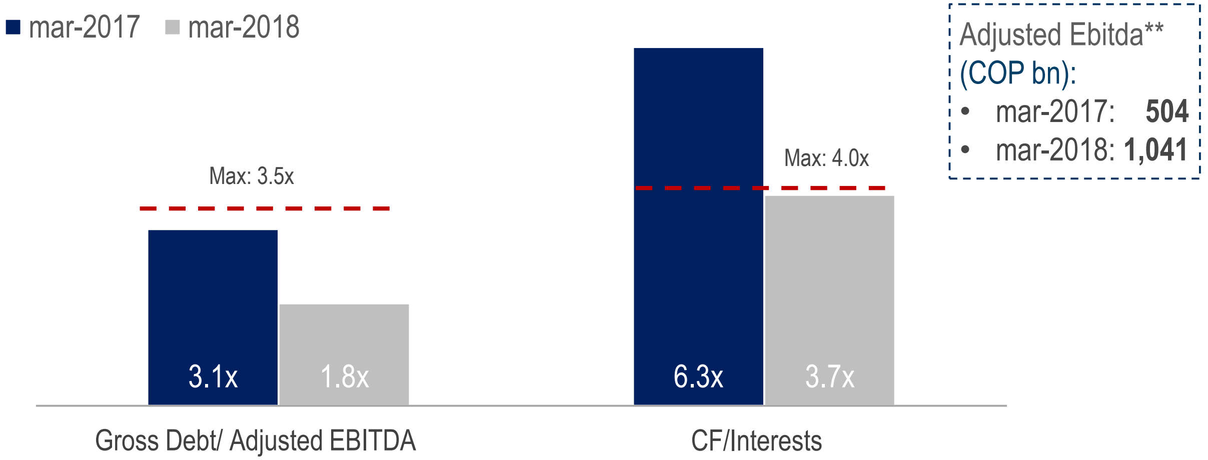
[1] Equity Method of Odinsa in 2017 includes COP 63 bn of adjustment for valuation of the previous investment in OPAIN

LEVERAGE INDICATOR AT THE INDIVIDUAL LEVEL CLOSESS AT A MINIMUM OF 1.8X PROVIDING FLEXIBILITY TO CONTINUE PORTFOLIO GROWTH

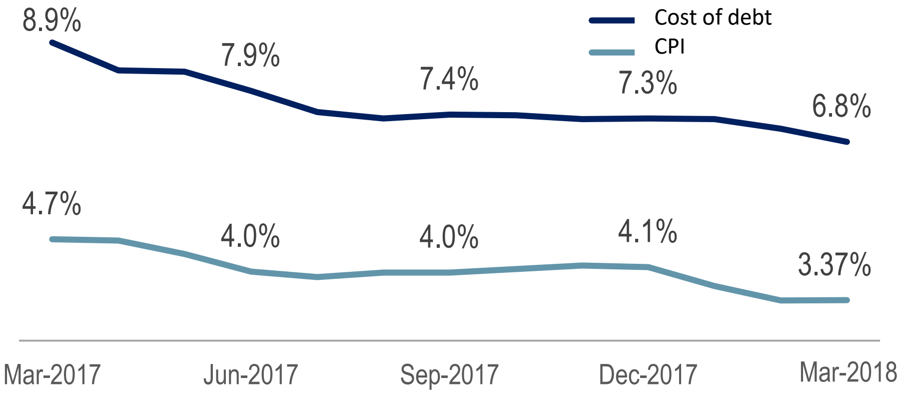
DEBT
COP bn



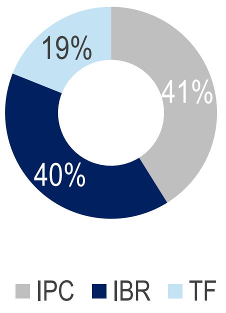
LEVERAGE RATIOS



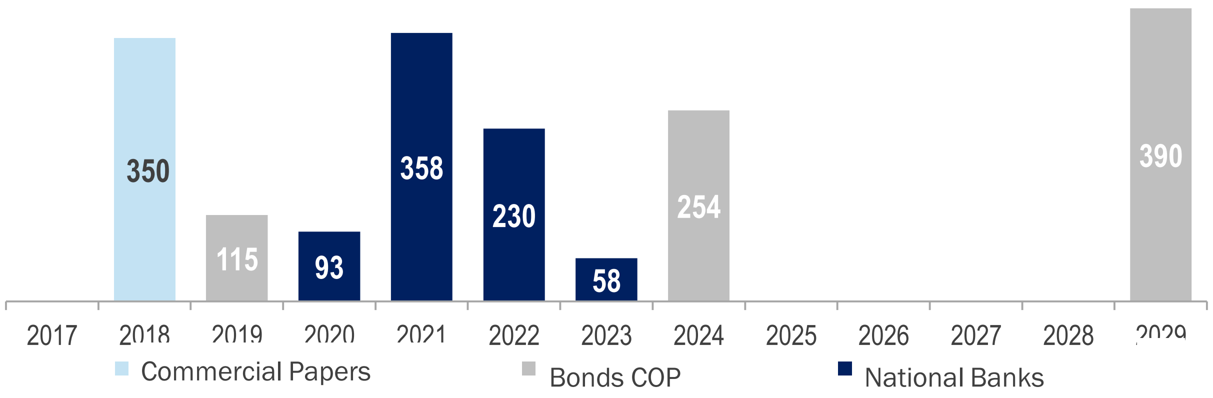
COST OF DEBT*



Indexation



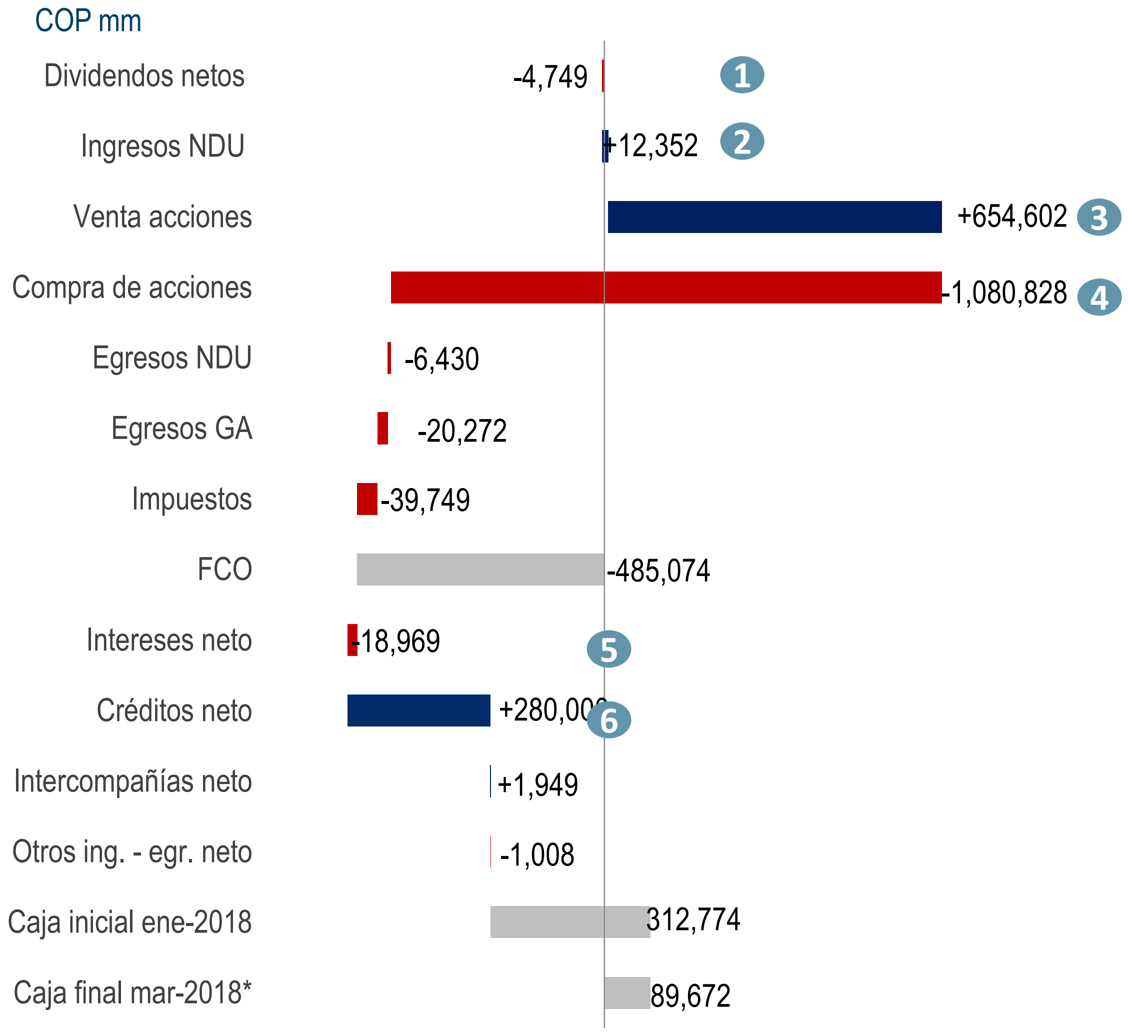
DEBT PROFILE
COP bn



* Only includes capital balance. Inflation for the month

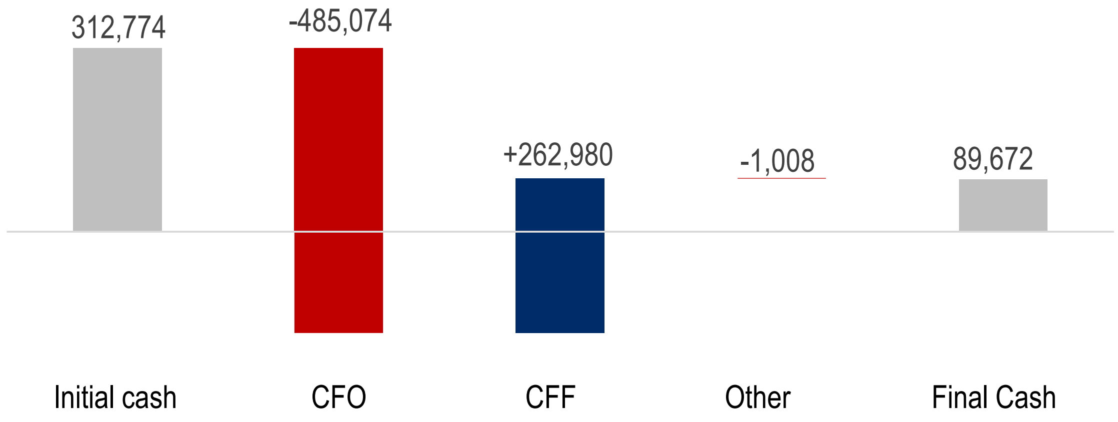
**Adjusted EBITDA = EBITDA (-) equity method (+) received dividends (+) profit of divestments – risk rating agency method

CASH FLOW MIRRORS SIMPLIFICATION OF THE ENERGY PORTFOLIO AND STRATEGIC INCREASE IN PARTICIPATION OF CEMENTOS ARGOS



NOTAS

1. Dividends Received **COP 61,5 bn**, dividends paid **COP 66,3 bn**
2. Divestment of lots **COP 12,3 bn**
3. Sale 34,635,000 shares of Epsa @ COP 18,900 per share: **COP 654,6 bn**
4. Purchase of 174,677,000 shares of Celsia: **COP 782,5 bn**
   Purchase of 30,423,040 shares of CemArgos: **COP 294,6 bn**
   Purchase of 262,219 shares of Odinsa: **COP 2,7 bn**
5. Financial expenses **COP 22,7 bn**, financial revenues **COP 3,8 bn**
6. Disbursement Bancolombia**COP 460 bn.** Credit prepayment **COP 180 bn**



* final cash includes COP 10,2 bn in short term investments CDT

Concessions Business

CONSTRUCTION WORKS PROGRESS IN SCHEDULE WITH PACÍFICO 2 STANDING OUT FROM THE 4G PROGRAM WITH AN ADVANCE OF 38%

GRUPO ARGOS
ARGOS CELSIA ODINSA

Autopistas del Nordeste

1T18 consolidated

Revenues
COP 184 bn

EBITDA
COP 125 bn

Margin
68%

Net income for the parent company
COP 20 bn

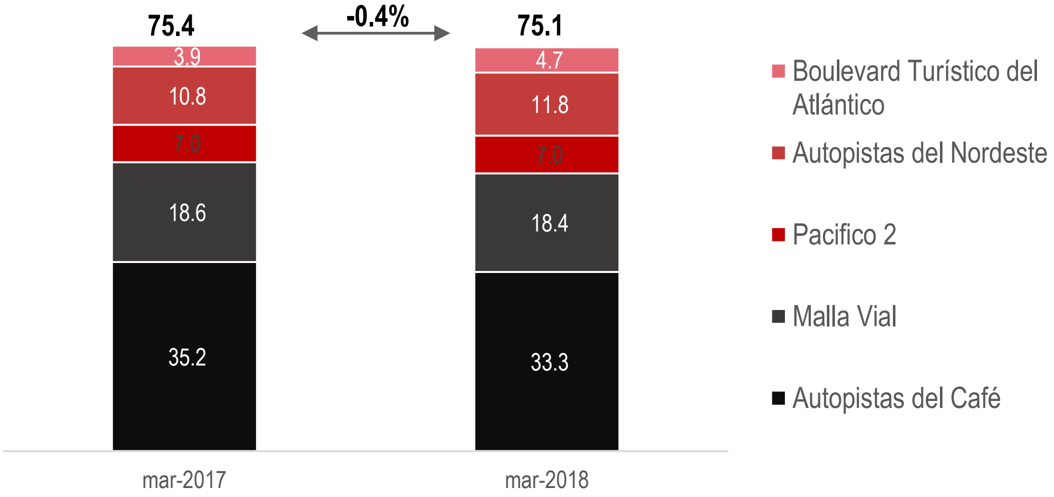
HIGHLIGHTS OF THE QUARTER

- Arbitration award issued in favor of Autopistas de Café. **Operation will continue until January 2027**
- **Advance of work of Pacifico 2 of 38% as of April 2018**
  - Fifth project of the 4G program having achieved disbursements under their respective credit agreements
  - In 2018 the concession expects to complete investments for close to COP 400 bn
  - Project advances according to the schedule
- For the third year in a row, Skytrax gave El Dorado the recognition by which users ratify it as the Best Airport in South America
- Mariscal Sucre was recognized one more year as the Best Regional Airport in South America, 4 Stars Airport with the Best Airport Staff in South America by Skytrax

2018 BEGINS WITH A 4% GROWTH IN AIRPORT CONCESSIONS AND STABILITY IN ROAD CONCESSION TRAFFIC

AVERAGE DAILY TRAFFIC 4T2017

Thousand vehicles



AKF

Total traffic of vehicles in 1Q18 of 3 million, decreasing -5.5% due to the closure of the Irra bridge, which caused a decrease in traffic between Antioquia and the coffee region

ADN + BTA

Traffic in ADN and BTA with variation of 9.2% and 21% YoY respectively, as a result of the greater registered tourism activity due to having Easter in this period

Pacifico II

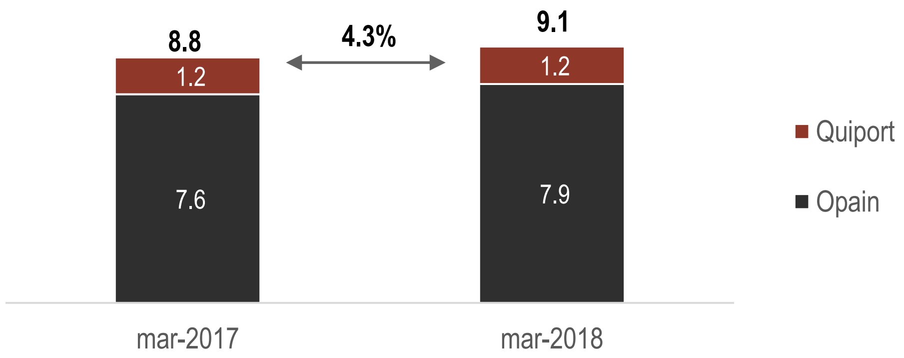
In the first quarter of 2018, total traffic remained stable at 630,859 for a slight fall of 0.1% compared to the same period of 2017

MVM

In 1Q2018, total traffic reached 1.7 million vehicles for a slight decrease of 1.04% YoY. Traffic dynamics characterizes the continued impact of the fall in oil activity

AIRPORT TRAFFIC

MM of passengers



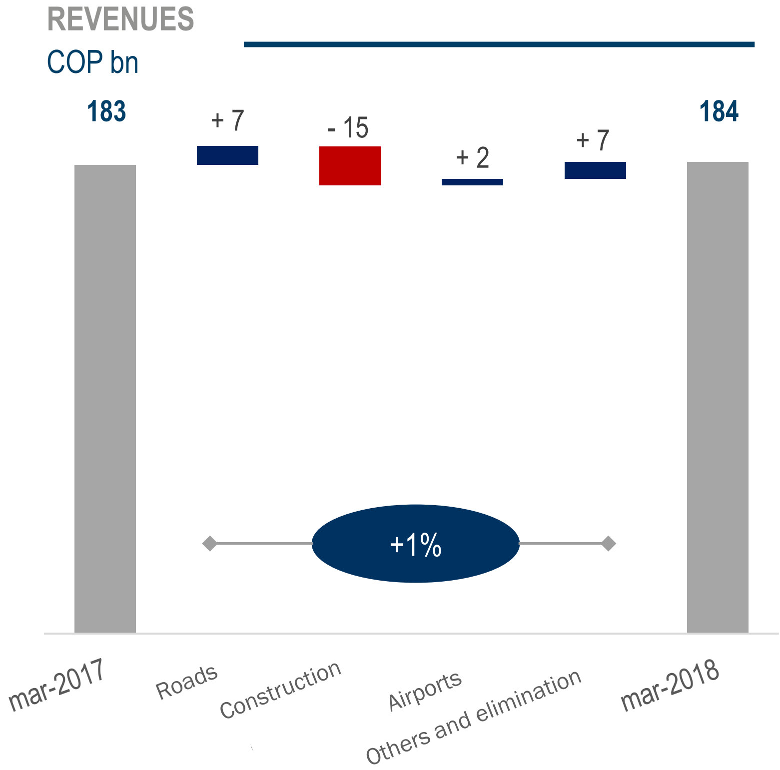
El Dorado

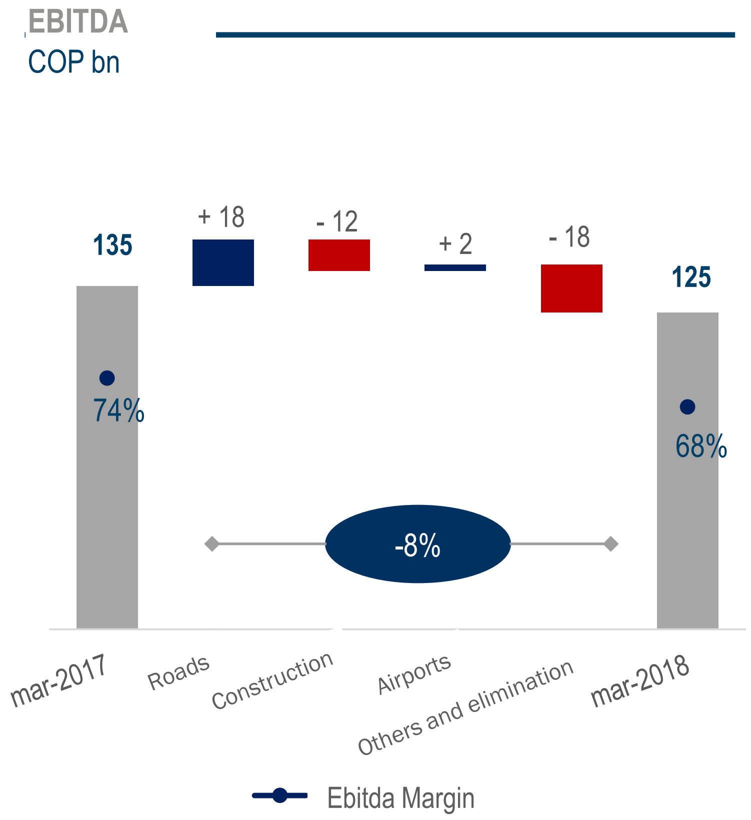
- ✓ Total passenger movement in El Dorado in 1Q18 7.9 million, for a 4.3% YoY growth
- ✓ International passenger traffic grows 6.7% in 1Q18
- ✓ Domestic passenger traffic grows 3.2% in 1Q18

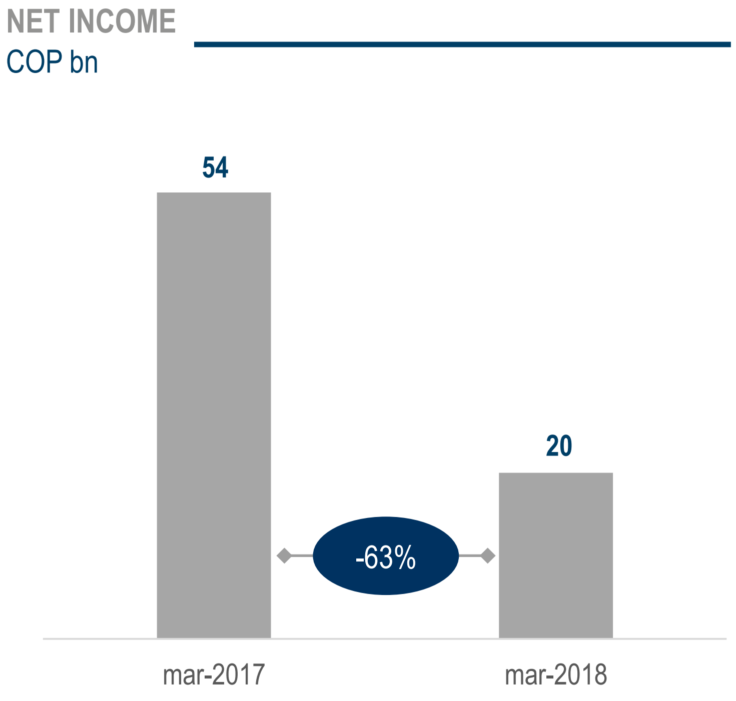
Quito Airport

- ✓ Positive variation of 4.3% in passengers, registering 1.2 million passengers
- ✓ Domestic operations affected in 1Q18 with a drop of 2.6% (640,626 PAX) due to the decrease in frequencies operated by Tame
- ✓ International traffic picked up considerably (577,431 PAX + 13.2%) as a result of new frequencies
- ✓ Cargo volumes + 8.9% to reach 56,927 tonnes, as a result of increased export activity in the country

FIRST QUARTER RESULTS WITH STABILITY AT CONSOLIDATED REVENUES







Increase in revenues due to:

- Road concessions: Mainly due to the financial assets of ADN and BTA
- However, there was a decrease in the construction segment due to the completion of the work in Aruba and Opain

Decrease in **EBITDA** due to:

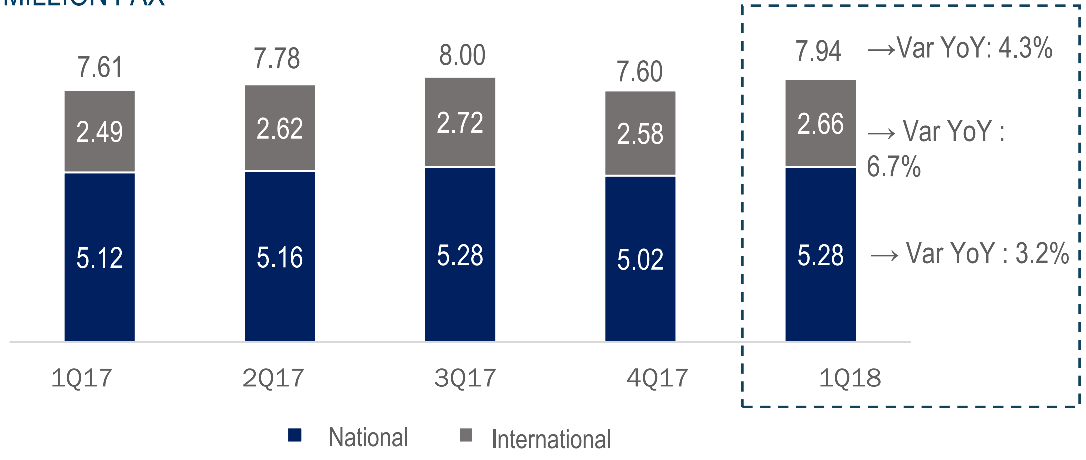
- Extraordinary income in 2017 (+ COP 10 bn) for the profit on the sale of participation of the Farallones Consortium

Decrease in net income due to:

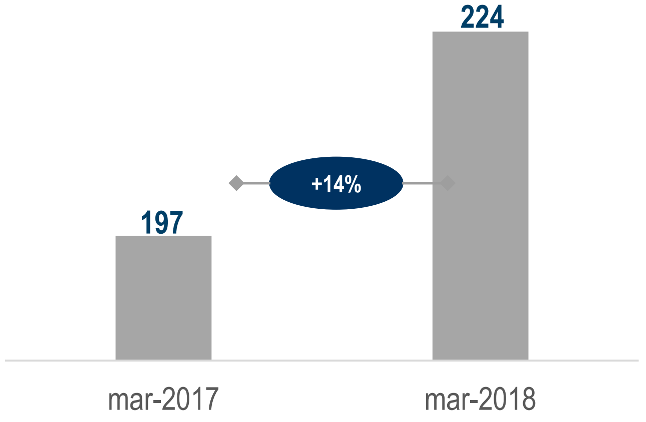
- Higher financial expenses (+ COP 7 bn)
- Higher income tax (+ COP 17 bn) due to tax reform, mainly due to taxation of income from foreign investments
- Positive variation of the exchange difference (+ COP 1 bn)

OPAÍN CLOSES THE FIRST QUARTER WITH GROWTH IN REVENUES AND EBITDA, MAINTAINING STABILITY IN THE EBITDA MARGIN AT 32%. INTERNATIONAL PASSENGER GROWTH

PASSANGERS
MILLION PAX

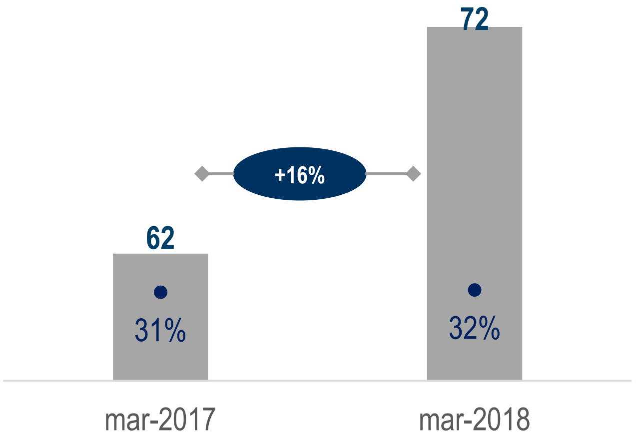


REVENUES
COP bn



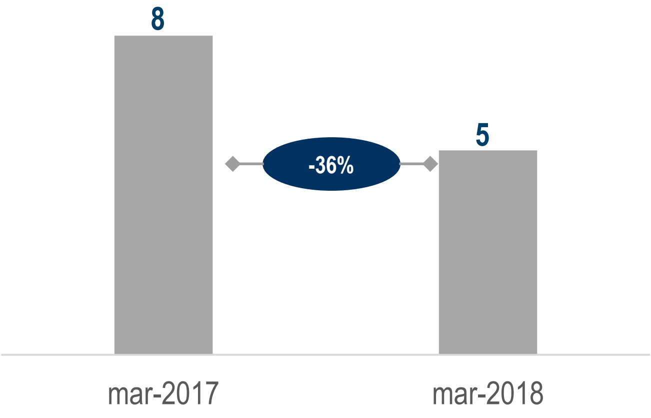
Increase in revenues due to:
- ✓ **Higher construction revenues + 27% YoY** (+ COP 16 bn)
- ✓ Higher **operating revenues + 16% YoY** (+ COP 22 bn)
- ✓ Traffic + 4% A / A

EBITDA
COP bn



Increase in EBITDA due to:
- Increase of 14% in **operational revenues** (+ COP 27 bn)
- Despite increase of COP 5 bn in administrative expenses

NET INCOME
COP bn



Net Profit decreases by:
- Increase in D & A (+ COP 13 bn)

Cement Business

GRUPO ARGOS
ARGOS CELSIA ODINSA

ARGOS SEES MATERIALIZED THE EFFICIENCY PROGRAM WITH GROWTH IN EBITDA

1Q2018

REVENUES
COP 1.9 tn ↓-8% (A/A)

EBITDA*
COP 371 bn → Margin 19%

Net Income
COP 55 bn

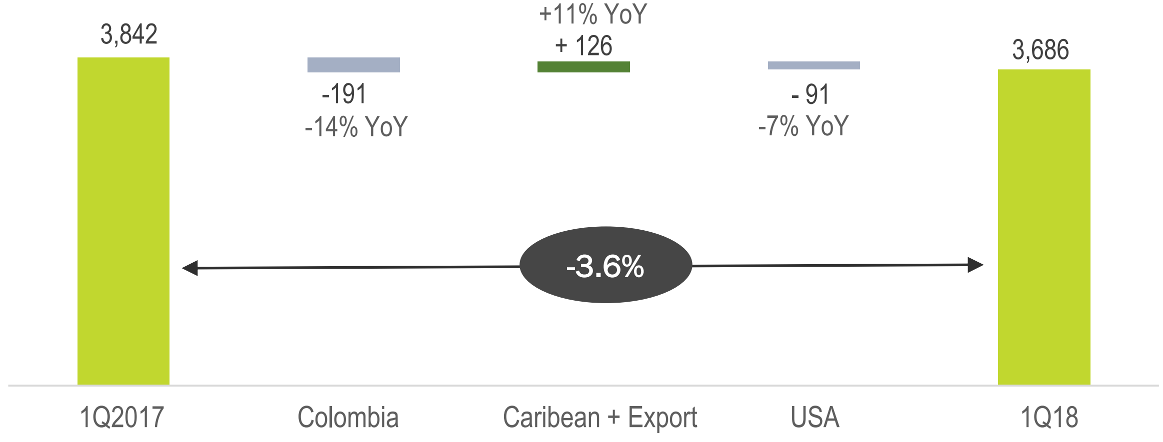
HIGHLIGHTS OF THE QUARTER

- **Sale of three inside the fence power generation assets** in Colombia and 13 concrete block manufacturing plants in the USA as part of the efficient capital allocation strategy, providing greater financial flexibility
- Results of the **BEST program**
  - **Improvement of the margin in all 3 regionals**
  - **Decrease in administration and sales expenses**: 5.5% at the consolidated level and 19.2% in Colombia
- **Ebitda growing** 31.2% YoY. Eliminating non-recurring revenues *Ebitda grows by **2%**
- Alternative Fuels, advancing on initial plan to increase efficiency
  - In February the Cartagena Plant began to use tires as an alternative fuel
  - The environmental permit was received to dispose of impregnated sawdust in the Cartagena Plant

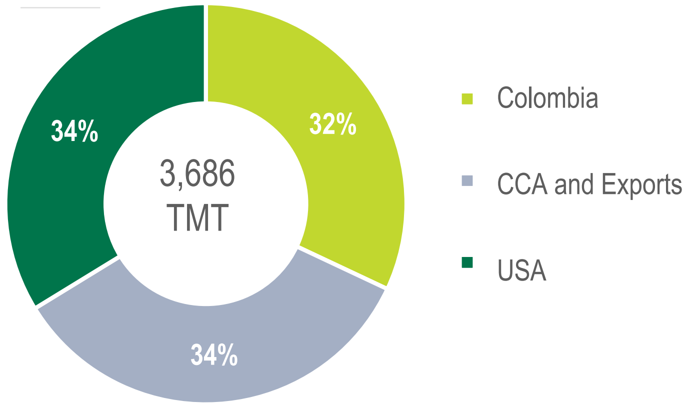
* Adjusted ebitda for non-recurring expenses associated with the sale of inside the fence power generation plants

CEMENT VOLUME IN CENTRAL AMERICA GROWS 11% YoY, COMPENSATING THE FALL IN THE COLOMBIAN AND AMERICAN MARKET

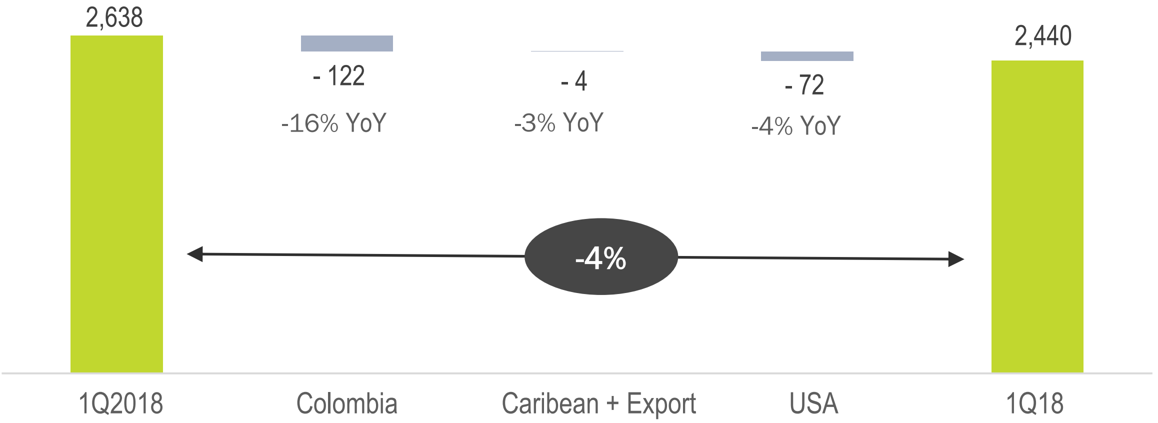
CEMENT VOLUME
(TMT)



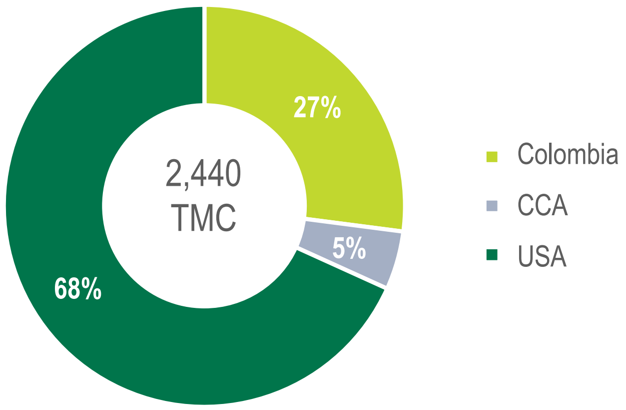
CEMENT SALES
1Q2018



READY MIX VOLUME
(TMC)

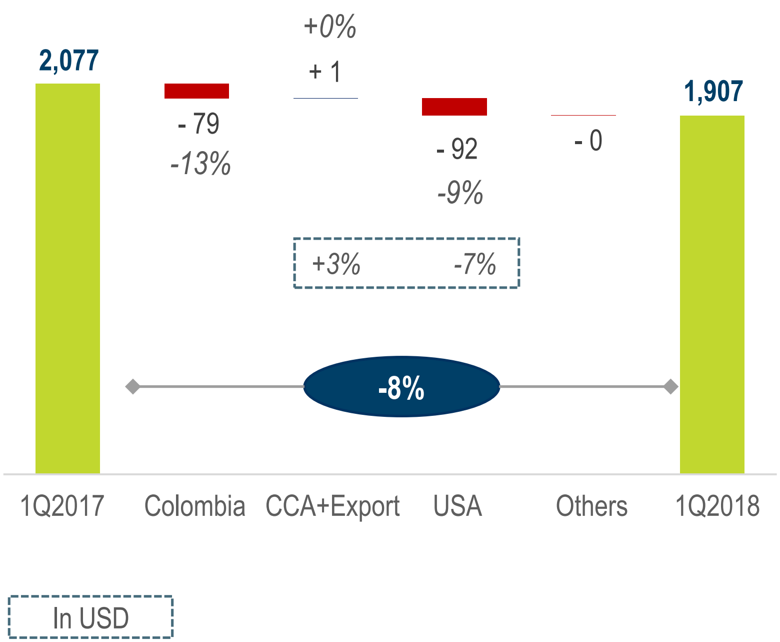


READY MIX SALES
1Q2018

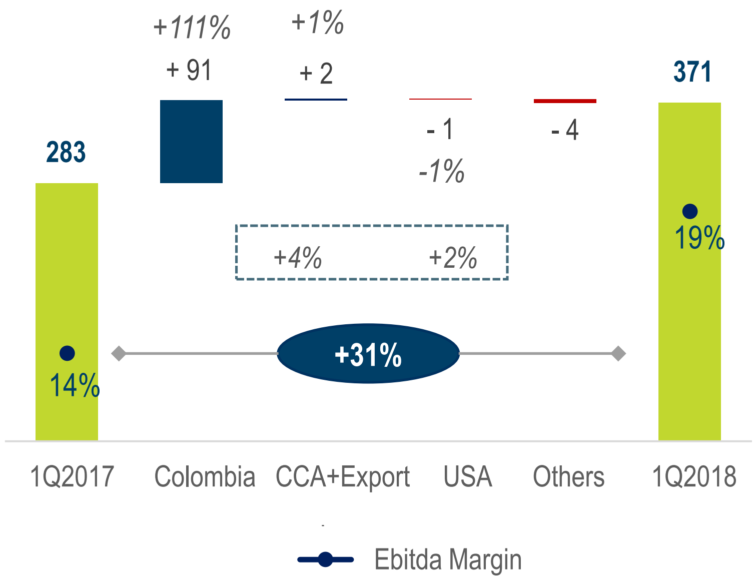


STRONG GROWTH IN EBITDA MARGIN, ELIMINATING NON RECURRING EFFECTS GROWS 2% YoY. CONSOLIDATED EBITDA MARGIN ADVANCES TO 19%

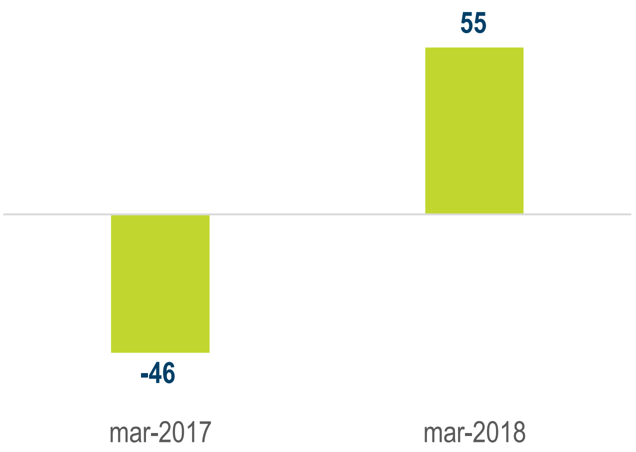
REVENUE
COP bn



EBITDA
COP bn



NET INCOME
COP bn



Decrease in revenues due to:
- **Decrease** in the **cement consolidated volume** (-4% YoY), by dynamics in Colombia and winter in the US
- **Excluding** the **revaluation** effect, **revenues** would fall **7% YoY**

Increase in EBITDA due to:
- Increase in other income from the **divestment of inside the fence power plants for COP 75 bn**. EBITDA growth without this effect is 2% YoY and EBITDA Margin 16%
- Decrease in income offset by a **decrease of 11% YoY in sales costs and a reduction of 5% YoY in expenses**

Increase in net profit due to:
- **Improvement in Operational Profit** (+ COP 118 bn)
- **Decrease in non-operating expenses** of COP 4 bn)
- However, there was **an increase in the income tax** of COP 22bn due to the divestment of power generation plants

Energy Business

GRUPO ARGOS
ARGOS CELSIA ODINSA

END OF THE SIMPLIFICATION PROCESS AND CAPITAL STRUCTURE STRENGTHENING IN THE POWER BUSINESS A GREAT STEP TOWARDS PROFITABLE GROWTH


Celsia Solar Yumbo

1Q2018

REVENUES
COP 847 bn ↑14% (YoY)

EBITDA
COP 290 bn ↑ 20% (YoY) → Margen 34%

Net Income
COP 79 bn

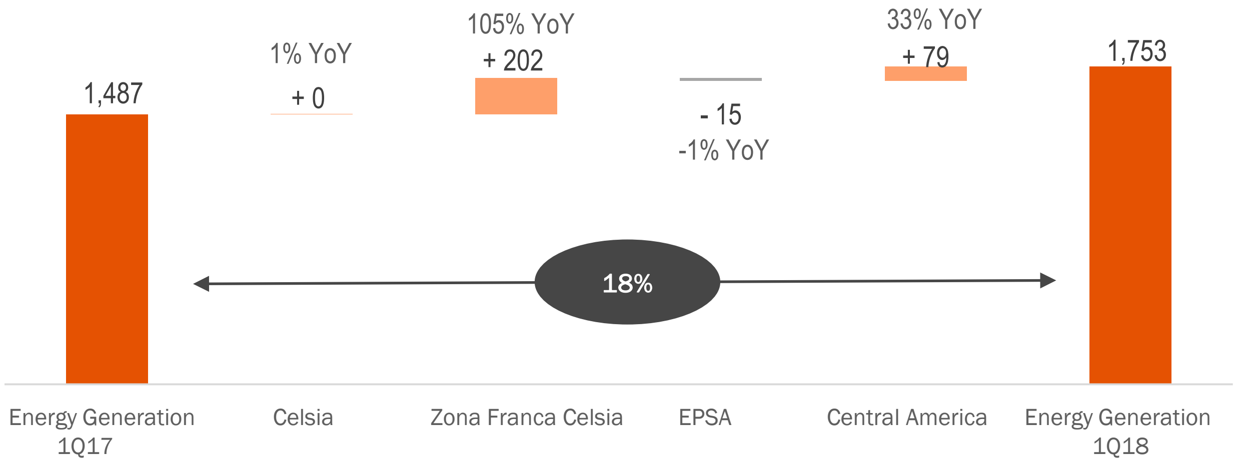
Net income for the parent company
COP 51 bn

HIGHLIGHTS OF THE QUARTER

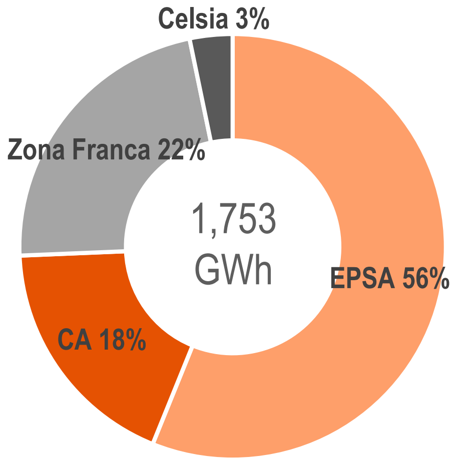
- **Consolidated revenue of COP 847 bn**, growing 14% YoY
- **Consolidated SG&A** of COP 56 bn in the quarter, **23% lower YoY**
- **Ebitda highest in history for a first quarter**, closes at **COP 289 bn, growing 20% YoY**
- **Issuance and placement of shares for ~ COP1.5 tn** that allowed to increase **participation in Epsa reaching 61**% and to **prepay debt** for **COP 740 bn**
- Authorization of the Board of Directors of EPSA to carry out the required procedures before the Financial Superintendence to advance an issuance and placement of **Green Bonds** for an amount of up to COP 420 bn
- The **construction of the San Andrés project was started**, which will contribute with 19.9 MW of capacity. Estimated Capex USD 60 mm and planned entry into operation in 2020
- Growth plans in renewable energies continue, the Celsia Solar Bolívar project has been announced, with an installed capacity of 8.06 MW, which is expected to start in 3Q2018
- Start of construction of the sixth project awarded in the Pla5Caribe. Estimated investment of COP 87 billion

DURING 1Q18 SALES AND GENERATION OF ENERGY GROW DOUBLE DIGIT

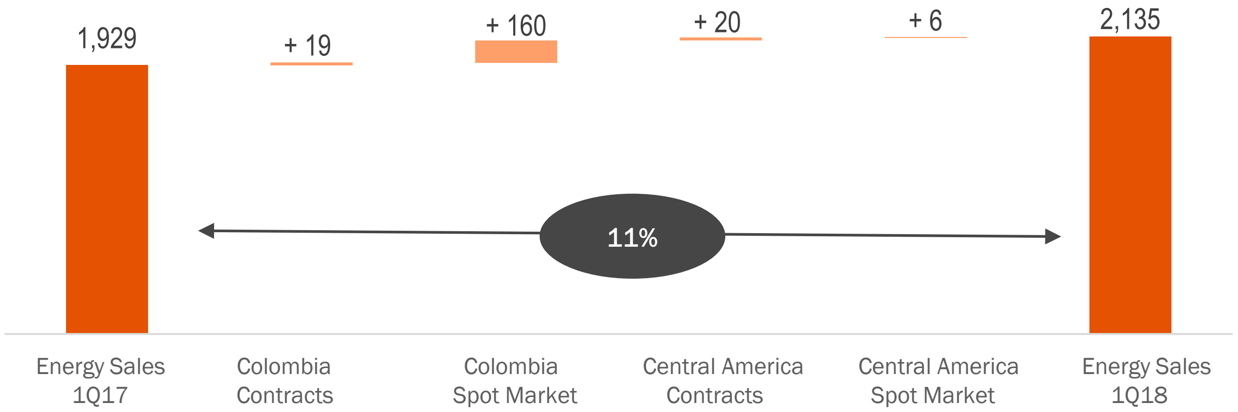
GENERATION
GWh



GENERATION MIX
GWh



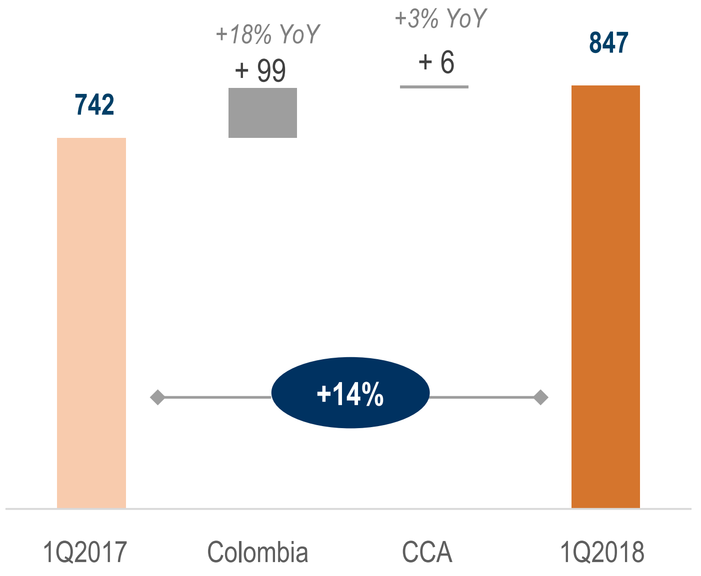
ENERGY SALES
GWh



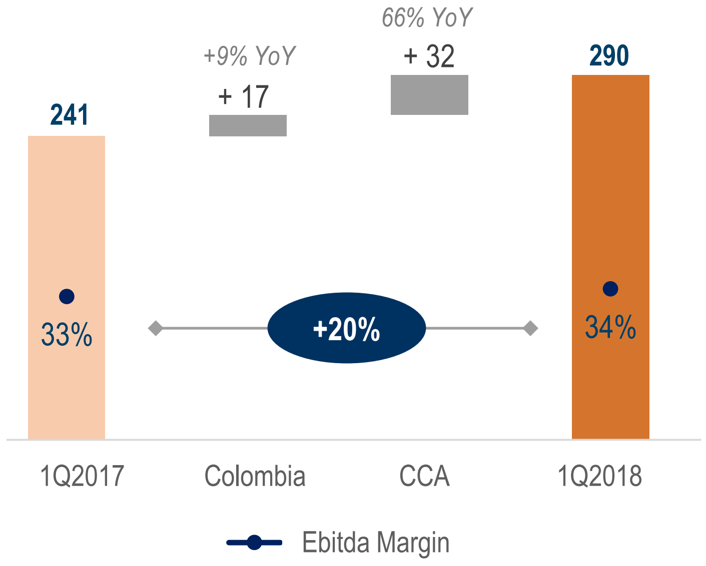
- ✓ Energy sales increase 11% due to higher sales on the spot market in Colombia
- ✓ Generation grows 18% due to contribution from Zona Franca and Central America

AND EBITDA MARGIN EXPANDS TO 34% ON A REDUCTION IN COSTS AND EXPENSES

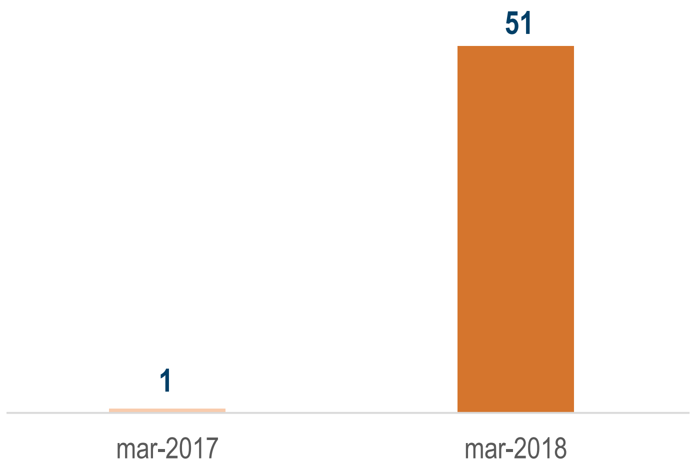
REVENUES
COP bn



EBITDA
COP bn



NET INCOME
COP bn



Increase in revenues due to:

- **Higher revenues in Colombia** due to higher energy sales, new business revenues (solar, thermal districts) and an increase in spot prices (+52 COP / KWh to 234 COP / kWh)
- **Higher revenues in Central America** due to higher generation of BLM and PEG and increase in contract prices (+8 USD / MWh to 79.5 USD / MWh)

Increase in EBITDA due to:

- **Higher revenues** in Colombia and Central America
- **Lower expenses** by COP 23 bn due to elimination of wealth tax and lower portfolio provisions
- **Lower costs and expenses** of O&M in **Central America**

Increase in net income due to:

- **Improvement in EBITDA** (+ 20% YoY)
- Income for exchange difference + COP 8 bn and stability in financial expenses
- **Stability in taxes** because the tax base was similar in both quarters

[1] BLM: Bahía las Minas (Panamá), PEG: Wind plant in Guanacaste (Costa Rica)

Real Estate Business

GRUPO ARGOS
ARGOS CELSIA ODINSA

NEGOTIATION OF LAND ADVANCES AND GROWTH IN THE REAL ESTATE FUND STRENGTHENS WITH A GLA OF 719,000 m2

GRUPO ARGOS Urban Development

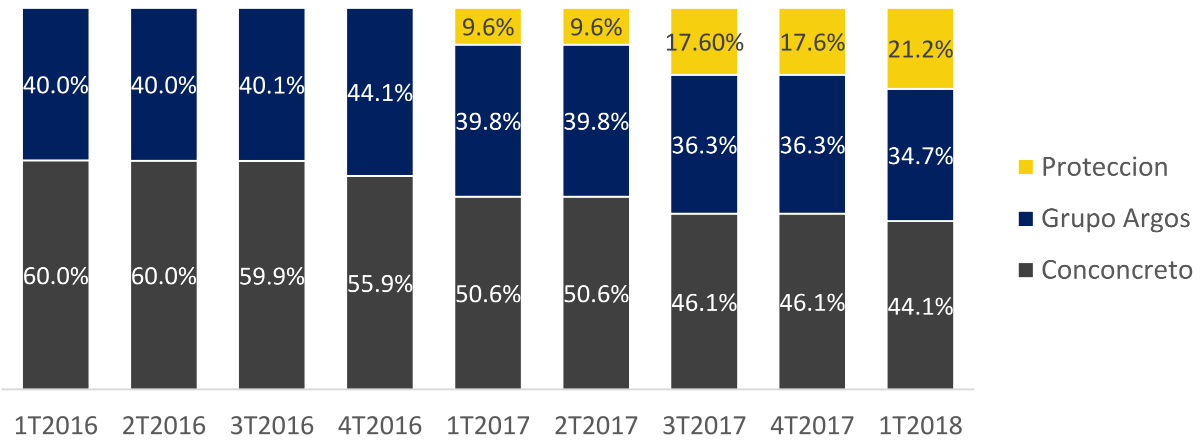
- Progress in the negotiation of land.
- For the quarter, 90,116 m2 were sold and COP 10 bn of revenues were recognized for the sale of lots
- Cash flow for the quarter COP 12bn
- Valuations for the period were recognized for COP 15 bn, this in line with the fair value policy adopted (these results also include what corresponds to Grupo Argos for the valuation of its stake in Pactia, the private equity fund).

PACTIA

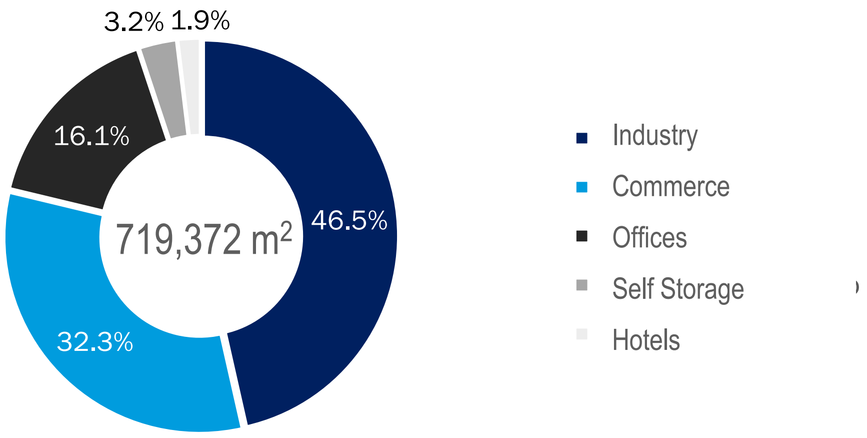
- Pactia´s unit value has yielded 6.76% since its start in January 20, 2017. Unit value at the close of the quarter of 10,812.9
- A call for capital to Protection was made for COP 90 bn in January. With this, the investors' shares were modified as follows:
    - Conconcrete: 44.09%
    - Grupo Argos 34.68%
    - Protection: 21.23%
- A distribution of dividends of COP 10 bn was made to the investors of the fund
- Total units outstanding as of March 31 of 196,236,593

EFFECTIVE GROSS INCOME GROWS BY 31% IN LINE WITH GROWTH IN GLA

STAKE IN PACTIA
%



GLA
m2



REVENUES AND NOI
COP mm

	1Q2018	1Q2017	Var.(%)
Effective Gross Revenue	64,921	49,744	31%
Operating Costos	29,131	16,020	82%
Net Operating Income	35,791	33,724	6%
Consolidated EBITDA	22,547	27,594	-18%
EBITDA Margin	35%	55%	-2074 pb

NOI
COP mm