GRUPO ARGOS
Inversiones que transforman

ARGOS CELSIA ODINSA

Results Presentation

THIRD QUARTER 2020

November 2020

QUARTERLY RESULTS PRESENTATION

Disclaimer

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.

Situation management and business continuity plan

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BUSINESS CONTINUITY

Keeping our commitment to the priorities defined at the beginning of the situation

Life, health and wellbeing → our number one priorty

- Over 10,000 tests, equivalent to over 73% of the population.

New work realities as competitive leverage

- 30% of collaborators working remotely and 70% in operations
- 100% of Grupo Argos collaborators work remotely

Job conservation and vendor support

- We have maintained the jobs of our more than 14,000 collaborators, contributing to financial sustainability and prepared for reactivation

BUSINESS CONTINUITY

The emergency plan has been fully executed as of September guaranteeing the flexibility required

		CELSIA	ARGOS	ODINSA	GRUPO ARGOS	
1	**CAPEX** (Uses – billions)	$ 293	$ 160	$ 415		$ 868 *(100%*)*
2	**OPEX** (Uses – billions)	$ 45	$ 324	$ 119	$ 20	$ 508 *(101%*)*
3	**Liquidity loans** (Sources – billions)	$ 443	$ 684	$ 117	$ 150	$ 1,394 *(100%*)*
4	**Reimbursed taxes** (billions)		$ 50	$ 10	$ 32	$ 92 *(100%*)*
	Cash effect (billions)	$ 781	$ 1,218	$ 661	$ 202	$ 2,862

* Execution of emergency plan
Approximate figures in billions of pesos
Odinsa includes airport and highway concessions

Grupo Argos Results

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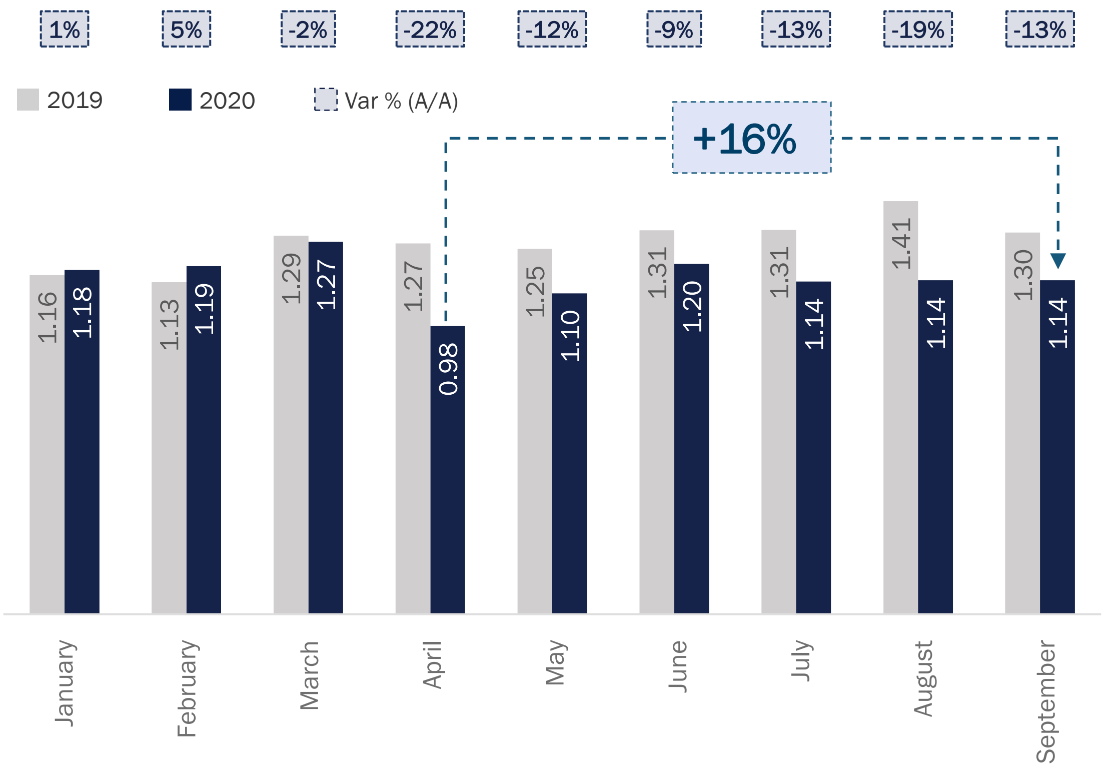
CONSOLIDATED RESULTS GRUPO ARGOS Q3’2020

Gradual revenue and profitability recovery confirm a positive trend

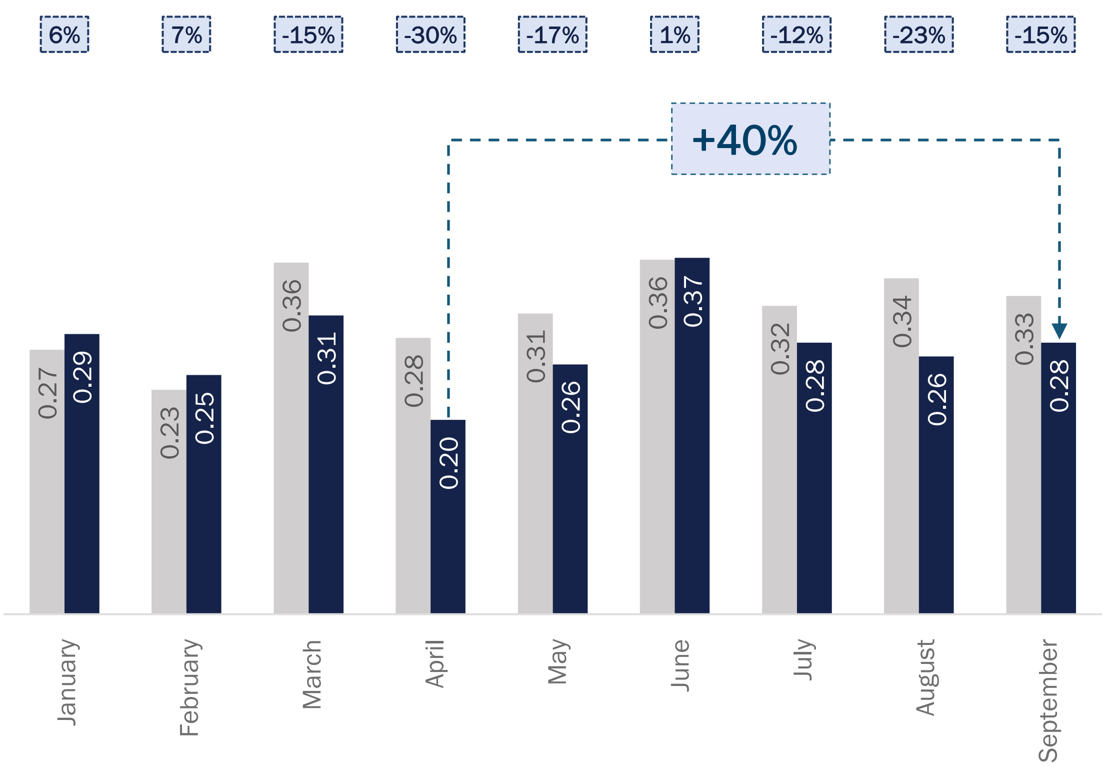
Monthly Revenue

COP billions



Monthly Ebitda

COP billions



Gradual revenue recovery since April (+16%)

+

Agility and commitment to **cost and expense savings**

=

40% increase in consolidated EBITDA since April

Consolidated figures that exclude the equity method.
Results as of September 2019 exclude the Free Trade Zone Disinvestment

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CONSOLIDATED RESULTS GRUPO ARGOS Q3'2020

Corporate commitment to adapt to a challenging environment that shows signs of recovery

RELEVANT FIGURES

COP billions	Q3 – 2020	Q3 - 2019	Var.(%)	Sep-2020	Sep-2019	Var.(%)
Revenue	3,453	5,228	-34%	10,415	12,858	-19%
Costs, expenses and other income	3,027	4,248	-29%	9,143	10,673	-14%
Operating Profit	**426**	**980**	**-57%**	**1,272**	**2,185**	**-42%**
Ebitda	**857**	**1,413**	**-39%**	**2,566**	**3,449**	**-26%**
Margin Ebitda	*25%*	*27%*	*-221 pb*	*25%*	*27%*	*-219 pb*
Profit Before Taxes	**146**	**639**	**-77%**	**357**	**1,250**	**-71%**
Taxes	68	123	-45%	191	291	-34%
Current	69	*171*	-60%	228	372	-39%
Deferred	*-1*	*-48*	-98%	*-37*	*-81*	*n/a*
Net profit	**78**	**516**	**-85%**	**166**	**959**	**-83%**
Net controller profit	**7**	**301**	**-98%**	**-16**	**566**	*n/a*
Net controller margin	*0%*	*6%*	*-554 pb*	*0%*	*4%*	*-439 pb*

PROFORMA (Cumulative divestments)*

COP billion	Q3 – 2020	Q3 – 2019	Var.(%)	Sep-2020	Sep-2019	Var.(%)
Revenue	3,453	4,141 [3]	-17%	10,378 [1]	11,685 [2]	-11%
Ebitda	**857**	**1,102** [3]	-22%	**2,572** [1]	**3,112** [2]	**-17%**
Net profit	78	267 [3]	-71%	172 [1]	684 [2]	-75%
Net controller profit	**7**	**169** [3]	-96%	**-10** [1]	**421** [2]	*-102%*
Margin Ebitda	25%	*27%*	*-179 pb*	*25%*	*27%*	*-364 pb*

COP **+500 billion**

Total OPEX savings achieved as of September for dealing with the current situation

COP **~80billion**

Decrease in structural expenses compared to the previous year

1. Excludes diverstment in Odempa (Revenue COP 37 billion, Ebitda: -COP7 billion, Net controller profit : -COP 6 billion)
2. Excludes diverstment in Omya and Carton (Revenue: COP 86 billion, Ebitda: COP 27 billion, Net controller profit: COP 13 mil mn) and Zona Franca (Revenue: COP 1.087 billion, Ebitda COP 311 billion, Net controller profit: COP 132 billion)
3. Excludes diverstment in Zona Franca (Revenue: COP 1.087 billion, Ebitda COP 311 billion, Net controller profit: COP 132 billion)

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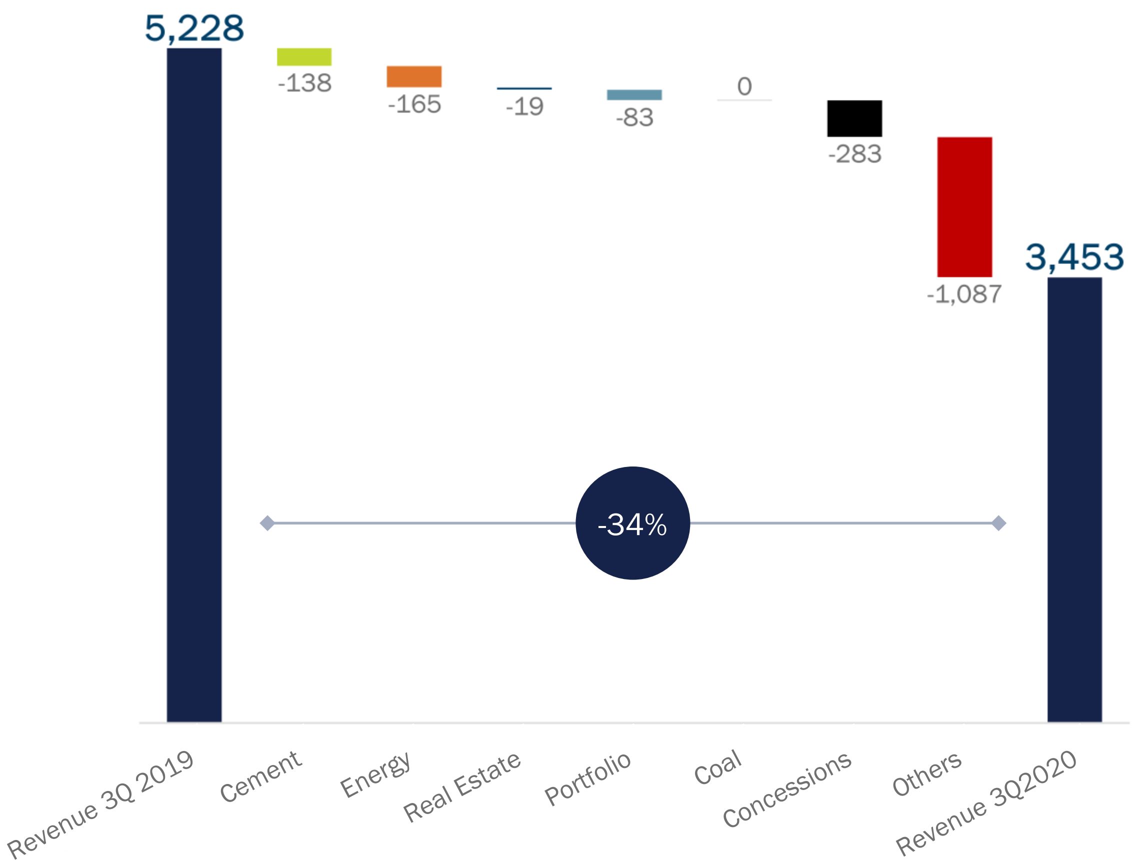
CONSOLIDATED RESULTS GRUPO ARGOS Q3'2020

Business contributions surpass projections made at the start of the pandemic

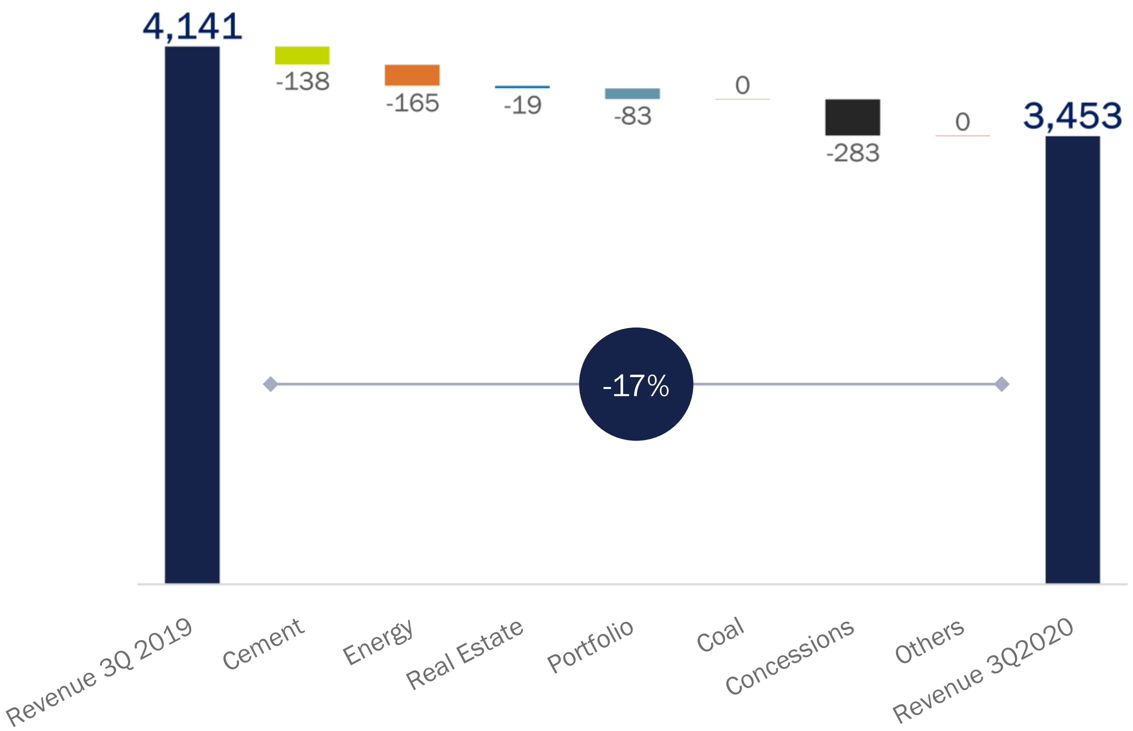
Consolidated revenue Q3'2020

COP billions



Consolidated Revenue Q3'2020 (PROFORMA)

COP billions



* Excludes divestment in Zona Franca (Revenue: COP 1.087 mil mn), which enters under the "others" item of the revenue

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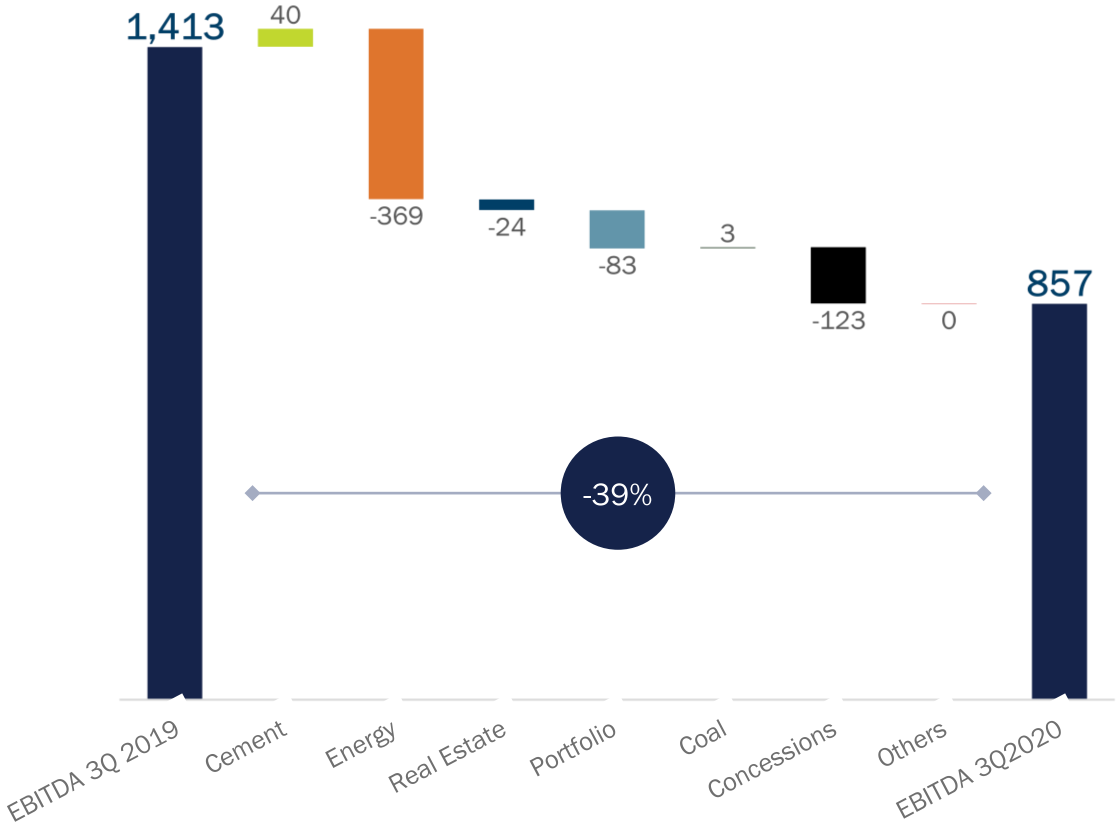
CONSOLIDATED RESULTS GRUPO ARGOS Q3’2020

Business contributions surpass projections made at the start of the pandemic

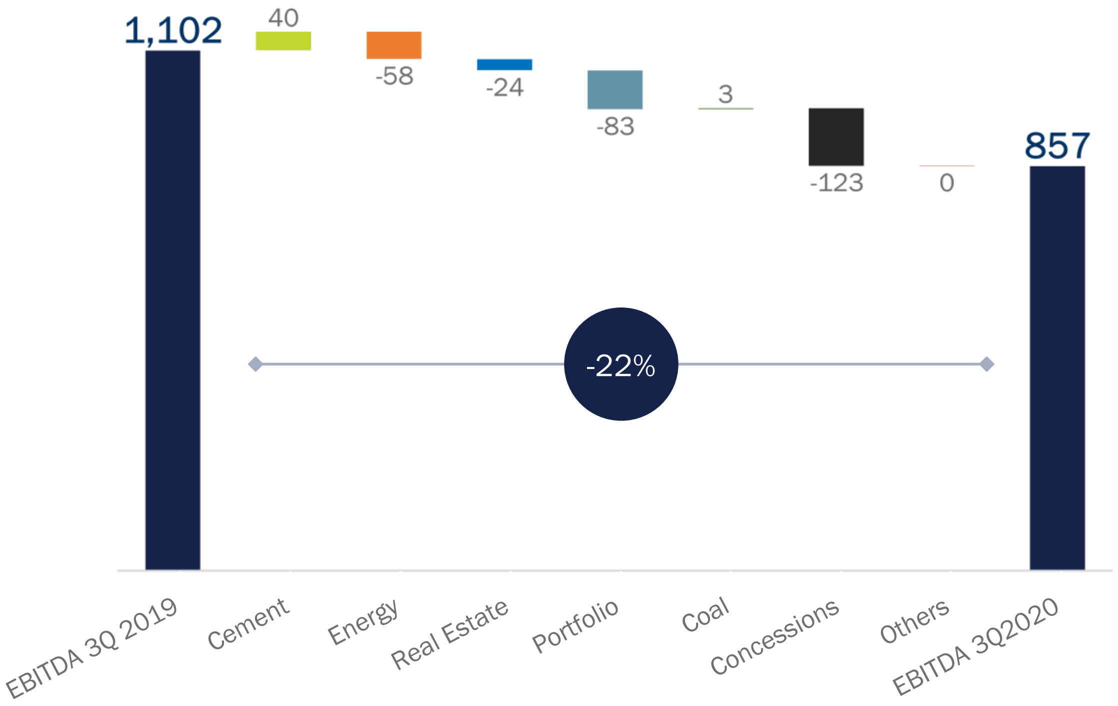
Consolidated Ebitda Q3’2020

COP billions



Consolidated Ebitda Q3’2020

COP billions



* Excludes divestment in Zona Franca (Revenue: COP 1.087 mil mn), which enters under the “others” item of the revenue

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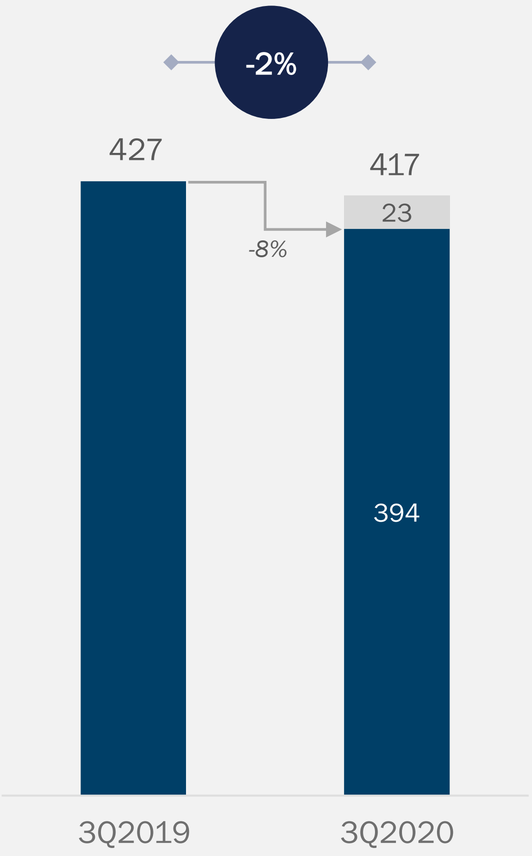
CONSOLIDATED RESULTS GRUPO ARGOS Q3'2020

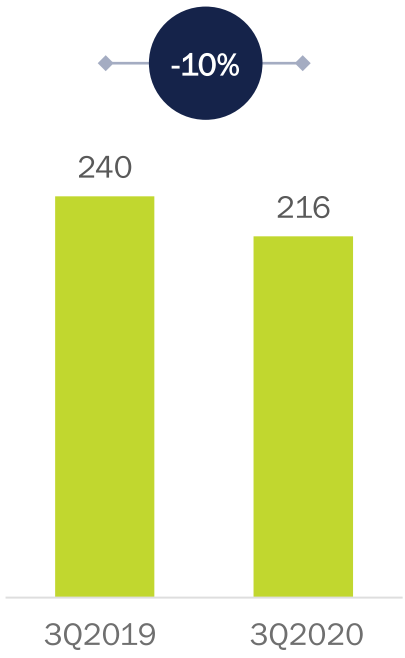
Savings in structural expenses in line with strategy implemented

CONSOLIDATED[1]

COP billions

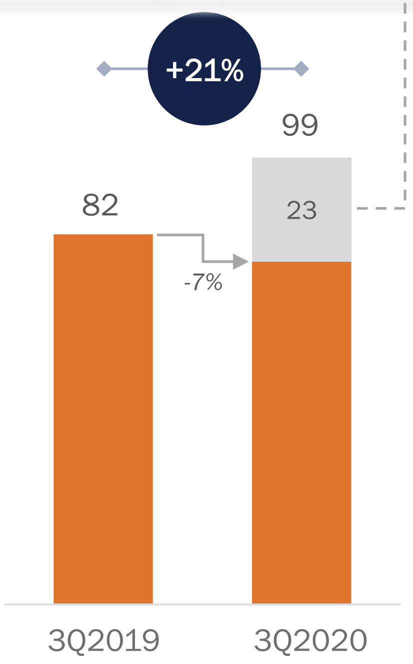


ARGOS

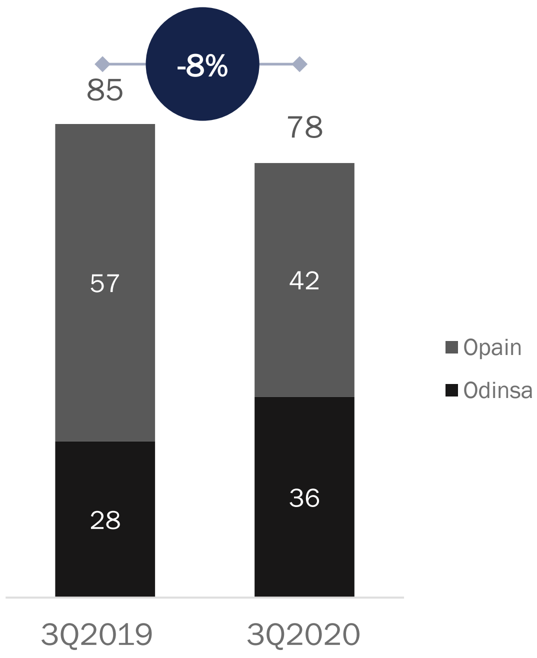


CELSIA

Increase mainly due to the definition of the SSPD[2] under which an additional contribution must be made to the corporate fund. Excluding this effect, expenses dropped by 7%.



ODINSA

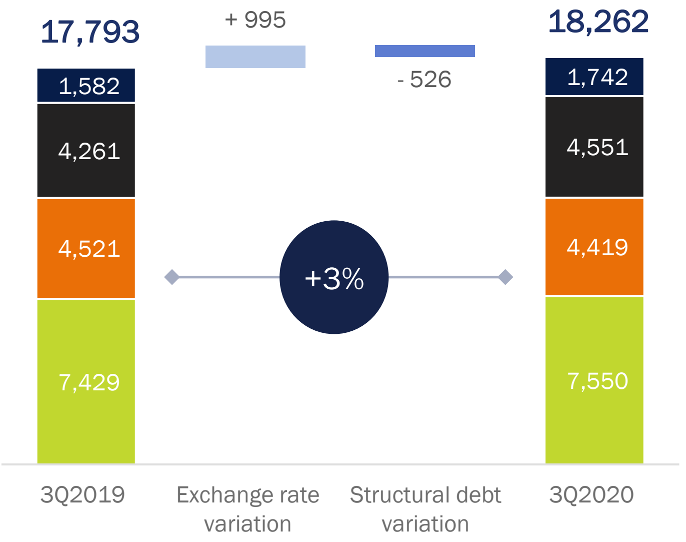


1. The consolidated amount may differ from the sum of the affiliate amounts due to consolidation adjustments. 2. Superintendent of Residential Utilities

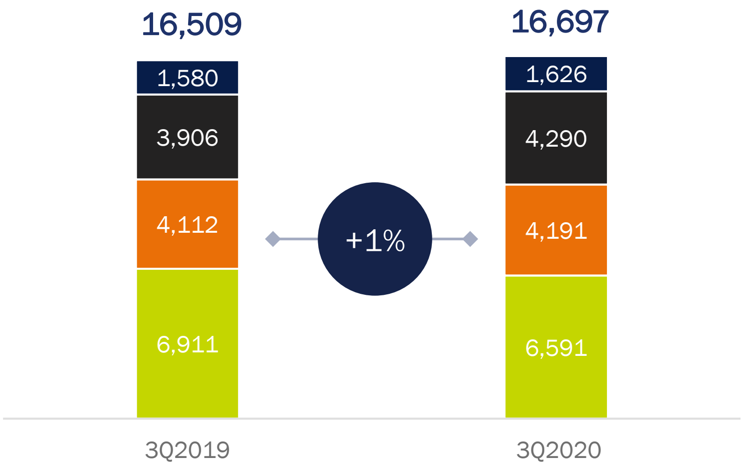
CONSOLIDATED RESULTS GRUPO ARGOS Q3'2020

A lower cost of debt was reflected by a COP 60 billion decrease in financial expenses

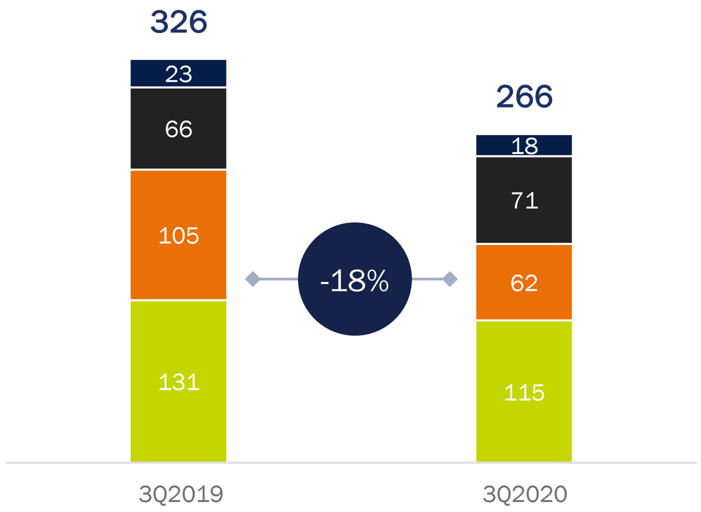
Consolidated debt
COP billions



Net debt[1]
COP billions



Net financial expenses
COP billions



Cement Energy Concessions Grupo Argos

- COP 192 billion in payments were made during the quarter.
- **Net Debt** for Q3'2020 closed at COP 16.69 billion and was **decreased by COP 45 billion** during the quarter compared to 2Q2020
- Financial expenses decreased 18% (YoY), benefiting from favorable interest rates.
- Grupo Argos performed the **first private debt exchange operation in Colombia for COP 136.5** billion (Half life goes from 5.5 to 5.7 years)

1. Cash in Odinsa includes the sum of the holding and the concessions

SEPARATE RESULTS GRUPO ARGOS Q3'2020

Successful bond conversion to improve credit profile and better manage the current situation

RELEVANT FIGURES

COP billions	Q3 – 2020	Q3 – 2019	Var.(%)	Sep-2020	Sep-2019	Var.(%)
Revenue	24	256	-91%	253	660	-62%
Costs and other expenses	3	-2	-225%	43	65	-34%
GA expenses	27	24	12%	98	103	-58%
Operating Profit	**27**	**234**	**-88%**	**111**	**493**	**-77%**
Ebitda	**-7**	**238**	**-103%**	**125**	**505**	**-75%**
Margin Ebitda	*-29%*	*93%*	*n/a*	*49%*	*76%*	*n/a*
Profit before taxes	**-23**	**210**	**-111%**	**30**	**419**	**-93%**
Taxes	5	10	-49%	15	14	10%
Current	2	1	34%	7	-1	n/a
Deferred	3	9	-67%	8	15	-47%
Net profit	**-29**	**199**	**-114%**	**15**	**405**	**-96%**
Net margin	*-119%*	*78%*	*n/a*	*6%*	*61%*	*n/a*

PROFORMA (Cumulative divestments)*

	Q3 – 2020	Q3 – 2019	Var.(%)	Sep-2020	Sep-2019	Var.(%)
Revenue	24	124 [1]	-81%	216 [2]	392 [3]	-45%
Ebitda	**-7**	**106** [1]	**n/a**	**112** [2]	**295** [3]	**-62%**
Net profit	-29	67 [1]	-143%	3 [2]	195 [3]	-98%
Ebitda Margin	*-29%*	*86%*	*n/a*	*52%*	*75%*	*n/a*

COP **136 billion**

Bond exhange to ensure attractive rates and optimize maturity curve

AA+

7-year bond rating

1. Excludes divestment in Zona Franca (COP 132 billion)
2. Excludes: sale of Odempa (Revenue COP 36 billion, Ebitda COP 13 billion and Net Profit COP 13 billion)
3. Excludes: 2019 sale of EPSA shares (Revenue COP 123 billion, Ebitda COP 64 billion and Net Profit COP 64 billion), Disinvestment in Zona Franca (COP 132 billion) and sale of shares in Omya and Carton (COP 13 billion)

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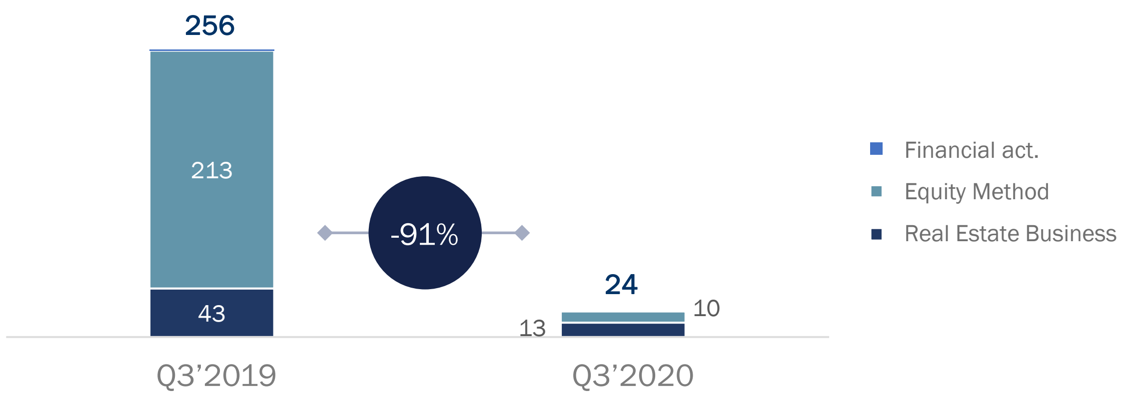
SEPARATE RESULTS GRUPO ARGOS Q3'2020

2020 cumulative expenses remain 4% below expenses as of September 2019

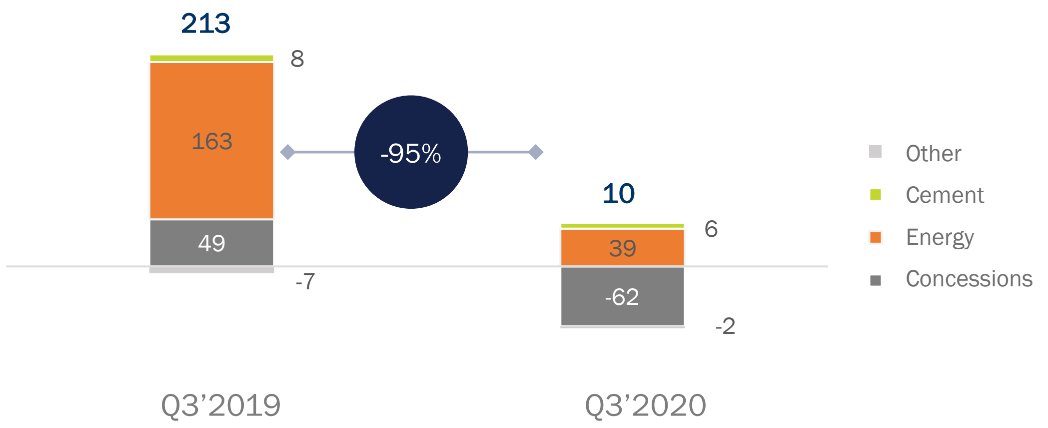
1. Revenue distribution Q3'2020

COP billions



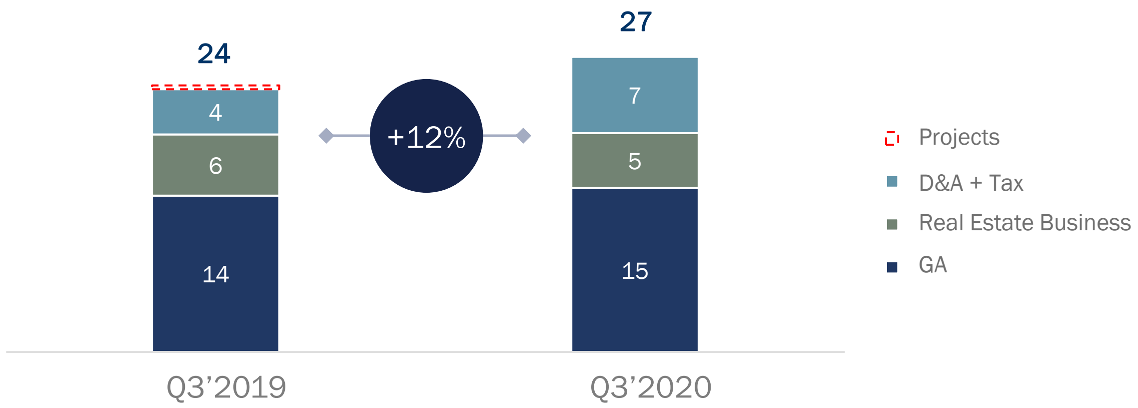
2. Equity method distribution Q3'2020

COP billions



3. Controllable expenses 3T2020

COP billions



- **Expenses increased during the period** (+12%) mainly due to D&A but the **cumulative amount for the year remains lower** than the figure for September 2019 (-4% YOY)
- **Equity Method revenue for 2019 includes the divestment in Zona Franca Celsia** for COP 132 billions
- Impact on the Equity Method contribution from the concessions business mainly from **losses at Opain due to airport closures**

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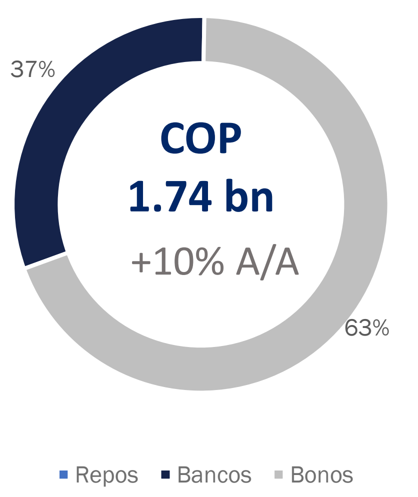
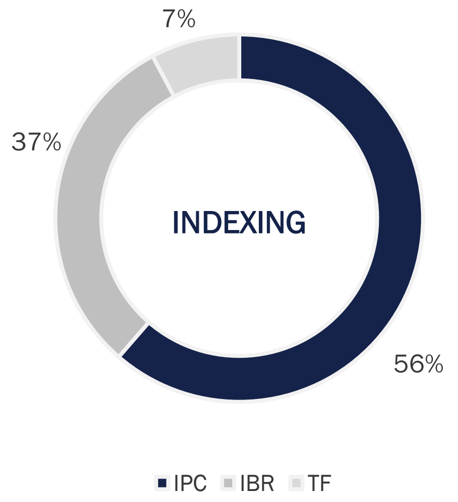
SEPARATE RESULTS GRUPO ARGOS Q3'2020

The maturity profile and favorable cost of debt ensure valuable financial flexibility

Indebtedness[1]

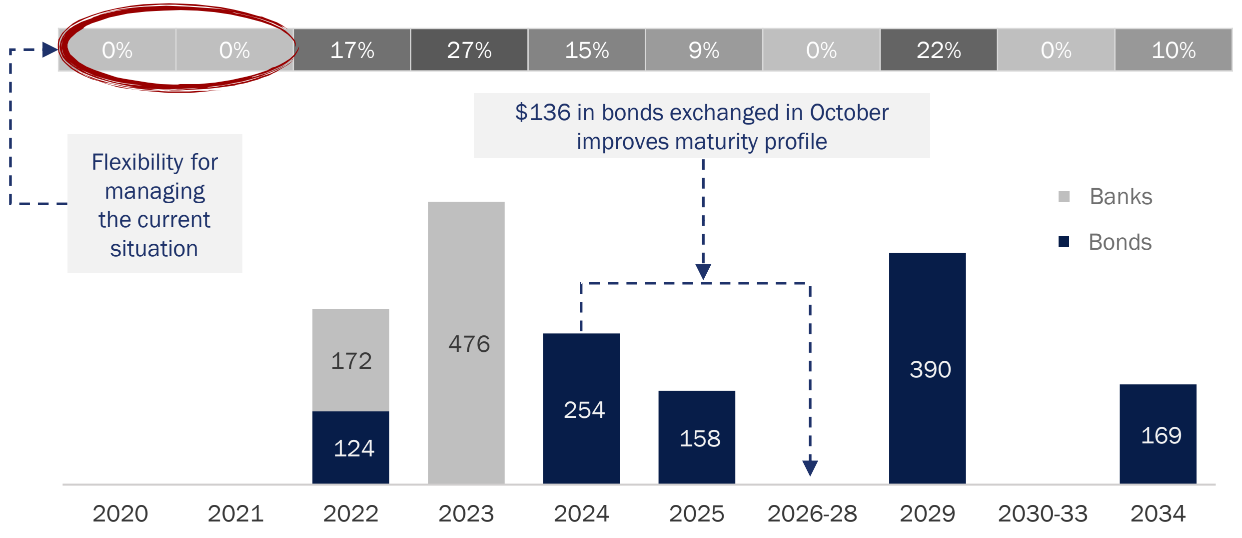
COP billion





Maturity profile (capital)

COP billions



Gross Debt / Dividends

4.5x

Vs 2.2x in September 2019

Gross Debt / Portfolio[2]

16.9%

Vs 11.5% in September 2019

Cost of Debt

5.0%

Vs 7.0% in September 2019

Increase in leveraging ratios is due to the impact of the current situation on dividend deferrals to guarantee the solvency of CemArgos and Odinsa and on the dividends we did not receive from Opain. A gradual recovery of flows will return indicators de 2019 levels

1 Only includes principal balance 2. Portfolio of listed shares at the monthly closing price + share of Pactia

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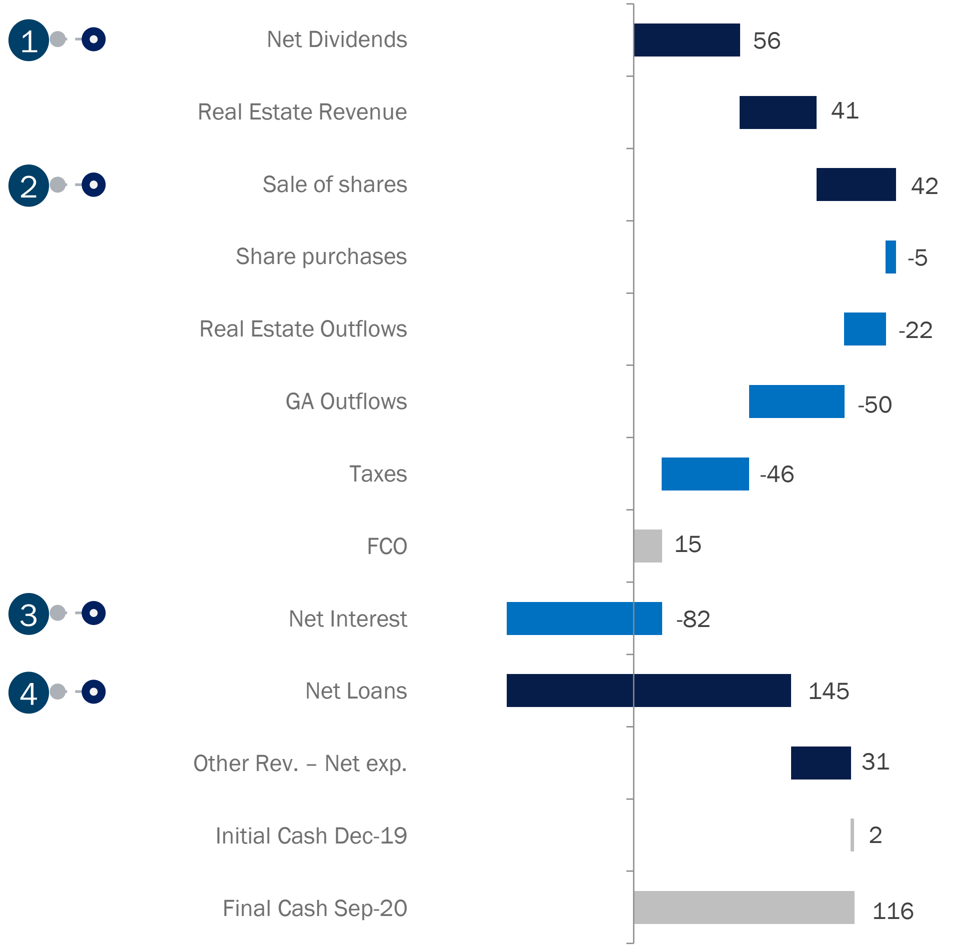
SEPARATE RESULTS GRUPO ARGOS Q3'2020

116 billion in cash as a response to the situation

Cash flow

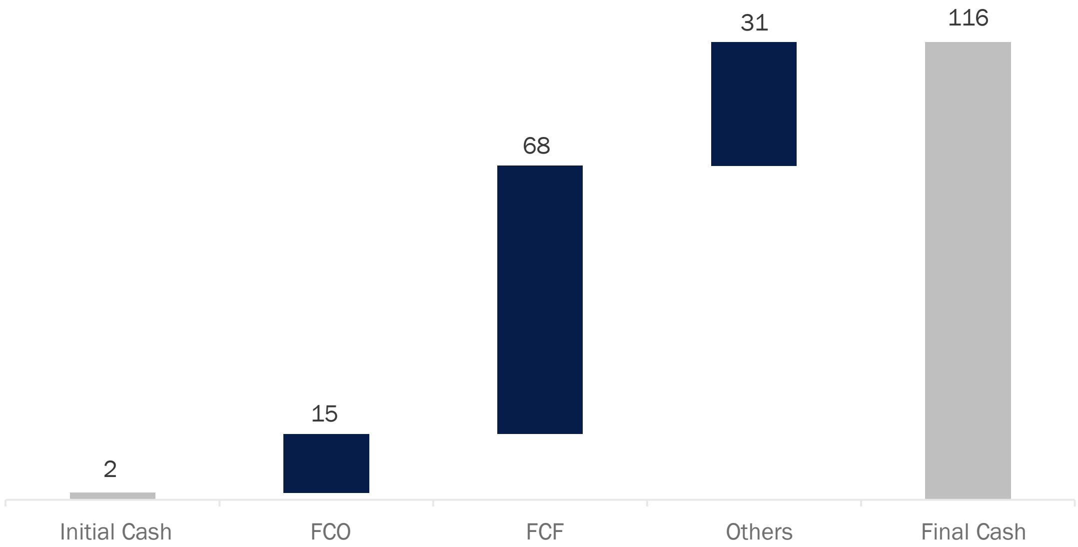
COP mn



Notes

COP mn

1. Dividends paid: **COP 235 billion**, dividends received: **COP 292 billion**
2. Sale of shares in Odempa: **COP 36 billion**
   Sale of shares in Colombates: **COP 5 billion**
3. Financial expenses: **COP 90 billion**, financial yields: **COP 8 billion**
4. Working capital loans **COP 80 billion** and financial flexibility loans **COP 75 billion**



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CEMENT BUSINESS

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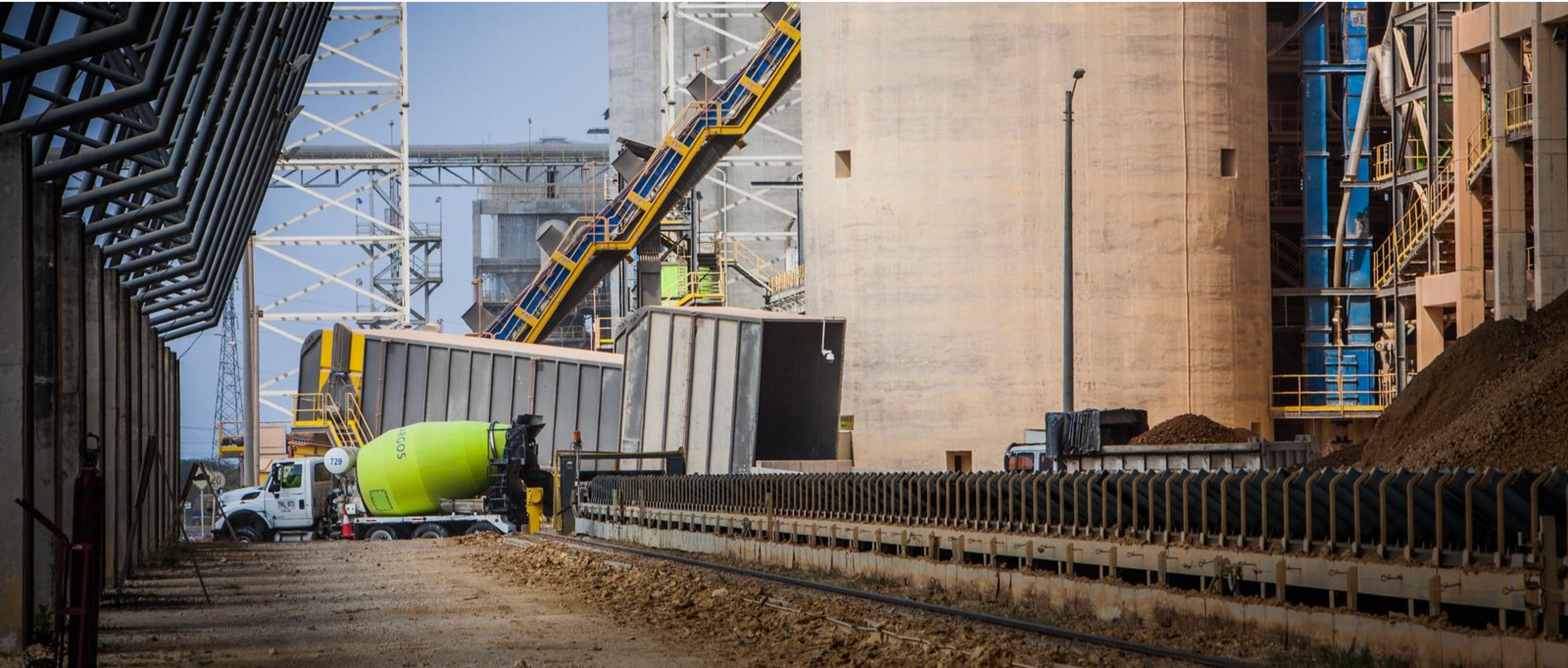


CEMENT BUSINESS Q3'2020

Progressive recovery of volumes and profitability

COP 960 bn in cash at the end of the quarter

- COP 472 bn in free cash flow generated during the quarter confirms the operation's strength, cost and expense efficiency, and WK optimization
- Solid cash position after paying dividends and paying off debt during the quarter

September confirms a trend toward recovery with a consolidated volume of 1.3 mn tons of cement, equal to 2019

- Better self-built dynamics at CC supports demand growth (+22% sep '20 vs sep '19)
- +43% growth of VIS (social) housing and +16% growth of non-VIS housing in Colombia

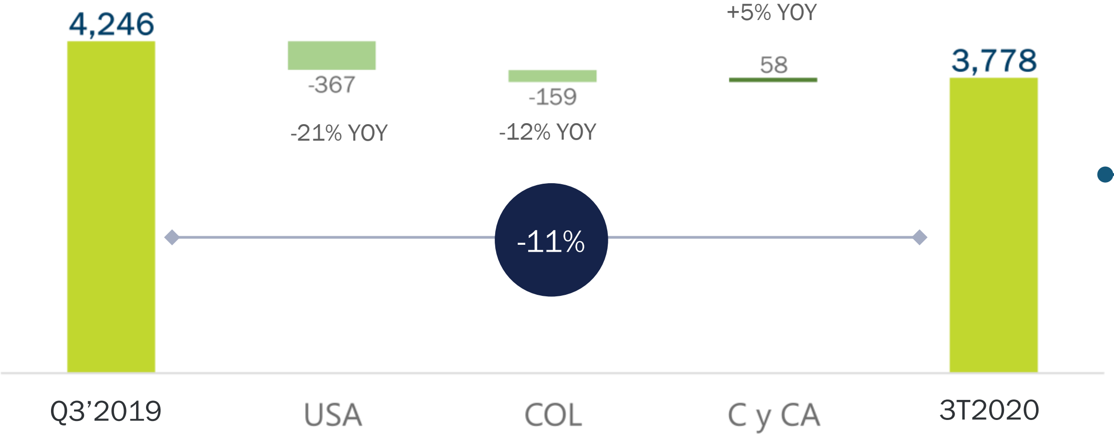
Covenant renegotiated out to 2021

- Net debt/EBITDA at 4.1x as of Sep-20, surpassing initial expectation and below the 6x waiver

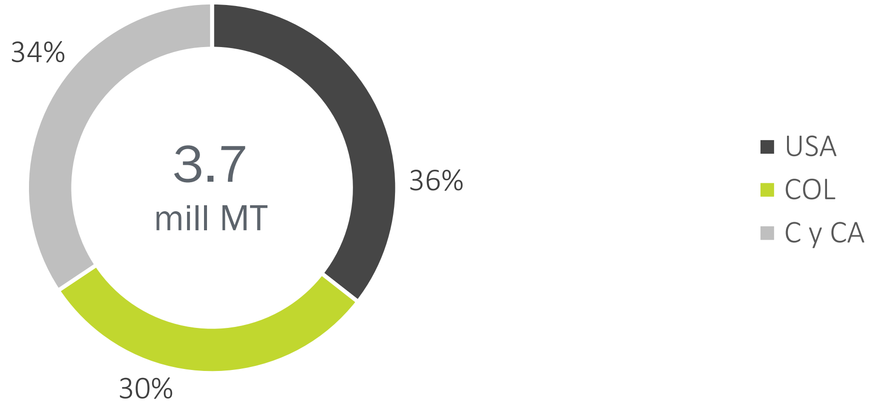
CEMENT BUSINESS Q3'2020

Cement volumes in september were +1.3 mn ton achieving the figure for the same month in 2019

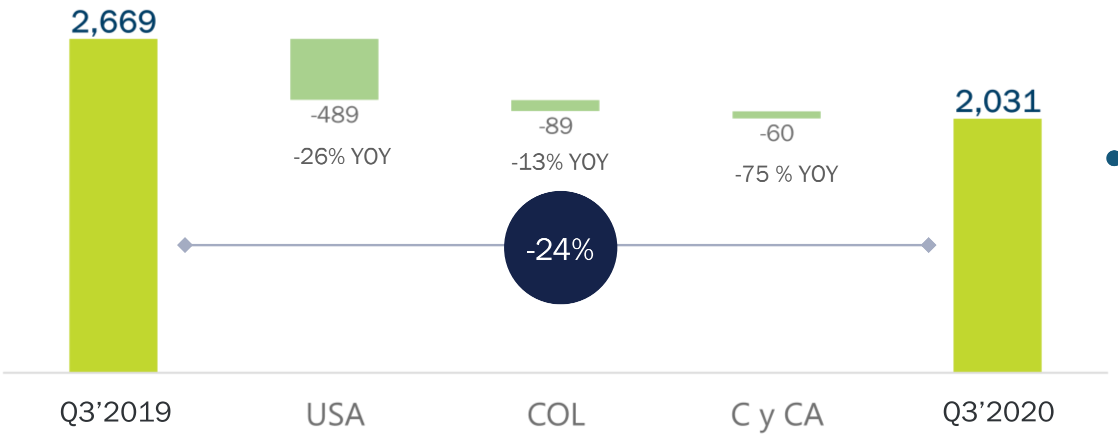
Cement volumes* *Thousands of tons*



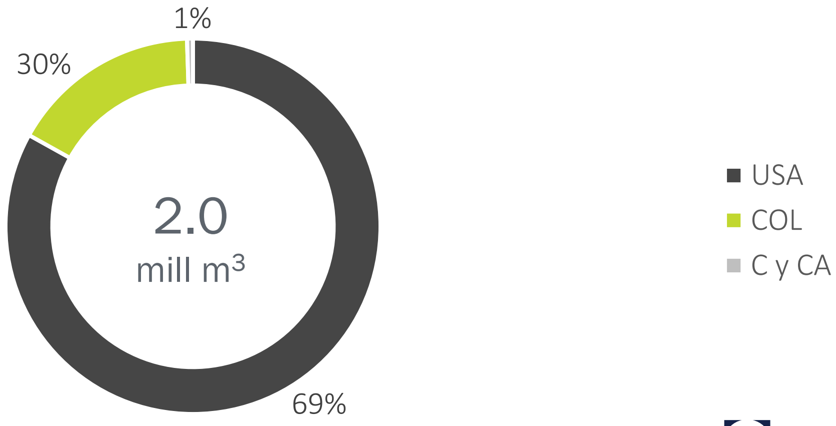
Cement sales



Concrete volumes* *Thousands of m^3*



Concrete sales



*Excludes divestiture of RMC plants in 2019 for comparable results

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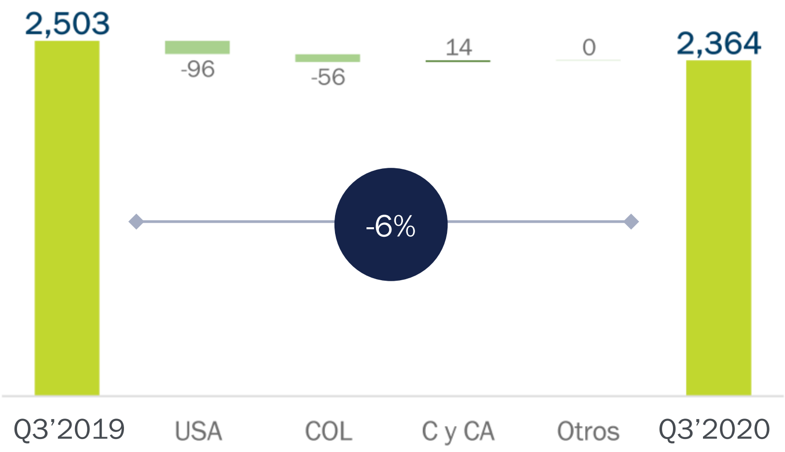
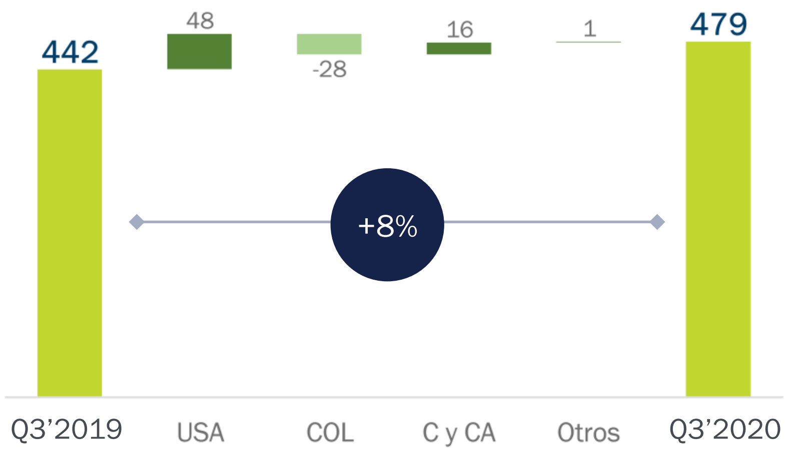
CEMENT BUSINES Q3'2020

Cash position and free cash flow generation reflect a well executed strategy

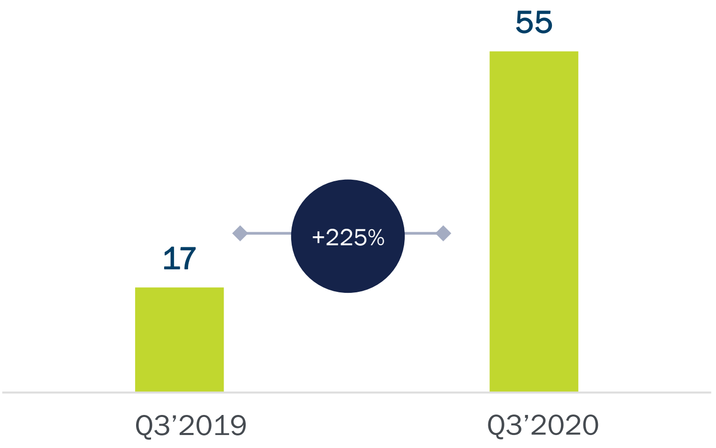
Revenue *COP billions*



Ebitda *COP billions*



Net controller profit *COP billions*



- We continue along the path of gradual recovery with revenue growth of 11% compared to the previous quarter leveraged by volume recovery since the start of the pandemic.
- An important recovery in profitability is evinced by a 262 basic point improvement in the EBITDA margin compared to the same period of the previous year, allowing us to generate greater EBITDA in a challenging environment
- We highlight the month of September, which had consolidated volumes that were equal to those recorded for September 2019 and an EBITDA that grew 15% versus the same month of the previous year, ratifying a trend towards recovery in our geographies
- Operational management and financial discipline allowed multiplying the net profit of the controlling entity by +3.2

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ENERGY BUSINESS

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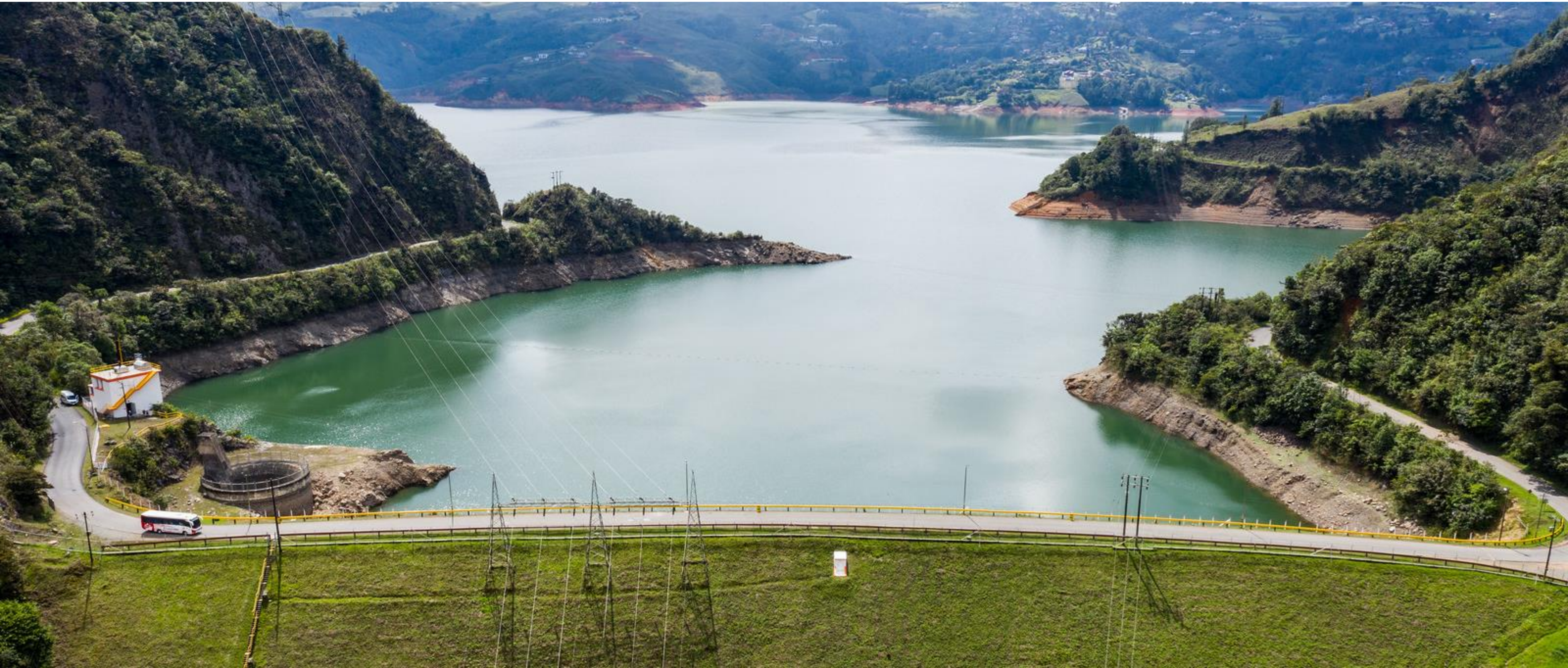


ENERGY BUSINESS Q3'2020

Selected investments and commissioning of renewable energy generation plants

We inaugurated PCH Celsia San Andrés de Cuerquia

- 20 MW of installed capacity equivalent to the consumption of 25,000 homes

The company's solar generation increased by 72%

- Commissioning of the Celsia Solar Espinal solar farm in Tolima
- 9.4 MW with which 163,000 tons of CO2 will not be emitted over 25 years

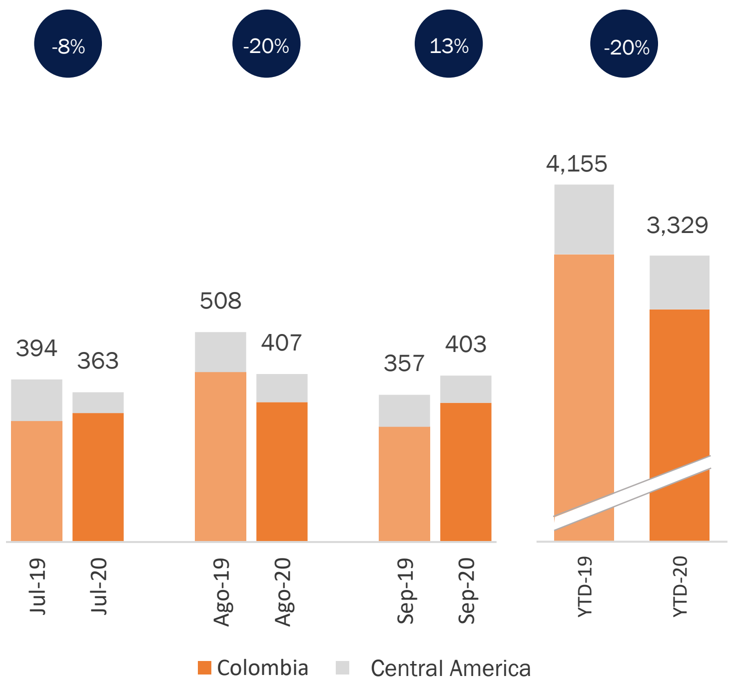
$254 billion invested in the energy distribution businessmil millones invertidos en el negocio de distribución de energía

- COP 140 billion in distribution continuity and COP 114 billion in expansion.
- Availability of distribution assets maintained at 99% both in Valle and in Tolima

ENERGY BUSINESS Q3’2020

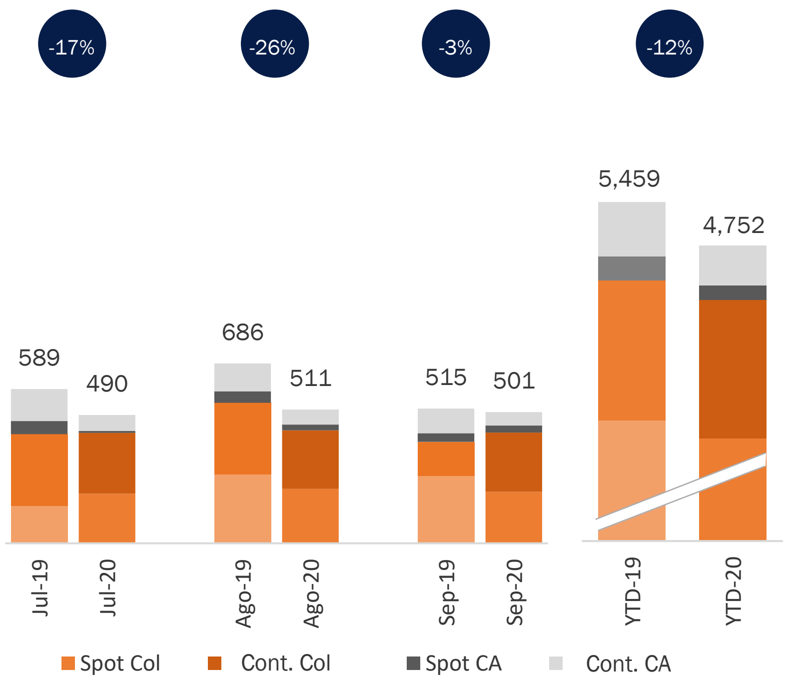
Energy demand gradually recovers in Colombia with growth in September vs. 2019

Generation (GWh)



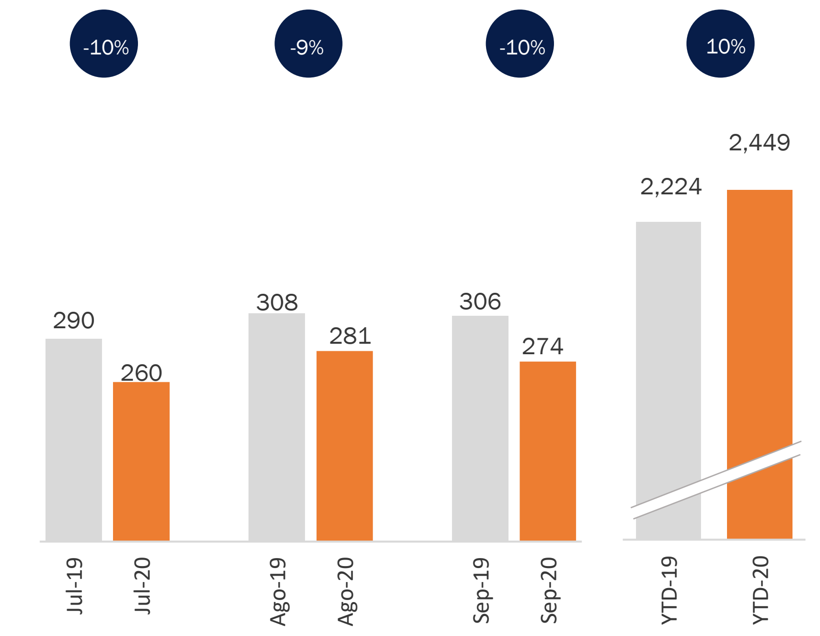
- Lower generation from **hydro in S1’20 and ZFC base effect** (excluding ZFC, generation drops 5%
- Central America with lower thermal generation from BLM due to **contract expiration and increased hydro**

Energy Sales (GWh)



- **Lower generation impacts sales** on the Colombian (-15% YOY) and Central American (-40% YOY) markets
- The energy market price closed at 153 COP/kWh in September, below contract prices

Retail Sales (GWh)



- **Retail sales grow** due to consolidation of the **Tolima** operations, a factor that has dynamized growth in this item (+29% YOY)

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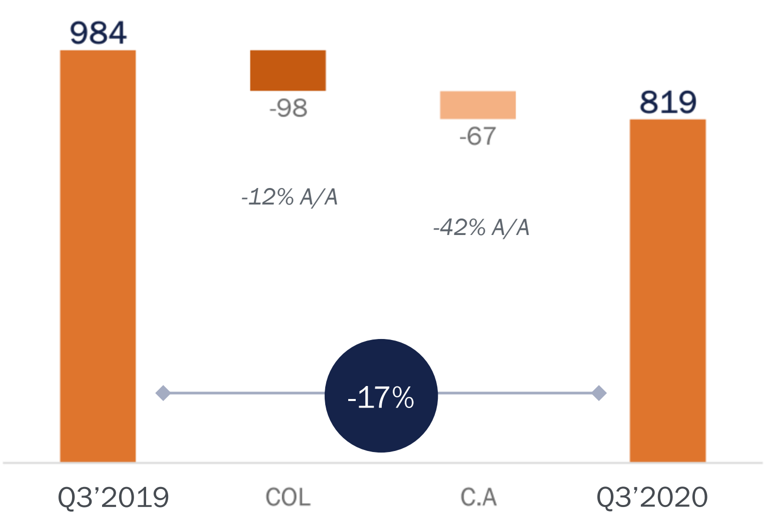
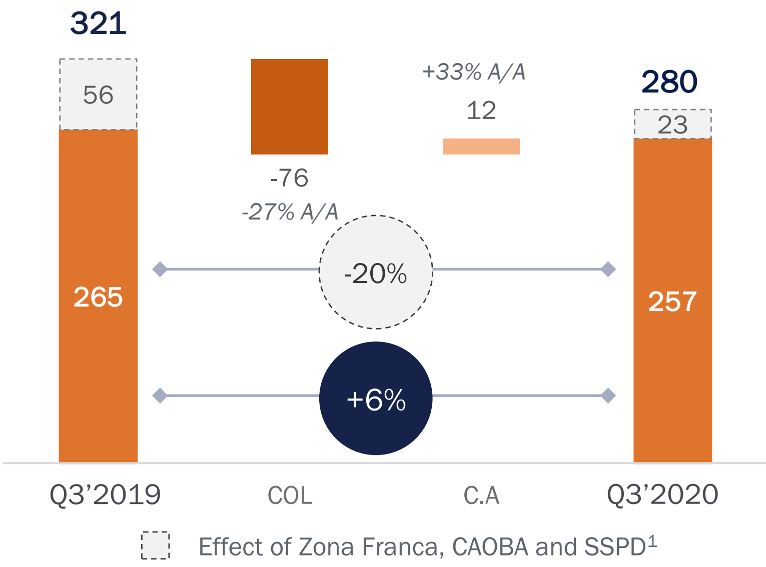
ENERGY BUSINESS Q3'2020

Comparable EBITDA improves 6% year on year and confirms business resilience

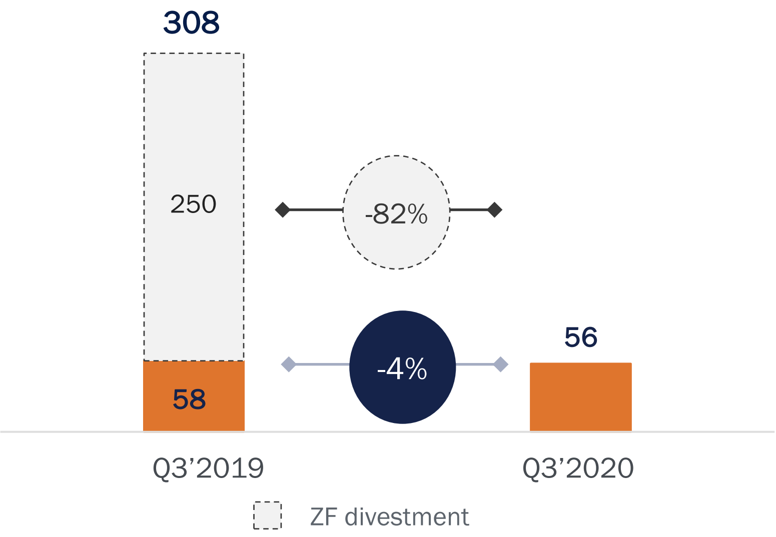
Revenue *COP billions*



Ebitda *COP billions*



Net controller profit *COP billion*



- Less energy generation and sale of Zona Franca reflected in decreased revenues for the quarter (-17% YOY)
- Comparable EBITDA increased 6% during the period, excluding the effect of
  - The sale of Zona Franca (COP 23 billion)
  - The non-consolidation of CAOBA (COP 33 billion)
  - Contribution required by the SSPD[1] for the Corporate Fund (COP 23 billion)
- Conversion factor from UN to UNC reaches 81% in the quarter, confirming the effectiveness of the strategy implemented in recent years

1. Contribution to the Superintendent of Residential Utilities under which an additional contribution must be made to the Corporate Fund.

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CONCESSIONS BUSINESS

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CONCESSIONS BUSINESS Q3'2020

Accelerated recovery of highways and action plan to mitigate impact from airports

Opain restarts operations in September

- The airport ends the month of September with 293 thousand PAX while in August it reached 14 thousand PAX

Vehicle traffic in September reaches 91% of the figure recorded for September 2019

- Important recovery of highway concessions despite the negative impact of vehicular traffic to the airport along the Túnel de Oriente
- Recovery is ongoing in October, and Odinsa vehicular traffic increased 15% compared to September

93% progress with work on Pacifico 2

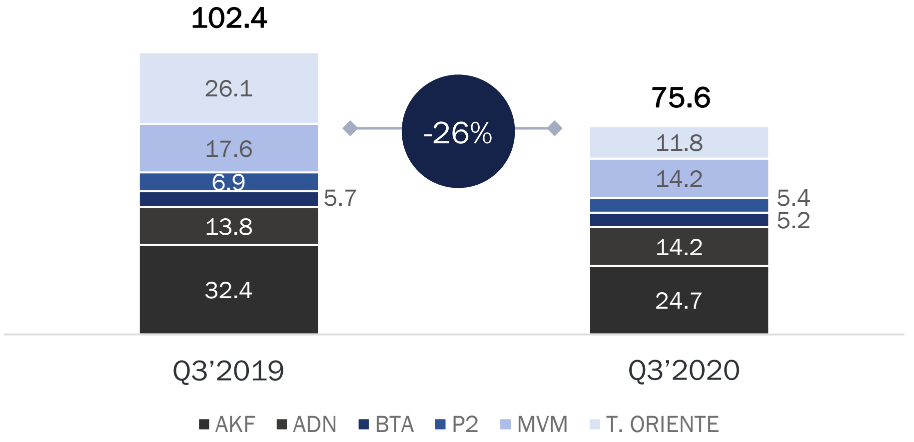
- Construction of the bridge over the Cauca River has ended. This is a 490-meter-long construction and marks a key milestone for project completion.

CONCESSIONS BUSINESS Q3'2020

Gradual traffic recovery closes out September at 91% and improvement continues in October

Daily vehicle average

Thousands of vehicles



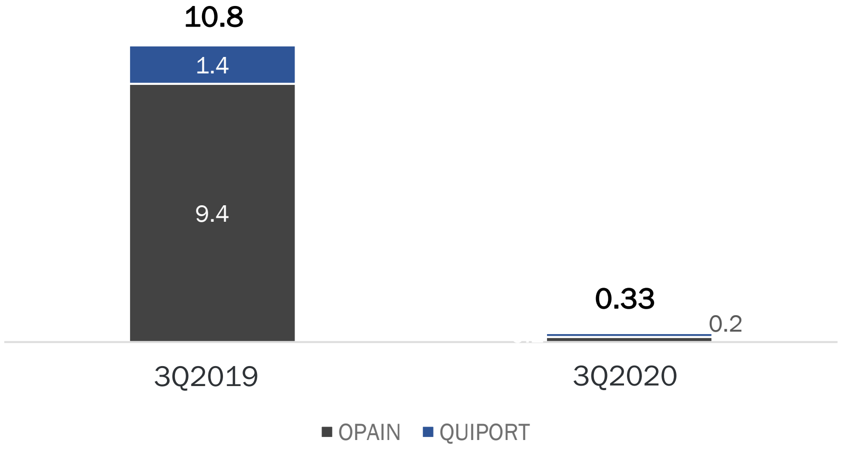
Notes on Highways

Positive path for **vehicular traffic recovery** with considerable improvement **in September (91% of total traffic vs Sep '19)**

- **AKF**: traffic at 97% in September (vs. Sep '19)
- **Pacifico II:** traffic at 105% in September (vs. Sep '19)
- **Túnel Oriente:** greater impact for loss of traffic to airport, traffic at 62% in September (vs. Sep '19)
- **ADN + BTA:** traffic at 117% in September (vs. Sep '19)
- **MVM:** traffic at 96% in September (vs. Sep '19)

Airport traffic

Millions of passengers (PAX)



Notes on airports

Strong impact of COVID-19 together with restrictions on the air sector

- **El Dorado Airport:** Progressive traffic recovery, ending September with 293 thousand PAX while in August it reached 14 thousand PAX
- **Quito Airport**: Low operations at other airports and the 14-day mandatory preventive isolation restriction that travelers entering the country must comply with are still a barrier to increased recovery.

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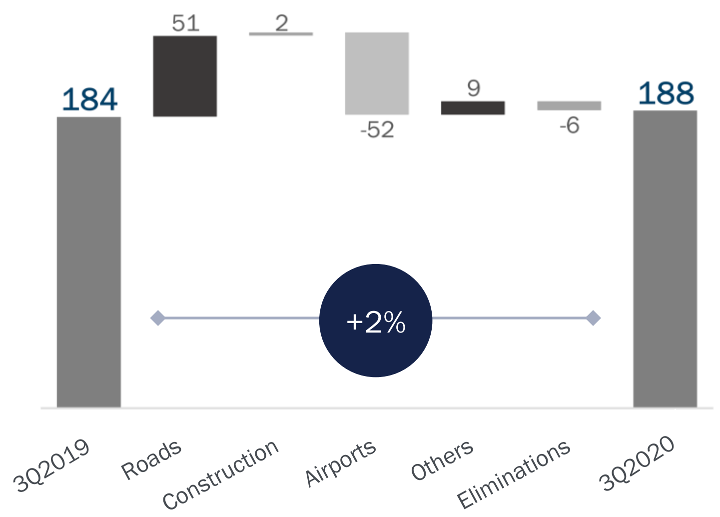
CONCESSIONS BUSINESS Q3'2020

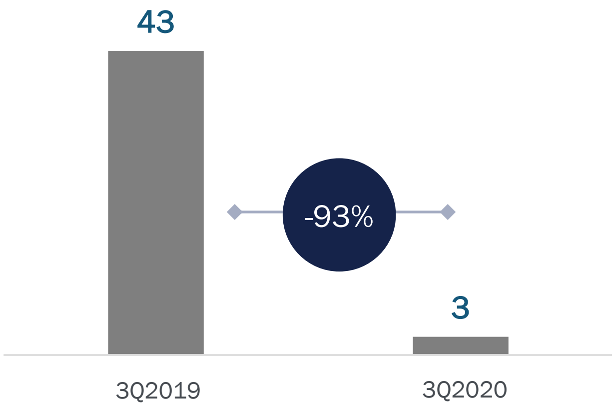
Significant growth in highways despite the negative impact of the airport business

Revenue *COP billions*



Ebitda *COP billions*

Net controller profit *COP billions*



- Resilience of highways under adverse situations evinced by a 38% YOY growth in impact that partially mitigated the impact from the Equity Method in airports
- In the construction segment, we highlight the progress made with the Pacífico 2 work which was reactivated after the pause caused by Covid-19
- A 46% (YOY) increase in highway EBITDA is highlighted thanks to operating efficiencies and the consolidation of Túnel de Oriente with a contribution of +COP 7.7 billion
- Impact on the net controller profit generated mainly by Opain and Quiport associated with a negative Equity Method during the quarter due to the impact from the pandemic

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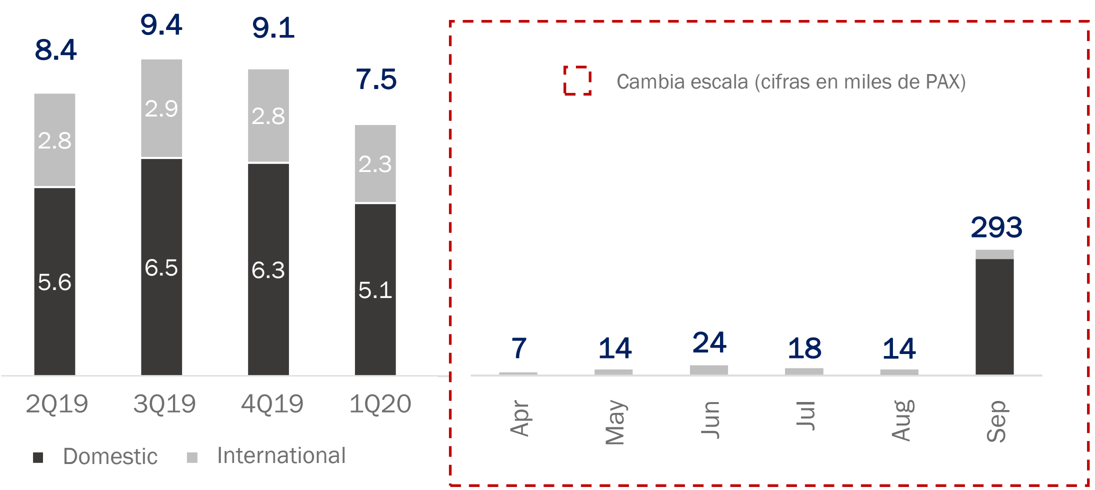
CONCESSIONS BUSINESS - OPAIN Q3'2020

El Dorado Airport saw reactivation in September and traffic has been growing slowly

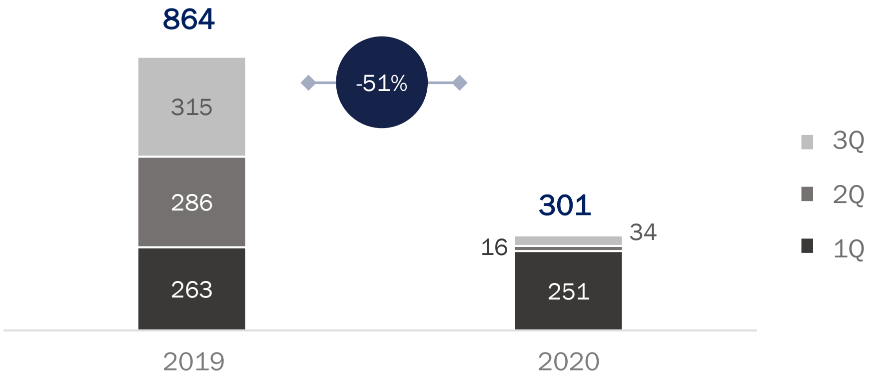
Passengers

Millions of Passengers (PAX)



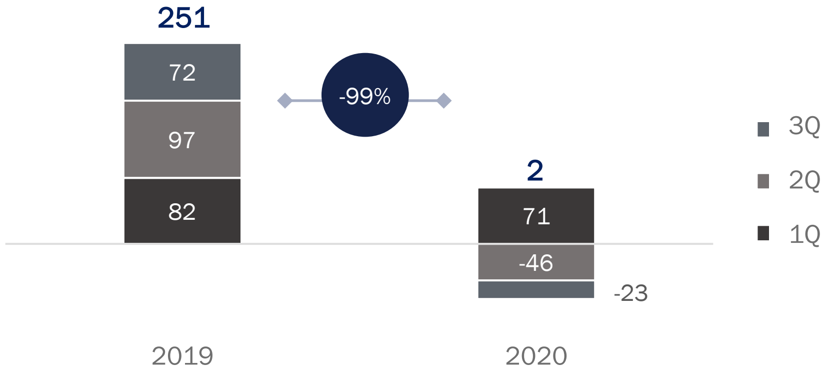
Revenue

COP billions



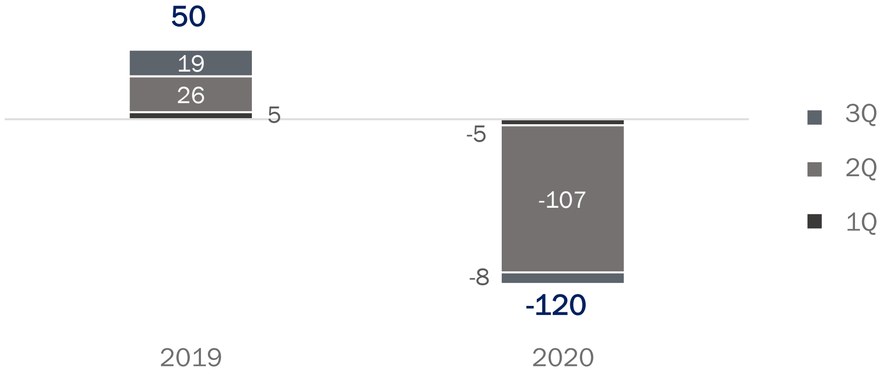
Ebitda

COP billions



Net profit

COP billions



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REAL ESTATE BUSINESS

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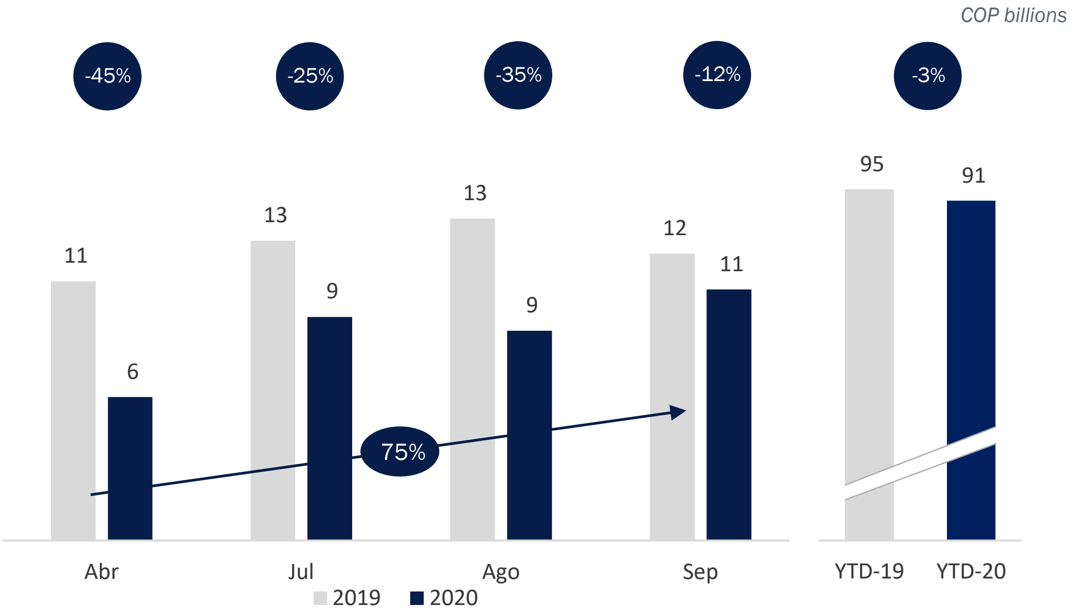
REAL ESTATE BUSINESS Q3'2020

Real estate business with an upward trend in EBITDA and progress with the divestment plan

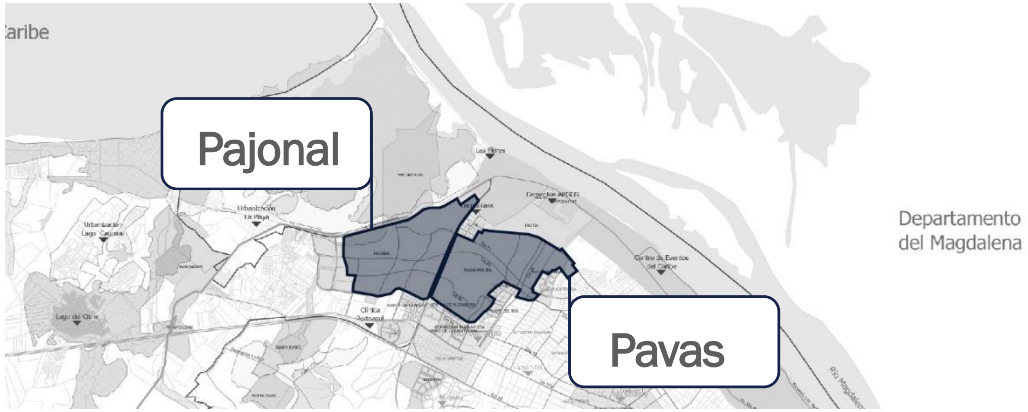
Pactia – EBITDA Evolution



- Resilience in accumulated results despite COVID19: Revenue -6% and EBITDA -3%
- Strategic flexibility to transform and adapt the portfolio to the changes in the environment
- Portfolio occupancy, excluding hotels, reached 86% during the third quarter, 92 basis points below its pre-Covid level at the end of the fourth quarter of 2019.

Real Estate Business (cumulative 2020)

- Clauses of contracts signed in previous periods are activated that increase P & G's income for the quarter.
- P&G 2020 revenue includes valuations that recognize progress in negotiations after signing purchase agreements
- The accumulated cash flow income shows a decrease of 20,000 million compared to the previous year, however, we have been able to offset this effect by postponing urban development investments for the next year of COP 33,000 million



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REAL ESTATE BUSINESS Q3’2020

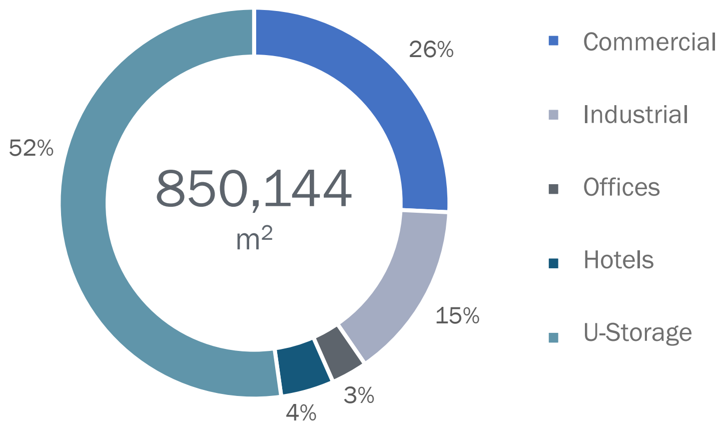
Strategic flexibility for portfolio transformation and adaptation to contextual changes

Revenue & NOI *COP billions*

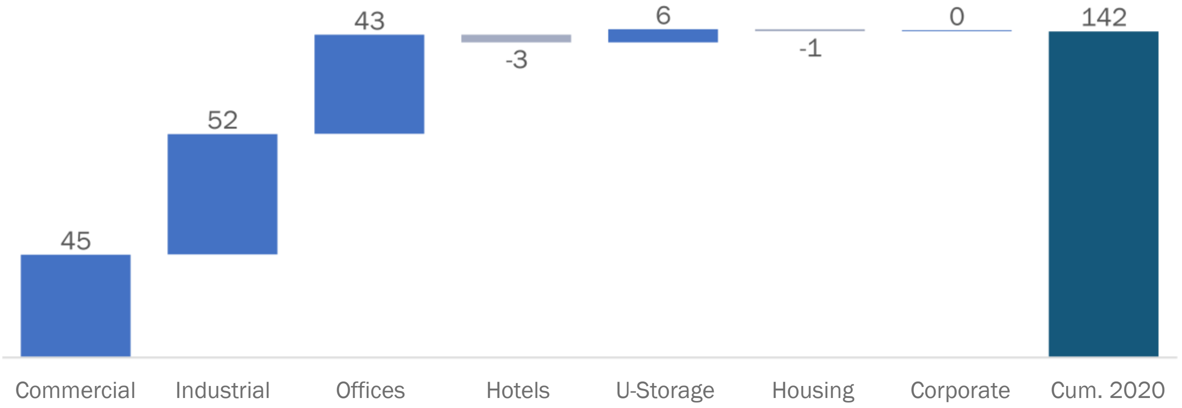
RELEVANT FIGURES

COP billions	Q3’2020	Q3’2019	Var A/A	Cum. 2020	Cum. 2019	Var YOY
Real Gross Revenue	66	80	-18%	208	222	-6%
Operating Costs	-19	-26	-28%	-66	-81	-19%
Net Operating Revenue	47	54	-14%	142	141	1%
Consolidated EBITDA	29	38	-24%	91	95	-3%
Ebitda Margin	44%	47%	-304 pb	44%	43%	143 pb

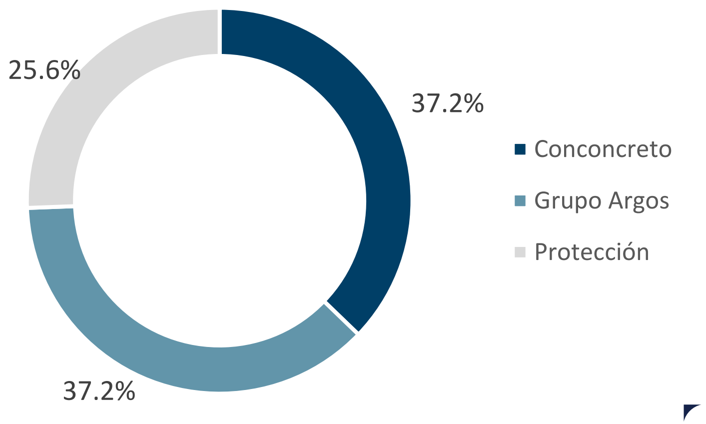
GLA *m²*



NOI (Cum. 2020)



Share %



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SUSTAINABILITY

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SUSTAINABILITY

COSO-WBCSD guide implementation results and work plan with affiliates

Holding company strategic risks:

Business risk profile		Financial risk profile	ESG risk profile *(Environmental, Social & Governance)*		
R1 Compliance with business plans	**R2** Economic, political and regulatory environment	**R3** Financial flexibility and capital assignment	**R4** Reputation	**R5** Human talent	**R6** Climate change

14 Risks identified and added to our risk matrix

7	4	3
Government Risks	Environmental Risks	Social Risks

The risks associated with climate change were elevated to strategic risks, which complements the risk profile with ESG criteria

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CEO
Jorge Mario Velásquez

CFO
Alejandro Piedrahita

IR Manager
Natalia Agudelo
Tel: (57) 312 796 4775
E-mail: nagudelop@grupoargos.com

IR Director
Juan Esteban Mejía
Tel: (57) 311 302 8427
E-mail: jemejia@grupoargos.com

www.grupoargos.com

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