

Strategic Evolution Grupo Argos

January 2022



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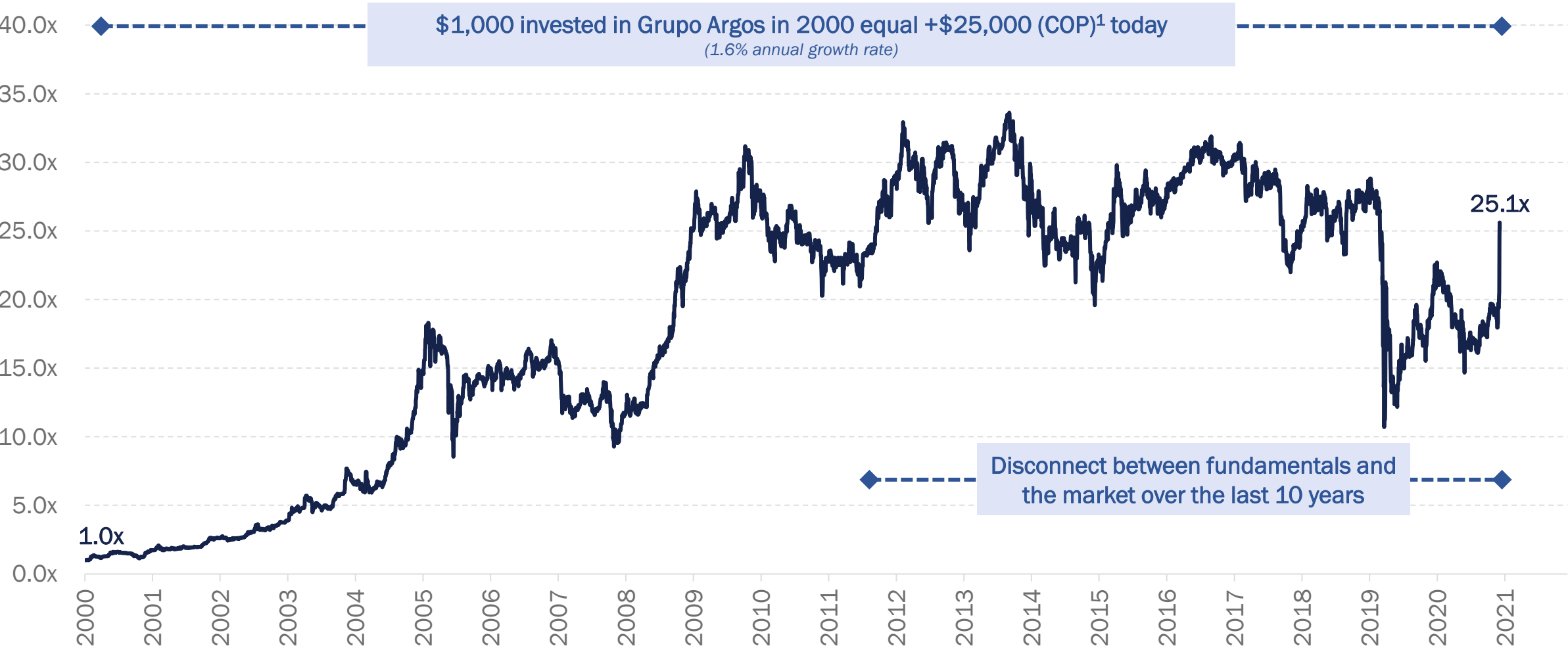
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 - II. Infrastructure asset consolidation under a vehicle and NYSE listing
 - III. Strategic partner involvement
 - IV. Dividend policy review
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 - II. Grupo Sura



1. Disconnect between fundamental value and share price

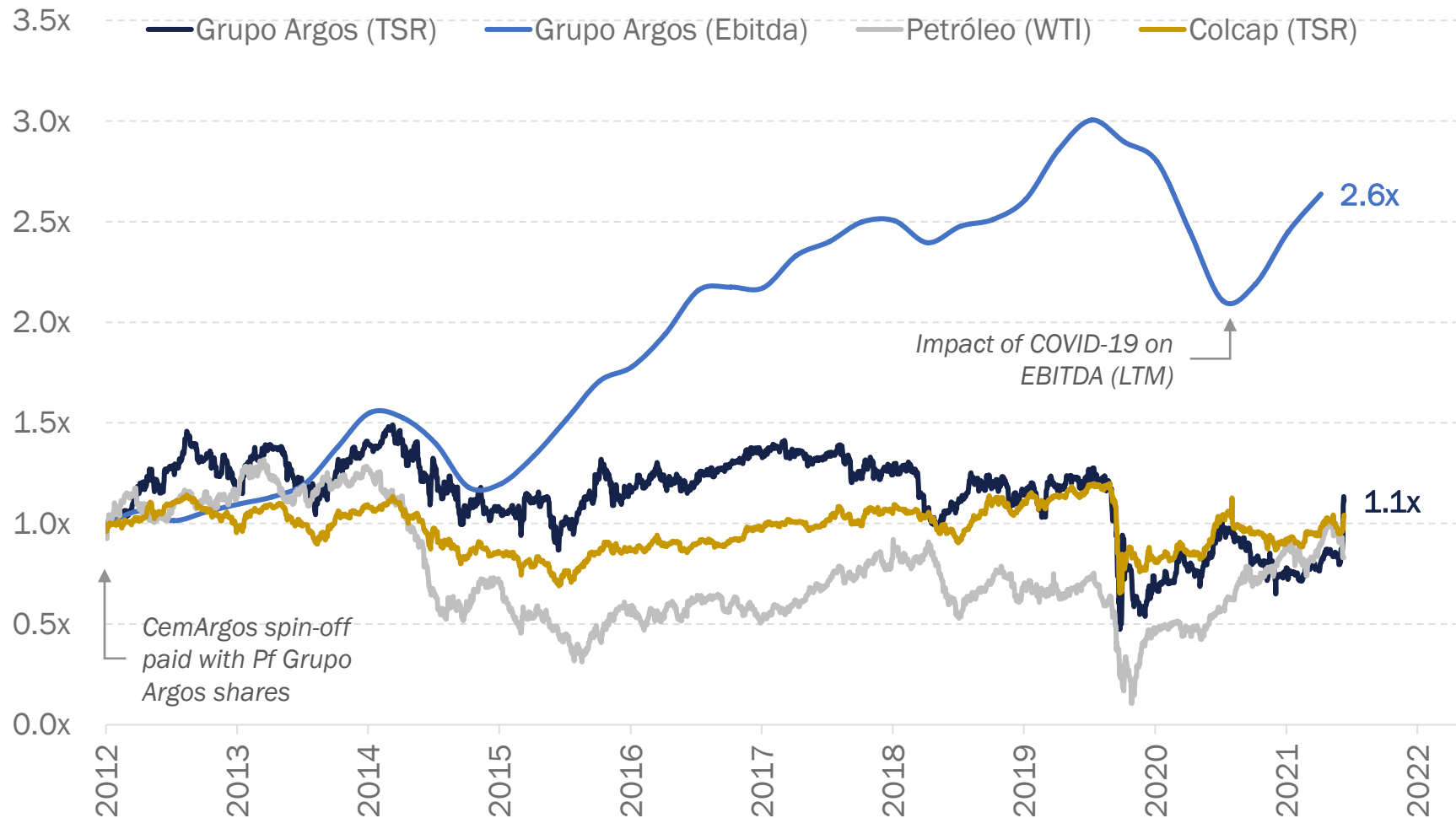
Disconnect between fundamentals and shareholder value

Total Shareholder Returns (TSR¹) – since 2000



1. TSR: Total shareholder return assuming dividends are reinvested in shares upon payment (date: 3/12/2021).

Total Shareholder Returns (TSR¹) – from 2012 share issue vs. fundamentals



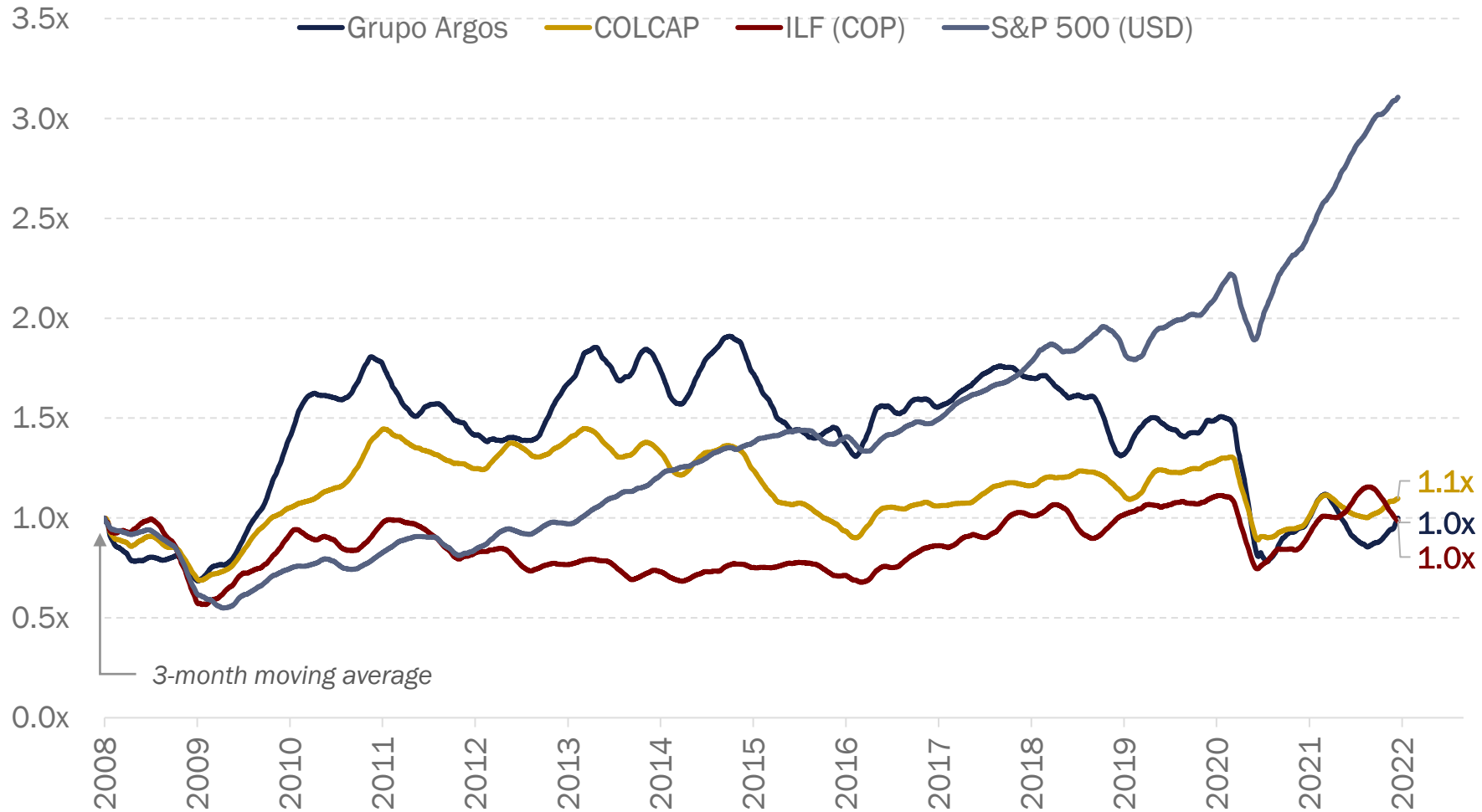
- Over the last decade, the performance of **Grupo Argos' share price** has not reflected the company's good operational performance (EBITDA 2.6x vs TSR 1.1x)
- The company's stock has been more influenced by the overall performance of the Colombian economy (e.g. Colcap index) which is affected in turn by exogenous variables including oil prices.

Correlations (2012 - 2021)

- Grupo Argos TSR vs Colcap = 0.5
- Grupo Argos TSR vs Oil = 0.4
- Grupo Argos TSR vs EBITDA = (0.3)

1. TSR: Total shareholder return assuming dividends are reinvested in shares upon payment (date: 3/12/2021).

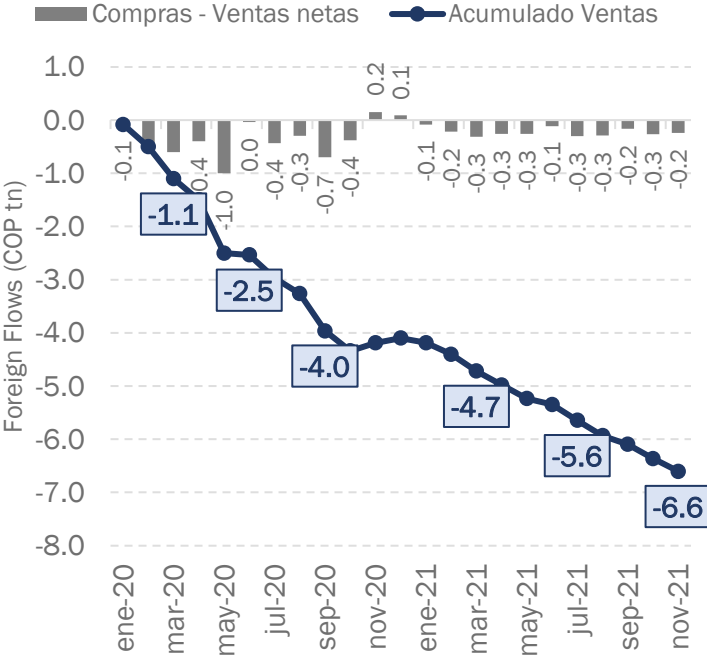
Over the last 10 years, commodity cycles have affected the Latin American market overall



- The ILF (*iShares Latin America 40*) is an ETF that includes the most important companies in the region. This is one of the most liquid ETFs with LatAm exposure
- Similarly to Grupo Argos, Grupo Sura, and Grupo Nutresa share prices and the COLCAP index, the most important Latin American companies have been impacted by both the regional economic cycle and the commodity cycle.
- Analysts project an extended favorable commodity cycle is expected over coming years

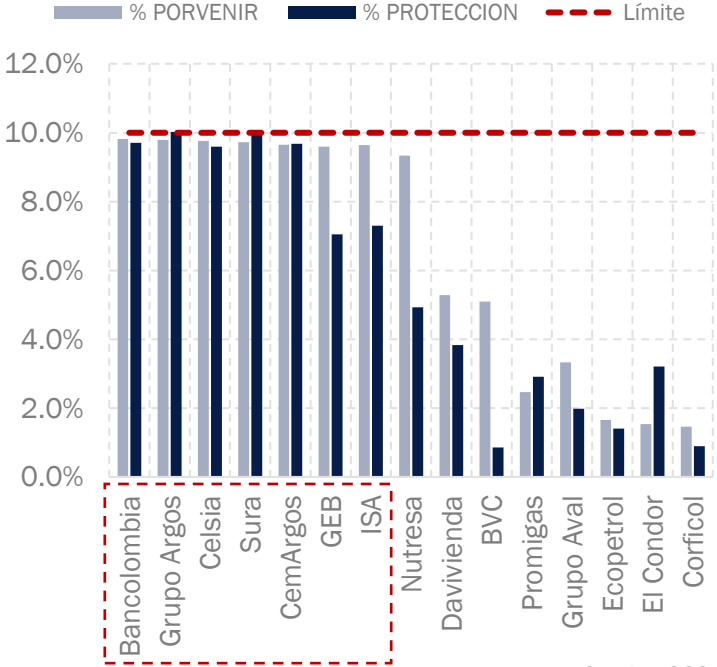
Challenges of the Colombian Equity Market

International Investor Flows



International investors have been net sellers in recent years. They have sold COP 6.6 billion between the start of 2020 and November 2021

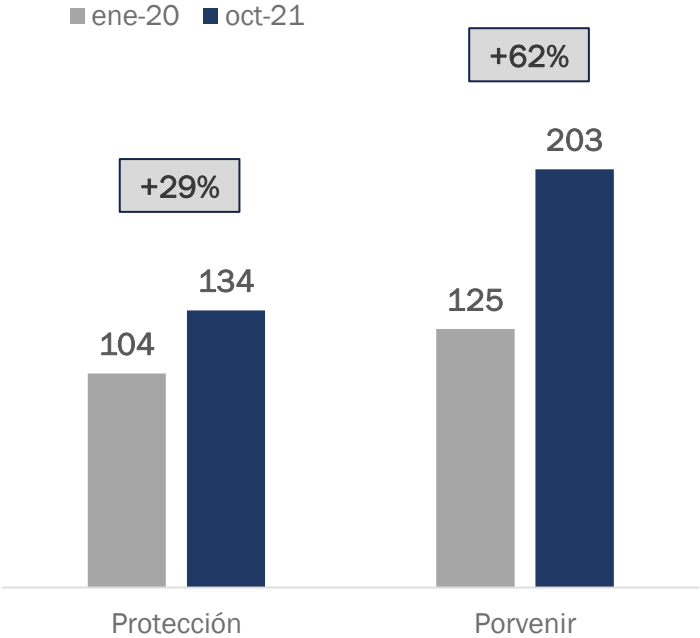
% of Pension Funds



October 2021

7 issuers have limited funds. These 7 issuers represent 34% of the Colcap *mkt cap* and 52% if Ecopetrol is excluded

Pension Funds in COLCAP



Due to these limits, funds have had to make more passive investments which restricts their targeted investment strategies.

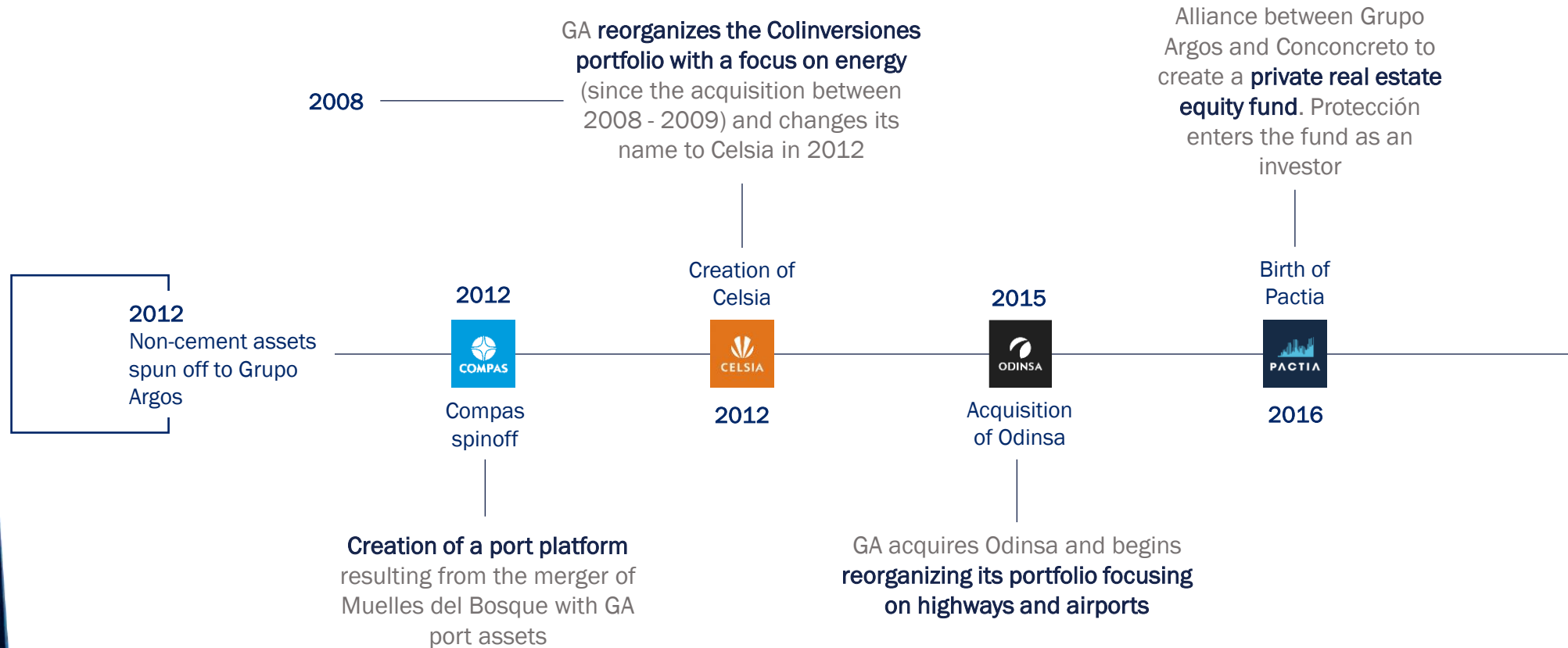


2. Transformation into an asset manager

- I. Historical review of Grupo Argos's transformation into an asset manager
- II. Elements of its asset management strategy

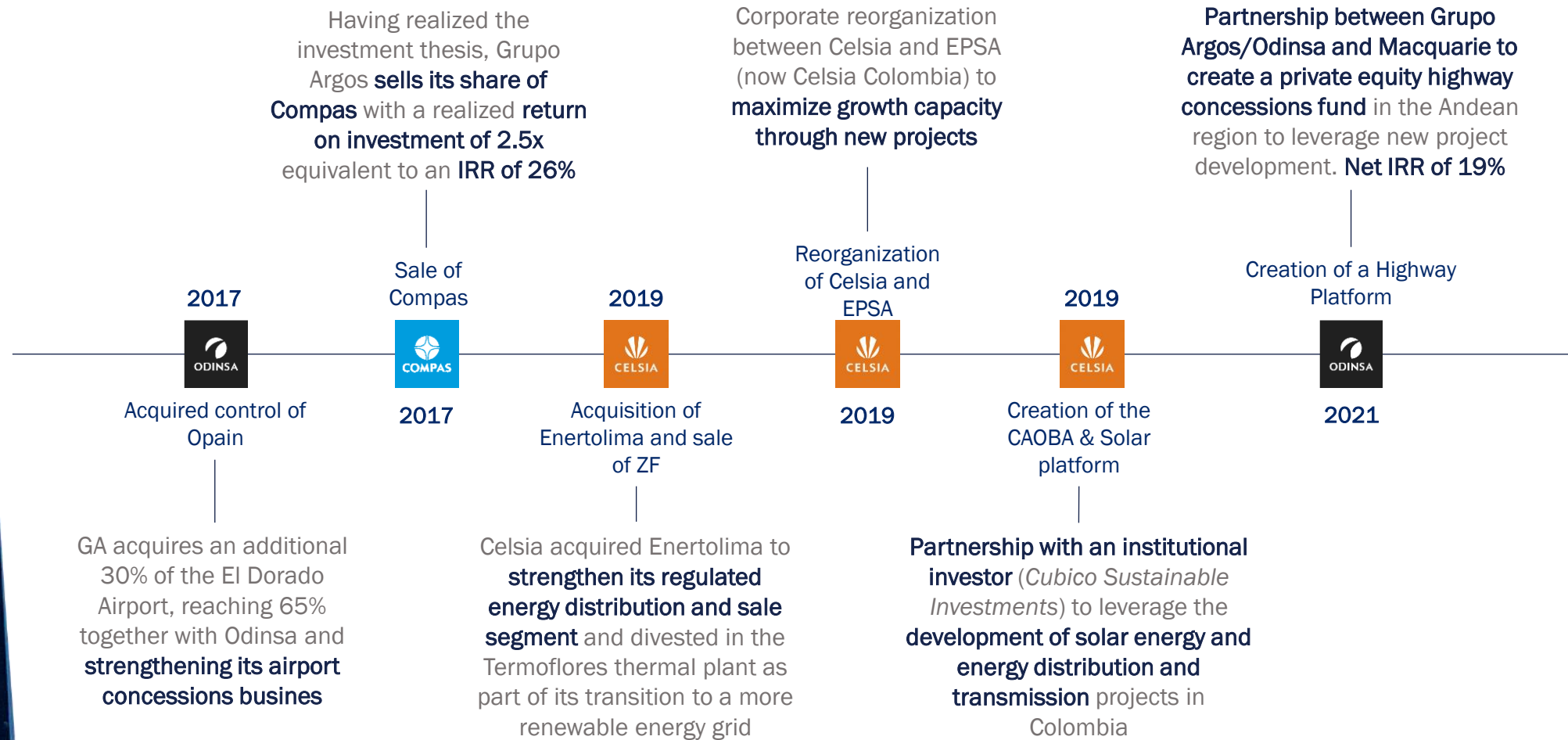
Transformation into an asset manager

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









Transformation into an asset manager

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



Grupo Argos consolidation as an infrastructure asset manager

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

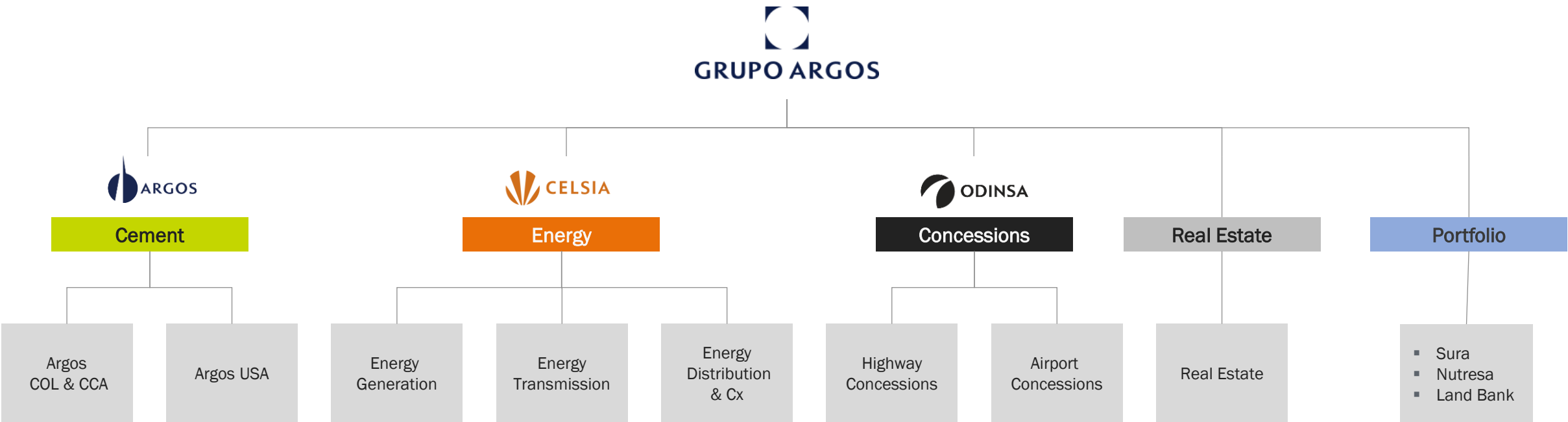
Grupo Argos has maintained its strategic focus allowing it to become one of the most important alternative asset managers in the region. In recent years it has acquired a considerable set of assets that it has reorganized and structured to involve partners that will leverage profitable growth towards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



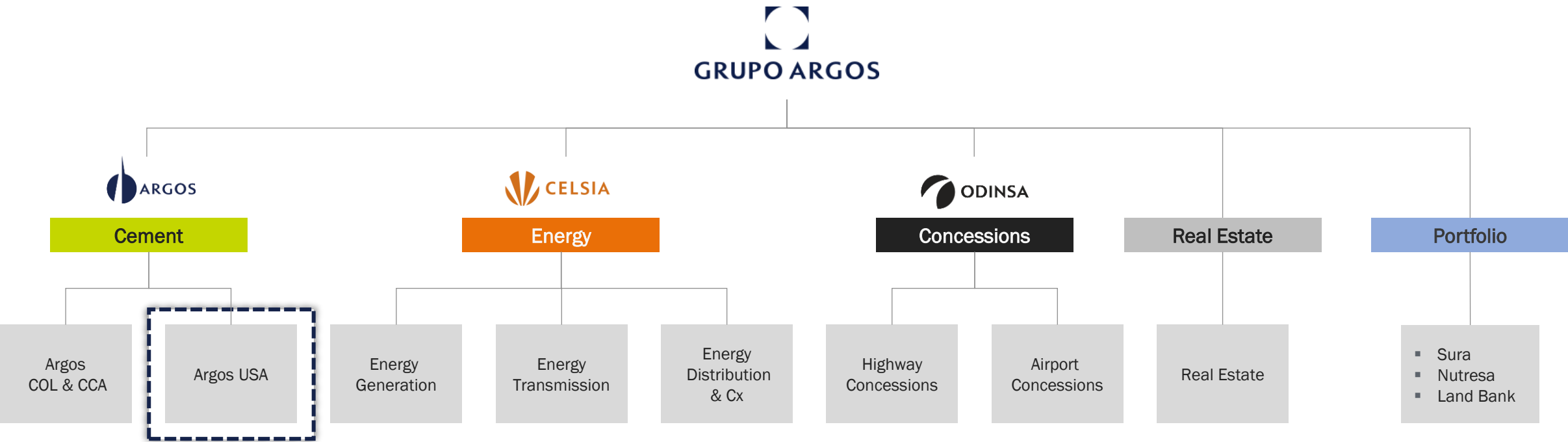
3. Strategic roadmap

- I. Listing Argos USA on NYSE
- II. Infrastructure asset consolidation under a vehicle and NYSE listing
- III. Strategic partner involvement
- IV. Dividend policy review
- V. Promote value generation initiatives for portfolio assets
 - i. Grupo Nutresa Strategy
 - ii. Grupo Sura Strategy

Grupo Argos's Current Situation



1. Listing Argos USA on the New York Stock Exchange (NYSE)



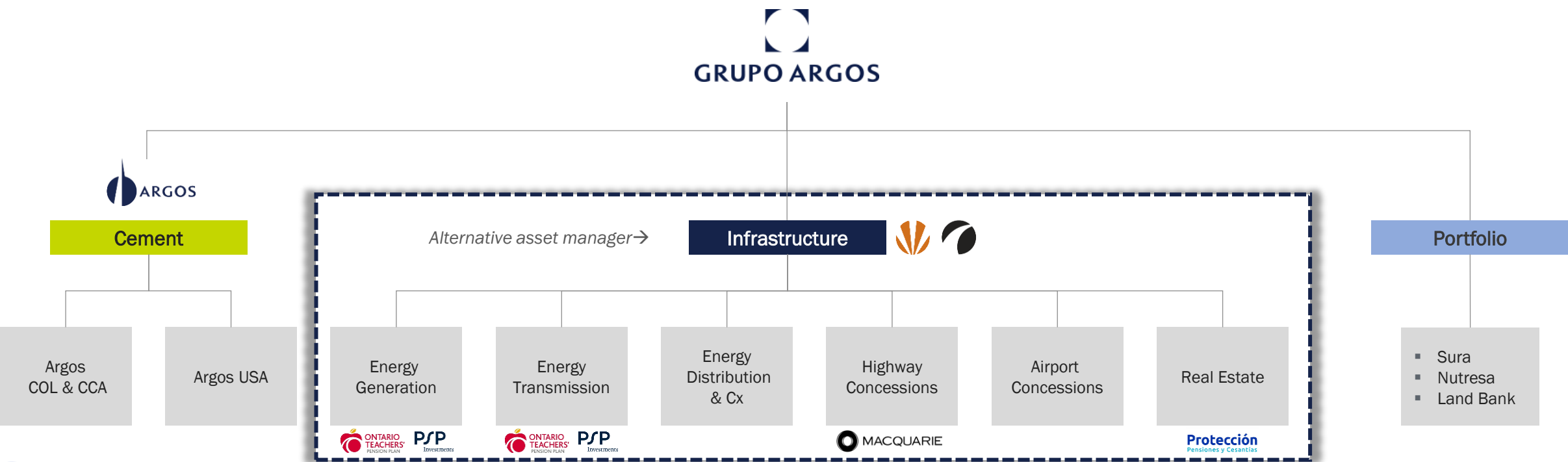
1 Highlights of the New York Stock Exchange (NYSE) listing

- **100% North American NYSE-listed company**, positioned to take advantage of a potential infrastructure super cycle in the US
- Potential catalyst for value disclosure in CemArgos and Grupo Argos share price
- Argos USA generates ~USD 330 mm of EBITDA (2021e) and has significant future growth prospects due to the good dynamics of the sector

Current Value of CemArgos (USD mm)	
+ Market Cap (3/12/21)	2,111
+ Net Debt & int. min	1,873
- Portfolio (Sura to market)	180
EV (Cement)	3,804
EBITDA ('21e)	584
EV / EBITDA	6.5x

1. Average EV/EBITDA (LTM) of comparable US companies: Eagle (12.5x) and Summit (11.1x). Other building materials benchmarks not included in the average are M. Marietta (19.1x) and Vulcan (21.7x) with mainly aggregate operations. (date = Dec 21)

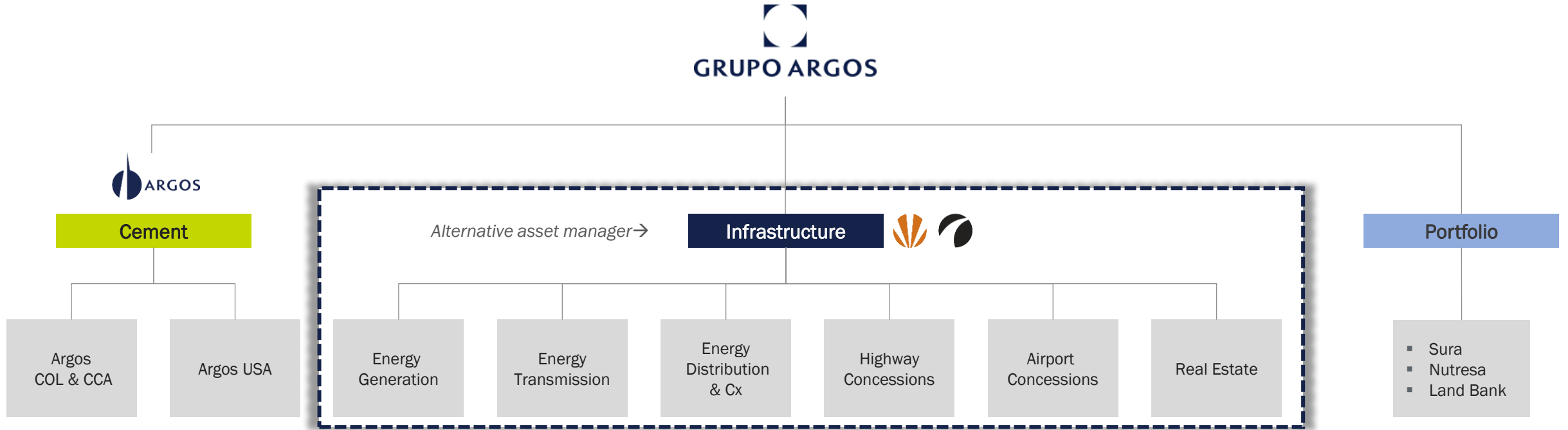
2. Infrastructure asset consolidation under a vehicle and NYSE listing (1/2)



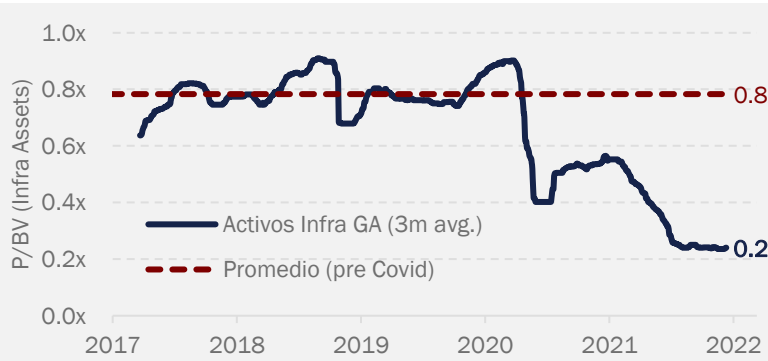
2 Characteristics of the new vehicle that consolidates energy operations, transportation infrastructure, and real estate rentals

- a** Focus on long-term infrastructure investments with stable and predictable cash flows
- b** Structural optimization to maximize operational, tax and capital structure efficiencies
- c** Operational staff with technical know-how will bring their expertise to bear on the funds
- d** Specialized verticals by business type to attract various sources of capital
- e** Investors compensate management of the new vehicle with:
 - 1. Management fee
 - 2. Performance Fee

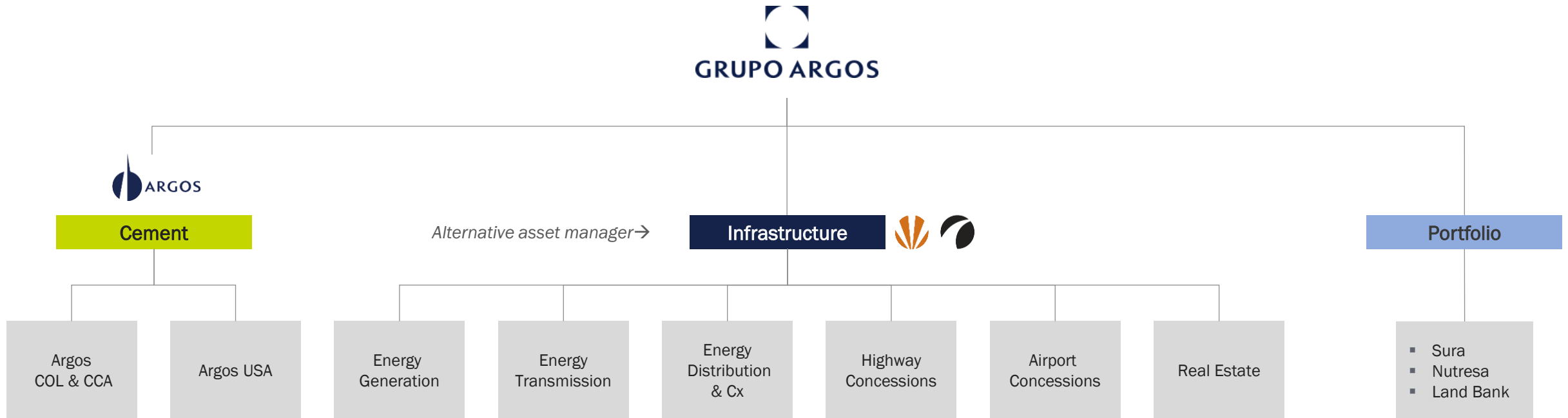
2. Infrastructure asset consolidation under a vehicle and NYSE listing (2/2)



- When considering Grupo Argos's price per share, it can be seen that the market is assigning an implicit value to infrastructure assets of 0.2x their book value by subtracting CemArgos's market value and the portfolio's market value and book value.
- Comparable infrastructure asset managers trade at over 2.4x their book value (+900%)



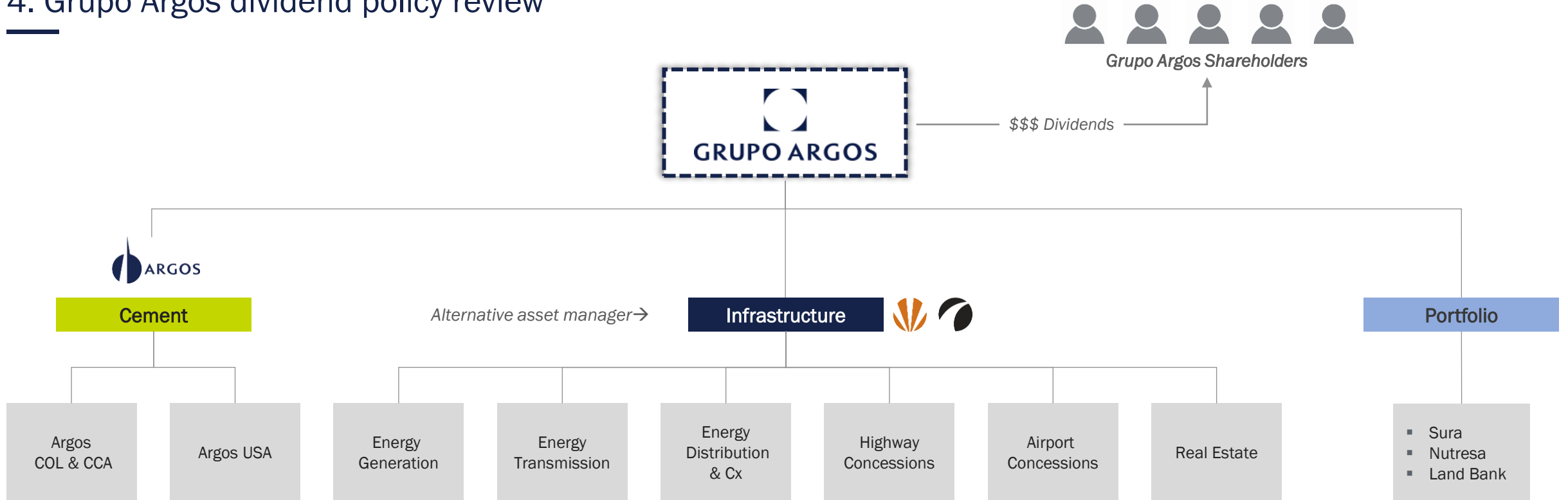
3. Strategic partner involvement



3 Strategic partner characteristics

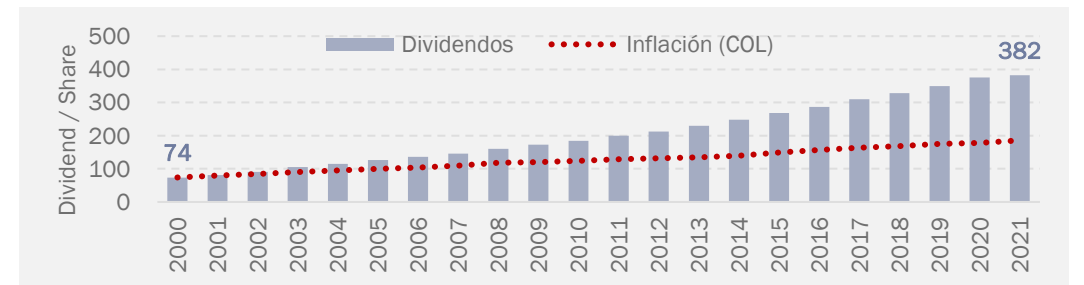
- I. In an open and competitive process, a **potential partner will recognize a value close to the business fundamental**, and the mechanism will benefit all Grupo Argos's shareholders
- II. Its purpose is aligned with Grupo Argos's long-term vision and it has proven experience of balanced stakeholder management, to make sure the organization continues making positive contributions to its shareholders, employees, suppliers, customers, and to the country at large

4. Grupo Argos dividend policy review

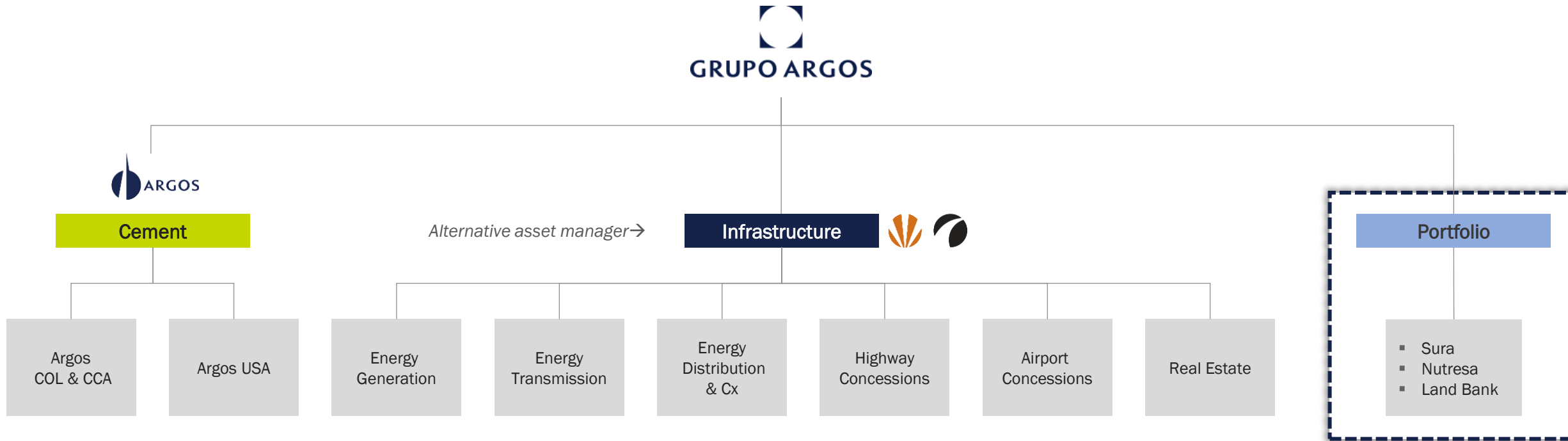


4 Reward shareholders with dividends aligned with the good results achieved in 2021 and a positive outlook for the future

- Investors perceive the economic value generated in 2 ways: i) Increased share value, ii) **Dividends**
- Although the company has increased dividends per share at an annual rate of 8.2% over the past 20 years, the Board of Directors determined that, given the good results achieved, it will review the dividend policy to accelerate the **transfer of economic value to Grupo Argos' shareholders**



5. Efforts to close gaps between the fundamental value and market price of portfolio assets

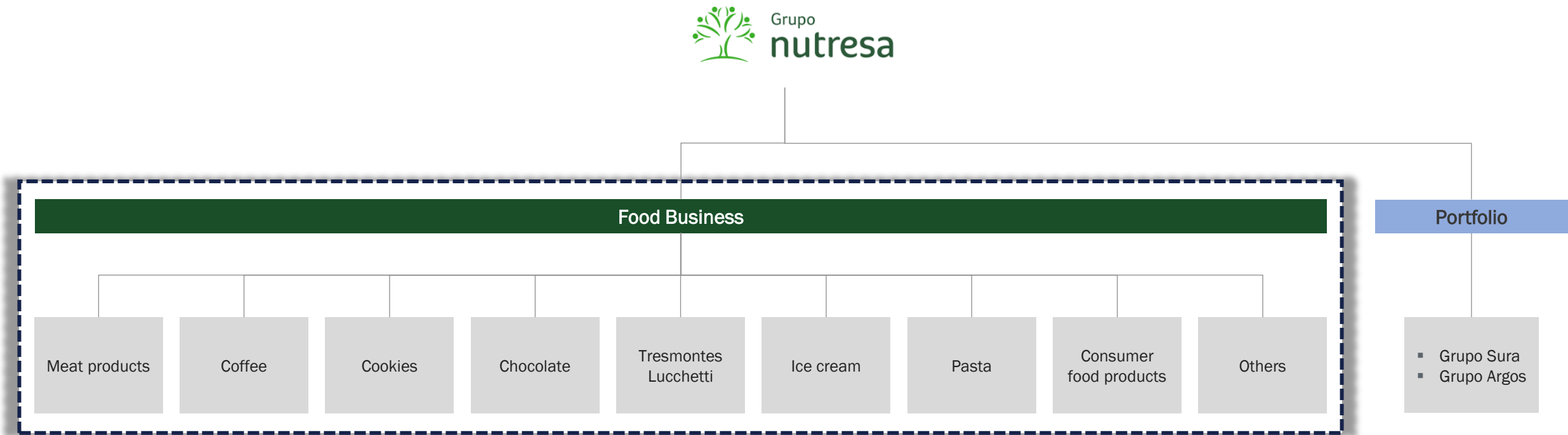


5 Closing gaps between the fundamental value and market price of portfolio assets

- **Strategy:** Respectfully promote, subject to the governance bodies of each organization in which Grupo Argos has portfolio investments, initiatives aimed at closing gaps between the fundamental value of their business and what is reflected by the stock market, using mechanisms that will benefit all these companies' stakeholders
- **Value:** Portfolio assets currently have a market value of **COP 7.5 trillion¹**, significantly less than their fundamental value.

1. Main portfolio assets: Grupo Sura \$3.9 tn (stock market px), Nutresa \$1.3 tn (stock market px) and land portfolio \$2.4 tn (independent third party appraisal)

5. Initiatives at Grupo Nutresa

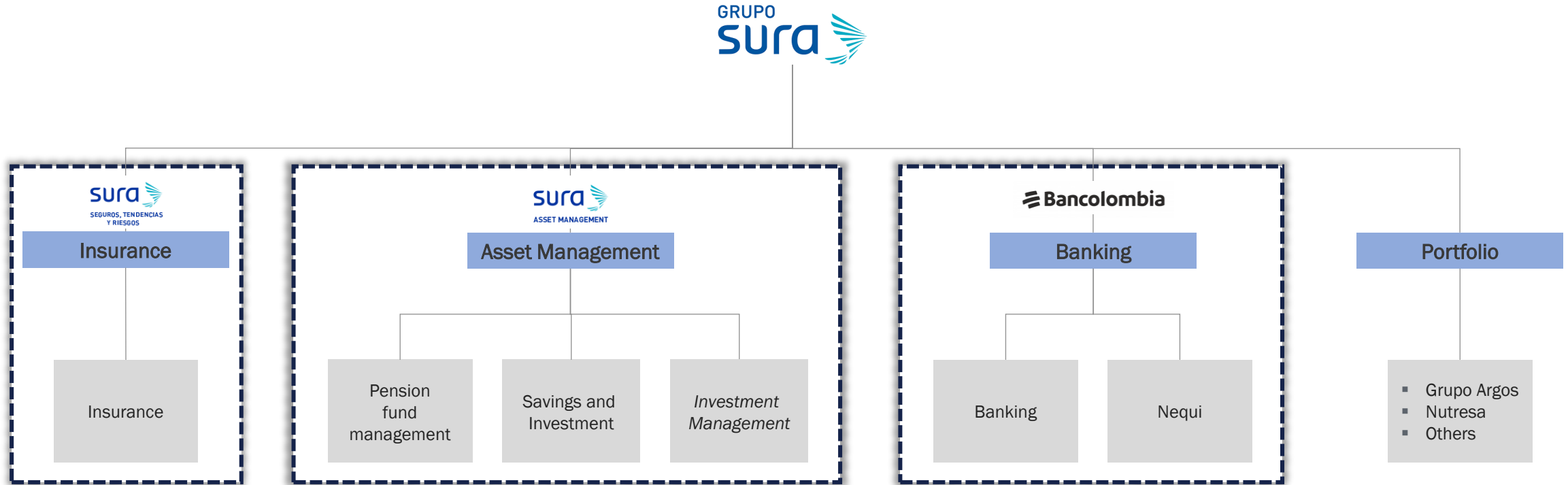


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Initiatives at Grupo Nutresa

1. Evaluate the **involvement of strategic partners** that can add value to the company, its shareholders, and other stakeholder groups, and who are aligned with the organization's purposes and objectives
2. Listing of the company in a more efficient market
3. **Dividend** policy review

5. Initiatives at Grupo Sura

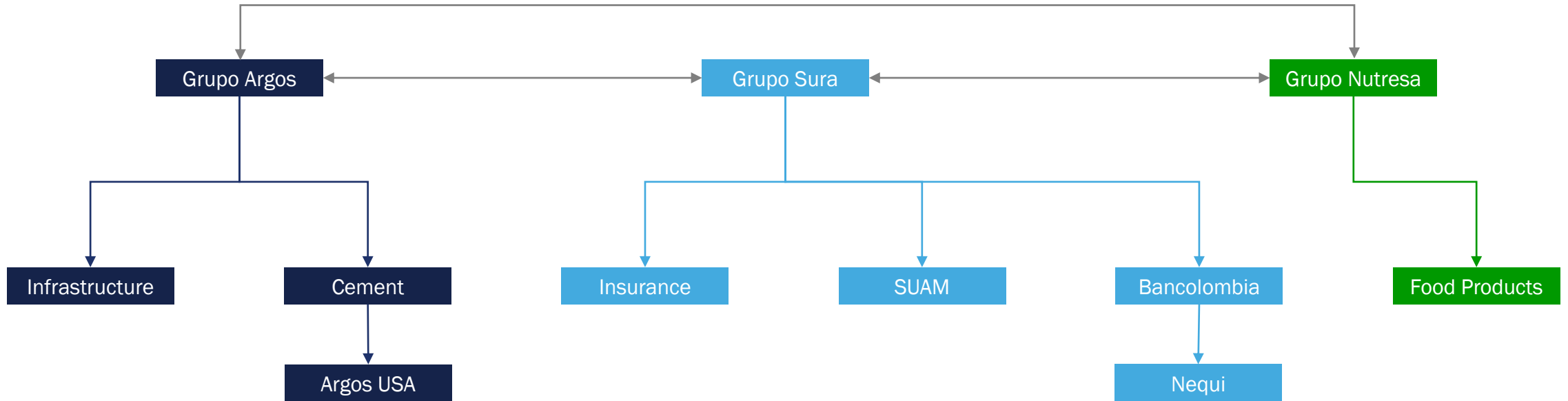


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Initiatives at Grupo Sura

1. Implementation of mechanisms for disclosing fundamental value to shareholders, considering alternatives such as **international stock exchanges listings and/or involving strategic partners** in the company or in its insurance and asset management businesses
2. **Increase shareholder returns** with an appropriate balance between investment for growth, **debt reduction**, and a **dividend policy**.
3. Promote mechanisms that will enable ongoing consolidation of **operational efficiencies and digitalization of its businesses** achieved in recent years, to maximize shareholder returns on investment.

Grupo Argos Business Architecture and Portfolio Investments



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Summarized Initiatives

1. List shares on more liquid and efficient markets
2. Review dividend policies in shareholders' favor
3. Involve strategic partners to increase value generation, acknowledge fundamental value and transfer this value to all shareholders