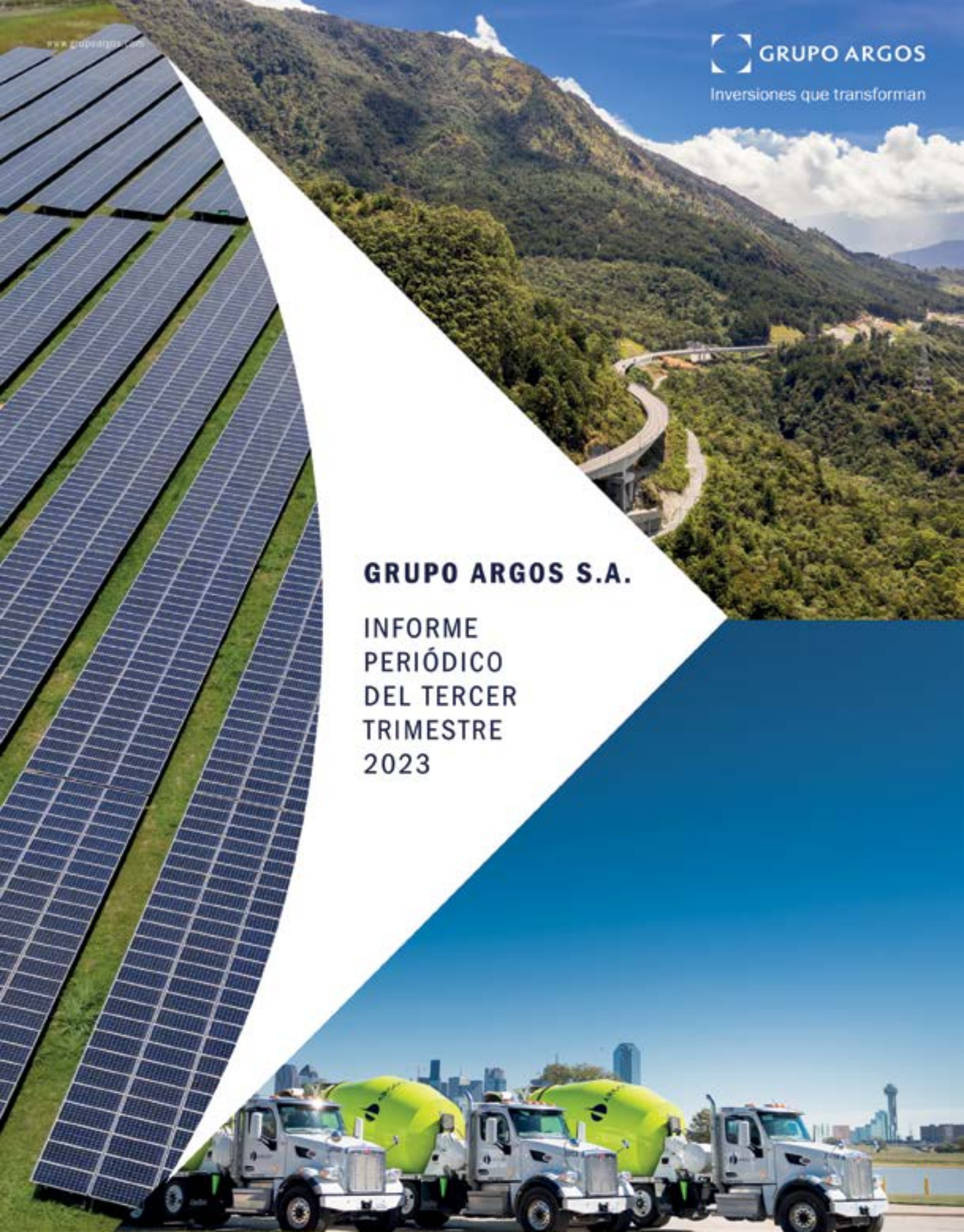


GRUPO ARGOS S.A.

INFORME
PERIÓDICO
DEL TERCER
TRIMESTRE
2023



1. Basic issuer identification and description of current issues

Grupo Argos S.A.

Medellín - Carrera 43B No. 1A - Sur 128, Edificio Santillana, Torre Sur, Piso 2

If you wish to learn more about Grupo Argos, please access the company's Integrated Report via this link:

<https://files.grupoargos.com/uploads-grupo-argos/grupo-argos-sostenibilidad-reporteintegrado2022.pdf>

Description of issues current on September 30, 2023

Bonds:

Type of security	Negotiating scheme	Stock exchanges where securities are listed	Amount of the issue in Colombian pesos	Amount placed in Colombian Pesos	Outstanding balance to be placed
Bonds Placement date: 28/08/2019	Stock Exchange	Bolsa de Valores de Colombia	\$157,965,000,000	\$157,965,000,000	-
Bonds Placement date: 28/08/2019	Stock Exchange	Bolsa de Valores de Colombia	\$168,535,000,000	\$168,535,000,000	-
Bonds Placement date: 28/10/2020	Stock Exchange	Bolsa de Valores de Colombia	\$136,500,000,000	\$136,500,000,000	-
Bonds Placement date: 10/09/2014	Stock Exchange	Bolsa de Valores de Colombia	\$137,318,000,000	\$134,818,000,000(*)	-
Bonds Placement date 10/09/2014	Stock Exchange	Bolsa de Valores de Colombia	\$390,104,000,000	\$390,104,000,000	-

(*) A 2.5 billion stock buyback program was implemented in In 2022.

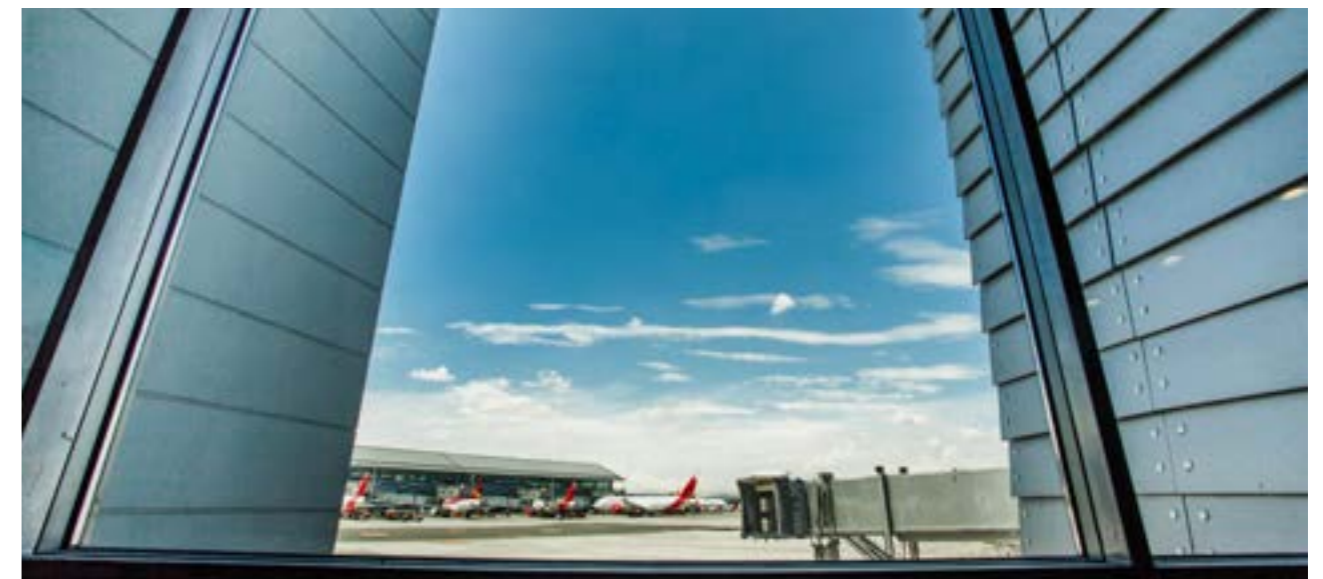
Shares:

Type of security	Negotiating scheme	Stock exchanges where securities are listed	Number of subscribed shares	Amount placed in Colombian Pesos
Ordinary shares	Stock Exchange	Bolsa de Valores de Colombia	663,331,535	-
Shares with preferential dividend and no voting rights	Stock Exchange	Bolsa de Valores de Colombia	211,827,180	-

*As of September 30, 2023, outstanding common shares were 654,884,280, given that 8,447,255 were held as bought back common shares. Additionally, outstanding shares with preferential dividends and no voting rights were 211,259,084, considering 568,096 preferential shares bought back.

2. Table of Contents

	Topics	Page
1.	Basic issuer identification and description of current issues	2
2.	Table of Contents	3
3.	Glossary	4
4.	Content of the periodic quarterly report	5
4.1.	First part - Financial position	5
4.1.1.	Financial Statements - Third Quarter 2023	5
4.1.2.	Material changes in the financial statements between September 30, 2023 and the date of issue of this report	5
4.1.3.	Analysis of operating results and financial position for the third quarter of 2023	6
4.1.3.1	Main changes in financial position	6
4.1.3.2	Main changes in operating results	8
4.1.4	Quantitative and qualitative market risk analysis	11
4.2.	Second part - Additional Information	12
4.2.1.	Material changes in risks to which issuer is exposed during the third quarter of 2023	12
4.2.2.	Changes in corporate governance	12
5.	Annex 1 - Condensed Separated Financial Statements as of September 30, 2023 certified by the Statutory Auditor	13
6.	Annex 2 - Condensed Consolidated Financial Statements as of September 30, 2023 certified by the Statutory Auditor	117



El Dorado Airport
Bogota, Colombia

3. Glossary

- » **Directors:** Members of the Board of Directors and legal representatives of Grupo Argos S.A.
- » **Senior Management:** Grupo Argos's CEO and C-Suite.
- » **Cost of Capital:** The cost incurred by a company to fund its investment projects using its own financial resources.
- » **Zero Coupon Curve:** A curve that relates spot interest rates with their maturity; it indicates the returns the market would demand during each term for a risk-free asset.
- » **Derivative:** A financial product the value of which depends on the evolution of the price of another asset, which is called the underlying asset. Underlying assets may include stock indexes, stocks, fixed income securities, currencies, commodities, interest rates, among others.
- » **Ebitda:** A financial indicator (an acronym for Earnings Before Interest Taxes Depreciation and Amortization) that shows a company's profit before subtracting expenses related to interest, taxes, depreciation and amortization.
- » **Subsidiaries:** Companies whose decision-making power is directly subject to the will of Grupo Argos S.A. as parent company. Specifically, this term refers to Cementos Argos S.A. ("Cementos Argos"), Celsia S.A. ("Celsia"), Odinsa S.A. ("Odinsa") and Sator S.A.S. ("Sator").
- » **"El Niño" phenomenon:** The El Niño phenomenon is a naturally occurring weather pattern in the tropical Pacific Ocean that brings warmer than average sea surface temperatures and greatly influences the global climate. It occurs every two to seven years with varying intensity, and the waters of the eastern Pacific can be up to 4 degrees Celsius warmer than normal.
- » **The Group or Grupo Empresarial Argos:** Refers to the business group formed by Grupo Argos S.A. in its capacity as parent company and its subordinates, as registered with the Chamber of Commerce of Medellín for Antioquia.
- » **Holding:** A Holding is an economic organization that controls a series of companies that ensure control of the different factors of a marketplace.
- » **ORI:** Includes all income statement items (income and expenses) not recognized by the income statement as permitted by IFRS.
- » **Risk:** For a company, a risk is the possibility that a future uncertain event beyond the control of the parties and that generates damage may take place.
- » **Residual risk:** Residual risk is the risk that remains after all efforts have been made to identify and eliminate the risk (i.e., its mitigation controls).
- » **Fair value:** According to IFRS, fair value is the price that would be received for selling an asset or paid for transferring a liability in an orderly transaction between arms length participants at the measurement date.

4. Content of the periodic quarterly report

This report was prepared in compliance with the regulatory provisions contained in Decree 151 from February 10, 2021 issued by the Ministry of Finance and Public Credit and in External Circular Letter 012 from May 27, 2022 issued by the Colombian Financial Superintendent.

4.1. First part - Financial position

4.1.1. Financial Statements - Third Quarter 2023

See Annex 1 - Condensed Separated Financial Statements as of September 30, 2023 certified by the Statutory Auditor.

See Annex 2 - Condensed Consolidated Financial Statements as of September 30, 2023 certified by the Statutory Auditor.

4.1.2. Material changes in the financial statements between September 30, 2023 and the date of issue of this report

As of the closing date of the 3Q2023 financial statements and until the publication date of this report, no events have taken place that would imply changes in the information reported.



Wind Farm
Guanacaste, Costa Rica



Comayagua Plant Cementos Argos
Honduras

4.1.3. Analysis of operating results and financial position for the third quarter of 2023

4.1.3.1 Main changes in financial position

The following are the most important changes regarding the consolidated financial position:

- » Current assets were COP 12.6 trillion and non-current assets COP 39.7 trillion, for total assets of COP 52.3 trillion, a reduction of 8% compared to the end of 2022, due mainly to the sale of a share in Opain S.A. and Corporación Quiport S.A. to Macquarie Asset Management to create the Airport Vertical, which required deconsolidation of airport assets. However, 50% of the investment in this vertical was incorporated. Additionally, reductions in exchange rate at the end of September 2023 compared to December 2022 resulted in a reduced value of assets held overseas.
- » At the end of September 2023, other current financial assets reflected a reduction of COP 547.19 billion, mainly due to the cancellation of short-term deposit certificates and the opening of new long-term deposit certificates during the year, to take advantage of current market rates in line with our treasury management strategy.
- » There was also a reduction of COP 1,596,193 million in other non-current financial assets compared to the end of 2022, due to the reclassification of the investment in Grupo Nutresa S.A. (Grupo Nutresa) to non-current assets for sale, the value of which as of December 2022 was COP 2,013,348 million. The above by virtue of the swap obligation related to this investment, subject to the provisions of the Framework Agreement (Framework Agreement) signed between Grupo Argos S.A. (Grupo Argos), JGDB Holding S.A.S. (JGDB), Nugil S.A.S. (Nugil), International Capital Holding L.L.C. (IHC), Grupo Nutresa, and Grupo de Inversiones Suramericana S.A. (Grupo Sura), which contains the terms of the swap of Grupo Argos' share in Grupo Nutresa's food business, aimed at JGDB, IHC and Nugil as the majority and controlling shareholders of Grupo Nutresa's food business. The Framework Agreement states that the company will receive shares of Grupo Sura and a share in the share portfolio of of Grupo Nutresa - made up of ordinary shares of Grupo Argos and Grupo Sura - in exchange. Additionally, the other non-current financial assets account increased COP 417,156 as a result of the creation of long-term deposit certificates (TDCs).
- » Property, plant and equipment, net, showed a reduction

of COP 911.27 billion, mainly due to currency translation given a reduced exchange rate resulting from the revaluation of the peso against the dollar.

- » Current liabilities were COP 9.2 trillion and non-current liabilities COP 13.8 trillion resulting in total liabilities of COP 23 trillion, a 7.8% reduction compared to the previous year, resulting mainly from the deconsolidation of airport assets.
- » Trade and other accounts payable had a net increase of COP 662.95 billion, mainly associated with the booking of the dividend decreed at the Shareholders' Meetings of the Parent Company and its subsidiaries in March 2023, and an additional dividend decreed by Cementos Argos S.A and Odinsa S.A., subsidiaries of Grupo Argos S.A, in June 2023 and August 2023, respectively.
- » In the first quarter of 2023, Celsia Colombia S.A. E.S.P., a subsidiary of Celsia S.A., issued and placed the first tranche of ordinary bonds on the Secondary Market for COP 242.50 billion, under the bond issue and placement program approved by the Colombian Financial Superintendent in December 2022.
- » Financial obligations had a net increase of COP 65.2 billion, including a new loan taken out by Grupo Argos S.A. with Sumitomo Mitsui Bank, and new loans received by Cementos Argos S.A and subsidiaries and Celsia S.A. and subsidiaries. Celsia Colombia S.A. E.S.P. also made a payment to the loan held with Banco Davivienda using resources obtained from the issue of ordinary bonds in January 2023.
- » Equity was COP 29.3 trillion, decreasing 8.4% compared to December 2022, mainly resulting from: (i) COP 28.1 billion buyback of ordinary and preferential shares, and (ii) a COP 499.57 billion dividend.
- » Additionally, as regards the financial information presented at the end of the third quarter of 2022, over a twelve-month period, current assets increased by COP 2.6 trillion and non-current assets decreased by COP 4.1 trillion, for a net reduction of COP 1.5 trillion in total assets. Similarly, total liabilities increased COP 0.3 trillion, COP 0.8 trillion of which correspond to an increase in current liabilities and COP 0.5 trillion to an increase in non-current liabilities. During this same period, equity decreased COP 1.2 trillion.

Considering the explanations given regarding the Consolidated Statement of Financial Position, the following are the main variations in Grupo Argos S.A's separated Statement of Financial Position:

- » Current assets were COP 3.5 trillion and non-current

assets COP 17 trillion, for total assets of COP 20.5 trillion, a 2.2% reduction compared to the end of 2022.

- » Current liabilities were COP 0.7 trillion and non-current liabilities COP 2 trillion resulting in total liabilities of COP 2.7 trillion, a 16.8% increase compared to the previous year.
- » Equity was COP 17.8 trillion, decreasing 4.5% compared to December 2022.



Pacifico 2
Antioquia, Colombia

4.1.3.1 Main changes in operating results

- » The following are the main changes in consolidated operating results for the third quarter of 2023:

Consolidated revenue

- » Revenue was COP 4.8 trillion during the period, a reduction of 4.8% compared to 3Q2022.
- » Revenue from the cement business decreased slightly during the quarter. However, this reduction is mainly explained by a reduced equity method associated with Grupo Sura.

Millions of COP	3Q2023	3Q2022	Var YOY	Sep-23	Sep-22	Var YOY
Revenue from operating activities	4,844,339	5,088,106	-4.8%	16,981,637	15,599,902	8.9%
Revenue from sales of goods and services	4,669,625	4,756,508	-1.8%	15,323,378	13,577,837	12.9%
Revenue from financial activity	4,783	1,928	148.1%	988,365	1,160,758	-14.9%
Revenue from real estate business	75,539	142,535	-47.0%	466,799	533,121	-12.4%
Equity method, net	163,718	260,996	-37.3%	433,359	543,971	-20.3%
Sales returns and discounts	-69,326	-73,861	6.1%	-230,264	-215,785	-6.7%

Consolidated Costs and Expenses

- » Reduced costs of sales of goods and services for the period (-5.7% YOY) is evidence of cost stabilizations in operational businesses.

Millions of COP	3Q2023	3Q2022	Var YOY	Sep-23	Sep-22	Var YOY
Cost of ordinary activities	3,464,541	3,673,290	-5.7%	11,975,914	11,563,783	3.6%
Cost of goods and services sold	3,130,545	3,268,887	-4.2%	10,415,477	9,312,563	11.8%
Depreciation and amortization	282,270	379,859	-25.7%	896,918	1,116,893	-19.7%
Cost of sales - Financial act.	0	0		569,751	1,044,922	-45.5%
Cost of sales - Real estate	51,726	24,544	110.7%	93,768	89,405	4.9%
Structural expenses	452,323	468,438	-3.4%	1,599,540	1,446,224	10.6%
Administrative expenses	346,426	349,612	-0.9%	1,257,505	1,093,053	15.0%
D&A - administrative	25,719	35,410	-27.4%	81,439	106,979	-23.9%
Sales	68,348	71,223	-4.0%	222,356	212,002	4.9%
D&A - Sales	11,830	12,193	-3.0%	38,240	34,190	11.8%

Other Consolidated Revenue, Expenditures

Millions of COP	3Q2023	3Q2022	Var YOY	Sep-23	Sep-22	Var YOY
Other revenue and expenditures	35,458	-104,664	133.9%	-28,926	28,164	-202.7%
Other revenue	30,688	38,058	-19.4%	106,073	234,145	-54.7%
Other expenditures	4,770	-142,722	103.3%	-134,999	-205,981	34.5%



Roberta Plant Cementos Argos United States

Consolidated EBITDA

- » EBITDA for the quarter remained stable, reaching COP 1.28 trillion, given the good operating results of the businesses.

Non-operating revenue and expenditures

- » Financial expenses at the end of the quarter increased 23% compared to the same period the previous year as a result of higher financial expenses associated with increased interest rates.

Millions of COP	3Q2023	3Q2022	Var YOY	Sep-23	Sep-22	Var YOY
Non-operating revenue and expenditures	-467,293	-326,635	-43.1%	-1,499,072	-965,602	-55.2%
Financial, net	-454,073	-369,258	-23.0%	-1,385,296	-991,945	-39.7%
Exchange difference, net	-13,220	42,623	-131.0%	-113,776	26,343	-531.9%

Net Income Consolidated

- » Net income for the quarter increased 13% compared to the previous year, ending September at COP 367 billion. Cumulative net income to the controlling interest ended the year at COP 190 billion, a reduction of 1% compared to September 2022.

Summary Consolidated Grupo Argos financial results

Millions of COP	3Q2023	3Q2022	Var YOY	Sep-23	Sep-22	Var YOY
Revenue from operating activities	4,844,339	5,088,106	-4.8%	16,981,637	15,599,902	8.9%
Ebitda	1,282,752	1,269,176	1.1%	4,393,854	3,876,121	13.4%
<i>Ebitda Margin</i>	26.5%	24.9%		25.9%	24.8%	
Net Income	367,368	326,130	12.6%	1,395,870	1,052,176	32.7%
Controlling interest	189,772	191,976	-1.1%	908,270	582,817	55.8%

Separated Revenue

- » Revenue for the third quarter of 2023 grew 62% compared to the same period the previous year due to increased contributions from the real estate business and revenue via the equity method.

Millions of COP	3Q2023	3Q2022	Var YOY	Sep-23	Sep-22	Var YOY
Revenue from ordinary activities	269,786	166,310	62.2%	1,253,983	623,073	101.3%
Revenue from financial activity	0	0		498,345	142,454	249.8%
Revenue from real estate business	75,740	35,219	115.1%	238,458	200,306	19.0%
Profit net via equity method	194,046	131,091	48.0%	517,180	280,313	84.5%

*Revenue recognized by Grupo Argos in the P&L for the real estate business mainly includes: Sale of urbanized lots, distribution of returns, valuation of the unit of FCP Pactia, and lot valuation.

Separated Costs & Expenses

- » The cost of ordinary activities in the third quarter of 2023 closed at COP 51.72 billion, an increase of 115% compared to the same period the previous year, explained mainly by the costs associated with the sale of lots during the quarter.
- » Operating expenses for the quarter closed at COP 46.88 billion, a 62% increase resulting from non-recurring expenses

Millions of COP	3Q2023	3Q2022	Var YOY	Sep-23	Sep-22	Var YOY
Cost of ordinary activities	51,725	24,046	115.1%	184,893	61,297	201.6%
Cost of sales of financial activity	0	0	-	91,327	0	-
Cost of sales - Real estate	51,725	24,046	115.1%	93,566	61,297	52.6%
Operating expenses	46,886	28,901	62.2%	128,667	130,543	-1.4%
Administrative expenses	45,545	23,980	89.9%	125,496	115,976	8.2%
D&A - administrative	686	4,421	-84.5%	1,875	13,259	-85.9%
Sales	655	500	31.0%	1,296	1,308	-0.9%

Other Operating Revenue, Expenses

Millions of COP	3Q2023	3Q2022	Var YOY	Sep-23	Sep-22	Var YOY
Other revenue and expenditures	-4,871	-4,542	-7.2%	-12,019	-7,200	-66.9%
Other revenue	-38	599	-106.3%	1,283	1,748	-26.6%
Other expenditures	-4,833	-5,141	6.0%	-13,302	-8,948	-48.7%

Millions of COP	3Q2023	3Q2022	Var YOY	Sep-23	Sep-22	Var YOY
Non-operating revenue and expenditures	-22,105	-28,951	23.6%	-69,519	-81,910	15.1%
Financial, net	-31,583	-29,161	-8.3%	-73,410	-81,781	10.2%
Exchange difference, net	9,478	210	4,413.3%	3,891	-129	3,116.3%

Net Income

- » Net income for the period was COP 118 billion. Highlights include contributions from the real estate business related to the sale of lots, and an increased equity method from the investment in Cementos Argos S.A.

Summary separated Grupo Argos financial results

Millions of COP	3Q2023	3Q2022	Var YOY	Sep-23	Sep-22	Var YOY
Revenue from ordinary activities	269,786	166,310	62.2%	1,253,983	623,073	101.3%
Ebitda	166,990	113,242	47.5%	930,279	437,292	112.7%
<i>Ebitda Margin</i>	61.9%	68.1%		74.2%	70.2%	
Net Income (loss)	118,489	82,639	43.4%	822,039	336,782	144.1%
<i>Net Margin</i>	43.9%	49.7%		65.6%	54.1%	

4.1.4. Quantitative and qualitative market risk analysis

Indebtedness:

The balance of debt at the end of the third quarter decreased COP 23.5 billion compared to the second quarter of 2023, due to the maturity of a simultaneous operation performed on June 2023 with a 31 day maturity.

Hedging:

At the end of the quarter, Grupo Argos had COP 200 billion in CPI swaps at an average rate of 7.9% E.A. (Grupo Argos pays at a fixed rate).

During the quarter, the company maintained temporary investments with a nominal value of COP 445 billion and a rate of return that was higher than the company's average cost of debt. These investments operate as a natural hedge against increased CPI and IBR. During the third quarter, Grupo Argos also has USD 106 million in temporary investments at

a fixed rate of 5.7% with a maturity of one year.

Sensitivity:

CPI: A 1% increase in CPI causes a quarterly increase of COP 2.21 billion in gross financial expenditure, however, with hedging, net financial expenditure would only increase by COP 1.34 billion.

IBR: A 1% increase in IBR causes a quarterly increase of COP 1.56 billion in gross financial expenditure and COP 1.21 billion in net financial expenditure.

USD: A 1% increase in the official exchange rate causes a COP 4.19 billion increase in the value of investments in foreign currency as a result of exchange rate differences..



Celsia Solar La Paila.
Zarzal, Valle del Cauca

4.2. Second part - Additional Information

4.2.1. Material changes in risks to which issuer is exposed during the third quarter of 2023

No relevant changes were identified in risks to which Grupo Argos is exposed, in both its separated and consolidated position, during the third quarter of 2023.

mostly covered.

Cementos Argos S.A.

<https://ir.argos.co/servicios-al-inversionista/informacion-relevante/>

Celsia S.A.

<https://www.celsia.com/es/inversionistas/celsia/informacion-relevante/>

Odinsa S.A.

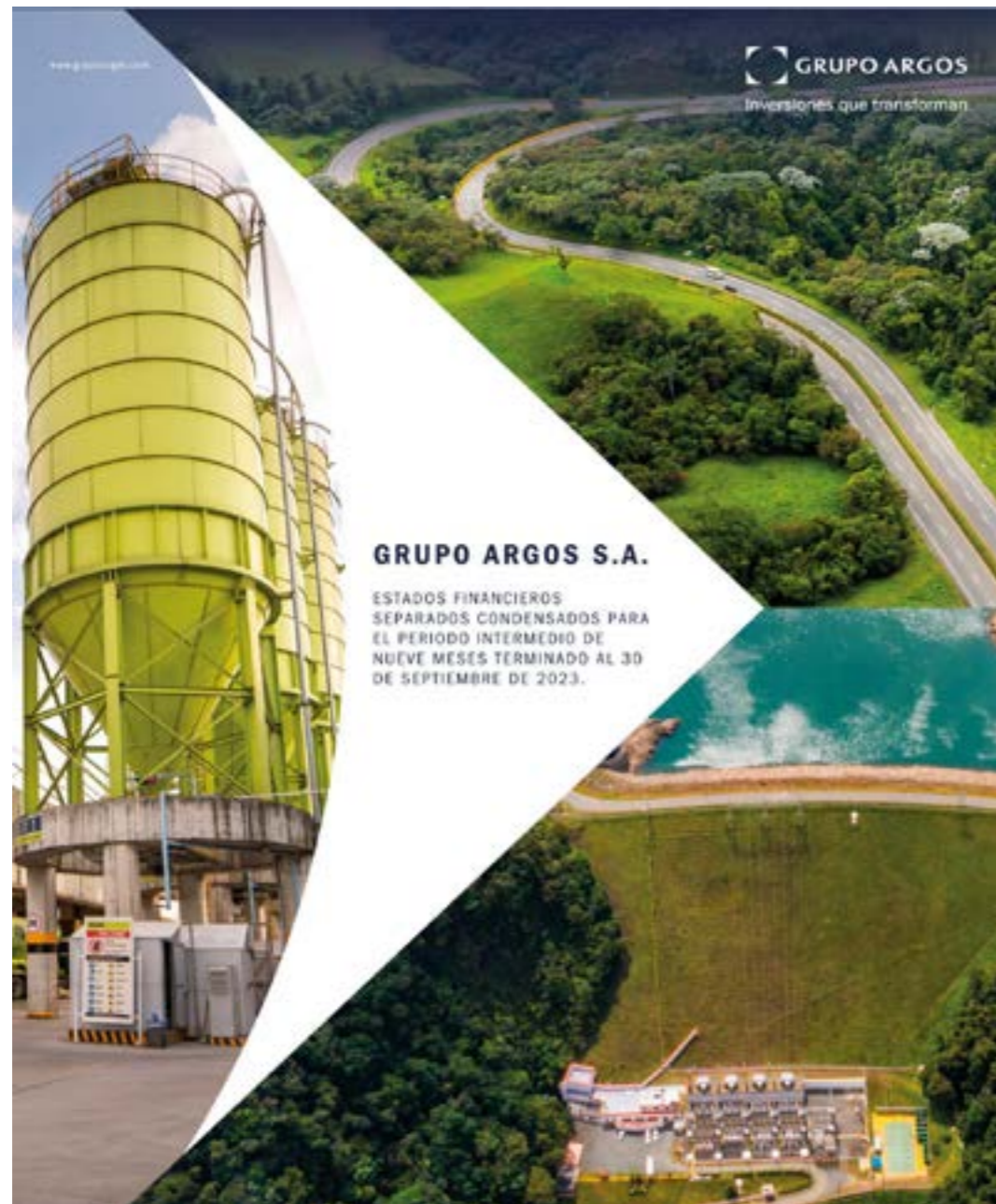
<https://www.odinsa.com/informacion-relevante/>

As regards the El Niño climate event reported in the report for the second quarter of 2023, during the third quarter certain electrical assets in the National Interconnected System have become unavailable, and reservoirs have reported less water contribution, which has brought forward conditions of scarcity in Colombia. However, we reiterate that our energy business has a diversified generation asset portfolio that will allow it to meet the firm energy obligations of its hydro and thermal assets, as well as a contracting policy that leaves it

4.2.2. Changes in corporate governance

There were no changes in corporate governance during the third quarter of 2023.

5. Annex 1 - Condensed Separated Financial Statements as of September 30, 2023 certified by the Statutory Auditor



1

Los estados financieros separados condensados y sus notas acompañantes no se encuentran auditados ni aprobados por la Asamblea General de Accionistas, la opinión sobre la razonabilidad de los mismos será emitida por el Revisor Fiscal al corte del 31 de diciembre de 2023 de acuerdo con los términos legales vigentes.

6. Annex 2 - Condensed Consolidated Financial Statements as of September 30, 2023 certified by the Statutory Auditor



Los estados financieros intermedios consolidados condensados y sus notas acompañantes no se encuentran auditados ni aprobados por la Asamblea General de Accionistas, la opinión sobre la razonabilidad de los estados financieros consolidados será emitida por el Revisor Fiscal al corte del 31 de diciembre de 2023 de acuerdo con los términos legales vigentes.